

Five Democracy/Transparency Improvements That REC's Board Can Easily Make Now

1. Informed Voting in Board Elections: For 2019 and later years, allow REC board candidates 600 words in the July issue of *Cooperative Living* to state their positions on issues facing the co-op. In addition, hold one or more late-June candidate forums to allow co-op members to address questions to all board candidates. Announce the date, time, and location, of each forum, in the June issue of *Cooperative Living*. Post video(s) of the forum(s) on REC's website by June 30, with link(s) to the video(s) in the July issue of *Cooperative Living*, so that all co-op members can view them before voting. (These measures would replace the board's current practice of holding private interviews of board candidates, which are not disclosed to co-op members.)

2. Capital-Credit Transparency: Improve transparency around capital-credit balances and retirements by annually publishing in *Cooperative Living* the total amount of REC members' accumulated capital credits, and stating what portion of that total is attributable to former members who have moved away. Provide each REC member's individual accumulated capital-credit balance on every monthly bill as well as on each member's MyREC SmartHub online account page. Disclose on REC's website, and publish once a year in *Cooperative Living*, the *full details* of REC's policies on allocating and retiring capital credits, alternative scenarios the board considered in deciding the amount of the retirement, and details of the capital-credit retirement policy pertaining to members who leave the co-op because they move away.

3. Transparency on "Member-Undesignated" Proxy Votes in Board Elections: REC doesn't tell co-op members that a significant majority of all votes cast in board elections are so-called "member-undesignated" (signed, but otherwise blank) proxy forms where REC's board decides how the proxy votes will be cast. REC also doesn't tell its members whom those blank-proxy votes are cast for. To correct this, REC should at each annual meeting announce the full election-tally results (including total blank "member-undesignated" proxy votes). The co-op should post the "Certification of Final Election Tally" on the big screen at the annual meeting, and also publish it the next day on REC's website, and again in an issue of *Cooperative Living*. This Certification of Final Tally should disclose how each board member voted regarding "member-undesignated" proxies. The board's vote on the "member-undesignated" proxies should be conducted in the open at the annual meeting, with election tellers observing, recording, and certifying this board vote as part of their certification of the overall election results.

4. Board-Meeting Transparency: Open REC board meetings for interested co-op members to observe, and (or at a minimum) live-stream each board meeting online and post video recording of each board meeting on REC's website.

5. Transparent Bylaw-Amendment Process: Virginia law and REC bylaws authorize REC members to propose bylaw amendments for REC members to vote on. REC bylaws now require that a member first obtain signatures from 500 REC members, using an REC-approved petition form. To facilitate this process, the board should post the approved petition form on the co-op's website, so members can see and download it.