



State Revolving Fund Loan Program  
an Indiana Finance Authority Environmental Program

100 North Senate Avenue, Room 1275  
Indianapolis, Indiana 46204  
www.srf.in.gov

**MEMORANDUM**

TO: Project File, Town of Owensville, Waterworks System Improvements,  
SRF Project # DW 12042601

FROM: Richard J. Ziembra

DATE: March 27, 2013 (Final)

RE: Green Project Reserve, Business Case

**Summary**

1. The Owensville Waterworks System Improvements was approved on July 31, 2012 with an amendment being approved on October 18, 2012, which consists of the replacement of approximately 6,819 feet of 2-inch to 8-inch water main and replacement of 837 water meters. These improvements will address water loss, increase water pressure and quantity, and replace structurally deteriorated water mains. GPR descriptions were developed and presented by M.D. Wessler, consulting engineers for the Town in Appendix F of the preliminary engineering report (PER). The water meter replacements are considered to be categorically excluded from requiring a business case and therefore are considered to be a green component under the water efficiency category. A business case was developed for the water main replacement under the water efficiency category.
2. The water meter replacements estimated construction cost was estimated at \$485,500. **The as-bid construction cost for the water meter replacements is \$252,530.**
3. The business case for the water main replacement states that the water loss for the entire distribution system based on pumped water records versus water sold records is calculated to be approximately 14.1 million gallons per year which represents a 23% water loss. By conducting the water main replacements it is estimated that these improvements would reduce the water loss by .41 million gallons per year or a 2.9% reduction in water loss. Based on water rates this water loss reduction would save the Town approximately \$14,350 annually. The estimated project cost was \$440,000. **The actual as-bid cost for the water main replacement is \$425,992.** Based on the annual savings, would result in a payback period of 29.7 years which is less than the 75 year life cycle cost of the water main. Therefore, this component qualifies under the water efficiency category.



4. The total GPR component amount was estimated at \$925,500, not including engineering cost. **The total as-bid GPR, not including engineering cost, is \$678,522.** Owensville closed on a SRF loan on February 28, 2013 in the amount of \$ 1,080,000.

## **Conclusions**

1. The business case was reviewed by internal staff and found to be in accordance with meeting the GPR requirements for the water efficiency category.