



CITY OF ALVA

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MEMORANDUM

Date March 19, 2018
To: The Honorable Mayor and Council Members
From: Joe Don Dunham, City Business Manager *JDD*
Subject: Manager's Report

Acceptance of Credit/Debit Cards at City Hall: This project is fully under way and should be complete by April 2018.

Young Street Tank Farm Project: The City of Alva held the second progress meeting with Wynn Construction, DEQ and Myers Engineering to discuss the progress on the Young Street Tank Farm Project. Prior to that meeting the City was hauling dirt to the site for fill and had executed the first change order. This change order removed an additional 4'0" soil below the tank and provided for backfill with gravel. Some additional reinforcing was going to be required at the tank foundation and to accommodate this the City authorized the removal of a ladder from the interior of the tank and is going to self-perform some painting or marking of piping within the pump house. A time extension was granted commensurate with the additional work and Geotech testing. Before the next progress meeting the backfill should be complete, and the staging of the tank should have begun.

Telecom Audit: On November 28, 2017 I signed an agreement with The SpyGlass Group, LLC to perform a Telecommunications Audit. This audit was to review the City's telecommunication billing to determine if the appropriate fees were being charged. The fee for this service was on a contingency basis, if SpyGlass did not find any savings the City would not owe a fee. If savings were found the City would pay based on the recommendations implemented by the City. This fee structure is as follows

- 50% of any "Cost Recovery", cost recovery is defined as any refund, credit or compensation received by the City relating to past services or charges.
- 12 times any "Service Elimination Savings", service elimination is any monthly cost reduction received by the City relating to cancellation of any service.
- 12 times any "Cost Reduction Savings", cost reduction is any monthly cost reduction received by the City relating to the modification, consolidation or negotiation of any service, account or contract.

At the beginning of the project the City identified 5 lines which were going to be eliminated once the storm siren system was upgraded and it was agreed the City would not owe any elimination fee on these services, but if refunds in the form of over payments of taxes or fees the City would pay 50% of that portion of the service audit.

SpyGlass was able to identify up to \$1,919.79 in additional saving, above the \$2,860, the City was already going to realize. These savings should reduce the City's Telecommunications bill from approximately \$10,000 per month to approximately \$5,220 per month. The City will have paid \$19,168 to realize over \$58,000 in annual savings on telecommunications.

Water System Update: This update on the City of Alva water billing focus' on the improvements the City of Alva Utility Billing Office and the Water Department have made over the last few years. Over the past two years the City of Alva has really stepped up the efforts to reduce the line loss which we have experienced. Line loss is defined as any water which was pumped from the well field and not billed for through utility billing. Line loss can be the result of numerous different actions, i.e. water line breaks, water which is used through the fire hydrants for fires, water which was used and not metered or mis calibrated water meters.

In June 2015 the City was experiencing a line loss of approximately 24 million gallons a month. To give you an example of how much water this is during the winter months the City of Alva only bills for approximately 20 – 30 million gallons a month. We were losing as much as we were billing. Over the past two months we have been either 1.3 or 2 million gallons of line loss a month. The actions the City has done and continue to do which have an effect on this difference are as follows:

- The replacement of all water meters, with new water meters a couple of years ago.
- The implementation of Automatic Meter Reading (AMR) for water meters.
- The reduction of read time from 24 days to 5 days.
- The replacement of broken meters with new meters.
- The replacement and enhancement of water lines.
- The quick repair of water leaks.

Legislative Report: The OML Legislative Committee met on March 7th to discuss whether to support or oppose several bills that are working their way through the State legislative process now. The bills discussion are as follows:

- Dockless Bike Legislation – SB 1374 by Sen. Jason Smalley
- Bidding/Retainage – HB 2676 by Kevin West
- Counties/Property Transfer – SB 1272 by Nathan Dahm
- Counties/Deannexation Approval – SB 1259 by Sen. Nathan Dahm
- Elections – SB 1269 by Sen. Eddie Fields
- Permitless Carry – HB 2951 by Rep. Jeff Coody
- Circuit Rider Program/Inspectors Act – SB 1555 by Tom Dugger
- Occupational Licensing – SB 1475 by Sen Adam Pugh and HB 2894 by Rep. Zack Taylor

The Committee discussed each bill individually and voted to oppose each bill. The biggest reason for opposition was the limiting of local control or not providing any form of local control, but it was also felt by the Committee that some of these bills were just bad bills.

There was also discussion about the impact of SQ 788. This State Question legalizes medical marijuana if it should pass. Richard Salter, DEA and Susan Roger, Municipal Judge presented on this issue and pointed to several problems other states were experiencing due to legalized marijuana, whether medical or recreational. The other issue which the state would face if this issue passes, is the way it is written, the State of Oklahoma would have the most lenient drug laws in the nation if passed.

Since the meeting there have been some action items relating to HB 1033xx. This bill had devastating impacts on the cities sales tax revenues and it is my understanding it did not make it off the Senate Floor.

ARC Shade Structures: This project appears to be finished except for final inspection and payment.