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Carson City, NV 89701-3109

Nevada Attorney General
Grant Sawyer Building
555 E. Washington Avenue, Suite 3900

Governor State of Nevada
State Capitol Building
101 N. Carson Street
Carson City, NV 89701

Las Vegas, NV 89101
Federal Energy Regulatory Commission
100 First Street
Suite 2300
San Francisco, CA 94105

State of Nevada Commission on Ethics
704 W. Nye Lane, Suite 204
Carson City, NV 89703

Nevada Rural Electric Association
1894 East William Street, Suite 4222
Carson City, NV 89701

Additional Addressees in list attached.

July 8, 2024

Journalist For Justice
50 Emery Street #449
Pahrump, NV 89048
Nevada Republic PMA
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This document may be extensive and exhaustive. We have attempted to shorten this document as much as possible. We have not pointed out everything, there is considerably more to this story. Valley Electric Cooperative Inc (VEA) and the family of organizations have not been operating at the request of the members, nor have they followed the bylaws of the cooperative and further violated a plethora of Nevada Revised Statutes that are present to protect the members at large from a rogue boards and executive level management.

We start with the bylaws. The link to all the by laws for Valley Electric is here:

<https://thenevadarepublic.com/vea-bylaws>. Currently VEA is using a set of bylaws dated June 11, 2021. Here is the problem. To enact new bylaws, the cooperative is required to get a 2/3 vote to affirm. The Cooperative has not had a quorum in six (6) years. The Cooperatives quorum is 2%. How then did a vote take place for bylaws? In addition to violating our bylaws they also violated NRS. 81.230 (2) a majority of the membership must vote to approve new bylaws. Also, the cooperative is required to provide notification of what changes are being proposed. Surprisingly none of these required actions were taken. Basically, one day the members were presented with new bylaws that we are now being forced to follow. We ask that you spend time reviewing the difference between 2011, 2018 and 2021 by laws. There are stark differences in the rights and processes the Cooperative must follow vs. what we feel are fraudulent bylaws of 2021.

Why the cleanup?

VEA has been in violation of NRS. 81.210 whereby they changed the business model where the bylaws only permitted operating internet services and electric services.

On 2/11/2021 SOL POWER BY VALLEY ELECTRIC, LLC was created

On 7/16/2008 VALLEY ELECTRIC CHARITABLE FOUNDATION was created

On 05/23/2014 VALLEY ELECTRIC ENERGY SERVICES LLC was created

On 3/30/1998 VALLEY ELECTRIC SATELITE TV, INC was created

On 12/27/2010 VALLEY ELECTRIC TRANSMISSION ASSOCIATION LLC was created

On 5/23/2014 VALLEY ELECTRIC UTILITY SERVICES LLC was created

On 5/5/2015 VALLEY COMMUNICATIONS ASSOCIATION, LLC was created

In April 2019 VALLEY ELECTRIC ASSOCIATION INC., PAC was created. (Yes for some reason this cooperative has a PAC)(Not surprising since VEA gives away about 50k per year in political contributions)

Each of these organizations were opened prior to the bylaws granting anyone the authority to do such. The first time the bylaws stated anything other than supplying of electricity was the bylaws dated April 28, 2018. Thus, all these organizations were never authorized to be created by the cooperative under the bylaws. Who authorized the creation of these? Who was providing oversight? (Nobody)

Per the SOS website all these organizations are solely owned by VEA. Thus, they are owned by the members. We are not invited to these meetings, nor do we vote on any of the matters. These organizations were never supposed to be created. The members never agreed. The bylaws did not permit this.

We the members demand access to these organizations and their records. What money was used to create these organizations? What has happened to profits or losses?

We are in debt to the tune of 204 million dollars. The current membership base is 24000 hookups. How in the world did this cooperative get in such dire straits? To put this into perspective...The City of Las Vegas total debt obligation is 455 million dollars. This cooperative debt is almost half that amount. Unfortunately, this is not the first time. When the transmission lines belonging to the members were sold out from underneath them to pay off a debt even larger in 2018. What they did to manipulate this process we discuss further along.

In 2023 the Cooperative made 26 million profit. All of it was used to pay debt. Between a 15 million payment toward principal and 11 million in loan payments. The members have seen nothing and to their benefit we pay 14c per kilowatt rate for electricity. A lot of these charges surround the debt...that should never have happened.

Per NRS. 81.230 (3) the bylaws must permit us to go into debt and for how much.

The bylaws of VEA are silent as far as debt is concerned. Further in all the bylaws until 2021 it states that the members are not supposed to pay any debts with our rates nor dues. This is the one area the coverup bylaws of 2021 failed to catch.

Everyone knew they were not supposed to go into debt. Forget the insurmountable amounts and the ridiculous interest rate being paid. Why do we have debt? How did the banks issue these loans? Did they do proper due diligence? Now what?

We have a cooperative that has been placed into debt on multiple occasions. This should have never happened in any capacity by anyone. Nobody ever had the authority to enter debt instruments on behalf of the cooperative per the bylaws.

Transmission lines were sold by proxy in 2018. Per NRS. 82.321 proxies are only good for six (6) months. Because the leadership who was trying to push this matter extended the time period and continued to gather signatures until they had enough. In order to entice enough people to sign giving away their truly valuable asset they enticed them through Walmart gift cards. They also promised the people that a 5-million-dollar community center will be built. Guess what...still no community center. These lines were sold illegally and the laws that were in place to protect the members were violated. Why? Because the cooperative was over 200 million in debt. Again, why was the cooperative in debt?

So, the transmission lines were sold. The people got nothing, and the debt was only partially paid. Where did the rest of the money go? What was the amount they were sold for? Why did VEA feel they could extend the voting time frame for proxies? Why were we in debt?

Per NRS. Salaries at Cooperatives are supposed to be similar in like businesses. So, when the average Cooperative pays the following in salaries in 2022 (base upon Form 990):

CEO \$516,540.00

CFO \$427,816.00

VP Engineering \$305,872

Manager of Safety \$273,542

There are currently 12 members working for VEA who make over 200k per year.

Then begs the question why the salaries of the executive level staff in this cooperative are several 100s% higher and have been higher than that even in the past. CEO Husted in 2016 earned a combined salary of \$641,905. Yes, that is correct. Of course, the CEO who was arrested made less than \$250k combined salary.

How can VEA be permitted to do that? Well, they are not permitted. They did it due to no oversight.

We discovered in 2023 that VEA has had no oversight by any agency either at the Federal or State level and this has been an issue for some time. Even the Public Utilities Commission told us on multiple occasions that they do not regulate Cooperatives.

NRS. 704.673 however states the opposite of what was relayed to us and others by the PUC. Valley Electric should have always been receiving oversight by the State.

These statutes were passed to ensure that WE THE PEOPLE are protected from Rouge actors who may attempt to harm us. Well, WE HAVE BEEN HARMED.

Attached is a copy of the Open Records Request delivered to the PUC.

So basically, if proper oversight had been done, a lot if not all of this could and should have been avoided. Unfortunately, here we are. Lack of oversight has consequences.

Why has nothing been done? Why has nobody spoken out? Well people have. What happened when they spoke out. They were double spoken to by a bunch of slick people to include the Cooperatives attorneys. If that didn't work...they invite you to private meetings. If you still won't play ball they take it to the next level. They have you trespassed using the Sheriff's department to hold the line.

This current board thought they would re-introduce that threat of trespassing last year. Our group informed the board in no uncertain terms. We will never do anything that would warrant a trespass from the property...we further notified them the consequences of such action if they chose to pursue would be huge.

Don't believe that could happen. Being arrested for speaking the truth? Previous Captain Berkowitz of the NYE County Sheriff's Department is currently facing charges handed down by a Grand Jury. We are sure and have information that the past CEO was finding out some information that concerned her greatly. She was in the way...looking where she should not have and thus was arrested. Turns out all of it was pure fantasy. She was not guilty of anything. Further coverup.

The County further got itself involved in VEA when in 2023 the DA Kunzi bar number 2173 was tasked with looking into VEA and report back to the Commissioners. Well the DA did report back about 3 weeks later and stated he could not find anything wrong. Really? There is a lot wrong. Of course, there is nothing wrong if you don't want it to be wrong.

Attached please find the Open Records Request to the County of NYE.

The board also believes and has stated on the record that several times that the board meeting is not the place to air grievances, to remind them of what the law says they should be doing, or to demand that they do their job as board members, or to notify the members of why all this has happened and who is responsible. If not during the board meeting then when? Oh, that right private meetings.

The answer the board members have given when these and other matters are brought forward has been, "no comment", Or better yet we really enjoy this excuse "It was all a mistake, nobody did anything malicious or illegal." We stated repeatedly we want to know what has happened. Because none of it should have happened.

Transparency as in clarity, the state or quality of being easily seen through

VEA is anything but transparent. Even on their own website under the tab Transparency (you can't make this up) they have edited meeting minutes which are being taken by the Cooperative attorneys. The Secretary has this duty. Hmmm wondering if that ends Attorney Client Privilege protections.

To further show how Transparent they are...VEA redacts their financial statements online. When asked about this we get the most interesting excuse. "We hide this because our competitors can steal industry secrets". Yes, they actually say this, and with a straight face. Since then they have chosen to place the following statement on coversheets. " Note: All the redactions are a result of best business practices regarding subsidiaries competitive market information or security concerns at federal facilities at the direction of the U.S Department of Defense"

Attached please find a copy of the Freedom of Information Act request sent to the Department of Defense.

As you can easily see there are many, many problems:

IN CONCLUSION:

The members need to know what has happened to this cooperative.

The members need to know what has happened with and within the subsidiaries of VEA.

The members need to be able to hold each person responsible for their actions.

Due to the Dereliction of Duty perpetrated by the PUC it is imperative that these matters are looked at quickly and information disseminated to the members honestly and transparently.

We, the members wish to do our own forensic audit. We require a complete download of documents and financial records. We have members who are professionals and have worked with various LE agencies in the past to include the FBI, Military Intelligence, JAG, IG, Police, US Marshalls to name a few.

The State needs to work with the Members and appoint an interim board.

We have some solutions to resolve these matters and are available to discuss this further.

Recovery of monies if possible.

Recovery of our Transmission Lines

We write this to you as our board of directors has forgotten what their duties are. We then do their job for them.

We thank you for your time and look forward to this matter receiving the upmost importance and quick action.

Once again this is not all that has taken place. There is considerably more issues, and once again as stated on all previous information drops there is more to come.

Cordially,

The Nevada Republic PMA
Journalist For Justice
Rights Advocates
Investigative Journalist
Valley Electric Members