



Stop Settling For RUBS: How Water Intelligence Elevates MFH and MHC Utility Billing

For both multifamily units and mobile homes, there's a smarter approach to water management.

When it comes to managing water billing in multifamily homes (MFHs) and mobile-home communities (MHCs), property managers often feel like they're stuck between a rock and a hard place.

Most MFH and MHC developments—especially those built before the early 2000s—were built without individual submetering, making it impossible to bill residents directly based on the water they've actually used. That forces most property managers to use a **ratio utility billing system**, **or RUBS**—an accounting system that uses an algorithm to split the property's water bill between residents based on factors such as the size of their apartment, the number of people in their family, or the number of bathrooms in their home.

RUBS was meant to be fair and transparent, while also encouraging residents to avoid wasting water. But in practice, RUBS fails to deliver anticipated cost savings—and leaves managers with no visibility into how water is used (or wasted) across their property. The result: increased water consumption, higher costs, frustration for residents, and missed opportunities to boost profitability for property owners.

Fortunately, a better alternative is now available.

At Metron, we have decades of experience designing the most resilient, flexible, and accurate smart metering solutions on the market. Now we're bringing advanced water intelligence to multifamily and mobile home communities, allowing property managers to overcome the shortcomings of RUBS.

This paper explains how new water intelligence solutions can provide robust, cost-effective alternatives to RUBS for both multi-family homes (MFHs) and manufactured home communities (MHCs) reducing overall water consumption, improving equity for residents, boosting occupancy rates, and delivering compelling bottom-line benefits for property managers and investors.

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Five Common Problems With RUBS

First, let's dig into some of the key problems that RUBS currently causes for property managers.

1. RUBS and Social Equity

In 2004, just <u>4% of multifamily residents</u> were individually metered, but as RUBS' shortcomings have become more apparent, many municipalities have required submetering in new developments. Denver passed a submetering ordinance in 2004, for instance, while San Diego has required submeters in most multifamily units since 2010. Still, many older MFHs predate such ordinances and are equipped with a single master meter, forcing landlords to use RUBS to manage utility billing. With at least one-third of America's <u>43,000 manufac-</u> <u>tured home communities</u> constructed prior to 2000, RUBS is widely used in mobile homes too.

The result: RUBS is primarily used to manage utilities for lower-income families, who tend to live in older properties. That's a problem, because RUBS leaves individual families with no control over their water bills. If water rates or property-wide consumption increase, so does the family's bill—even if they've actually used *less* water over the billing cycle. For families that are struggling to make ends meet in the face of inflation or job insecurity, unexpectedly high bills can lead to serious hardship, or even force families to leave their homes.



2. RUBS and Water Conservation

It's often claimed that RUBS encourages water conservation by passing the cost of excessive consumption along to residents. The reality, however, is that RUBS splits the cost of using extra water across the entire community. That means the marginal cost to any individual resident of using an extra gallon of water is effectively zero, giving residents little incentive to reduce household water use.

In fact, multiple studies have shown that RUBS has minimal impact on individual water consumption. As a result, the Environmental Protection Agency has <u>formally ruled</u> that "RUBS or other allocation billing systems ... do not encourage water conservation." If water conservation is a priority at your properties, it's important to be realistic—and not expect RUBS to deliver the water savings you need.

3. RUBS and Maintenance

One common objection to RUBS is that since it passes the cost of water usage on to residents, it leaves property owners with little incentive to maintain shared infrastructure or fix leaks. But there's a bigger underlying problem: when properties use a single master meter to measure water flow, there's no visibility—for either residents or property managers—into how or where water is being used or lost.

That makes it impossible for residents to detect "invisible" leaks, or understand the way a leaky toilet or faucet impacts their individual water bill. It also makes it incredibly difficult for property managers to identify when in-home repairs are needed—and all but impossible for maintenance crews to track down hidden leaks in common areas. While a single leak, split across 100 residents, might seem insignificant, such leaks accumulate over time and can drive up total water consumption across a MFH or MHC property by 40% or more.

4. RUBS and Red Tape

Though originally intended to be a fairer alternative to in-rent billing, RUBS has increasingly come under fire for its reliance on hard-to-understand formulae to divide utility bills between residents. Some landlords have also been criticized for charging so-called "junk fees"—including administrative charges levied by third-party billing services, which a National Consumer Law Center report <u>called</u> "onerous and impossible for the tenant to investigate or challenge."

Such complaints have led many jurisdictions (including North Carolina, Texas, and Seattle) to ban RUBS outright, or to heavily regulate its use. In areas with rent-control rules, landlords can also struggle to make sense of their obligations when using RUBS, particularly if utility payments are considered rent by local regulators. "Landlords are left in the dark when it comes to their local rent board's rules and regulations about RUBS," one lawyer <u>warns</u>. The result: burdensome red tape, and potentially serious legal liabilities—especially if a regulator issues fines on a per-instance basis for every tenant impacted by a billing issue.

5. RUBS and Tenant Satisfaction

With residential water bills <u>up almost 55%</u> since 2012, RUBS can leave tenants feeling disempowered, and become a major source of contention for residents in MFH and MHC properties. Many property managers find themselves dealing with complaints over unexpectedly high bills—and even when RUBS was implemented correctly, some managers find themselves having to give credits to keep the peace and defuse tense situations.

Tenant satisfaction also comes into play when vacancies arise: studies show that renters are <u>increasingly paying attention</u> to utility costs when deciding which properties to view, and are also willing to pay extra for more efficient and sustainable homes. In communities with unaddressed leaks and poor conservation practices, the climbing monthly cost of RUBS can make it harder to sign new tenants. That's a big problem: lower occupancy rates take a bite out of both short-term operating profits and long-term property valuations.

The Power of Water Intelligence

Clearly, RUBS isn't working well for either residents or property managers. But retrofitting conventional submeters across mobile homes and multifamily apartments can be costly and impractical—and isn't always possible given the complexities of existing plumbing. So what's the alternative?

That's where Metron comes in.

Our smart sensors—battle-tested over decades of use across a wide range of utility, commercial, and residential applications—can be used to provide flexible and cost-effective per-unit submetering. But they can also be used to provide water monitoring on a per-building basis, or to deliver zoned water intelligence for large communities.

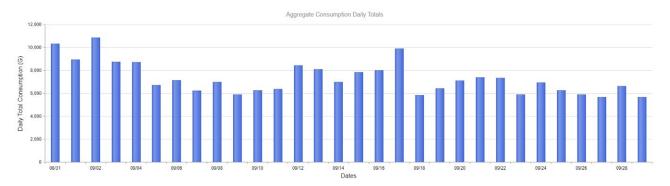
The result: an adaptable, robust solution that empowers property managers to gain actionable insights, reduce costs for tenants, and drive value for everyone. Landlords are left in the dark regarding local rent board's rules and regulations about RUBS. What makes water intelligence so powerful for MFHs and MHCs? Key benefits include:

- **Reduced water consumption.** Numerous studies have shown that unlike RUBS, effective water monitoring can drive household water savings of <u>15% or more</u>, with some properties seeing water usage falling as much as 39% after switching to submetering. Research also <u>shows</u> that when common water usage is excluded, submetering increases in-home water conservation almost 6X relative to RUBS billing.
- **Proactive maintenance.** Submeters and zone monitoring make it possible to compare water usage across buildings or water-line branches, compare baseline usage, and rapidly identify and locate both in-home and common-area leaks. Instead of sending overworked maintenance crews door-to-door, managers can proactively use targeted maintenance to deliver rapid reductions in overall water usage.
- Increased transparency. With verifiable data on water use across properties, managers can provide clear guidance to residents—and show regulators that they're meeting their obligations when it comes to water conservation, fair billing, and other requirements. There's no guesswork: water usage trends and associated costs are clearly documented and can be communicated effortlessly to all stakeholders.
- Lower costs for residents. With lower in-home consumption and more effective maintenance and waste prevention, residents will rapidly see lower and more predictable water bills. That, in turn, reduces turnover and increases occupancy rates for property managers.

The bottom line: you can't manage what you can't measure. Metron's water intelligence solutions give even master-metered MFH and MHC properties the insights and awareness they need to manage water effectively—and empower residents to take control of their own water consumption, too.

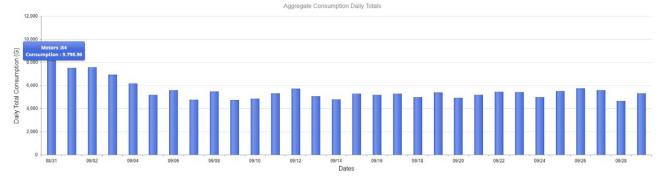
Water Intelligence in Action

To see how impactful Metron's smart water management solutions can be, consider the **Pokegama** mobile home park, a 134-residence community in Minnesota. Using traditional RUBS, their residents' average consumption was 71 gallons per unit per day—but after introducing Metron water monitoring, consumption immediately fell to just 44 gallons per unit per day.



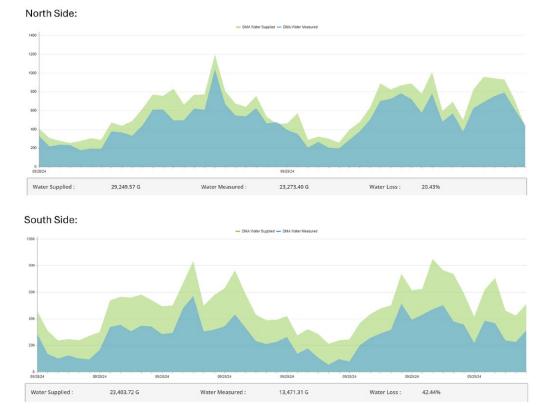
Across the entire property, that's a cumulative saving of almost 1.3 million gallons per year. And because Pokegama is located in Pine City—a city known for its high water rates, and for tiered pricing that sees communities paying higher rates as consumption climbs—that adds up to real savings for residents.

Or take a look at **Wildwood Hills**, an 82-residence community in Plymouth, Minnesota. Their residents' water consumption fell by almost 30% immediately after adopting Metron's water management solution, with residents reducing their consumption by an average of almost 10,000 gallons per unit per year—and netting a corresponding reduction in their water bills.



And Metron doesn't just empower residents to reduce their water usage. It also gives property managers the tools they need to identify leaks, reduce waste, and cut utility costs for everyone.

At the **Towne North mobile-home community** in Laredo, Texas, property managers opted not to use per-unit monitoring, but still wanted visibility into how water was being used across their 177 units. Metron was able to deliver a zone monitoring solution giving insights into water use on the community's north and south sides, revealing that leaks were accounting for about 20% of total consumption on the north side—but almost 43% of consumption on the south side. Once maintenance crews knew where to look, they were able to target their work on the north side and deliver rapid reductions in water waste for the entire community.



It's a similar story at **Polaris Real Estate Partners**, which manages over 4,700 residential units in multifamily properties across Texas and Missouri. After installing per-building smart sensors at a single garden-style multifamily property, Polaris almost instantly saw a 40% reduction in total water use, delivering a \$100,000 annual reduction in water bills for property residents. After recouping up to 20X ROI for the pilot project, Polaris is now rapidly rolling out Metron smart sensors across its property portfolio.

How Water Intelligence Boosts Your Bottom Line

The reality is that RUBS-based water billing is becoming the Achilles' heel for many MFH and MHC properties. Property managers know that RUBS doesn't deliver promised water savings, and leads to complexities, frustrations, and added costs that drive resident turnover and reduce occupancy rates.

Now there's a better alternative. By deploying smart sensors—whether on a per-unit, per-building, or zonal basis—property managers can leverage real-time water intelligence to track usage, identify waste, and deliver real transparency and equity for residents.

That isn't just an upgrade to existing billing practices. It delivers material benefits for residents, who can see monthly water bills fall by as much as \$50 or \$100 per month. That, in turn, dramatically reduces turnover and increases occupancy rates, boosting profit-ability and significantly increasing property valuations over the long term.

So don't settle for RUBS. When it comes to water billing, there's a smarter approach. Get in touch with the Metron team today to find out how water intelligence can elevate your properties and boost your bottom line. The Spectrum Jet S30 brass meter with Prism cellular register.

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