



FLEIS & VANDENBRINK

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COUNTDOWN TO COMPLIANCE: INDIANA'S 2026 WATER LOSS AUDIT

If you haven't started yet, now is the time to begin preparing your 2026 Water Loss Audit. Since 2016, Indiana water utilities have been required to submit a validated Water Loss Audit every two years. While the process may feel routine, it remains a critical compliance requirement and an important tool for improving system performance and protecting revenue.

Utilities complete the audit using the American Water Works Association (AWWA) Free Water Audit Software. Although anyone can complete the audit, the state requires a certified validator to verify it. The AWWA's software is available at: <https://www.awwa.org/resource/water-loss-control/>

Given competing priorities and limited staff capacity, many utilities choose to partner with an experienced firm for accuracy and efficiency. Fleis & VandenBrink (F&V) has certified validators on staff who complete 20–25 validations each audit cycle.

As part of the validation process, F&V reviews the audit and meets with the community to discuss the results. We compare the community's current findings to previous audits to determine whether water loss is improving or worsening, and identify practical steps the community can take to reduce losses and strengthen system performance.

"Milan has faced high water loss and appreciates working with F&V on our audits to understand the problem," said Doug Price, Town Manager at the Town of Milan. "We recently completed a large watermain replacement project with F&V to address some of these losses."

IMPORTANT REMINDERS

Start early. Validation takes time, especially for communities who must gather and organize data for the first time.

The validated audit is due by August 1, 2026. Utilities must complete their financial data for the previous year before starting their audit. A water loss audit isn't

just about counting how much water is lost. Like a financial audit, it compares what was produced with what was accounted for as sold, used, or lost over the prior calendar year.

If circumstances arise close to the deadline, F&V can assist with a 30-day extension request from the State, if needed. Utilities seeking funding through the State Revolving Fund (SRF) must be current on their Water Loss Audits.

For step-by-step guidance, review the Indiana Finance Authority's Quick Start Guide for Water Loss Audit: <https://www.in.gov/ifa/files/Quick-Start-Instructions-for-Water-Audit-Oct-2021.2.pdf>

Accurate audits do more than maintain compliance; they support funding eligibility, capital planning, and long-term strategies to reduce water loss.

For assistance with validation or questions about preparing your audit, please contact **Eric Laker** at **317.745.6995** or elaker@fveng.com.



2026 WATER AUDIT PREP CHECKLIST

- Confirm Your Requirement
- Gather System Data
- Compile Water Production Data
- Compile Water Consumption Data
- Gather Financial Information
- Complete AWWA Water Audit, which covers:
 - How much water is being lost
 - Whether the lost water is unavoidable or avoidable
 - What the value of the water loss is
- Hire a Certified Validator
- Submit to Indiana Finance Authority (IFA)

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