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To: [Kelly S. Langley](#); [Chali Spurlock](#)
Subject: IVGID - Non compliance with requirements of bonds for Effluent Pipeline
Date: Thursday, April 3, 2025 8:07:18 AM
Attachments: [Utility Fund - Default on loan agreements for Pipeline pipelineenvironmental Protection.docx](#)

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Not only should the focus be on poor accounting (issues continue to be discovered weekly), IVGID does not comply with requirements of Nevada State bonds.

Attached is a post for the Next Door website wherein my wife (iljosa) and I have published many articles regarding IVGID poor management.

According to the post insights most articles have received over 1,000 views within 48 hours. Neighbors seem to be interested in our posts.

I suggest you pass this on the three members on the subcommittee of the Committee on Local Government Finance.

Cliff Dobler

April 3, 2025

IVGID is not in compliance with terms of the largest loan for the Pipeline.

A significant amount of funding for constructing the Effluent Pipeline was sourced from the Nevada Division of Environmental Protection. Four contracts were issued: two in early 2023 for \$15,760,000 and \$240,000, and two in late 2023 for \$36,371,700 and \$368,300. The two smaller loans will be forgiven, while the two larger loans will be repaid over 30 years with an interest rate of 2.19% per annum. The largest loan has two conditions that must be fulfilled to avoid a technical default.

Condition #1

The largest loan requires IVGID to maintain a fiscal sustainability plan for future replacement. Although the Dowl 2024 report outlined these conditions, ***IVGID has not adhered to the plan for future replacement.***

Condition #2

IVGID agreed to maintain a dedicated capital asset replacement reserve account. Funds for the account can only be used to purchase capital assets of the water utilities and cannot be used for operations, maintenance, debt service, or other non-capital expenditures. The account must be funded annually based on the necessary replacement costs of short-lived assets (15 years or less) and must be re-evaluated at least every five years. Additionally, the account must be identifiable on the financial statements. ***This condition has not been done***

IVGID has stated that a suitable level of reserves (Board policy 7.1.0) is necessary; however, no separate reserve account has been created for the Utility Fund, which includes Water, Sewer, and Administration. No distinct allocations have been established, allowing the funds to be used for various expenditures.

The reserves required under board policy have not been set aside for several years.

It is time to get IVGID's house in order.