WINTER 2007

Vision

THE VOICE OF CALIFORNIA COMMUNITY MANAGERS

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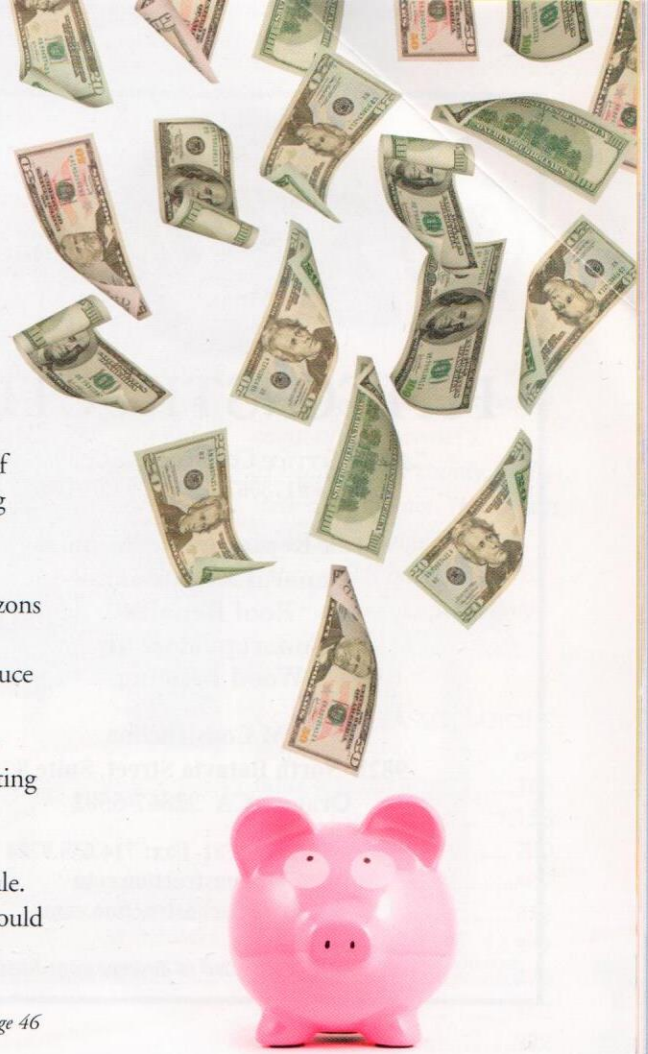
Conservation Adds Up to Reduction in Costs



Utility Audits

ALL utilities… water/sewer, trash, gas, electric and telephone continue to increase in costs each year. This trend has continued for the last two decades, with no changes in sight. These increasing utility costs have created several new trends:

- Utilities now rank as the #1 budget cost to almost all associations in California.
- Utility companies are now introducing elaborate tiered and penalty rate schedules, whereby customers are penalized for all utility consumption above a relatively low or "baseline" amount, established by the utility company.

Energy conservation companies have cropped up to reduce the overall consumption of the utilities with energy efficient equipment and devices.

Utility audit companies identify errors or overcharges and in almost all cases, obtain lower utility rates for their customers without changing utility companies or adding equipment.

A good example of the utility audit saving opportunities for a community may be found in Desert Horizons Owners Association. They were able to reduce their annual utility expense by more than $69,000 after completing a utility audit and implementing an alternative rate schedule.

All associations should have both an energy "audit" and a utility

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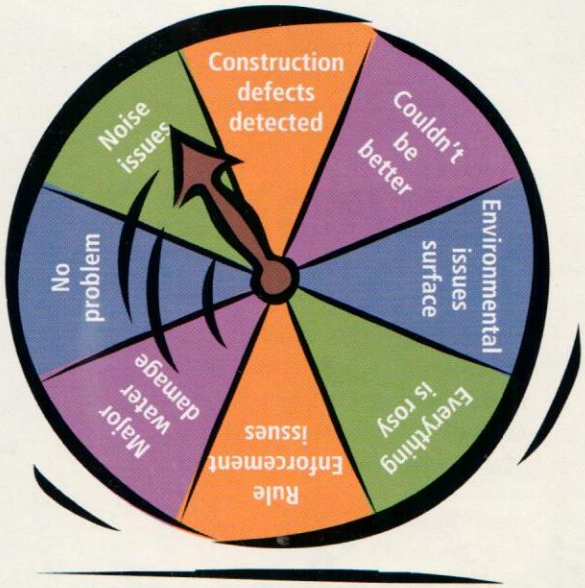

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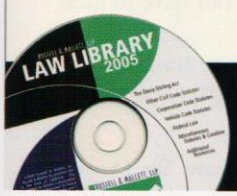

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Conservation Adds Up to Reduction in Costs

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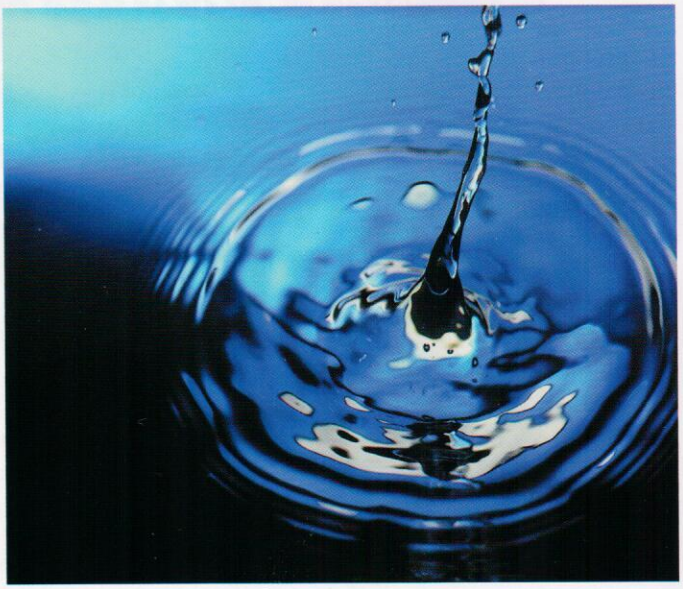
"audit," simultaneously or separately, as these two options are completely separate and distinct services. This would ensure that the association is managing their utility consumption in the most efficient manner, AND paying less per unit for all utility consumption! These services should be no different than scheduling the annual financial audit or Reserve Study,

Contributed by Erin Kelly, Pacific Utility Audit, Inc., South Lake Tahoe



Sub-Metering

Water is one of our most precious commodities. Water shortages and the threat of mandatory cuts of water usage is a concerning issue for all of us. Water districts throughout the state of California are asking residents to cut their water usage by 10% or 20 gallons per day. Some water districts are also looking at restructuring their water rates to penalize the larger users with escalating tiers. Sub-metering promotes water conservation and might prove to be a responsible solution for your homeowners association.

Sub-metering is installing individual water meters at each condominium. The homeowner only pays for the water they use and not their neighbor's water wasting habits or leaky toilets. After sub-meters are installed water usage may decline between 20-30%! Studies show when homeowners begin paying for their water, they generally conserve and, in some cases, even repair leaks. Overall results show dramatic reductions in water usage and costs. An added bonus? When water rates increase in the future, you will not have to raise your homeowner dues to cover the cost!

Contributed by Mary L. Wulf, California Sub-Meters, San Diego