

June 2009

Specialists in Recovery of Non Revenue Water and Lost Revenue

## In This Issue

- Sub-Metering?  
Single meters or ...

### The Problem:

Lost Revenue

Millions of Gallons of  
Non Revenue WaterMillions of Dollars  
Spent On Treating a  
Symptom Rather than  
Solving the Problem!Not all Meter  
Replacement Programs  
are Cost Effective!Not All Leak Detection  
Programs Are  
Successful!**JBS Offers Cost  
Effective, Long  
Term Solutions!****"Our revenue increase  
was nearly double  
what was projected."**

## JBS Completes Meter Management and Water Loss Projects

- Galveston County WCID #1
- Brushy Creek MUD
- Kilgore, Texas
- Cleveland, Texas
- Garland, Texas



## New and Current Projects

- City of Pharr, Texas – Water Distribution and Meter Management Audit
- Leon, Mexico – Phase II Water Audit and District Measurement Program
- City of Del Rio, Texas – Consumption Analysis and Water Loss Audit

## Multi Unit Accounts

### Single Meter or Sub Meter?



In all aspects of our lives technology is rapidly changing and we have a desire not to be left behind. We have seen it with everyday items such as cell phones, electronics, televisions, vehicles, etc. The water industry is no exception. There have been incredible technological advances in water treatment, instrumentation, and metering through AMR/AMI. Many of these advances come with a hefty cost and not all water utilities have the financial resources to make the leap forward.

Unfortunately for some utilities, they made the technology jump prematurely and had to suffer many hidden costs that came back to haunt them with unforeseen maintenance or product quality issues. Submetering of apartments may be one of these issues.

In the past, most multi-family complexes have been metered via a single meter or a fireline setup. Over the past 20 years there has been an increasing push to sub-meter apartment complexes. Utilities have considered this as a way to increase revenue, while improving

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**Is a Meter Sizing Problem contributing to lost Revenue?**

**"We had a 10 times payback the first year by following the recommendations of the Water Audit."**

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water accountability and water conservation. The property owners/managers avoid issues over how much water is used by individual tenants.



Since most communities have hundreds, if not thousands of multi-family units, each sub-metered unit represents an additional minimum bill charge for water and sewer. This is a powerful incentive in favor of sub-metering. However, there is a flip side to this approach. As a rule, the apartment dwellers are a transitory customer base. Submetering of apartment units implies thousands of potential account turn-on and turn-offs. This alone will increase labor costs in the office and in the field. In addition, there is the added potential for a multitude of meter or AMR related problems that will also require a labor force to address. At a time when budgets are being scrutinized, adding more employees may not be an acceptable option.

### **Existing Apartments**

The cost of retrofitting existing apartment complexes by the utility may be prohibitive.

**New Apartments** are straightforward. The meter installations can be installed during the construction phase and the cost can be passed on to the property owner. The use of AMR reduces direct meter reading costs, but not maintenance, turn-on or turn-off costs.

### **Changing the Rate Structure**

One alternative to sub-metering is to change the rate structure to include a unit charge for each apartment unit. Individual meters are not installed by the Utility. The Utility still reaps the benefits of unit charges, but reduces operating costs by continuing to master meter apartment complexes. An accurate and properly sized master meter is essential. This approach may be the most cost effective way to capture a good part of that potential revenue and keep labor costs at a minimum.



### **Third Party Contractors**

Another alternative is implemented by the property owner/management through a third party contractor arrangement. The Utility stays out of the submetering business. The impact on water conservation is maintained by the proprietor. Apartment management monitors and charges for individual water use and assesses water waste. The cost of submetering and collection is the property management's responsibility.

### **In Conclusion**

In the end, the choice may be a combination of a rate change and third party contractors. Utilities need to balance revenue with operational costs, water accountability and water conservation.

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Utilities should consider implementing an **in-depth water audit** and not just a "paper" audit.

In this time of fiscal concerns, the cost benefits and revenue enhancements derived by conducting a full system Water Audit are more crucial than ever.

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The following pictures are of the Edwards Aquifer Demonstration Garden sponsored by Brushy Creek MUD in Round Rock, Texas. An excellent demonstration of xeriscape horticulture and irrigation practices put into use.





# Water Round Up

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JBS Does Not Sell Products or Participate in Revenue Sharing Programs.

We have nothing to gain from our recommendations, but their successful implementation by our clients.

"In my 34 years, I have never worked with a consultant who had so much knowledge in any given area of expertise... as far as your area of water meters, audits, etc, not even a large firm can come close!"

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JBS offers a no-fee cost analysis based on the parameters of a utility's water system. This data review establishes the cost benefits of conducting a full water audit including a detailed meter management analysis. Contact us for further information.

We look forward to sharing our insight and experience with you through these newsletters. We would appreciate your feedback on any topic via e-mail to [jbsmith@jbswater.com](mailto:jbsmith@jbswater.com).