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June 14, 2019

Mr. Lee Zirk
Mr. Bill Cade
City of Broken Arrow Public Works
485 N. Poplar Ave
Broken Arrow, OK 74012

Re: Broken Arrow Municipal Authority and Covanta Tulsa Renewable Energy, LLC Municipal Solid Waste Disposal and Energy Recovery Agreement dated October 18, 2016, CPI Adjustment for 2019 -2020 Contract Year

Dear Mr. Zirk and Mr. Cade:

As described in the above captioned Agreement, specifically "Acceptance Fee" within ARTICLE III – SERVICE AND TIP FEE PAYMENTS, the Total Annual Adjustment factor shall be 0.910%, and thus the Acceptance Fee for Agreement year July 1, 2019 through June 30, 2020 is \$11.68 per ton, plus the applicable Oklahoma Department of Environmental Quality fee (currently \$1.25 per ton).

I have also included with this letter the necessary documentation from the U.S. Department of Labor - Bureau of Labor Statistics reflecting the 1.910% increase in CPI for the stated time period of December 2017 through December 2018, as well as the contract language from Section 18.3 of the TARE Agreement specifying the calculation procedure.

Once again, thank you for your continued partnership – we truly appreciate it. If you have any questions, or need any additional information regarding this matter, please do not hesitate to contact me at any time via email at pwalsh2@covanta.com or cellphone at (813) 399-1773.

Best regards,

Patrick R. Walsh
Business Manager
Covanta Tulsa Renewable Energy, LLC

Bureau of Labor Statistics

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Series Title	All items in U.S. city average, all urban consumers, not seasonally adjusted
Series ID	CUUR0000SA0
Seasonality	Not Seasonally Adjusted
Survey Name	CPI-All Urban Consumers (Current Series)
Measure Data Type	All items
Area	U.S. city average
Item	All items

Year	Period	Label	Observation Value
2017	M12	2017 Dec	246.524
2018	M01	2018 Jan	247.867
2018	M02	2018 Feb	248.991
2018	M03	2018 Mar	249.554
2018	M04	2018 Apr	250.546
2018	M05	2018 May	251.588
2018	M06	2018 Jun	251.989
2018	M07	2018 Jul	252.006
2018	M08	2018 Aug	252.146
2018	M09	2018 Sep	252.439
2018	M10	2018 Oct	252.885
2018	M11	2018 Nov	252.038
2018	M12	2018 Dec	251.233
2019	M01	2019 Jan	251.712

Contract-specific CPI calculation: $(251.233 - 246.524) / 246.524$

CPI Adjustment for 7/1/19 - 6/30/20: **1.910%**

for the duration of the term of this Agreement and a period of five (5) years following expiration and/or termination of the Agreement. If an audit, litigation or other action involving such records begins before the end of the five (5) year period, the records shall be maintained for five (5) years after the date that all issues arising out of the audit, litigation or other action are resolved or until the end of the five (5) year retention period, whichever is later.

The terms of this Section 17.3 shall survive the termination or expiration of this Agreement.

SECTION 18. PROCESSING FEES, RECOVERY FACILITY REVENUES, FEE ADJUSTMENTS SUBJECT TO AUTHORITY'S APPROVAL, INVOICING, AND PAYMENT

18.1 Processing Fees

Authority shall pay Recovery Contractor such Processing Fees, as adjusted pursuant to this Agreement, as are set forth in Appendix A to this Agreement.

18.2 Recovery Facility Revenues

Authority shall not regulate, restrict, or impair Recovery Contractor's sale of electricity, steam and Recovered Materials generated at Recovery Facility. Recovery Contractor shall receive any and all revenues from sale of electricity, steam and Recovered Materials, generated at Recovery Facility.

18.3 Annual Fee Adjustment Subject to Authority Approval

Authority and Recovery Contractor agree that Processing Fees in Appendix A shall remain fixed from the execution of this Agreement through June 30, 2013. Thereafter, effective each July 1st for the term of this Agreement, Processing Fees as established in Appendix A will be reviewed by Authority for adjustment pursuant to the terms of this Section 18.3. An adjustment calculated in accordance with the terms of this Section 18.3 will not be unreasonably withheld. The annual rate adjustment shall be based on the most recent December CPI-All Urban Consumers, Unadjusted 12 months ended June, Item: All items. The annual rate adjustment shall not exceed five percent (5.00%) per year. Any adjustment to the annual rate must be approved by Authority. In the event that the Authority does not approve a rate adjustment prior to the July 1 effective date, an adjustment approved after that date will be retroactive to July 1.

Example: Assume that the CPI-All Urban Consumers, Item: All items unadjusted index for June 2013 is 114.5 and on June 2012 it was 105.5. The calculation for the annual rate adjustment to be implemented on July 1, 2013 is as follows:

$$\frac{114.5 - 105.5}{105.5} = 8.06\%$$

and

$$\text{Total Annual Adjustment} = 5.00\%$$

Then

$$\text{Total Annual Adjustment} = 5.00\% \text{ applied to}$$