

Condo Smarts

Headline: Changing Utility Use

Topic: Unit Entitlement

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Dear Condo Smarts: Last week's column on charging water fees was a similar problem that our strata corporation experienced over the last five years, but in our case we have had a change in water billing and metering in our municipality that has complicated the problem. Up until the end of 2010 each of our townhouses had separate metering and was billed separately for our water based on actual use. Water was not part of the strata fees and each strata lot essentially was penalized for their own abuse of the service. To make the billing more efficient, the city has terminated individual meters and now we have one meter half way through our fiscal year. So how are we supposed to pay for the common cost when it was not part of the annual budget? Can we not continue to use the existing meters that were not removed and allocate cost for the balance of the year on the user amounts? Marg Fuller

Dear Marg: If a utility has been changed to a single common expense of the corporation then it will be based on unit entitlement from the time period beginning of that related allocation. It may be necessary for the strata corporation to convene a Special General Meeting during the year to approve additional expense allocation either by way of reallocating the annual budget, a contingency expense or a special levy, but remember there is no provision in the Act to increase the budget part way through the year. The strata corporation may also absorb the amount into their current fiscal year's operating budget and then seek the approval of the owners to pay a deficit if one exists at the next annual general meeting. On the surface it may appear there are cost savings to reducing or eliminating the meters, but our experience has indicated that the opposite will occur. In a number of recent studies on common users for water and gas

consumption, where the strata corporations went from unmonitored common use, to the installation of monitoring for gas and water consumption, we are seeing as much as a 50% drop in consumption by home owners. Generally hydro services are metered individually, but often gas for fireplaces within condo units and water within apartment style buildings is not monitored and the result is little or no accountability for the offenders and no way of enforcing excessive use or abuses. Simple steps can be taken under the current legislative models that can contribute to significant reductions in common use of facilities. Whether it's the water hose running endlessly, or the defective toilet, inefficient boilers, or owners who believe the strata is paying for the gas and leaving their fireplaces on for 24 hours, all of these utilities compound to impose huge costs on the strata corporations, and wasteful abuse of our resources. While the legislation doesn't yet permit the separate metering and billing of common utilities provided through the strata corporation, the increased costs of utilities and energy will eventually compel communities to change how we view unmonitored use of joint resources. Given that some strata corporations are currently allocating almost 50% of their annual budgets to utilities, home owners will have no choice but to change their use patterns to continue to make housing affordable. Fortis has a program for multi-family buildings with wall switching units to turn on your gas fireplaces. The program includes a timer and an allocation for the labour to have them installed. For more information go to Fortis.ca, and for a copy of the Eco Strata Guide for Multi Family Buildings go to choa.bc.ca.

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