

## Staff Report

**REQUIREMENT FOR INDIVIDUAL METERING  
OF WATER USAGE IN MULTI-UNIT BUILDINGS**

December 18, 2018

**BACKGROUND:**

On November 28, 2017, Council approved on third reading a series of updates to Chapter 28 of the Municipal Code (Utilities). One of the changes was the addition of a new paragraph that requires apartments, condominiums, and several other multi-family residential building types to provide individual water meters for each dwelling unit or tenant space. On March 27, 2018, Council adopted an effective date of that ordinance. With the Council action taken in March, the individual metering ordinance provision now has an effective date of January 1, 2019.

At the March meeting, there was public input that requested that Council rescind the individual metering requirement. While there was some discussion and possible interest by individual Council members, no direction was given to staff other than to establish an effective date of January 1, 2019.

On November 27, 2018, Justin Dodge with the Hunziker Companies sent a letter to Council asking that reconsideration of the individual metering requirement be placed on a future agenda prior to the January 1, 2019, implementation date. On December 4, Council directed that Mr. Dodge's letter be referred to staff to be placed on a future agenda.

**As staff noted at the March 27, 2018, Council meeting, the issue is a balancing of two Council goals.**

**City Council Goal To Expand Sustainability Efforts**

Peer-reviewed research<sup>1,2,3</sup> has demonstrated that water consumption decreases by as much as 20% when the tenant in a rental property pays the water bill directly, as opposed to having the cost masked by being included in their monthly rent. Tenants who do not directly pay a monthly water and sewer bill have no monetary incentive to be conscientious consumers, or to repair or report malfunctioning plumbing fixtures.

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<sup>1</sup> DeOreo, W.B., Mayer, P., Dziegielewski, B., & Kiefer, J. April 2016. Residential End Uses of Water, Version 2, Water Research Foundation

<sup>2</sup> Kiefer, Jack C. "RE: REMINDER: John, Learn About Multi-Family Water Use." Received by John R. Dunn. 31 January 2018.

<sup>3</sup> Hodgins, Maureen. "RE: REMINDER: John, Learn About Multi-Family Water Use." Received by John R. Dunn. 30 January 2018.

### City Council Goal To Address Housing Needs

Comments offered back in March suggested that the individual metering requirement could cost between \$4,000 and \$5,000 per unit. A simple amortization estimate suggests that this could add another \$35-40 per month to the rent. The landlord could choose to reduce the rent by that amount and still “break even” as a result of the tenant paying the water and sewer bill instead of the landlord. (The median residential combined water and sewer bill in Ames is \$51.02.) This approach would also remove a small number of square feet from each unit’s livable space. Developers also noted that the change would necessitate individual water heaters in each unit, which could pose a risk for increased leaks and are less energy efficient.

As staff noted in March, this is really a policy decision for Council. Achieving sustainability is not a goal that is made or lost by any one individual effort. Similarly, achieving more affordable housing is not something that can be achieved or lost by any one individual effort. In both cases, it is an accumulation of multiple small, incremental improvements that will add up to success. **The question for Council is this: In this instance, which would be seen as “more” advantageous in meeting the Council’s goals and priorities?**

### OPTIONS:

- 1. If Council feels that the potential of achieving a 20% reduction in water consumption from multi-family residential properties (by requiring individual metering in each dwelling unit) is a higher priority, then Council would not need to take any action.** The existing ordinance, as written, would already require individual metering for any multi-family project for which a site development plan was submitted to the Planning and Housing Department for review beginning on January 1, 2019.
- 2. If Council feels that allowing multi-family residential buildings to be master-metered (as a way to contain the cost of developing these properties, and consequently containing rents paid by tenants) is a higher priority, then Council can direct staff to rescind the language that was initially adopted on November 28, 2017.** Nothing would preclude a developer from voluntarily choosing to install individual meters for each dwelling unit.

### STAFF COMMENTS:

Because it is not practical to bring a revised ordinance back before Council prior to the January 1, 2019 effective date, if Option 2 is selected, the Council should also direct staff to suspend the individual metering requirement until such time as an ordinance can be brought to Council for further action.