

SANTA CLARA VALLEY WATER DISTRICT

Audit Scoping Document

2025 Audit Plan Item

Performance Audit of Valley Water's Water Usage and Demand Forecasting

Audit Objectives

Evaluate the methods and approaches taken by Valley Water to forecast water usage and demand, including identifying best practices employed by benchmark agencies, and how forecasting models are used to inform the Water Supply Master Plan.

Audit Scope

Valley Water's forecasting practices January 1, 2020, and December 31, 2024, including evaluations employed to determine the reliability of past forecasts.

Audit Approach

- Conduct interviews with key management and staff regarding Valley Water's water usage and demand forecasting.
- Obtain and review policies, procedures and other guidelines that address forecasting methods, approaches, and requirements.
- Review the roles and responsibilities of key personnel involved in forecasting activities, and Valley Water's reliance on third-party service providers.
- Evaluate the methodology employed to forecast water usage.
- Examine past forecasts and evaluate their accuracy and reliability.
- Conduct benchmarking research to identify potential opportunities for improvement, including how peer water agencies are incorporating the potential effects of climate change in their forecasting models.

Proposed Schedule

This audit is proposed to commence in February 2025 with an estimated completion date of November 2025.

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