

FOR THE INFORMATION OF THE BOARD:

CIS UPDATE

PREPARATIONS PRIOR TO JULY GO-LIVE

Go-Live for the CIS project is scheduled for July 6, 2009. The Board awarded a contract to BearingPoint to be the system integrator and selected the Oracle Customer Care and Billing (CC&B) software. A team of approximately 50 people, half from BearingPoint and half from Denver Water/Denver Wastewater have been working from rented office space in Glendale since January, 2008. Users began training on the new system two months ago and training will continue through the end of June.

Although it complicated the conversion to a large degree, it was decided to convert to monthly billing at the same time. Beginning July 6 water meters will be read monthly and customers billed monthly for their water usage. The first "monthly" bill received by a customer will be for a billing period that varies from 30 to 68 days. Subsequent bills will generally be for a 30 day billing period.

Community Relations has been working with the project to assure that customers are aware of the change and receive appropriate materials to guide them through the new bill and, hopefully, answer the most commonly asked questions. A packet of these informational materials and the new bill are enclosed.

Preparations and testing prior to Go-Live have been extensive and to-date there have been no failures which would lead the project sponsors to recommend delaying the cutover. Should that happen, the Board will be advised immediately and the cutover rescheduled, probably to September 8. Following is a list of items that have been or will be tested:

Items that have been tested

- Read new monthly meter reading cycles
- Reviewed all meter reading exceptions and run billing on 6 full cycles
- Reviewed all billing exceptions
- Printed 3000 bills from one cycle and printed another full cycle
- Performed bill validation with USPS and hand checked each bill
- Tested all interfaces
- Daily Payments processing and balancing
- Full financial balancing
- Tested all rates
- Credit and collections and severance processing
- Transfer of service process
- Sewer Lien process

Items remaining to be tested

- Some Operational reports
- 2 payment interfaces had minor problems, we are retesting these items
- Minor group account processes
- Additional Credit and collections/severance testing through go-live
- All steps required during the go-live window – we will test the go-live/cutover process twice before the July 4 weekend. This will include more meter reading and billing testing to truly mimic the go-live process.

Some customers will notice differences in the procedures Denver Water follows during and after the change to the new CC&B product. It was decided to adopt the "standard" software as much as possible rather than modify it to reflect Denver Water's current business practices. This was done so that product revisions can be adopted more easily and with less chance of custom modifications being missed. Examples of changes some customers may notice include:

Delinquent Turn-Offs will stop on June 23. Customers turned off prior to that date will have service restored when payment is received. Delinquent turn-offs will resume on October 20 when the first of the new billing cycles becomes eligible to have delinquent customers. In the interim, Customer Care will attempt to call customers who have taken advantage of the suspension of turn-offs and stopped paying their water bills. They will remind the customers that delinquent funds will be due on October 20 and that the sums may be large as multiple summer bills will have been received. Customers will be encouraged to make monthly payments. Customers will be eligible for turn-off on October 20 if they have not made a payment in 70 days and owe Denver Water more than \$250. The new system will allow us to make immediate changes in the turn-off criteria if necessary. The same type of notification procedures for delinquent customers will still be in place with the new system. Customers will receive two notices on subsequent bills that a payment was not received and late charges have been added. The customer will then receive a notice that service will be suspended if payment is not received by a certain date. If we have the customer's telephone number, a call will also be made to remind the customer that the shut-off is imminent. New taps will not be made between June 29 and July 8. Customers in Sales Administration will be notified of this blackout period so they can plan to have water services installed earlier if necessary.

The last meter reading under the old system will take place on June 29. This will allow time for the bills to be sent using the old software.

Currently funds received are applied first to the water account and any remaining funds are applied to the wastewater account. The CC&B system will apply funds to the oldest account that remains unpaid. This is an advantage to Denver Wastewater in that they will generally receive funds earlier than in the past. Denver Water will still receive all the funds due for water service, but not quite as soon. There are a small number of customers that regularly request that funds be transferred from their water account to their sewer account to prevent a turn-off by Denver Water or a lien against the property by Denver Wastewater. With the new system there will be a charge to transfer funds from one account to another.

Respectfully submitted,


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INITIATED BY:


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