



- 3880 Lemon St., Ste. 300
Riverside, CA 92501
- P.O. Box 1529
Riverside, CA 92502-1529
- 951-241-7800
- www.eadiepaynellp.com

December 23, 2025

To the Board of Directors and Management
Solano County Water Agency
Vacaville, California

Dear Board of Directors and Management:

In planning and performing our audit of the financial statements of Solano County Water Agency as of and for the year ended June 30, 2025 in accordance with auditing standards generally accepted in the United States of America, we considered Solano County Water Agency's internal control over financial reporting (internal control) as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Solano County Water Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Solano County Water Agency's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we identified certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated December 23, 2025 on the financial statements of Solano County Water Agency. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. Our comments are summarized as follows:

Check Listing Tracking

During our audit, it was noted that the check listing of received checks that is used to keep track of all checks received and then handed off for deposit is not properly safeguarded. This absence of security can lead to misappropriation of assets.

To address this gap, we recommend the implementation of dual counting and reconciliation with more than one personnel.

Petty Cash

During our audit, it was noted that petty cash is received, counted, deposited, and reconciled by the same employee only a few times a year. This lack of separation of duties and oversight means petty cash could be received and pocketed without other employees' knowledge.

To address this gap, we recommend the implementation dual counting and reconciliation with more than one personnel, as well as the maintenance of a standard amount of petty cash.

Blank Check Security

During our audit, it was noted that blank check copies were kept in a locked drawer with the key remaining in the lock at all times. This could potentially lead to checks being accessed and filled out by any employee who has access to the office building.

To address this gap, we recommend that the blank check and petty cash drawers are kept locked with the key placed in a different location that only those with access have knowledge of.

Vendor Creation

During our audit, it was noted that the vendor creation option and module is accessible by 4 employees, including those with access to checks and invoices. This excessive access could lead to false vendors being created by an employee and paid out using false purchase orders/invoices.

To address this gap, we recommend that the Agency limit access to the vendor listing to only those that need the module.

We believe that the implementation of these recommendations will provide Solano County Water Agency with a stronger system of internal control while also making its operations more efficient. We will be happy to discuss the details of these recommendations with you at your convenience.

This communication is intended solely for the information and use of management, the board of directors, others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Eadie and Payne, LLP