



March 15, 2013

The Honorable Lois Wolk  
California State Senate  
State Capitol, Room 5114  
Sacramento, CA 95814

**RE: SB 750 (Wolk) – SUBMETERS & METERS – OPPOSE UNLESS AMENDED**

Dear Senator Wolk:

On behalf of the members of the California Apartment Association (CAA), the California Building Industry Association (CBIA), and the California Business Properties Association (CBPA), we are writing to inform you that our organizations have taken an “Oppose unless Amended” position on SB 750.

Our organizations do not oppose the installation of water meters and submeters on individual apartment units. In fact, we believe it is an important step towards conservation for the State of California and we have supported amendments to the California Green Building Standards Code that encourages the installation of water submeters. However, in order to make a submetering mandate feasible, important factors must be considered and included.

**1. Prohibits Charging Tenants for their Water Use**

SB 750 prohibits property owners from charging for a tenant’s water in ALL types of properties, even older properties where submetering is not feasible or mandated. This provision applies to every kind of rental property, not just new construction. This prohibition is not reasonable. Rental property owners are currently not prohibited from dividing up the water bill and passing those charges along to tenants where a meter or submeter is not in place. In these buildings, it is the only way owners can pass along to tenants a charge for their water use when the installation of water meters or submeters is not feasible.

**2. Prohibits Cost Recovery**

With the mandate for the installation of water meters or submeters, SB 750 asks property owners to provide a service currently conducted by water utilities. SB 750 would require property owners to bear all the costs of installing, maintaining, and repairing submeters. In addition, it requires owners to read submeters and individually bill each tenant.

Most rental property owners don’t have the expertise to conduct such a program and would simply hire third party vendors. Vendors who perform these services would charge and bill tenants between \$4 to \$5 per occupied unit for the costs of reading and billing.

Recovering the ACTUAL costs associated with a submetering program is a customary practice in other states and, for example, in the City of San Diego. SB 750 expressly prohibits any administrative or servicing fee, thereby preempting local ordinances like San Diego’s.

### 3. Arbitrary Submeter “Hook Up” Fees

Over the years, we have witnessed the provision of unjustified fees by local governments when property owners and developers attempt to voluntarily install submeters. There have been instances where local governments have charged developers separate hook-up or connection fees for EACH individual submeter, in addition to a fee for the master meter. This practice must be curtailed if we plan to mandate meters and submeters. There is no burden or cost whatsoever on the part of local government when rental property owners install water submeters, read, and maintain them. We ask that you make very clear that local governments and water purveyors cannot charge a separate “hook up” fee for installation of submeters.

### 4. Availability of Approved Submeters

Finally, ensuring that there is adequate access and a reliable supply of approved submeters is necessary for the mandate to work. Currently, developers have reported to us that they have experienced a problem finding an adequate supply of meters and submeters approved for use here in California. This challenge is stalling badly needed housing projects and costing developers time and money. California should suspend the requirement for submeters if a sufficient number of submeters have not been approved by the Department of Weights and Measures.

### 5. Disclosure & Notice

SB 750 also contains a number of disclosure and notice provisions that property owners must provide. While we believe that disclosure to tenants is important and necessary, we want to ensure that they are appropriate and make sense when implemented. We hope to work with you on more specific language.

### 6. Building Codes in Statute

Rather than establishing building standards via statute, something industry has strongly opposed over the years, we would suggest the author consider amending the bill to instead require the Department of Housing and Community Development (HCD) to investigate whether or not water submeters should be required for some or all new multifamily dwelling units. In the event that HCD determines that some manner of mandate is appropriate, HCD would propose adoption of such building standards during the next regularly scheduled update of the California Green Building Standards or California Plumbing Code.

On behalf of CAA, CBIA, and CBPA, we appreciate your consideration.



**Bob Raymer**  
California Building  
Industry Association



**Debra Carlton**  
California Apartment  
Association



**Matthew Hargrove**  
California Business  
Properties Association

Cc: Senate Judiciary Committee  
Senate Republican Office of Policy