

Utility Cost Recoup and Reduction Programs

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(Utility Management and Conservation Association)



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Hilton Anatole
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Utility Recoup Program: Overview

The Old Model



- Less competitive (higher) rents
- Budgeting challenges
- More consumption and usage

Submeter

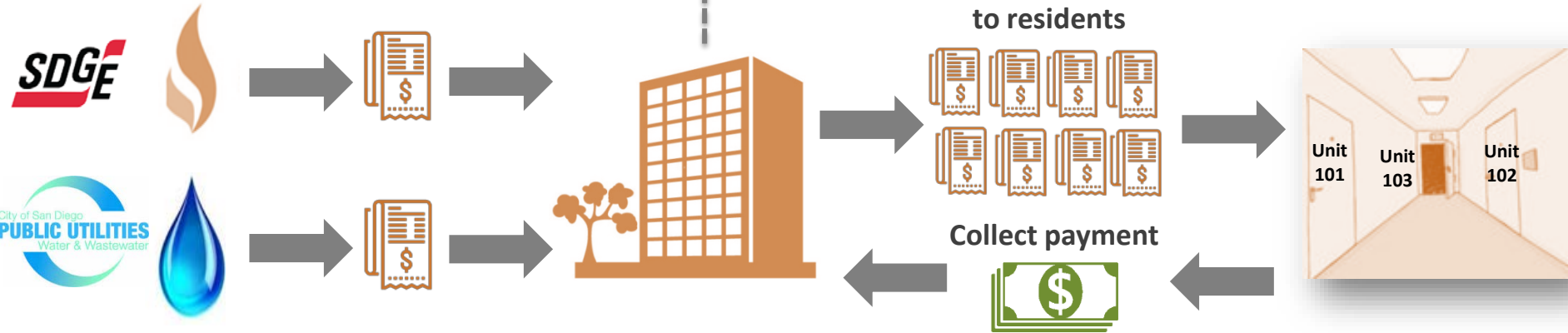


- Increased NOI and/or offer more competitive rates
- Simplified budgeting
- Less consumption / greener properties

RUBS Program



In-house or
via 3rd party billing provider



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

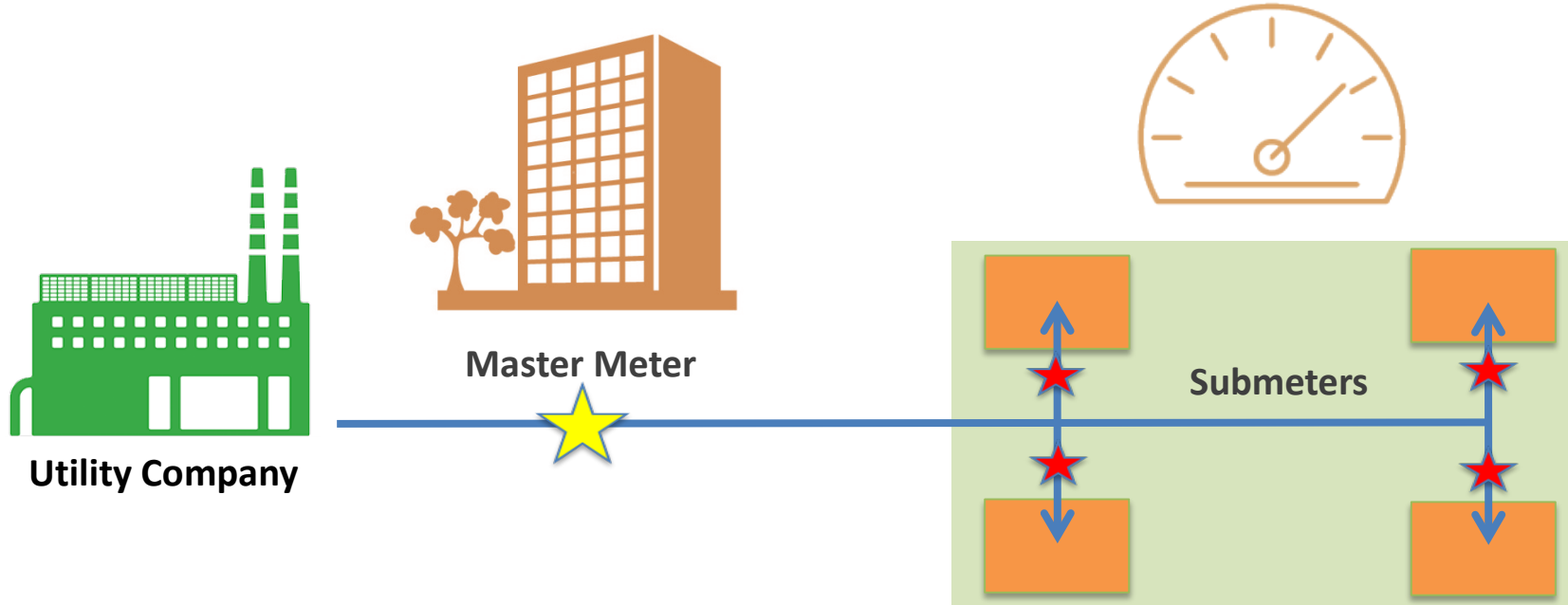


1. Understand Local Rules and Regulations

- 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)*

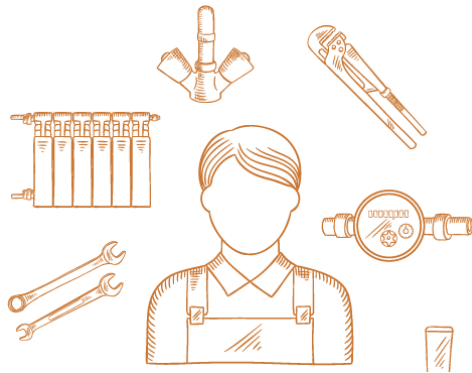


2. Install Infrastructure (and/or create a RUBS Program)

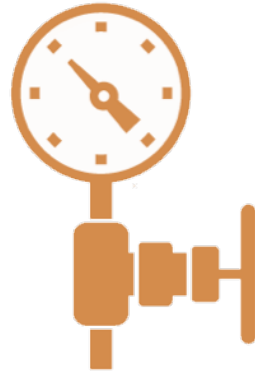


3. Build Internal Processes or Select a 3rd Party Billing Provider

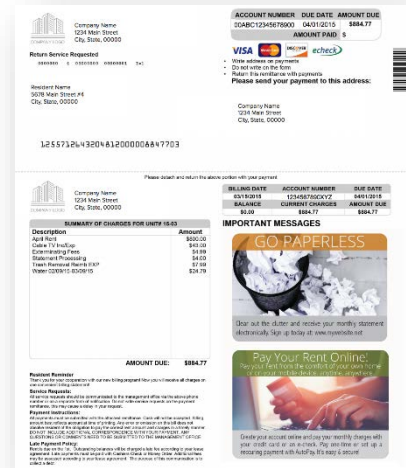
- Primary functions:



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.

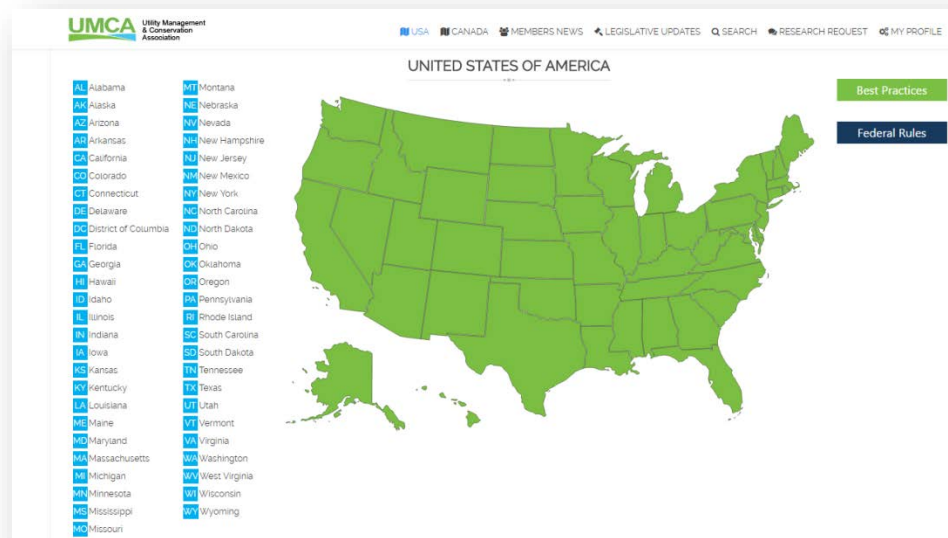
Lease disclosure should be considered a universal requirement – It's an industry best practice and the best way to avoid resident confusion





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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