# This presentation premiered at WaterSmart Innovations

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# NRW in the Fast Lane: The Citizens Energy

**Group Non-Revenue**Water Initiative





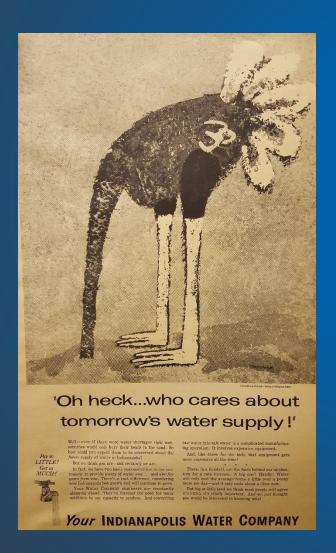
Credit to Thomas Kinkade

Presented by: Dan Moran, Citizens Energy Group Tory N. Wagoner, Cavanaugh





# A quick history of Water Service for the City of Indianapolis



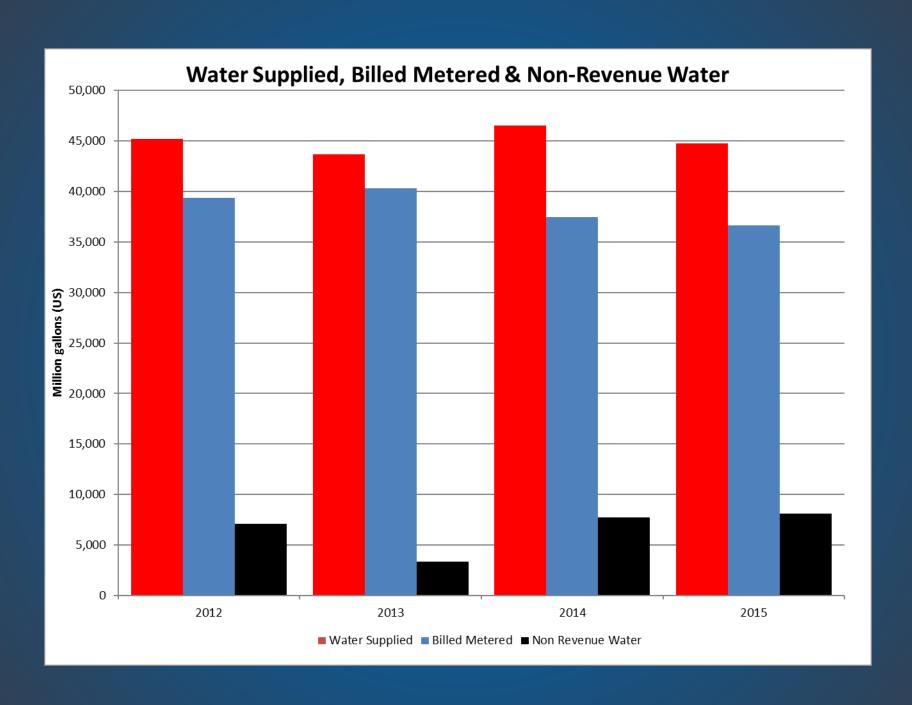
Indianapolis Water Company 1881 - 2002

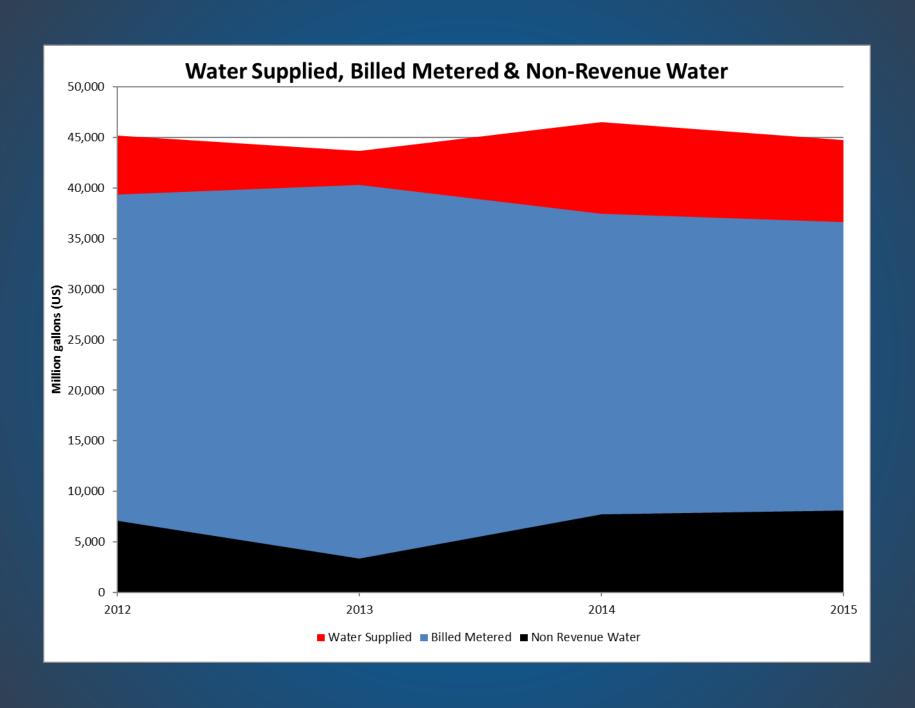
City of Indianapolis/Veolia 2002 - 2011

Citizens Energy Group 2011 - present

# IWA/AWWA Standard Water Balance

		Water Exported		Billed	Revenue	Billed Water Exported
Own			Authorized	Authorized Consumption	Water	Billed Metered Consumption
Sources	Total System		Consumption			Billed Unmetered Consumption
	Input			Unbilled Authorized		Unbilled Metered Consumption
	( allow	Water		Consumption		Unbilled Unmetered Consumption
	for	Supplied				Unauthorized Consumption
	known errors)			Apparent Losses	Non- Revenue	Customer Metering Inaccuracies
Water Imported			Water		Water	Systematic Data Handling Errors
imported			Losses			Leakage on Mains
				Real Losses		Leakage on Service Lines
						Leakage & Overflows at Storage





#### November 2014

#### **Non-Revenue Water Initiative**

#### **Objectives:**

- Improve Citizens Water Operating Income by reducing non-revenue water (i.e. increased revenue and reduce O&M expense)
- Prioritize non-revenue water initiatives and investments based on economic impact
- Reduce non-revenue water percentage in most cost effective manner possible
- Improve documentation of non-revenue water as needed to support economic decision-makin

#### Process:

- Review the current M-36 Water Audit Process to develop common understanding of economic impacts of each non-revenue water component.
- Review water audit history and trends
- Identify data gaps/uncertainties in water audit data that limit sound economic decision making
- Develop or compile reports, analyses or estimates as needed to fill data gaps.
- Prioritize water balance component based on financial impact
  - Benefits (revenue or savings)/Cost (capital or resource) = payback
- Develop detailed action plans:
  - High impact water balance components (include payback analysis)
  - Address data gaps in Water Audit and Water Balance processes
  - General process improvements
- · Implement action plans and process improvements
- Monitor results

#### Team Structure:

Sponsors: Jeff Willman, Curtis Popp & Ed Malone

Lead: Dan Moran

#### Members:

Finance - Tom Price

Revenue Assurance – Leon Broughton

Customer Relationships- Jeff Sinclair

Billing systems – Dennis Claffey

Water Distribution – Mike Elliot

Standards- Dan McBride

System Hydraulics –Elena

Water Production – Steve

Meter Reading – Christina

IT – Lisa Sellers or designe



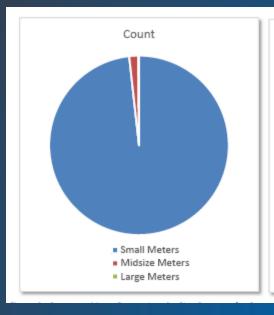
From: Dan Moran (Non-Revenue Water Team Lead)

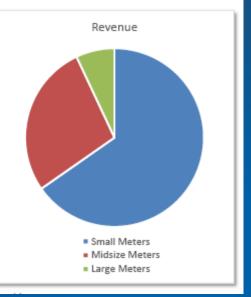
To: Jeff Willman, Curtis Popp, Ed Malone (Non-Revenue Team Sponsors)

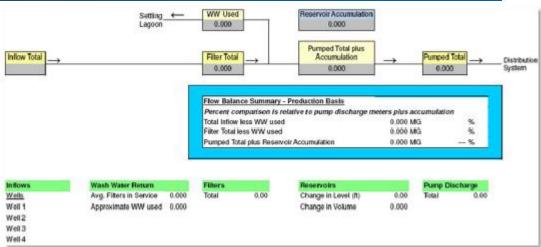
Cc: Non-Revenue Water Team Members

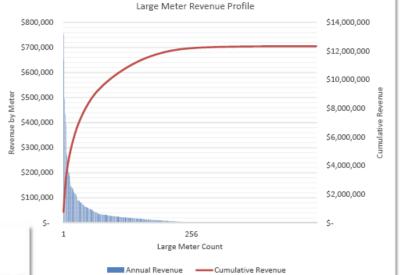
Date: March 27, 2015

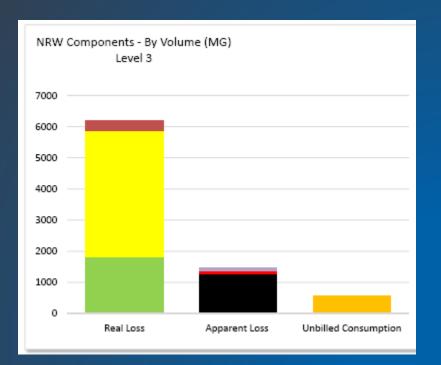
	-					
The coor	Billing	Incorrect water bills issued to Brownsburg and Lake of Lanterns following rate change in June 2014.	\$110k/yr		Billing determinants have been corrected Customers will be back billed for correct amount Create new dynamic bill review process by May that will identify any future similar issues.	New dynamic bill review process under development. New process will ensure all rates being billed are included in daily review.
	Metering	Questionable accuracy of large and small meters (failed meters always low readings).	\$2-4 M/yr	<u>Ne</u>	Large meter analysis is being completed by Neptune to refine loss estimates and prioritize meter replacement plan Small meter testing and replacement program will be implemented. Approx. 32,000 older meters are targeted for replacement w (3/26/15):  Track volume and revenue changes for accounts following large meter replacements.	Refer to memo from Dan McBride on meter accuracy evaluations for details:  Average accuracy of functioning small meters >98%; however, percent of non-functioning meters in system unknown.  Analysis of large meters by Neptune complete; but comparisons with Vanguard test data vary widely.

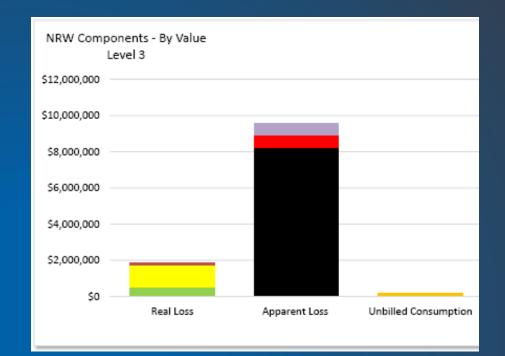






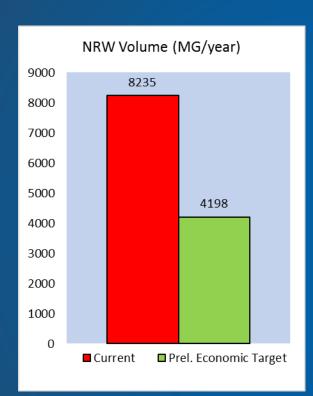






Overall metrics are presented below with discussion.													
Water Audit Data Validity Score:	74	out of 100											
			95% Confi	dence Limits	(+/-)								
Economic Metrics	Volume		Low	High	%								
Non-Revenue Water	24,744	gal/conn/yr	21,230	28,257	14.2%								
Non-Revenue Water	8,235	MG/yr	7,074	9,397	14.1%								
Target NRW Recovery (prel)	4,177	MG/yr	3,133	5,221	25.0%								
	Value - Water Only												
Non-Revenue Water	\$22	\$/conn/yr	\$18	\$25	16.6%								
Non-Revenue Water	\$ 7,166,110	\$/yr	\$ 5,976,536	\$ 8,355,684	16.6%								
Target NRW Recovery (prel)	\$ 4,707,445	\$/yr	\$ 3,530,584	\$ 5,884,306	25.0%								
NRW Economic Index	2.9	ratio of curren	it vs optimum N	NRW cost									
Technical Metrics													
Unbilled Consumption	5	gal/conn/day	2	7	50.0%								
Apparent Loss	12	gal/conn/day	9	15	21.7%								
Real Loss	51	gal/conn/day	43	59	16.1%								
Infrastructure Leakage Index	3		2.8	4.0	16.5%								









## Non-Revenue Water – Program Development

#### Water Balance Validation

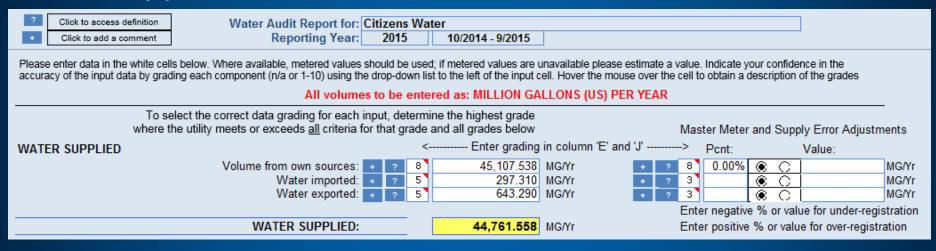
- AWWA Water Audit Software
  - Validation of inputs
  - Data grading
- 95% Confidence Limits Approach
  - Validation of inputs
  - Statistical approach to recommended focus areas



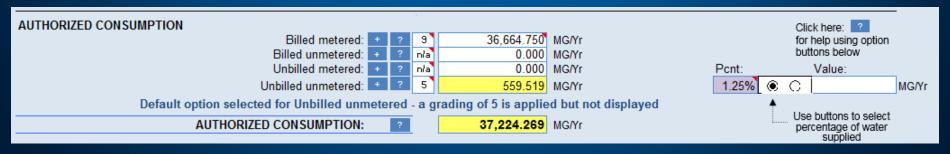


#### AWWA Water Audit Software - Validated Benchmark Audit

#### Water Supplied



### Authorized Consumption

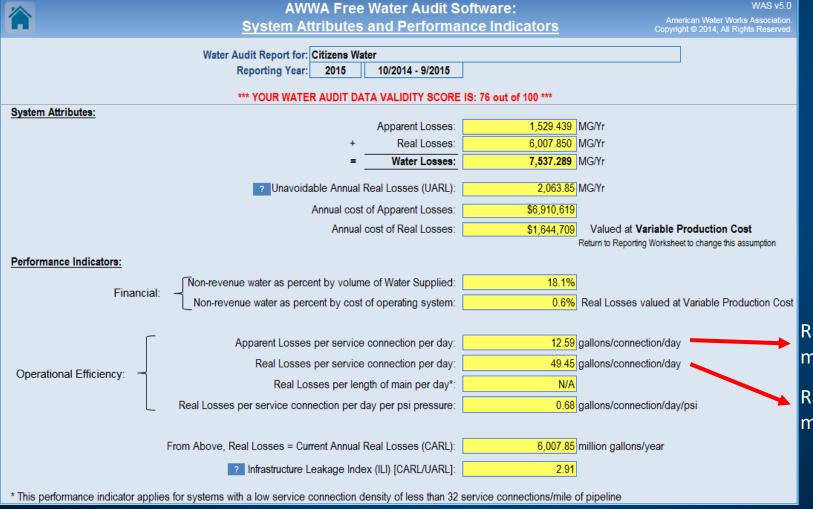






#### AWWA Water Audit Software - Validated Benchmark Audit

#### **Performance Indicators**



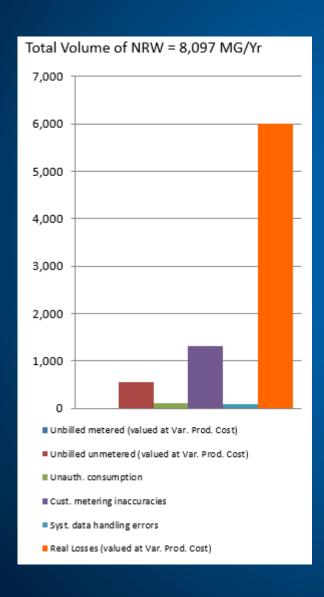
Range: 1 to 40, median 5

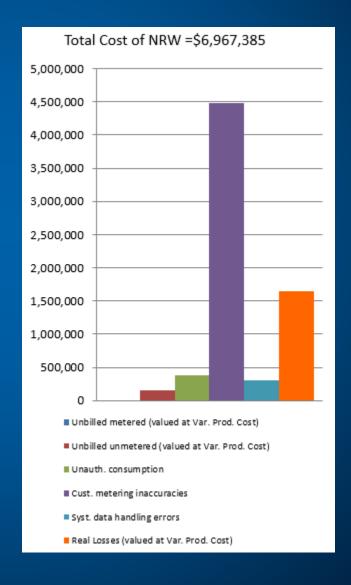
Range: 20 to 200,

median 40













#### Ability to disaggregate components and put focus on

Existing Water Balance Information		<u>Citizens Indiana</u>	polis	10/2014-09/2	<u>015</u>	
				95% Confidence		
Component (input, output)	%	Volume MG/Yr	Value \$	Limits	Std. Deviation	Variance
Water Produced						
White River (MG/Yr)		17,898.651		2.0%	179.0	32036
Riverside (MG/Yr)		7,330.770		2.0%	73.3	5374
Fall Creek (MG/Yr)		5,298.257		2.0%	53.0	2807
TW Moses (MG/Yr)		3,162.527		2.0%	31.6	1000
White River North (MG/Yr)		5,907.123		2.0%	59.1	3489
Geist (MG/Yr)		804.524		2.0%	8.0	65
Harding (MG/Yr)		418.232		2.0%	4.2	17
Ford Road (MG/Yr)		89.687		2.0%	0.9	1
South Wellfield (MG/Yr)		4,106.898		2.0%	41.1	1687
Harbour (MG/Yr)		90.869		2.0%	0.9	1
Water Imported (MG/Yr)		297.310		2.0%	2.97	9
Water Exported						
Brown County Water Company		32.980		3.0%	0.49	0
City of Lawrence		0.000		3.0%	0.00	0
Lake of The Lanterns Mhp		17.834		3.0%	0.27	0
Lawrence Water Co		0.000		3.0%	0.00	0
Lawrence Water Company		0.000		3.0%	0.00	0
Morgan County Rural Water Corp		3.947		3.0%	0.06	0
Morgan Cty Rural Water Corp		29.488		3.0%	0.44	0
Town of Brownsburg		82.920		3.0%	1.24	2
Town of Danville		1.233		3.0%	0.02	0
Town of Pittsboro		78.798		3.0%	1.18	1
Tri-County Conserve Distr		51.936		3.0%	0.78	1
Whitestown Utility		215.153		3.0%	3.23	10
Carmel Adjustment		129.001		3.0%	1.94	4
Corrected Total Water Supplied (MG/Yr)		44,761.558		1.0%	215.6	46504





Existing Water Balance Information		<u>Citizens Inc</u>	dianapolis	10/2014-09/2015	
Billed Metered (MG/Yr) 5/8"		17,526.920	3.0%	17,001.112	18,052.727
Billed Metered (MG/Yr) 3/4"		2,255.118	3.0%	2,187.464	2,322.771
Billed Metered (MG/Yr) 1"		2,476.144	3.0%	2,401.860	2,550.428
Billed Metered (MG/Yr) 1 1/2"		5,000.801	3.0%	4,850.777	5,150.825
Billed Metered (MG/Yr) 2"		5,807.108	3.0%	5,632.895	5,981.321
Billed Metered (MG/Yr) 3"		677.609	2.0%	664.057	691.162
Billed Metered (MG/Yr) 4"		1,013.598	2.0%	993.326	1,033.870
Billed Metered (MG/Yr) 6"		1,425.233	2.0%	1,396.728	1,453.737
Billed Metered (MG/Yr) 8"		482.210	2.0%	472.566	491.855
Billed Unmetered (MG/Yr)		0.000	0.0%	0.000	0.000
Billed Authorized Consumption		36,664.741	1.6%	36,080.852	37,248.630
Non Revenue Water (MG/Yr)		8,096.817	9.0%	7,370.908	8,822.727
Unbilled metered (Mg/Yr)		0.000	0.0%	0.000	0.000
Unbilled Unmetered (Mg/Yr)		559.519	25.0%	419.640	699.399
Unbilled Authorized Consumption		559.519	25.0%	419.640	699.399
Water Losses (MG/Yr)		7,537.298	6.0%	7,083.884	7,990.712
Unauthorized Consumption (MG/Yr)		111.904	25.0%	83.928	139.880
Customer Metering Inaccuracies (MG/Yr) 5/8" +/-	-4.4%	808.931	5.0%	768.485	849.378
Customer Metering Inaccuracies (MG/Yr) 3/4" +/-	-3.5%	82.657	5.0%	78.524	86.790
Customer Metering Inaccuracies (MG/Yr) 1" +/-	-3.9%	101.404	5.0%	96.334	106.474
Customer Metering Inaccuracies (MG/Yr) 1 1/2" +/-	-2.2%	113.482	5.0%	107.808	119.156
Customer Metering Inaccuracies (MG/Yr) 2" +/-	-2.0%	120.277	5.0%	114.263	126.291
Customer Metering Inaccuracies (MG/Yr) 3" +/-	-4.3%	30.537	22.2%	23.773	37.301
Customer Metering Inaccuracies (MG/Yr) 4" +/-	-2.7%	27.892	20.0%	22.328	33.457
Customer Metering Inaccuracies (MG/Yr) 6" +/-	-3.2%	46.612	22.5%	36.120	57.104
Customer Metering Inaccuracies (MG/Yr) 8" +/-	0.6%	-2.638	42.0%	-1.530	-3.745
Systematic Data Handling Errors (MG/Yr)		91.662	25.0%	68.746	114.577
Apparent Losses (MG/Yr)		1,532.722	3.7%	1,475.776	1,589.668
Current Annual Real Losses (MG/Yr)		6,004.576	7.6%	5,547.600	6,461.552





Performance Indicators and 95% confidence intervals				Performance Indicators and 95% confidence intervals												
<u>Component</u>		Best estima	<u>te</u>	95% Conf. Int.		Lower Range		Upper Range								
Non-Revenue Water (gal/conn/yr)		24,327		9.2%		22,093		26,562								
Unbilled Consumption (gal/conn/day)		5		25.1%		3		6								
Apparent Loss (gal/conn/day)		13		4.2%		12		13								
Real Loss (gal/conn/day)		49		7.9%		46		53								
Infrastructure Leakage Index		3.1		8.5%		2.8		3.3								
Summan	Further work is required on validation before building a solid NRW															
Summary	reduction Strategy															
Component values \$																
<u>Component</u>		Best estima	<u>te</u>	95% Conf. Int.		Lower Range		Upper Range								
Real Loss Value (annual \$)		\$ 1,643,	813	9.1%	\$	1,494,127	\$	1,793,498								
Apparent Loss Value (annual \$)		\$ 6,925,	478	6.2%	\$	6,494,071	\$	7,356,886								
Unbilled Value (annual \$)		\$ 153,	174	25.5%	\$	114,122	\$	192,226								
NRW Value (annual \$)		\$ 8,722,	465	5.3%	\$	8,264,160	\$	9,180,770								
NRW Value (\$/conn/yr)		\$ 2	5.21	5.6%	\$	25	\$	28								





Input Component Ranking for Output Improvement	Volume MG/Yr	Rank
Billed Metered (MG/Yr) 5/8"	17,526.920	1
White River (MG/Yr)	17,898.651	2
Billed Metered (MG/Yr) 2"	5,807.108	3
Billed Metered (MG/Yr) 1 1/2"	5,000.801	4
Riverside (MG/Yr)	7,330.770	5
Unbilled Unmetered (Mg/Yr)	559.519	6
White River North (MG/Yr)	5,907.123	7
Fall Creek (MG/Yr)	5,298.257	8
South Wellfield (MG/Yr)	4,106.898	9
Billed Metered (MG/Yr) 1"	2,476.144	10
Billed Metered (MG/Yr) 3/4"	2,255.118	11
TW Moses (MG/Yr)	3,162.527	12
Customer Metering Inaccuracies (MG/Yr) 5/8" +/-	808.931	13
Billed Metered (MG/Yr) 6"	1,425.233	14
Unauthorized Consumption (MG/Yr)	111.904	15
Systematic Data Handling Errors (MG/Yr)	91.662	16
Billed Metered (MG/Yr) 4"	1,013.598	17
Geist (MG/Yr)	804.524	18
Billed Metered (MG/Yr) 3"	677.609	19





### **Summary of Recommendations**

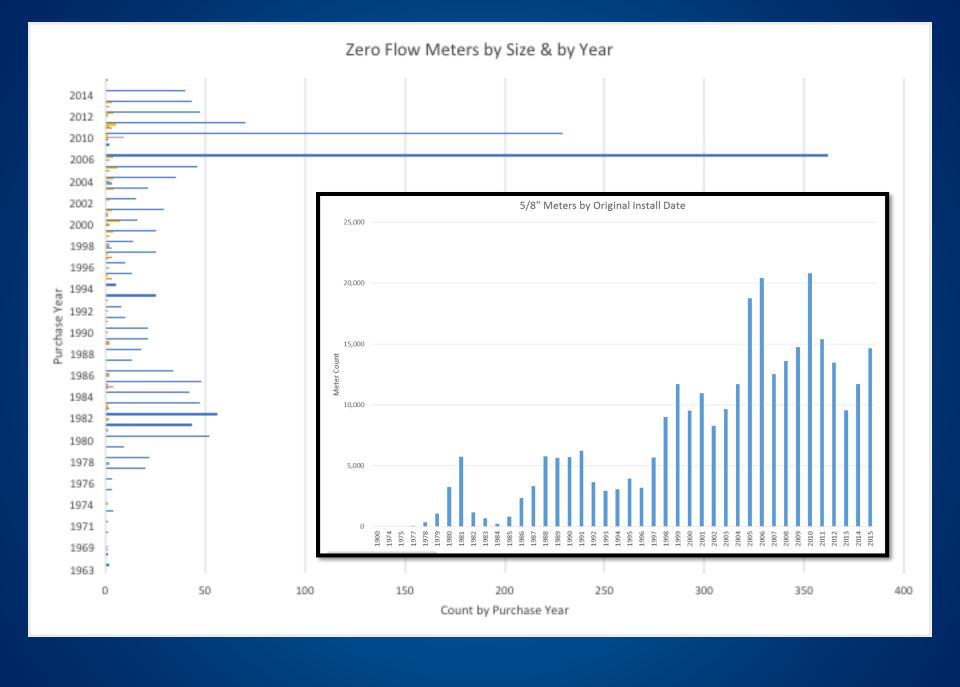
- 1. Meter Testing confirmation
  - a) Continued evaluation of existing data
  - b) Targeted Sample testing of 5/8", 1-1/2" & 2"
  - c) Will guide program towards real loss or apparent loss focus
- 2. Meter Replacement Plan/Strategy
  - a) Using the results of 1., what is the optimum replacement strategy for existing population?
- 3. Meter Management Practices
  - a) Optimized metering practices including inventory, testing, replacement, etc.





#### <u>Customer Meter Inaccuracy – Composite Calculation</u>

Size	Count (from inventory)	Volume (MG)	Best Case	Weighting	Worst Case	Weighting	Chosen	Weighting	Test Population	% of Total	Comments
5/8"	301,258	17,526.920	0.00%	0.00%	-17.67%	-8.45%	-4.42%	-2.11%	20,889	6.93%	Represents 65% weighting to best base, ~1,500 stuck meters, decent percentage of total population tested, ~65% pulled for meter failure, most controlled testing group size
3/4"	13,859	2,255.118	0.10%	0.01%	-14.40%	-0.89%	-3.54%	-0.22%	537	3.87%	Represents 65% weighting to best base, , ~50 stuck meters, low percentage of total population tested,~ 65% pulled for meter failure
1"	7,072	2,476.144	-0.11%	-0.01%	-15.46%	-1.04%	-3.94%	-0.27%	467	6.60%	Represents 70% weighting to best base, ~50 stuck meters, decent percentage of total population tested, ~70% pulled for meter failure
1 1/2"	3,466	5,000.801	-0.24%	-0.03%	-4.20%	-0.57%	-2.22%	-0.30%	585	16.88%	Comfortable with average of best/worst based on review of test results, high percentage of total population tested, ~16 stuck meters, only 1 pulled for meter failure
2"	3,984	5,807.108	0.12%	0.02%	-4.18%	-0.66%	-2.03%	-0.32%	820	20.58%	Comfortable with average of best/worst based on review of test results, high percentage of total population tested, ~22 stuck meters, only 2 pulled for meter failure
3"	440	677.609	-0.92%	-0.02%	-7.72%	-0.14%	-4.32%	-0.08%	84	19.09%	Comfortable with average of best/worst based on review of test results, post repair composite accuracy is 93.51% and testing/repaired occurred throughout year, numerous meters unrepairable and noted to be replaced
4"	178	1,013.598	-1.38%	-0.04%	-3.98%	-0.11%	-2.68%	-0.07%	75	42.13%	Comfortable with average of best/worst based on review of test results, post repair composite accuracy is 99.54% and testing/repaired occurred throughout year
6"	445	1,425.233	-1.98%	-0.08%	-4.36%	-0.17%	-3.17%	-0.12%	303	68.09%	Comfortable with average of best/worst based on review of test results, post repair composite accuracy is 99.83% and testing/repaired occurred throughout year
8"	6	482.210	0.55%	0.01%	-29.46%	-0.39%	0.55%	0.01%	4	66.67%	Meter with poor results is 8x2 fire meter, consumption is being captured under 2" size, so used only the two "true" 8" meter tests
	330,708	36,664.741		-0.14%	- •	-12.42%		-3.49%	23,764	7.19%	
					Composite	Customer M	etering In	accuracy			







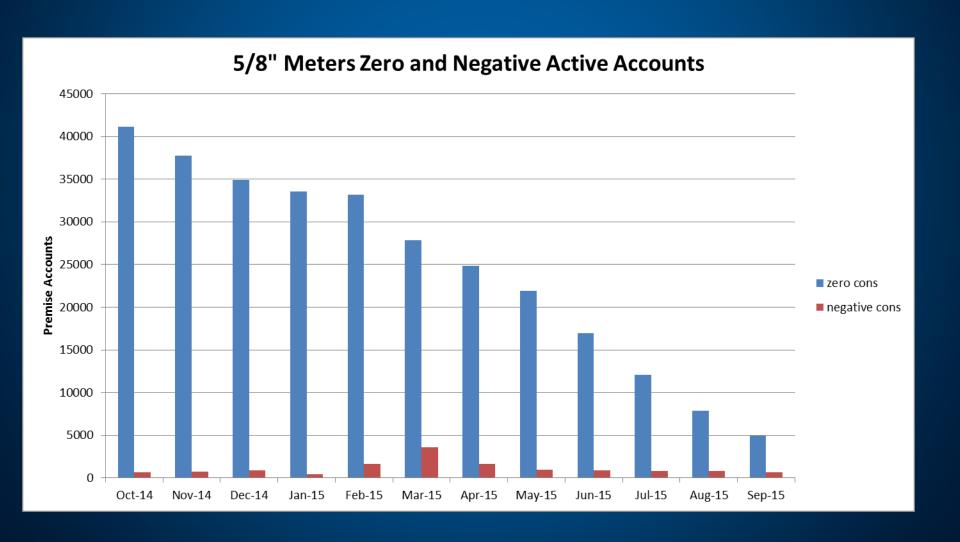
### **Summary of Recommendations**

- 4. Data Tracking & Archiving
  - a) Unbilled metered & unmetered uses
  - b) Billing anomalies tracking and archiving
  - c) Service connection leaks
- 5. Unmetered Firelines Audit
  - a) Identification of total population
  - Random testing of sample population for potential impact





## **Zero & Negative Consumption Analysis**

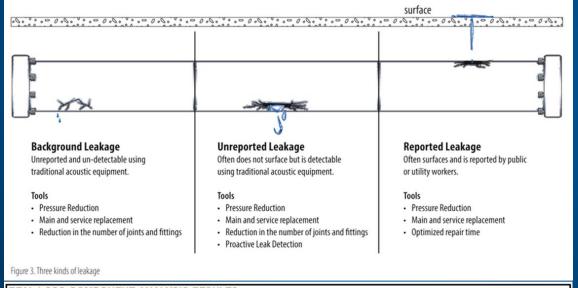






## **Summary of Recommendations**

- 6. Real Loss Component Analysis
  - a) Evaluation of District Metered Areas
  - b) Identify recoverable leakage by pressure zone



REAL LOSS COMPONENT ANALYSIS RESULTS												
System Component	Background Leakage	Reported Failures	Unreported Failures	Total								
	(MG)	(MG)	(MG)	(MG)								
Reservoirs	3.45	- 1	-	3.45								
Mains and Appurtenances	511.77	250.13	-	761.90								
Service Connections	1,527.71	34.33		1,562.05								
Total Annual Real Loss	2,042.93	284.47		2,327.40								
	by Water Audit	6,353.83										
Hidde	ng Undetected	4,026.43										





#### Break Frequency by Pressure Zone

		Main I	Line B	reak (	Count				Total Main	Total Main		Break Fi	requenc	y per 10	0 miles		
	2010	2011	2012	2013	2014	2015	2016	<b>Grand Total</b>	Length (feet)	Length (mi)	2010	2011	2012	2013	2014	2015	Average
Avon	12	17	14	13	11	6	2	75	1,419,602	268.9	4.5	6.3	5.2	4.8	4.1	2.2	4.5
Ben Davis	47	38	64	60	46	33	5	293	1,293,833	245.0	17.5	14.1	23.8	22.3	17.1	12.3	17.9
Castleton	68	49	63	42	63	50	3	338	3,052,830	578.2	25.3	18.2	23.4	15.6	23.4	18.6	20.8
Central	36	38	39	49	54	34	14	264	1,772,474	335.7	13.4	14.1	14.5	18.2	20.1	12.6	15.5
Cumberland	68	85	89	65	78	49	13	447	2,317,684	439.0	25.3	31.6	33.1	24.2	29.0	18.2	26.9
Fairwood	1	1	13	2	2	1		20	63,816	12.1	0.4	0.4	4.8	0.7	0.7	0.4	1.2
Flackville	41	56	56	54	41	31	2	281	886,203	167.8	15.2	20.8	20.8	20.1	15.2	11.5	17.3
Harbour	8	14	11	6	8	19		66	501,180	94.9	3.0	5.2	4.1	2.2	3.0	7.1	4.1
Harding		1		1				2	60,063	11.4	0.0	0.4	0.0	0.4	0.0	0.0	0.1
Lafayette	57	67	64	43	34	34	7	306	1,896,745	359.2	21.2	24.9	23.8	16.0	12.6	12.6	18.5
Manual	1		2	2	2	1		8	38,587	7.3	0.4	0.0	0.7	0.7	0.7	0.4	0.5
McCordsville	1	1	1					3	54,577	10.3	0.4	0.4	0.4	0.0	0.0	0.0	0.2
Meridian Hills	30	27	26	25	21	16	4	149	810,570	153.5	11.2	10.0	9.7	9.3	7.8	6.0	9.0
Morgan		2	1	3	3	1		10	651,093	123.3	0.0	0.7	0.4	1.1	1.1	0.4	0.6
New Clermont	1				3			4		0.0	0.4	0.0	0.0	0.0	1.1	0.0	0.2
Nora	3		2	1	1	1		8	231,246	43.8	1.1	0.0	0.7	0.4	0.4	0.4	0.5
Northeast	183	158	159	134	206	122	14	976	3,639,371	689.3	68.1	58.8	59.1	49.8	76.6	45.4	59.6
Northwest			1	1				2	93,982	17.8	0.0	0.0	0.4	0.4	0.0	0.0	0.1
Reed Rd	4	6	6	8	4	9		37	201,543	38.2	1.5	2.2	2.2	3.0	1.5	3.3	2.3
Southeast	8	8	1	5	2	1		25	1,066,914	202.1	3.0	3.0	0.4	1.9	0.7	0.4	1.5
Southport	95	85	106	91	118	65	13	573	1,592,596	301.6	35.3	31.6	39.4	33.8	43.9	24.2	34.7
Southwest	21	18	18	27	20	16	3	123	1,228,338	232.6	7.8	6.7	6.7	10.0	7.4	6.0	7.4
Zionsville	5	6	5	3	3	4		26	81,508	15.4	1.9	2.2	1.9	1.1	1.1	1.5	1.6
(blank)	1	1		1		3		6	19,842	3.8	0.4	0.4	0.0	0.4	0.0	1.1	0.4
<b>Grand Total</b>	691	678	741	636	720	496	80	4,042		4,351.2							

# NRW in the Fast Lane: The Citizens Energy Group Non-Revenue

Water Initiative





**Credit to Thomas Kinkade** 

Presented by: Dan Moran, Citizens Energy Group Tory N. Wagoner, Cavanaugh



