

Information Paper

1 January 2009

Subject: Army's Residential Communities Initiative (RCI) Resident Utility Policy

1. Purpose: To give Fort Carson housing residents a better understanding of the Office of the Secretary of Defense (OSD) and Department of the Army (DA) directed utility policy

2. Background: The Army's original RCI utility policy held the project and partnership responsible for all utilities. However, in early 2001, OSD, with Congressional support, required DA to work with the partnership to develop procedures to hold residents of privatized housing responsible for their own utilities. DA has distributed three memorandums on the subject since 2005. The below is a summary of the three.

3. Key Points:

- The Army is in a legal partnership with Fort Carson Family Housing (FCFH). FCFH is a private company with expertise in housing property management. Because their expertise, FCFH is the "managing partner." At the same time Fort Carson is aware and has oversight of the project through the Garrison Commander by means of the Directorate of Public Works (DPW) and under this the DPW, Housing Division.
- The Army's Utility Policy is based on an OSD Policy to provide incentives to residents to conserve energy. This is not a FCFH, aka Balfour Beatty Communities (BBC) policy/program. FCFH and BBC is tasked by the Army to implement the policy.
- The Army, along with FCFH, supports this effort by providing incentives to occupants to decrease utility consumption. Saving energy and our nation's precious natural resources are key elements of the program.
- OSD policy directs that:
 - All RCI sites (now 45 Army Installations -- and all Navy, Air Force and Marine RCI installations) will comply with the OSD utility policy
 - All new and renovated homes will be metered for gas, water and electricity
 - FCFH will administer the resident utility program. A third party provider – in our case Energy Billing Systems (EBS) – has been hired by FCFH to read meters and administer the billing process

4. Resident and Partnership Responsibilities:

- Residents will be directly responsible for electricity and gas. Residents will be indirectly responsible for water. The Housing Project on Fort Carson, which FCFH manages, pays for water consumption; the money originates from Soldiers' rents
- The Project – money collected from rents -- will be responsible for all utilities, including utilities for common areas (streetlights, etc.) and vacant houses

5. Definitions:

- Utility Baseline- The Baseline is a portion of a resident's monthly rent that is established by the partnership to be used to pay for normal consumption of electric and gas. The Baseline is a reasonable average of the cost of gas and electricity for a particular home and like- homes (so as many as 50 like homes in a village may determine a baseline) Here, at Fort Carson, EBS uses the past 3 years of consumption in the like-homes to determine a house baseline. The baseline changes 12 times a year – each month.
- Utility Buffer- The Buffer is normally 5% above and below the Utility Baseline.

6. Utility Baseline Determination:

- The Utility Base is computed by the FCFH and DPW, based on the average utility usage for a given month for specific types of homes, multiplied by the applicable utility rate charged to the project
- The Utility Baseline will be published for residents on their monthly statements based on the applicable rate charged by the utility provider
- The DA Policy states ‘Adjustments to the Utility Baseline may be made for special category homes.’ (There are no special category homes on Fort Carson)

7. Billing Procedures:

- Billing procedures will include meter readings, posting of consumption and cost data for each home, billing/debit for cost in excess of the Utility Baseline and rebates/credits for conservation efforts resulting in usage below the Baseline
 - Meters will be read at least once per month
 - Monthly statements will be mailed to residents and electronic access to consumption data will be provided if feasible
 - Residents will receive a credit if consumption is below the Utility Baseline or owe a debit if consumption is above the Utility Baseline. A bill will be issued to the resident once the outstanding balance due is greater than fifteen dollars (\$15). Rebates will be issued to the resident once the energy conservation savings are greater than fifteen dollars (\$15). If the bill or rebate is less than \$15, the amount will carry over to the next month
 - The resident’s utility account will be settled when the resident moves out
 - Additional charges may include: (1) administration fees, (2) late fees and (3) non-sufficient funds fees for returned checks, as allowed by law
 - A dispute resolution procedure will be provided for residents

8. Questions regarding

- Policy - DPW, Housing Division, corey.hare@us.army.mil, 526-4246
- Program Implementation – Fort Carson Family Housing/Balfour Beatty Communities – 719-579-1606; Devon Priest, Asst Manger #258 or Lynn Rivera, Community Manager, #254
- Meters and Billing – EBS Customer Service at 800-637-4242, 632-9100