



In 2015, Indiana utilities produced over 50 billion gallons of water that did not generate revenue, resulting in a loss of \$54.6 million*. To better understand non-revenue water, the Indiana Legislature enacted [SEA 4](#) (2019), which obligates water utilities to complete annual water loss audits. In addition, in every even-numbered year, starting in 2020, water loss audits are required to be validated by a certified, third-party water loss audit validator (“Certified Validator”) and submitted to the Indiana Finance Authority (“IFA”) for compilation into a biennial report to the General Assembly. The IFA will aid utilities in completing their validated water loss audits.

What is a water loss audit?

In general, a water loss audit is an evaluation of the amount of water a utility produces compared to the amount of water it sells. Utilities incur real water losses (e.g. physical) from pipeline leakage and apparent water losses (e.g. paper) when customer water consumption is not properly measured or billed. The main benefit of doing an audit is to identify these losses so the utility may take corrective actions, which often lead to financial savings. Utilities will utilize the most recent version of the American Water Works Association (“AWWA”) [Free Water Audit Software](#) to complete their water loss audit. There is no cost to utilities to use the software.

What is a Level 1 validated water loss audit?

Water loss audits can only effectively inform decision-makers when the water loss volumes they report capture reality. A Level 1 water loss audit validation aims to identify, and appropriately correct for, inaccuracies in water loss data and audit methodology where realistic, and verify the selection of correct data validity grades for the data entries. The main benefit of completing a water loss audit validation by a third-party expert is to improve the accuracy of water loss audit data. The IFA will call for Certified Validators to follow the Level 1 Water Audit Validation guidance manual developed by the [Water Research Foundation](#).

What utilities are obligated to participate?

A Community Water System that supplies water to its users via meters is required to complete a water loss audit annually.

When are validated water loss audits due to the IFA?

Validated water loss audits are due to the IFA on August 1, 2020, and every even-numbered year thereafter.

What is the cost to validate a water loss audit?

The cost is set by the third-party Certified Validator. However, utilities may “self-certify” if the person serving as the Certified Validator holds an Indiana Water Loss Audit Validation certification and did not provide assistance during the water loss process to the utility being validated. In addition, utility personnel who are certified may serve as the Certified Validator for another utility’s water loss audit.

What resources are available to help?

The IFA, in partnership with the Indiana Section AWWA will conduct no-cost water loss audit workshops around the state, at which utilities will receive instruction on how to complete a water loss audit. At some workshops, utilities will be able to complete their water loss audits onsite. Attendees will be eligible for eight Continuing Education and Professional Development hours. Workshop dates and locations are posted on the [IFA Water Loss Audit website](#). Registration is required. To register, visit www.inawwa.org. A Technical Assistance Hotline is also available and can be accessed by contacting our team at 317-426-7437 (M-F, 8-4) or WaterLoss@inawwa.org. Please note that while attendance at a training workshop is voluntary, after August 1, 2020 utilities that have not submitted a validated water loss audit may be responsible for costs associated with any additional assistance that needs to be provided in order to complete an acceptable validated audit.

Who can become a Certified Validator?

An individual may apply to be a Certified Validator by:

1. Passing the Indiana Water Loss Audit Validator certification exam, or
2. Possessing a valid water loss audit validator certificate from the CA-NV AWWA or be a Qualified Water Loss Auditor in the state of Georgia.

Note these requirements are subject to change. By 2024, all new candidates registering as a Certified Validator must have passed the Indiana Water Loss Audit Validator certification exam.

How do I become a Certified Validator?

In 2019 and 2020, the IFA will conduct training workshops for individuals wishing to become Certified Validators. The two-day workshop will conclude with a certification exam. Attendees will be eligible for twelve Continuing Education and Professional Development hours. Training dates and locations are posted on the IFA Water Loss Audit website. Registration is required. To register, visit www.inawwa.org. The certification will be valid for four years. Please note that a pre-requisite for taking the Validator training workshop is attending a no-cost water loss audit workshop hosted by the IFA.

How much does it cost to attend Water Loss Audit Validation training, take the exam, and obtain the certification?

In 2019 and 2020, the fee for the Validator training and exam is \$290.00. Attendees will receive a copy of the AWWA M36 Water Audits Manual and the Water Research Foundation's Level 1 Water Audit Validation Guidance, two lunches, and refreshments for the two-day training. This fee is due prior to attending the training. After passing the exam, the applicant will apply for the Validator Certification. The cost to apply is \$250.00 which covers the cost of the license data management for four years.

May I retake the exam if I don't pass?

Participants may retake the exam at another Validator training workshop. Participants may opt to attend the class and retake the exam for \$150.00. Or, for no fee, to retake the exam only.

What are the renewal requirements?

To renew their certification, Certified Validators will be required to complete: 1) two water loss audit validations and two hours of Continuing Education Credits four years from the date of issuance or 2) eight hours of Continuing Education Credits four years from the date of issuance.

For more information: visit the IFA Water Loss Audit website: <https://www.in.gov/ifa/3013.htm>