



ALEDO ISD BOARD MEETING TEMPLATE

MEETING DATE: May 17, 2022

AGENDA ITEM: Consider Participation in TASB Energy Cooperative Fixed Rate Fuel Program and Possible Fixed Rate Fuel Contract

PRESENTER: Earl Husfeld, Chief Financial Officer

BACKGROUND INFORMATION:

- District staff have recently been discussing with Texas Association of School Boards (TASB) their fixed rate fuel program.
- The TASB Energy Cooperative was created in 2008 to help governmental entities with the procurement of electricity, transportation fuels, and other types of energy products, commodities, and services.
- The TASB Energy Cooperative seeks to increase the purchasing power of governmental entities and simplify the energy procurement process. This program also helps to make a district's fuel budget more predictable during periods of instability in the fuel markets. TASB members can obtain unleaded gasoline, diesel, and propane from awarded vendors by making a spot purchase of oil that is leaving the refinery gate or by participating in the TASB fixed rate fuel program.
- Participation in this fixed rate fuel program requires the District to purchase a committed number of gallons. Therefore, we are only committing to this program 75% of the estimated fuel usage over the contract period.
- We are considering locking in prices for either a contract period of June 2022 – August 2023 or September 2022 – August 2023, whichever provides the best value for the District. As of Friday, May 6, 2022, current pricing for the June 2022 – August 2023 period was \$3.203 for gasoline and \$3.5861 for diesel and for the September 2022 – August 2023 period was \$3.0903 for gasoline and \$3.4838 for diesel. Delivery costs/fees would be in addition to these prices.
- Due to the volatile nature of pricing in the fuel market, we are asking the Board of Trustees to delegate the authority to the Superintendent to execute, or lock in, the fixed rate fuel contract for the District. The District already has an interlocal agreement in place with TASB, and the Administration will report to the Board of Trustees which contract period is chosen and why.

FISCAL INFORMATION:

The cost of fuel purchased will be paid from budgeted funds in each fiscal year.

ATTACHMENTS:

None

ADMINISTRATIVE RECOMMENDATION:

The Administration recommends the Board of Trustees authorize the Superintendent to execute a fixed rate fuel contract through the TASB Energy Cooperative that is in the best interest of Aledo ISD.