



Tenant Guide to *Allocated* Water or Wastewater Service

What is allocated utility service?

Under a lease agreement, a property owner or designated allocated service provider will bill you for water and perhaps wastewater using an *allocation* method. The owner or allocated service provider receives water and wastewater service from the local utility and passes through the cost of one or both of these services to each dwelling unit on the property. At the time you discuss a rental agreement, the property owner must provide you with a free copy of the rules on utility allocation (Title 30, Texas Administrative Code, Chapter 291, Subchapter H), or a copy of this summary of the rules that has been prepared by the Texas Commission on Environmental Quality (TCEQ).

How does allocation work?

You will receive a bill from the property owner or a billing company, not from the local utility company. The allocated bill is not based on your actual usage. Instead, the property owner has a *master meter*, which is used by the utility to measure all water used by the entire property. The property owner gets a *master meter bill* from the utility. From this bill, the owner or billing company calculates each tenant's share of the charges for water or wastewater using an allocation method approved by the TCEQ.

How will my allocated bill be determined?

The TCEQ approved several methods for allocating utility bills, effective September 27, 2000. Any property using a different method had until September 27, 2001, to switch to *one* of the newly approved methods. The methods include various combinations of occupancy level, square footage and number of bedrooms, as well as the submetering of the hot or cold water. Alternatively, the owner may install *submeters* and begin billing on a submetered basis, or discontinue billing for utility service.

If you have questions about your bill, ask your property owner to explain what allocation method was

used and how the bill was calculated (see "What records must be made available to me concerning allocated service?" in this publication).

For more information on submetered water and wastewater billing, see TCEQ publication, *Tenant Guide to Submetered Water or Wastewater Service* (GI-277).

Is this practice legal?

Yes, Texas law allows owners or allocated service providers to bill tenants for water and wastewater service. Under this law, the TCEQ has adopted rules designed to provide safeguards for you, the tenant. The rules require the property owner to provide you with specific information about your bills and to include disclosures about their billing practices in your rental agreement. It is important for you to be familiar with these requirements, because any billing disputes that arise must be resolved by you and the property owner, usually by working with the on-site manager.

What should my rental agreement include concerning allocated water or wastewater service?

Your rental agreement, lease, or a lease addendum, should disclose the following information:

- Disputes about the calculation of your bill are between you and the property owner.
- You will be billed on an allocated basis.
- You will be billed for water and/or wastewater.
- You have the right to receive information from the owner to verify your utility bill.
- A clear description of the allocation method the property owner will use to calculate your bill.
- The average monthly water/wastewater bill for all dwelling units in the previous calendar year, and the highest and the lowest bill in that year.
- The date bills are usually issued.

- The date bill payments are usually due.
- The number of days it will take to repair a leak in your dwelling unit, after you have reported it in writing.
- The number of days it will take to repair a leak in an unmetered common area that you report in writing.

What utility charges can be passed through to tenants?

Allocated bills for water and wastewater may only include utility charges for water, wastewater, and surcharges directly related to those services. Tenants may not be charged for fees the utility has billed the owner for a deposit, disconnect, reconnect, late payment, or other similar fee. Texas law does not allow property owners to profit from allocated billing by adding extra fees or hidden charges to water and wastewater bills.

What about water or wastewater that is used outside dwelling units in common areas?

Common areas include pools, laundry rooms, and installed irrigation systems for landscaping. Before applying the selected allocation method, the owner must first subtract charges related to common areas, as required by TCEQ rules.

What records must be made available to me concerning allocated service?

The TCEQ rules require property owners to make the following billing records available to you for inspection at the manager’s office during normal business hours. The owner or manager may ask you to submit a written request to view this information. Records routinely kept at the on-site manager’s office should be made available within *three days*.

Records routinely kept elsewhere must be made available within *15 days* of receiving your written request. If there is no on-site manager’s office, the owner must make copies of requested information available at your dwelling unit, at a time agreed to by you, within *30 days* of receiving your written request.

Information that must be made available to you includes:

- the statute that allows owners to bill tenants for water and wastewater service (Texas Water Code, Chapter 13, Subchapter M),

- TCEQ rules that regulate this practice (Title 30, Texas Administrative Code, Chapter 291, Subchapter H),
- rates charged to the property by the utility,
- bills from the utility to the property,
- data on occupancy and square footage used to calculate allocated bills,
- calculations showing deductions for common areas (if applicable),
- total amount billed to tenants each month for water/wastewater,
- total amount collected from tenants each month for water/wastewater,
- any other information you may need to calculate and verify your water/wastewater bill, and
- conservation tips.

What information must be included on my allocated bill?

- Tenant’s name and address.
- Amount due for dwelling unit base charge or customer service charge, or both, if applicable.
- Amount due for water and/or wastewater.
- Payment due date.
- Name of the retail public utility and a statement that the bill is not from the retail public utility.
- Name of the billing company, if applicable.
- Name, address, and telephone number of the party to whom payment is to be made.
- Name or title, address, and phone number of the company or person to be contacted about a dispute.

How do I dispute an allocated bill?

Disputes about the calculation of your bill are between you and the property owner. You are encouraged to file billing disputes *in writing* with the person identified on your bill to contact about disputes--usually the owner, the on-site manager, or a billing company. The owner or designated person must then investigate the dispute and report the results of the investigation to you in writing. The investigation and report must be completed within *30 days* from the date you provide written notification. If you find that a TCEQ rule has been violated, please document your findings and contact

the TCEQ at the address provided at the end of this publication.

When is my allocated bill due?

Your bill is due on receipt. Your payment will be considered late if it is not received within *16 days* after the bill is mailed or hand-delivered to you. The owner may then issue a disconnection notice indicating your water or wastewater service will be disconnected, if payment is not received.

Can my water or wastewater service be disconnected for nonpayment?

No, your service cannot be disconnected for nonpayment.

Can the owner or allocated service provider change the way I am billed?

No, not unless:

- the owner has given you notice of the proposed change at least *35 days* prior to implementing the new method;
- your existing lease has expired, or you are willing to sign a new lease before the current lease expires; and
- you have agreed to the change by signing a lease or other written agreement.

For more information:

This guide summarizes only some of the TCEQ rules regarding allocated billing. A property owner must be familiar with, and comply with, all applicable state laws and rules. Tenants are encouraged to refer to those sources for additional, detailed information.

Violations of TCEQ rules should be documented in writing and sent to: Utilities & Districts Section, MC-153, TCEQ, P.O. Box 13087, Austin, TX 78711-3087.

You may also call the Utilities & Districts Section at 512-239-4691, or visit the TCEQ website at <www.tceq.state.tx.us>.