

May 3, 2021

## ANATOMY OF UNAFFORDABLE HOUSING PART II: WATER BILLS

Your water bill is something that you probably don't pay a lot of attention to, and if you have ever tried dealing with a municipal water department, you can quickly lose your mind trying to understand your bill or challenging a bill. The cost of water is acutely problematic to affordable housing. Let's look at a typical apartment complex water bill in the City of Atlanta.



Service Address:

**Watershed Management**  
Customer Service  
404.546.0311  
<http://atl311.com/>

**ACCOUNT NO.**

**BILL DATE**  
04/08/2021

**PAYMENT DUE BY**  
04/25/2021

Previous Balance	\$19,310.90
Payments as of 03/22/2021	\$19,310.90
Current Charges	\$15,902.30
Account Balance	\$15,902.30

If payment is not made by the due date, balance on account will incur a 5% or 5% charge (whichever is greater)

  

Meter	Size	MIU	Prior Meter Read	Date	Current Meter Read	Date	CCF
NE70168178	6"	1550822090	10376	02/25/2021	11199	03/25/2021	823
NE70168178	6"	700352376	710	02/25/2021	725	03/25/2021	15

  

Detailed Usage				
Days	CCF	Gallons	Cost	Cost/Day
This Month	28	638	628624	\$15,902.30
Last Month	30	694	743512	\$19,310.90
Last Year	28	661	494428	\$12,034.85

  

Billing Details:			
Previous Balance		\$19,310.90	
Payment Applied 03/22/2021		\$19,310.90	
<b>Current Charges:</b>			
Water Use Charges	Usage	Rate	Charges
Water Base Charges			\$656.00
Water Usage Tier 1	300 CCF	2.58	\$774.00
Water Usage Tier 2	300 CCF	5.34	\$1,602.00
Water Usage Tier 3	238 CCF	6.16	\$1,466.08
<b>Total Water Charges:</b>			<b>\$4,498.08</b>
<b>Sewer Use Charges</b>			
Sewer Base Charge			\$656.00
Sewer Usage Tier 1	300 CCF	9.74	\$2,922.00
Sewer Usage Tier 2	300 CCF	13.64	\$4,092.00
Sewer Usage Tier 3	238 CCF	15.69	\$3,734.22
<b>Total Sewer Charges:</b>			<b>\$11,404.22</b>
<b>Total Current Charges:</b>			<b>\$15,902.30</b>
<b>Total Amount Due:</b>			<b>\$15,902.30</b>

  

**IMPORTANT MESSAGE**

In response to the Coronavirus (COVID-19) public health pandemic, The Department of Watershed Management (DWM) has implemented actions to adjust its operations and services to ensure the safety and health of employees and the members of the public. Therefore, our Walk-in Centers are closed to the public. Alternative methods to pay your water and sewer bill include: Western Union; online payments at [payatwateronline.com](http://payatwateronline.com); Atlanta City Hall-Drop Box; or mail checks to City of Atlanta, PO BOX 105275, Atlanta, Georgia 30348.



Please detach and return this bottom portion with your payment



City of Atlanta  
Department of Watershed Management  
Customer Service  
404.546.0311

You can also make payments online at:  
[www.payatwateronline.com](http://www.payatwateronline.com)



Total Amount Due:	\$15,902.30
Account No.:	0151748303
Amount Enclosed:	
Service Address:	
Payment Due By:	04/25/2021

  

CITY OF ATLANTA  
DEPARTMENT OF WATERSHED MANAGEMENT  
PO BOX 105275  
ATLANTA GA 30348-5275

0550151748303015902307

1389100 2021040284701 02005

Newer apartment complexes being built today have individual water meters for each apartment unit, and a water bill may be \$30-50/month. If your typical complex has 250 units, you have around 250 +/- meters. At your house, you may have more than one water meter – possibly one for your house, one for a sprinkler system or a maybe one for a pool.

In an older apartment complex built around the 1970's, it was customary and efficient to have a single meter at the entrance to the property. Water was not an expensive commodity then, and it was customary for a landlord to pay the water bill and include it in the rent....under 1970's terms and conditions.

As the utility companies evolved, they changed their billing procedures and, in general, the cost of water has risen dramatically. The Atlanta metro area has some of the highest water costs in the entire nation...one would think we live in a desert. How does this affect affordable housing?

Look at the sample bill above, under "current charges" and you will notice a three (3) tier system for water each month. There is a base charge whether you use water or not. After the base charge, you will see the city charges

you a higher rate for the more water you use...a three (3) tiered system. CCF stands for Centum Cubic Feet. This translates to 100 cubic feet or about 748 gallons of water. An average 2-bedroom apartment should use around 5,280 gallons per month. Based on the tier below, the first tier is at \$3.51 per CCF, and then it jumps 84% to tier 2 at \$6.48 and finally rests at more than double the original tier at the end. How does this affect affordable housing?

Owners usually pick up the bill for water usage in older apartments. If they haven't separately metered each unit (which is very costly), they have to increase rents to offset high costs. With one meter for an entire complex, you automatically go to the most expensive tier charged!! The majority of older apartments were built in the 1970's and don't have separately metered units. So, the owner of a newer buildings, that installed separate meters, has an average tenant bill of \$40/unit per month (easy cost to absorb). In the older apartment scenario, with one meter coming in to the complex or building at best, the average water bill approaches \$100+/unit per month. In addition, because the tenant isn't directly responsible for paying the water bill, water is sometimes left running, toilets have leaks that are never reported and many times, tenants may have a revolving door of "friends" who come over to do laundry and shower...because it doesn't cost anything.

Also take a look at the line for the three (3) tiers of sewage as well. Our best calculation is that it costs about \$0.65 for a quick shower and \$0.12 per flush of a toilet at the higher tier. Now imagine the cost burden to a family of four (4) living in the apartment.

### Changes

It is expensive to put individual water meters on old apartment units. Once done, it is difficult to shift the cost to the tenant to create a sense of accountability for overall cost reduction. TriStar installed individual water meters in a 244-unit community and gave our residents a six (6) month "trial billing period" for them to see how much it costs and how they can reduce the burden (call management when you have a toilet leak and stop letting your friends use your washer and dryer unlimited). This trained them to be conscious of their use, knowing that they would be responsible for the cost one day. The water bill has gone down dramatically.

What could municipalities do in their water departments to help the affordable communities that are paying more than others for water?

### Conclusion

The single water line that comes into an affordable housing community adversely costs the residents more money because of the unfair tier system that assigns heavy use to a community versus individual meters which would have a cost allocation at a different tier. The result are water bills approx. \$50-80 more per month in impoverished communities. This is not an insignificant amount of money. To put it in terms of a wage earner making \$15/hour, they will have to work almost an additional day a month to afford the high price of water. This is a systematic problem that needs addressing.

### Are You An Investor ?

We are in pursuit of several investments. If you are an accredited investor and want to be considered for one of these offerings, please reach out to us.

**Call us today to learn more at 404-698-3535 or  
dgibbs@tristarinvest.com.**

Sincerely,

TriStar Real Estate Investment

[CLICK TO VISIT OUR WEBSITE](#)