

# Apartment Water Management Company

*Profits through Conservation*



# Let AWMC water down your bills

Save up to 50% of your water and sewer bills  
and add that amount directly to your Net Operating Income.

Apartment Water Management Company, ("AWMC") was created by a landlord for landlords. We offer greater profits and enhanced asset worth by partnering landlords and tenants in an environmentally friendly effort to conserve water and therefore to reduce expenses.

The most important aspect of bathroom fixture retrofitting is actually getting it done as soon as possible to start the savings. Almost all apartment, office, and condominium buildings will go through the retrofit process as water and sewer bills continue to increase. The question is do you want to invest now and start saving or complete the retrofit process in later years, spending even more without the early year's immediate savings.

# Reasons to use AWMC

Key REASONS to use Apartment Water Management Company rather than your staff in attempting to analyze water usage, procuring appropriate water conserving devices, and installing those devices are as follows:

- Our analysis of water usage takes into account factors that may not be known to the Landlord/Owner, including the use of separate meters, municipal incentive programs, and future usage projections.
- We recommend the appropriate water conserving devices for the particular property taking into consideration tenant profile, budget, cost effectiveness, durability, and property history including materials used.
- Installation is done by professionals who specialize in this type of work and know what to look for when matters become complicated. The right tools and experience are on the job at all times. We carry out the same type of work over and over again making us quick, efficient, and knowledgeable.
- Working with the appropriate municipalities on a continuing basis makes for good relationships and helps the job go smoothly. It also helps make us aware of any rebates or programs in place that will reduce the cost of the project in that particular area.
- No Landlord/Owner should have the excess manpower to complete major capital improvements of this nature in a time frame that is cost effective and does not disrupt the tenants. New employees would have to be vetted, trained, and probably then let go after a couple of weeks increasing the unemployment factor used to determine unemployment insurance rates. They would also need to be added and then taken off any liability insurance policies in place.
- Our service is complete including giving notice to the tenants, delivering new fixtures and removing old fixtures, working in pairs to assure security, completing all paperwork, and inspecting all work when completed.
- **For qualified customers who want to retrofit, AWMC will provide funding for the project.**
- Since we buy in large quantities we receive discounts on prices and delivery regular customers cannot qualify for.
- AWMC will keep up with current trends, product development and potential problems and pass that knowledge on to clients as an ongoing service.

**AWMC is fully Licensed and Insured and will be Bonded when the situation requires it.**

# Financial Impact Example

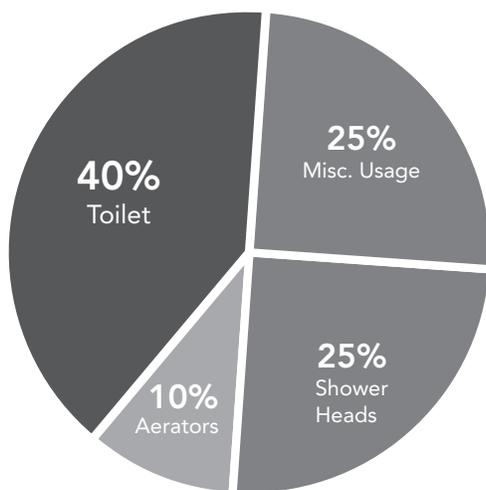
A one hundred unit apartment building with one hundred bathrooms would cost the owner of the building approximately \$22,500 to engage AWMC to provide and install water conservation devices (toilets, showerheads, and aerators) in the entire building. The owner should realize an approximate \$22,500 water and sewer bill savings in the first full year, depending on the type of toilet being replaced and other factors.

At the end of year two, the owner should be putting \$24,750 in his or her pocket from savings. This amount should increase every year for the foreseeable future since local governments in almost all cases will increase water and sewer rates.

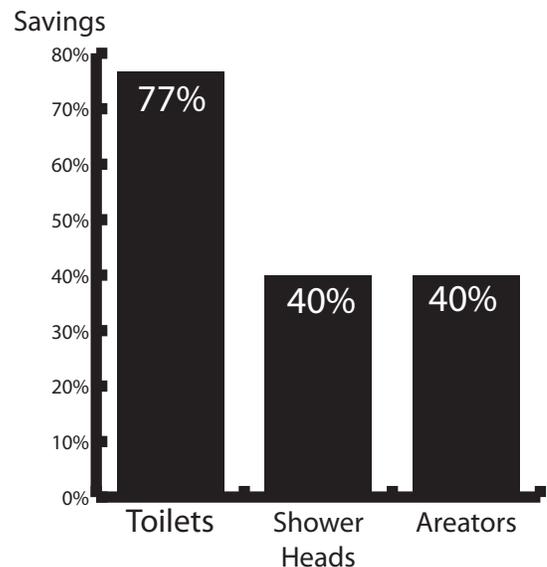
Finally, when the building owner is ready to sell his building (year 3@10% annual water and sewer bill increase), the value of the building will have increased by an approximate value of the one year total savings on the water and sewer bill times a multiple of at least five or six.(year three \$27,225.00 x 6 = \$163,350.00) in increased value. It is a major win, win situation for this initial \$22,500 investment.

**If you thought turning water into wine was a miracle, what do think about AWMC helping you turn water into gold?**

## Apartment Water and Sewer Bill\*



## Areas of Water and Sewer Savings



\*Assumes no leaks, no clothes washers, and no car washing.

Toilets assumes change from 3.5gpf to 0.80gpf  
 Shower heads assumes change from 2.5gpm to 1.5 gpm  
 Aerators assumes change from 2.5gpm to 1.5gpm

# Frequently Asked Questions

**AWMC CAN PAY FOR THE ENTIRE WATER CONSERVATION PROJECT WITH NO MONEY REQUIRED BY THE OWNER. AWMC WILL BE PAID BACK FOR IT'S SERVICES THROUGH THE DEMONSTRATED SAVINGS GENERATED BY THE RETROFIT PROJECT OVER A NEGOTIATED PERIOD OF TIME. NO MONEY. NO RISK. NO BORROWING.**

**1. If we would like to save large amounts of water and money by retrofitting our obsolete fixtures but do not have funds available at this time for this project can AWMC help us accomplish our goal?**

**YES.** AWMC will supply funding, enter into a customer friendly payment agreement, and complete the retrofitting project for any qualified customer. The important concept to keep in mind is the quicker the retrofit is completed, the quicker the savings begin. Wasted water and the monies used to pay for that water will never be recovered.

**2. Do you expect Water and Sewer Rates to continue to rise in the near future?**

**YES.** Under the current conditions existing in most parts of the U.S. rates will rise annually possibly as much as double digits for the foreseeable future. This increase could be higher for multi-family buildings.

**3. Will high efficiency toilets using as little as 0.80 gallons per flush be able to eliminate all solid waste with one flush using so little water?**

**YES.** With the new designs being used by today's toilet manufacturers, less and less water is needed to totally eliminate solid waste. The MaP system of rating solid waste removal in toilets is a standardized series of tests created to measure toilet efficiency. The MaP scale ranges from 0 to 1000. In order to receive a WaterSense designation from the EPA, a toilet must not use more than 1.28 gallons per flush, the toilet must be made to not allow an adjustment in water usage, and the toilet must score 350 or more on the MaP scale.

**4. With the reduced amounts of water being used by high efficiency toilets in multi-family buildings are backups and sewer problems going to increase?**

**NO.** If the building installing the high efficiency, water conserving toilets has well maintained, correctly sized, undamaged sewer lines (especially underground) to begin with, then the reduced water flowing through them should have no significant impact on solid waste removal. Water from shower heads and sink aerators is also used to move solid waste, and unlike commercial applications these fixtures are near the sewer lines making the distance solid waste has to travel much shorter.

# Frequently Asked Questions

**5. Since the water and sewer bills represent such a small percentage of the overall costs of operating an Apartment or Condominium building can we really save much money in the total scheme of things by retrofitting the bathroom fixtures?**

**YES.** While the water and sewer bills seem relatively low compared to the insurance bill and tax bill if they are added up over a twelve month period they will more than likely be greater than either the once a year Insurance bill or Tax bill unless we are dealing with a truly luxury building in which case the tax bill may be higher. And when that high tax bill comes in the first person you would go to see is the paid, professional tax advisor.

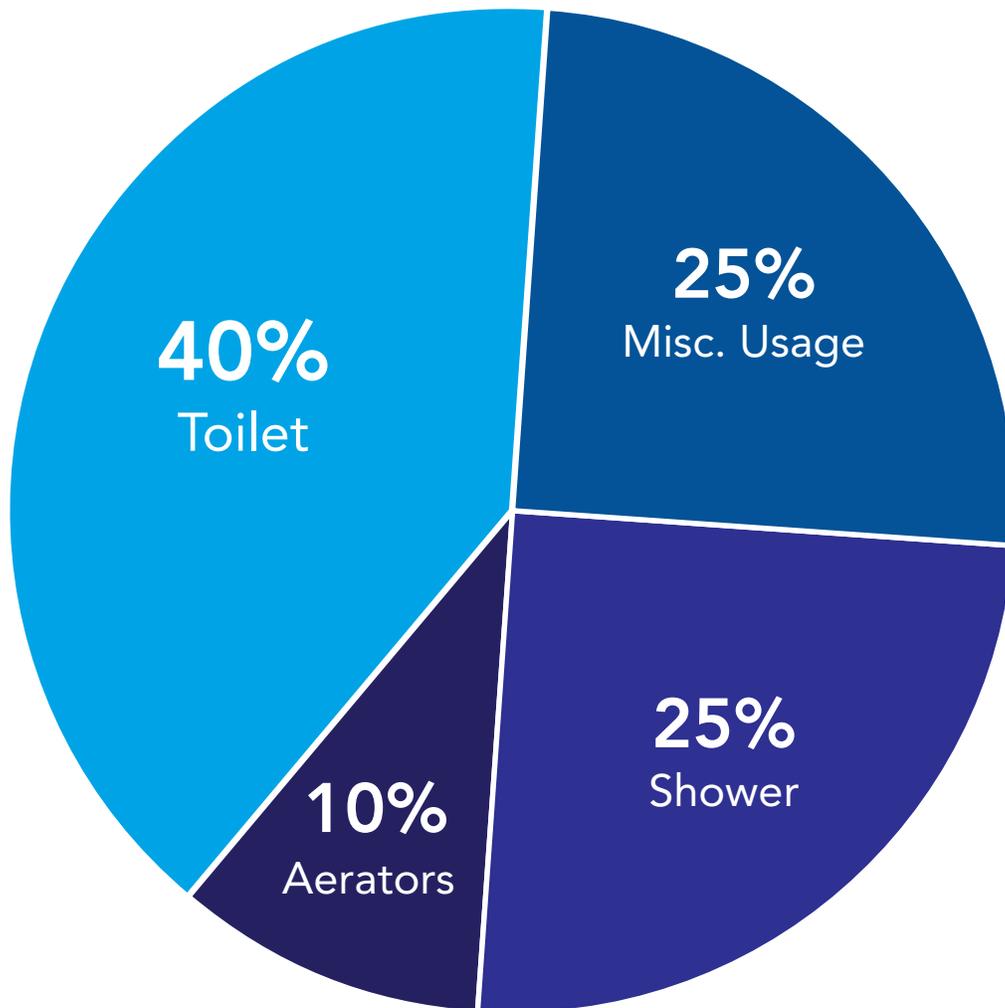
**6. Would I be better off by doing the bathroom retrofit in-house on a turn over basis rather than letting a professional retrofitting company come in and do the entire job in one quick attempt?**

**No.No.No.** By doing the retrofit piecemeal you lose large water and sewer savings over time, pay more for the fixtures by buying small quantities at a time, and have the installation done inefficiently therefore wasting time. The key to maximizing profits is TIME.

**7. Are water and sewer rates high enough to justify the cost of a complete retrofit of bathroom fixtures in my buildings?**

**YES.** The rates were high enough four or five years ago to justify such an undertaking. Where else can you get one to two year payback periods on capital expended on apartment and condominium buildings improvements? And, the savings should just keep increasing over the years.

# Typical Apartment Water Usage



- This chart assumes no leaks, individual clothes washers or automobile washing allowed on building premises.
- Water fixture replacement will not affect water quality in any way.

# Apartment Water Management Company • WATER SURVEY

Name of Complex: \_\_\_\_\_ Year Built: \_\_\_\_\_

Owner of Complex: \_\_\_\_\_

Address of Complex: \_\_\_\_\_

Name of other Complex's owned: \_\_\_\_\_

Number of units in Complex: \_\_\_\_\_ How many floors in Complex: \_\_\_\_\_

Number of buildings: \_\_\_\_\_

Complex Unit Mix: \_\_\_\_\_

Does the complex use RUBS?  Yes  No

Elevator?  Yes  No

Have there been any bathroom retrofits since C.O.?  Yes  No

Number of each in Complex: Bathrooms \_\_\_\_\_ Toilets \_\_\_\_\_ Showers \_\_\_\_\_ Sinks \_\_\_\_\_

Are there individual clothes washing machines or laundry rooms present at the complex? \_\_\_\_\_

Is vehicle washing allowed at the complex?  Yes  No

Current Toilets Gallons Per Flush (GPF): \_\_\_\_\_

Current Shower Heads Gallons Per Minute (GPM): \_\_\_\_\_

Current Aerators Gallons Per Minute (GPM): \_\_\_\_\_

Are toilets round or elongated?  Round  Elongated Toilet Color \_\_\_\_\_

Are the sewer pipes underground Cast Iron or PVC?  Cast Iron  PVC

Are there chronic sewer backup problems?  Yes  No

Is there a Swimming Pool and/or Lawn Sprinkler System in the Complex?  SP  LSS

Are they metered separately?  Yes  No

Is the entire building metered separately (submetered) ?  Yes  No

Name of Billing Authority: \_\_\_\_\_

Please attach copies of all Water and Sewer Bills for last three (3) months.

Please attach occupancy rates for corresponding months along with standard lease form.

Name of contact person: \_\_\_\_\_

Telephone number: \_\_\_\_\_

E-mail address: \_\_\_\_\_ Date: \_\_\_\_\_

Please send to EDWARD A. BRIDY: ebridy@aol.com 954.200.2351

## A Message from Paul A. Lester & Edward A. Bridy, Managing Members of AWMC

### Saving Water and Saving Dollars: Simple is Complex

There is much written about the ecological conservation efforts in saving natural resources such as water—see for example “Unpave a Parking Lot and Put Up a Paradise: Using Green Infrastructure and Ecosystem Services to Achieve Cost-Effective Compliance”, Robert B. McKinstry Jr., H. David Prior, Jennifer E. Drust, Ana C. Montalban, and Kimberly D. Magrini, 42 Environmental Law Reporter 10824 (September 2012), and The Swamp: The Everglades, Florida and the Politics of Paradise, Michael Grunwald, Simon & Schuster (2006). These sources make it clear that conservation efforts through natural procedures such as “green infrastructure” can save literally billions of dollars and much of the planet’s scarce water resources. However, “repaving the parking lot” and returning to a natural state of a project site conflicts daily with the “If you build it they will come” belief of most large scale real estate developers. Rachel Carson’s ground breaking (literally) Silent Spring book of the early 1960’s was the first national bestselling book raising world consciousness of the precariousness of environmental degradation. However, more than 50 years later the battle remains not only on how best to conserve our natural resources but how to resist the temptation to continue residential and commercial development in sensitive environmental areas (this is not just swamps but urban development more so).

The water study on the Richmond on the Fairway project in the Atlanta, Georgia, area which follows shows a greater than a 40% monthly decrease in water use and cost outlay reduction from the “simple act” of installing more water efficient toilets, shower heads, and sink aerator heads in the bathrooms of these residential garden apartment units--significant savings under any scenario. In real numbers, the retrofit by AWMC of the toilets, shower heads, and sink aerators in this 482 bathroom unit, 26 building, garden apartment project, saves almost one million gallons of water PER MONTH with reduction of the monthly water bill from \$27,000 to \$15,000—with greater projected savings going forward since the water rates in the County where this project is located are going up over 6% during each of the next two calendar years. The following narrative and accompanying graph and chart are self-explanatory in that regard. Key to understanding the import of water savings is the recognition that the monthly water bill, next to insurance, is the single largest expenditure of the multifamily apartment developer and operator. Reducing this expenditure markedly creates a significant increase in the net operating income of the subject project and thereby results in a multiplier of greater real sale price value of the project, as demonstrated by the study.

# Water Case Study

Landmark at Richmond on the Fairway  
A Water Conservation Case Study  
November 1, 2013

## Overview

Landmark at Richmond on the Fairway is a 243 unit apartment complex located on over 30 acres at 3348 Fairway Oaks Drive Lawrenceville, Georgia 30044, a suburb of Atlanta, Georgia. The complex contains 26 buildings that are one to three stories high and contain no elevators. There are also three swimming pools, one of which is operational and three resident laundry rooms. Richmond has maintained a ninety-five percent plus (95%+) occupancy figure and did not have a large percentage of two bathroom units thus keeping the users of the toilets to a maximum number.

The water and sewer needs of the complex are serviced by Gwinnett County Department of Water Resources, located in a metropolitan area of Atlanta, which has some of the highest water and sewer rates in the country. It must be noted that the county water department was very helpful in the implementation of the retrofit plan by providing free toilet and cardboard recycling and a general willingness to help complete the water conservation efforts at the Richmond apartment complex.

The Gwinnett County Building and Zoning Department also greatly helped the water conservation efforts greatly by not requiring a licensed plumber to pull permits or complete work, since the replacement of inefficient but functioning toilets is considered a "maintenance function".

Prior to the bathroom fixture retrofit by AWMC, GA., L.L.C. ("AWMC") the Richmond apartment complex used 3.5 gallon per flush (gpf) toilets, 2.5 gallon per minute (gpm) shower heads, and 2.5 gallon per minute aerators. The complex was built in 1976 and had not been previously retrofitted, although a few toilets and shower heads had been replaced over the years with slightly more efficient models.

Starting in 2013 the water and sewer bills had hit a high of \$28,723.84 per month (January, 2013) and the corresponding water usage for 31 days was 2,218,437 gallons. In anticipation of the AWMC Retrofit Richmond had leaks at their swimming pools repaired and lowered the water and sewer bills to \$23,293.62 per month (April, 2013) and the water usage for 31 days to 1,974,035 gallons per month. (See Exhibit 1).

## The Retrofit

On May 9, 2013, after receiving new Water Sense approved Ultra High Efficiency Toilets (UHET) from Niagara Conservation Industries, the work of retrofitting four-hundred and eighty-one (481) bathrooms began. Niagara also supplied shower heads, aerators, water supply lines, and wax rings for use at the project. The toilets used were Stealth models flushing at 0.80 gallons per flush. The shower heads were Earth Massage using 1.5 gallons per minute. The aerators were universal models allowing 1.5 gallons per minute.

Armed with the water conserving fixtures, installers hired from local tradesmen began their tasks of installing new fixtures, checking for other leaks in the units they were working in, and removing old, inefficient fixtures and disposing of those fixtures properly.

AWMC also discovered, in the implementation of the water usage analysis component of the retrofit, a two inch (2") irrigation water meter that had not been used since 2009 but was costing Richmond over six-hundred dollars (\$600.) a year. A recommendation to discontinue use of that meter was made by AWMC to Richmond.

When the work was completed on June 7, 2013, AWMC had changed 481 toilets, 302 shower heads, and 705 aerators and replaced them with water conserving devices.

**Results**

Due to the completed bathroom fixture retrofit done by AWMC along with related efforts to conserve water and lower associated bills by implimenting AWMC recommendations for repairing swimming pools and a main line water valve, Richmond has lowered the monthly water usage at the complex by forty-eight percent (48%) since January, 2013. That lower usage has translated into monthly monetary savings of \$12,897.62.

AWMC is entitled to credit for the lowering of the water usage from the combined average of the February and March, 2013 water and sewer bills (the two months before the retrofit) less the July, 2013 bill (the month after the retrofit). That figure which was used by AWMC for billing purposes equated to a forty-three and eight-tenths percent (43.8%) monthly reduction in water usage and an equally impressive monetary savings of \$11,690.89 per month. With a traditional payment schedule and a cost of \$350 per water unit which included a complete toilet, shower head and one or two aerators, the payback period for the retrofit project will be fourteen and a half months (14.5).

**Summary**

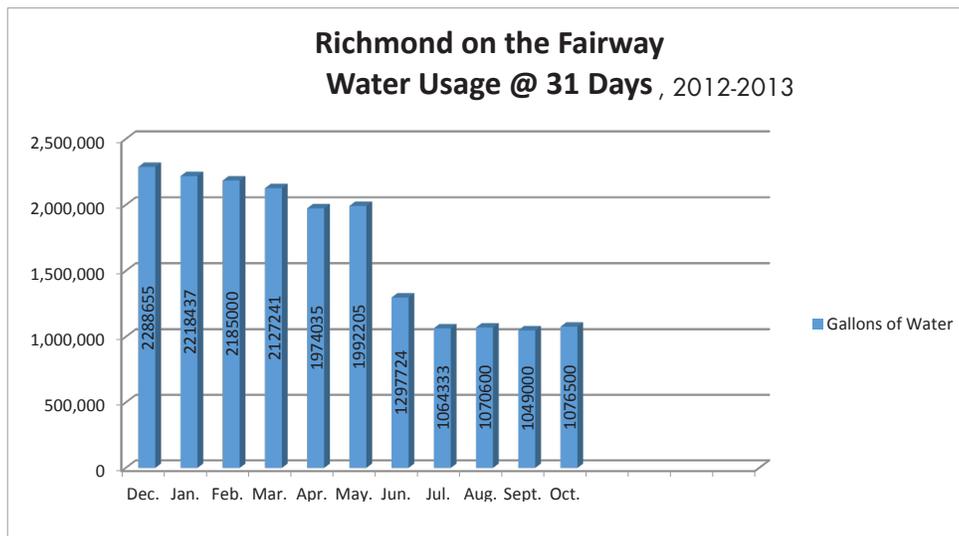
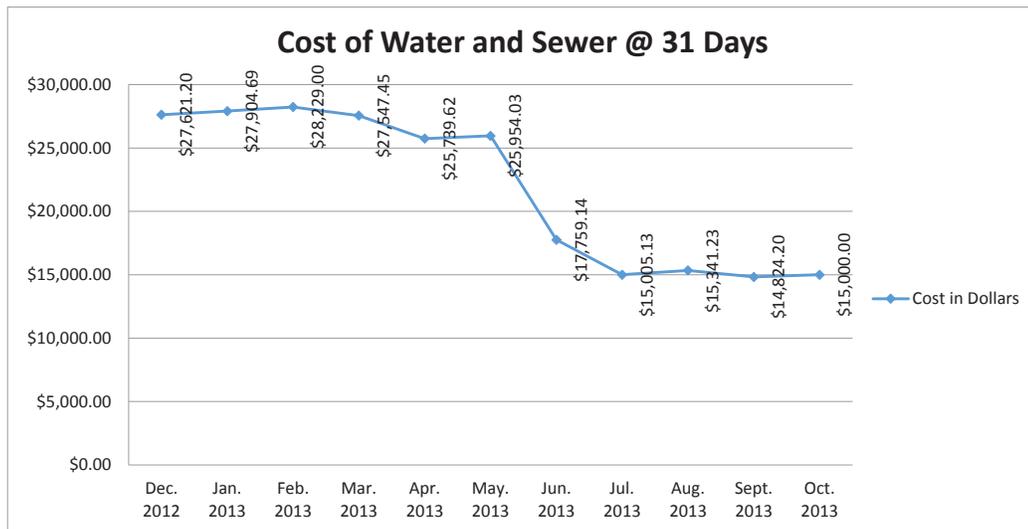
In summary, this bathroom fixture retrofit project has proven that you can help save the planet by conserving water and saving large amounts of money and thereby increasing project value in the process.

With water and sewer rates rising substantially on an annual basis and no relief in sight, the benefits of a water conservation project can only improve over time.

**With annual savings of \$140,000 a year, not including water and sewer rate increases, an increase in Net Operating Income of the same magnitude results in enhancing the worth of the complex by a multiple of five to seven times the annual dollar savings number.**

While continuing to monitor the Richmond project, AWMC has not found any evidence of excessive sewer stoppages due to the retrofit, and the water and sewer bills do not indicate "double-flushing" or improper use of the newly installed toilets by the residents.

**Exhibit 1**



# Contacts

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