Utility Cost Recoup and Reduction Programs

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(Utility Management and Conservation Association)
Utility Recoup Program: Overview

**The Old Model**
- Less competitive (higher) rents
- Budgeting challenges
- More consumption and usage

**Submeter**
- Increased NOI and/or offer more competitive rates
- Simplified budgeting
- Less consumption / greener properties

**RUBS Program**
- In-house or via 3rd party billing provider

**Collect payment**
- SDGE
- City of San Diego Public Utilities
- Water & Wastewater

**Distribute statements to residents**
- Unit 101
- Unit 103
- Unit 102

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Starting a Program – 4 Steps

1. Understand local rules and regulations
2. Install infrastructure (and/or create a RUBS program)
3. Build internal processes or select a 3rd party billing provider
4. Update lease agreements
1. Understand Local Rules and Regulations

• No federal laws; all by state and local entities

• Common regulatory bodies
  – Municipalities: Ordinances related to water or other utilities
    • State weights and measures laws (mainly in reference to submeters)
  – Public Utility Commissions (PUCs)
  – Utilities (utility rules are called tariffs)
  – State real estate departments (landlord and tenant laws)
2. Install Infrastructure (and/or create a RUBS Program)
3. Build Internal Processes or Select a 3\textsuperscript{rd} Party Billing Provider

• Primary functions:

- Manage or assist with meter installation
- Calculate monthly charges (read meters, RUBS allocations)
- Prepare & deliver statement (digital and paper)
4. Update Lease Agreements

• Need to describe how utilities are billed – Submeters vs. RUBS (and, if RUBS, the calculation methodology):
  – Square footage, occupancy, ratio occupancy factor, occupant bedroom factor, etc.

_Lease disclosure should be considered a universal requirement_ – It’s an industry best practice and the best way to avoid resident confusion
Who is the UMCA?

• Not-for-Profit industry association that promotes conservation and takes responsibility for defining best practices

• How we help property managers and billing companies:
  – Comprehensive regulatory database
  – Vendor / resource directory
  – Answer questions / help property managers implement good programs

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