



City of Broken Arrow

Request for Action

File #: 19-829, Version: 1

**Broken Arrow Municipal Authority
Meeting of: 07-16-2019**

Title:

Approval of the Covanta Tulsa Renewable Energy tipping fee rate of \$11.68 per ton, an increase of \$0.22 per ton, plus the applicable Oklahoma Department of Environmental Quality fee

Background:

On October 18, 2016, the Broken Arrow Municipal Authority entered into a contract with Covanta Tulsa Renewable Energy (Covanta) for disposal of the City's residential solid waste. This agreement is in accordance with and subject to the provisions and pricing terms as contained in the agreement between the Tulsa Authority for Recovery of Energy (TARE) and Covanta as of May 17, 2012. On December 1, 2016 the Sanitation Division began transporting residential solid waste to Covanta.

The contract provides for annual tipping (dumping) fee cost increases based on the Consumer Price Index (CPI) for all Urban Consumers as the basis for the rate increase. The rate increase for this year is 1.91%. Attached is a letter from Covanta and the CPI index data detailing the increase. The new rates become effective July 1, 2019. The TARE Board approved the rate increase on May 28, 2019.

Currently, the tipping fee is \$11.46 per ton plus the Oklahoma Department of Environmental Quality (ODEQ) fee of \$1.25 per ton. Attached is the letter to Broken Arrow, from Covanta, in regards to the rate increase effective July 1, 2019. The new tipping fee will be \$11.68 per ton, an increase of \$ 0.22.

Cost:

\$7,920 annual increase (Based on a projected 36,000 tons of refuse to be collected and delivered to Covanta in Fiscal Year 2020)

Funding Source: Sanitation Operational Account

Requested By: Lee Zirk, General Services Director

Approved By: City Manager Office

Attachments: Annual rate adjustment letter from Covanta dated June 14, 2019

Recommendation:

Approve the Covanta Tulsa Renewable Energy tipping fee rate increase to \$11.46 per ton plus the applicable ODEQ fee of \$1.25 per ton.