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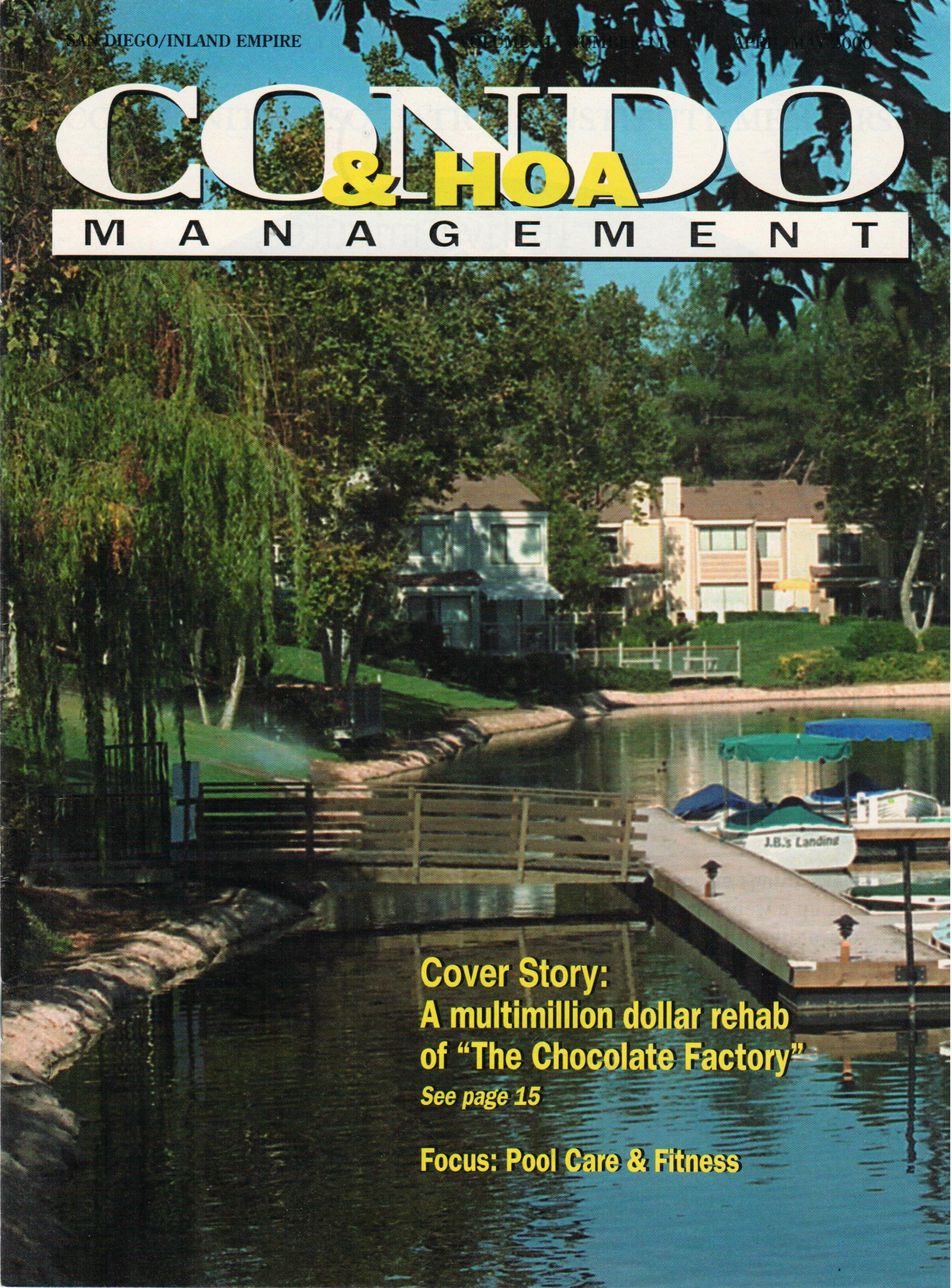

Cover Story: A multimillion dollar rehab of "The Chocolate Factory"

See page 15

Focus: Pool Care & Fitness

Utility audit pays off for West Colony Homeowners Association

BY ERIN KELLY

The West Colony Homeowners Association in San Bernardino, CA consists of 410 homes with private streets and parks and 22 acres of common-area landscaping. During a utility audit of the association's utility bills and an on-site field inspection of the property, several utility billing overcharges and opportunities for utility expense reductions were uncovered.

This association received 14 monthly electric utility bills from Southern California Edison Co. It was determined that no utility overcharges were associated with West Colony's gas and water utility bills.* However, numerous errors and overcharges with regard to the association's 14 electric utility bills were discovered, as discussed in this article.

Faulty electrical wiring

One major problem in the association's utility billing resulted because one of its electric meters had never registered any kilowatt-hour consumption since the installation of the electric meter in 1986. This error was due to the fact that this electric meter was housed inside the same metal pedestal box as another association electric meter. When these two electric meters had been installed, one of them was supposed to provide electricity to the common-area irrigation controllers and the other electric meter was supposed to provide electricity to the association street lights. However, all of the wiring for both purposes was sent through only one of these two electric meters, courtesy of the original developer's electrician. Therefore, the association agreed to close the Southern California Edison electric account for the irrigation controller electric meter, saving approximately $16 per month ($192 per year) in electric utility expenses.

Extra electric meter charges

Another big factor affecting the amount the association was spending for electricity was due to the fact that one of the electric meters it was being charged for did not really belong to West Colony. The meter was actually located outside the association's walls, on a public sidewalk, to control a traffic light. The association had paid $5,400 since 1986 to supply electricity to this electric meter. Therefore, the City of San Bernardino assumed future financial responsibility for this electric account by transferring it into its name through Southern California Edison. The city also reimbursed the association $3,058.75 for the period of 1990 to 1996 since the association did not have copies of their electric utility bills for the period of 1986 to 1990. The association is now saving approximately $40 per month ($480 per year) in electric utility expenses due to this account transfer.

Erroneous electric rate schedules

The final error that was boosting the association's utility expenses resulted from the fact that three of its electric meters were being billed on GS-1 or General Service electric rates instead of the correct LS-3 or street-lighting rates. When informed of this error, Southern California Edison changed these three electric rate schedules and issued three retroactive refund checks totaling $4,952.32. Thus, the association is now saving $132.61 per month ($1,591.32 per year) in electric utility expenses due to these three electric rate corrections/changes.

This utility audit collected a total of $8,011.07 in refund checks for the association from the City of San Bernardino and Southern California Edison. In addition, the association's annual utility budget has been reduced by approximately $2,263.32 in electric utility costs—a grand total of $10,274.39 in utility refunds and annual utility cost savings that will continue indefinitely into the future! You can be sure that the extra $8,011.07 in refund checks plus the extra $2,263.32 kept in the association's reserve accounts each year will be put to good use.

Thanks to the foresight, effort and ingenuity of the property managers from Sargeant Property Management and West Colony's board of directors, a utility audit put money into the association's reserves at not cost whatsoever. In addition, West Colony will continue to realize these utility cost reductions indefinitely while using the utility auditing company on a no-cost retainer-type service, whereby the association's utility bills are audited continually and any utility questions are answered free of charge.

*Utility undercharges can be detected without alerting the utility company or city. In these cases, you are informed about these utility undercharges in a written utility analysis summary report. However, this information does not imply that West Colony was undercharged for any of its utility bills. ■

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