

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: May 12, 2010

Board Item: V-E-2

**WATER COMPANY OF AMERICA FOR ANALYSIS  
OF CONSUMPTION AND BILLING RECORDS  
CONTRACT# 13055A**

Action by Consent

Action

Information

The Water Company of America (WCA) assists utilities in discovering unbilled and misbilled services by conducting audits of billing records. The Company has developed proprietary software, which, coupled with actual field investigation of sites identified during the audit, allows utilities to identify and thus correctly bill customers, which, in turn increases revenue to the utility. WCA has conducted audits in several different states over more than 20 years. Denver Water has met with WCA over the last several years but has delayed moving forward until the new Customer Information System was available.

WCA works on a contingency basis and only benefits if errors are found that upon investigation lead to increased revenues to Denver Water. The proposed contract establishes a 50%-50% split of any increased revenues over a three year period after which no further payments to WCA are made. WCA estimates from its previous experience with water utilities that, based on the number of water only accounts, payments from Denver Water to WCA will be approximately \$1.1 million dollars spread over approximately 5 years. Since the pace of investigations and recoveries is variable, the timing and exact amount of payments to WCA is unknown. However, any payments to WCA will be matched by a corresponding increase in revenue to Denver Water. The errors discovered by WCA can range from meter equipment and installation errors, incorrect bill coding, diversion of service and other unmetered use. WCA is prepared to work with both water and sewer agencies but will work solely with Denver Water if the proposed contract is approved.

WCA will open an office in Denver and many of the employees WCA will use will be hired locally. All contact with customers will be done directly by WCA employees and any subcontractors will be for support services and pre-approved by Denver Water. The estimated time period for the investigation work is 2 years.

Recommendation:

It is recommended that the Board approve the proposed contract with Water Company of America.

**Approvals:**

Respectfully submitted,

Maive Bonsett  
Director of Public Affairs

Robert Mahoney  
Robert Mahoney, Acting Manager

Usha Sharma  
Acting Director of Finance

[Signature]  
Legal Division