DEPARTMENT OF THE ARMY
ASSISTANT SECRETARY OF THE ARMY
(INSTALLATIONS AND ENVIRONMENT)
110 ARMY PENTAGON
WASHINGTON, DC 20310-0110

August 28, 2008

MEMORANDUM FOR SEE DISTRIBUTION

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

The attached document provides an update to the policies and implementing guidelines regarding resident responsibility for utility consumption in privatized housing under the Residential Communities Initiative (RCI) program. This policy supersedes the utility policy and implementation guidelines provided on March 27, 2007.

Requests for exception to these policies with full justification must be submitted to this office, OASA (I&E) – attention SAIE-P&P, for consideration. The point of contact for this action is Ms. Sara Streff, Business Policy & Development Division, Commercial (703) 692-9883 or DSN 222-9883.

Keith E. Eastin

Attachment

DISTRIBUTION:
Assistant Secretary of the Army (Financial Management and Comptroller)
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RCI Installation Asset Managers
RCI Partners

Army RCI Utility Policy Implementation Guidance
Effective as of August 28, 2008

1. General. The Army's utility policy is based on the OSD policy to provide incentives to residents to conserve energy. The partnerships between the Army and private developers support this effort by providing incentives to occupants of privatized housing to decrease utility consumption and save energy.

2. Background. The Army's original RCI utility policy had the project and partnership responsible for all utilities. But, in early 2001, OSD, with Congressional support, required Army to work with the partnerships to develop procedures to hold residents of privatized housing responsible for their utilities.

3. Policies/Implementing Guidance.

a. Definitions.

(1) Utility Baseline. The Baseline is a portion of resident's monthly rent that is established by the partnership to be used to pay for normal consumption of electric, gas and/or heating oil. The Baseline is a reasonable average of the cost of gas, electricity and/or heating oil for a particular home.

(2) Utility Buffer. The Buffer is normally 5% above the average Utility Baseline and provided to residents to ease transition into this program. A decision to use a Utility Buffer is at the discretion of each partnership, and the RCI partner will establish the buffer level.

b. Utility Baseline Determination.

(1) The Utility Baseline is computed by the partnership, 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.

(2) The Utility Baseline will be published for residents on their monthly statements based on the applicable rate charged by the utility provider.

(3) Adjustments to the Utility Baseline may be made by the partnership for special category homes. These adjustments will be coordinated with OASA (I&E), ODASA (P&P) prior to implementation.

c. Metering of Homes.

(1) All new and renovated houses will be metered for gas, electricity and/or heating oil, as appropriate, during construction or renovation. The cost of metering will be borne by the project.

(2) Homes will be metered or will have an application of measurement for utilities by the end of the project's initial development period. Provisions to meter will be specified in the project's CDMP and business agreements.

d. Billing Procedures.

(1) Billing procedures will include meter reading, 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.

(2) Utility billing will go into effect once a statistically sufficient number of homes are metered and an average Utility Baseline for the specific home type has been established. Upon completion of the mock billing period, projects will begin actual billing of homes which received mock bills. The mock billing period applies only to the first homes of a product type. As the same product type is brought on-line, actual billing of these homes can begin.

(3) Additional charges may include: (1) administration fees, (2) late fees and (3) non-sufficient funds fees for returned checks, as allowable by law.

(4) A dispute resolution procedure will be provided for residents.

e. Resident and Partnership Responsibilities.

(1) Residents will be responsible for electricity, gas and/or heating oil costs in their housing as applicable. Requests to include water/sewer responsibility require full justification submitted to the OASA (I&E), ODASA (P&P) for consideration.

(2) The project will be responsible for all other utilities, including utilities for common areas and vacant houses. The CDMP and other project documents/agreements will outline the specifics of the RCI utility program.

f. Special Category Housing (e.g., oversized, historic, special medical requirements, etc.). The partnership will determine the applicability of this policy based on the size and construction of homes in the project. Special Category Housing should be included in the resident responsibility program if possible.

g. Reporting: All sites will report the status of metering, implementation, exceptions, etc., annually to OASA (I&E), ODASA (P&P).