

CALIFORNIA APARTMENT ASSOCIATION UTILITY MANAGEMENT AND CONSERVATION ASSOCIATION

April 10, 2014

Honorable Tom Daly
Member of the California Assembly
State Capitol, Room 4166
Sacramento, CA 95814

RE: AB 2451 – Water Submeters - Support

Dear Assembly Member Daly:

The California Apartment Association (CAA) and the Utility Management and Conservation (UMCA), a consortium of national companies providing utility billing and submetering services to owners and managers of multifamily housing throughout California, are pleased to join together to co-sponsor AB 2451 (Daly), a bill that seeks to streamline the state's submetering regulatory process to ensure ready access to water submeters for installation into apartment buildings.

Submeters are proven to help residents save water. Submeters are small devices that can be installed in the water lines of new apartment construction. The U.S. EPA estimates that water use where submeters are installed can, on average, reduce water use by residents by 28 percent each month.

AB 2451 addresses a problem that apartment builders face today. The lack of supply and availability of water submeters for use in California. Submeter manufacturers have informed us that some of California's rules and regulations have made shipping the devices to the state too risky.

Without compromising the quality and content of California's testing and certification of these devices, AB 2451 makes the state's regulations and corresponding procedures more flexible so that an adequate supply of state-approved submeters is available when needed. AB 2451 revises certain provisions of the Business and Professions Code with the intent to help improve the availability of approved water submeters. It does this in the following ways:

1. AB 2451 gives apartment builders and their agents in one county, where multifamily construction is to begin, the ability to acquire tested and certified submeters from another county. This flexibility very simply means that submeters, like other materials and components associated with new residential construction are available at the time the construction begins.

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2. AB 2451 affirms the authority to collect fees by the testing counties – even though the devices may be used in other counties – ensuring that the testing county is fairly compensated for its work.
3. AB 2451 clarifies that if a submeter fails a county test, it is to be returned by the county official to the relevant service agent and is not to be used anywhere else in California.
4. Finally, AB 2451 resolves a flaw in the Business and Professions Code, which today could result in criminal and civil liability to submeter manufacturers who merely ship, what may later be determined as “inaccurate” devices even though they are never installed or “placed into service.” Unfortunately, the threat growing out of the existing statutory language discouraged manufacturers from shipping their products to California.

We believe these relatively small but meaningful proposed changes in the law will translate into accelerated job creation in the construction industry as well as increase water conservation throughout California. We know that a recovering construction industry in California helps to lift all sectors of the state’s economy.

Demand for submeters is expected to grow dramatically over the next decade, demand that will be spurred by the potential for mandated meters and submeters in all new rental housing. That means apartment builders will need a ready supply of water submeters available for installation.

UMCA and CAA believe AB 2451 will reduce the uncertainty in California associated with submeter availability and will ensure there is a ready supply when needed – at the time new multifamily housing is about to begin construction. In that way, California can more systematically improve water conservation while supporting the resurgence of housing construction.

We thank you for your work with AB 2451 and are grateful to you for introducing it this year.

Sincerely,

CALIFORNIA APARTMENT ASSOCIATION

UTILITY MANAGEMENT AND CONSERVATION ASSN



By
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By
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cc: Honorable Katcho Achadjian, Assembly Committee on Local Government
Members, Assembly Committee on Local Government
Angela Mapp, Assembly Committee on Local Government
William Weber, Assembly Republican Policy