

TEXAS WATER DEVELOPMENT BOARD

Guide for Third-Party Water Loss Audit Validations in Texas

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Table of Contents

1	Introduction	3
2	Third-Party water loss audit validations	3
2.1	Role of third-party validators	3
2.2	Certification requirements for third-party validators.....	4
2.2.1	California Water Audit Validator Course and Certificate	4
2.2.2	Georgia Water Audit Validator Certification	4
2.3	Water loss audit resources.....	4
3	Validation guidelines.....	5
3.1	General procedures	5
3.2	Report and documentation.....	5
3.3	Common Issues and Resolutions	6
4	Appendix.....	6
4.1	TWDB Validation Guidelines and Forms.....	6
4.2	List of Approved Certification Programs.....	7
4.3	Recommended External Resources	7

1 Introduction

Water loss audits are critical tools for assessing the efficiency of water distribution systems and identifying areas of water loss—they help utilities understand these losses, manage resources better, and comply with statutory requirements. Accurate validation of these audits ensures that the data reported is reliable and meets statutory and industry standards. This guide provides information for water loss audit validations conducted by a third-party and submitted to the Texas Water Development Board (TWDB). It includes information on water loss audit validation certification requirements, guidelines, reporting, and resources.

Texas Water Code § 16.0121 outlines the water loss audit requirements for utilities that are aimed at ensuring accurate accounting of water losses and promoting efforts to reduce inefficiencies in water distribution systems. In 2003, House Bill 3338 (78R) required all public water suppliers to conduct and submit a water loss audit every five years. This legislative mandate was expanded in 2011 by House Bill 3090 (82R) and further refined in 2013 by House Bill 857 (83R), which required all retail public water suppliers with active financial obligations to the TWDB, or those with over 3,300 connections, to conduct and submit water loss audits to TWDB annually.

The TWDB enhanced this process by including requirements for water loss audit validation by revising [Texas Administrative Code § 358.6\(b\)\(5\)](#). Starting January 1, 2025, a utility required to submit a water loss audit annually due to a financial obligation to TWDB or that is applying for financial assistance is required to have its most current water loss audit validated within three months of submittal or prior to consideration of a request for financial assistance from the board. The TWDB validates the submitted water loss audits in conference with the utility, which is provided free of charge. Alternatively, the utility may elect to have the water loss audit validated by a party other than TWDB staff. This guide provides information on third-party validations requirements.

2 Third-Party water loss audit validations

The TWDB started accepting third-party water loss audit validations on January 1, 2025. If a utility elects to have a third party validate its water loss audit, the third party must

- (1) follow TWDB's validation guidelines,
- (2) not be the person that completed and submitted the water loss audit, and
- (3) have completed water loss audit validation training and be certified to conduct validations.

2.1 Role of third-party validators

Third-party validators are independent entities responsible for conducting water loss audit validation per TWDB guidelines and verifying the accuracy and completeness of water loss audits submitted and completed by another trained individual. Their role is essential in maintaining the integrity of the validation process and ensuring that utilities adhere to TWDB guidelines and industry standards.

2.2 Certification requirements for third-party validators

To perform third-party water loss audit validations, third-party validators must have completed water loss audit validation training and obtained certification from an approved program. The certification must be valid when the validation process is conducted and completed and attached to the report.

The TWDB does not offer water loss audit validation training and certification, and such validation training and certification does not exist specifically for the state of Texas. The TWDB accepts certifications from recognized programs that align with industry standards for water loss audit validation. Third-party validators must keep their certification current, renew their certification as required, and keep informed of TWDB guidelines and industry standards. Below are certifications available from two states: California and Georgia.

2.2.1 California Water Audit Validator Course and Certificate

- **Course provider:** American Water Works Association (AWWA)
- **Course description:** The AWWA California Water Audit Validator course is a three-day program designed to provide participants with the knowledge and skills necessary to conduct accurate and reliable water audit validations. It covers various aspects of water loss control, audit methodologies, and validation procedures.
- **Certification validity:** The certification is valid for three years and can be renewed by taking a renewal course.
- **Course website:** [AWWA California Water Audit Validator Certification](#)

2.2.2 Georgia Water Audit Validator Certification

- **Course provider:** Georgia Association of Water Professionals (GAWP)
- **Course description:** The GAWP offers a Water Audit Validator certification course that trains participants in the procedures and standards for validating water loss audits. This course ensures validators are proficient in audit methodologies and compliance with best practices.
- **Certification validity:** The certification is valid for three years, and continuing education requirements can be met by (1) preparing or validating two water loss audits using the most current AWWA version, and (2) completing four hours of water loss or water loss audit training.
- **Course website:** [GAWP Water Audit Validator Certification](#)

2.3 Water loss audit resources

The TWDB provides general water loss audit training through four-hour [Water Loss, Use, and Conservation \(WLUC\) webinars](#) and a one-hour [Water Loss Auditor Training video](#). The third-party validators must complete the one-hour training and attend or view the WLUC webinar as well. Attending a webinar or training satisfies the legislative requirement under Texas Administrative Code § 358.6 (b)(4), requiring water loss auditor

training prior to submitting a water loss audit to the TWDB. Additional resources are also listed in the appendices of this guide. For additional information and support, contact the water loss team at WLA_group@twdb.texas.gov or 512-463-0987.

3 Validation guidelines

TWDB validation guidelines are designed to ensure that water loss audits are accurately reviewed and validated. Third-party validators must adhere to these guidelines to maintain consistency and reliability in the validation process.

3.1 General procedures

1. Notify the TWDB that you will be getting a third-party validation completed by sending an email to WLA_group@twdb.texas.gov.
2. Review documents and examine all audit documentation provided by the utility, including data, calculations, and methodologies.
3. Verify data and confirm the accuracy of data inputs and calculations used in the audit.
4. Assess methodology and evaluate whether the audit methodology adheres to TWDB standards and industry practices.
5. Check accuracy to ensure that the audit reflects a true and accurate assessment of the water loss.
6. Complete and submit a detailed TWDB Third-Party Validation Report using the [TWDB template](#). Include all audit information, validation findings, discrepancies, recommendations, and required supporting documentation.
7. Attach all relevant supporting documentation to report, including audit data, calculation sheets, and correspondence.
8. Provide the utility with feedback and recommendations for improving future audits.
9. Submit the third-party report to the TWDB—the third party or utility can submit the report. If the third party submits the report, please include the utility in the email delivery.
10. The TWDB will review the third-party report, provide approval via email with a one-page summary report, and reach out if there are any questions.

3.2 Report and documentation

Third-party validators must complete a validation report that utilities submit to the TWDB. Third-party validators should use [the template](#) provided by the TWDB and include all the required components listed below to ensure the report meets TWDB guidelines.

The validation report should include the following components:

1. Validator information
 - Name, contact details, and organizational affiliation of the validator.
2. Audit information
 - Detailed description of the audit conducted by the utility.
 - Data inputs and methodologies used in the original audit.

3. Validation findings
 - Summary of findings from the validation process.
 - Any discrepancies or issues identified during the validation.
4. Summary notes supporting recommendations for utility next steps
 - Recommendations for improving audit accuracy or addressing identified issues.
 - Suggested actions for the utility to enhance water loss management practices.
5. Summary of pre- and post-validation entries
 - Comparison of data entries before and after validation.
 - Any changes or corrections made during the validation process.
6. Validation review notes
 - Detailed notes and observations made by the validator during the review process.
 - Insights and rationale for any decisions or corrections applied.
7. System schematic
 - Diagram or schematic of the water distribution system, as reviewed during the validation.
 - Any relevant annotations or updates made during the validation process.
8. Water loss audit post-validation
 - Finalized water loss audit data reflecting corrections and updates made during the validation.
 - Confirmation that the audit now meets TWDB standards.
9. Supporting documents used during validation:
 - Any additional documents or evidence used to support validation findings—includes original audit documents, schematics, calculation sheets, and correspondence with the utility.
10. Validator qualifications and certificate
 - a. List qualification of third-party validator and attach water loss validator certificate.

3.3 Common Issues and Resolutions

- Ensure data consistency by cross-referencing all sources and calculations.
- Recalculate and verify all figures to avoid calculation errors in the final audit.
- Request additional documentation from the utility if necessary to complete the validation process.

4 Appendix

Below is a list of resources by topic—note that this list may not include all available resources.

4.1 TWDB Validation Guidelines and Forms

- [TWDB Third-Party Validation Report Template](#)
- [Texas Water Loss Audit Validation Study \(2021\)](#)

- [TWDB versus AWWA naming convention in water loss audit](#)
- [Water Loss Audit Help Form](#)
- [Troubleshooting for Negative Water Loss Components](#)
- [Water Loss Control Planning Guide 2026 - Determining Water Loss Standing](#)
- [Guidelines for Setting a Target Infrastructure Leakage Index \(ILI\)](#)
- [Water Loss Thresholds Information Sheet](#)
- [Water Loss Audit Manual for Texas Utilities \(updated March 2008\)](#)

4.2 List of Approved Certification Programs

- [California Water Audit Validator Course](#)
- [Georgia Water Audit Validator Certification](#)

4.3 Recommended External Resources

- [AWWA Controlling Non-Revenue Water Program](#)
- [AWWA Free Water Audit Software](#)
- [The Water Research Foundation's Project #5057: Level 1 Water Audit Validation Guidance Manual, Second Edition](#)
- [The Water Research Foundation's Project #4639: Level 1 Water Audit Validation](#)
- [Missouri Rural Water Association's Water Tools: *\(Tool for tracking breaks and leaks and hydrant flush flows\)*](#)