



BOARD MEETING MINUTES

Date: Board Meeting #049 July 2021

Present: Sheila Clark, Chair
Andrew Swann, Treasurer
Peter Thomas, Operations Director
Carol Thomas, Hydro Project Manager
Cath Auty, DIG appointed Director
David Hardcastle, DIG appointed Director
Michael Odumosu
Adrian Shaw

Pam Stansbury, Administrator

Apologies: Sam Marshall, Company Secretary

Meeting Details: Date 20th July 2021, 7.30pm
This meeting was conducted via Zoom and was Recorded

MINUTES

The Chair opened the meeting and thanked everyone for attending.

Sheila began the meeting by updating the board on the recent fire at Irene's house, the condition of the residents, and the temporary living arrangements. She advised that Irene had other more pressing things on her mind at the moment, which was entirely understandable, and was unlikely to be in a place to contribute to the board for a while.

1) **Apologies**

Apologies for absence were received from Sam Marshall.

2) **Conflicts of Interest**

There were no relevant conflicts of interest to record for this meeting.

3) **Approval of Previous Minutes**

#048 Board Meeting held Tuesday 29th July at 7:30pm.

The minutes of the previous meeting were approved with no amendments, other than a typo in Sam Marshall's name, which Pam will correct..

The minutes were proposed by Sheila Clark and seconded by Cath Auty. The minutes were passed unanimously.

4) **Matters Arising not covered by the Agenda**

New Stream Renewables.

Carol advised that she had heard nothing further from the application, which had been submitted before the 31st May deadline.

5) **Board Decisions made by Email**

An email was sent out on 10th from Carol confirming Pams authorisation on Triodos bank account. Carol confirmed that Pam now has full access to the bank account in line with previous agreement.

She can raise and schedule authorised payments on the bank account, she can authorise routine and agreed payments up to the value of £1000, over £1000 payments have to be authorised by a DIG director, any payments over £10,000 have to be authorised by two directors and over £50,000 can only be authorised by Sheila and Andrew.

The signatories at present are Sheila Clark, Andrew Swann, Sam Marshall, Carol Thomas, Peter Thomas and Pam Stansbury. Rowena has now been removed from the bank account.

6) **Communication since last meeting**

Several items in the communications. Several items have come in with the relevant dates shown in the correspondence listing.

Armstrong Watson have informed us that Sarah Mitchell is going on Maternity leave. However, Carol believes that anything that could come out to 'bite' us has already been dealt with. They are not expecting to pay any corporation tax this year, which is the only thing left to work through. The new lass, Georgia is a seasoned member of the team and is having a hand over period of two months. All the Year End things will still involve John Darroch and James Lockhart.

Andrew is confident that there will be no financial surprises this tax year, and the likelihood of there being any Corporation Tax with the current rainfall is rapidly diminishing.

7) **Chairs Report**

Sheila has found herself very much embroiled in matters concerning the Dalavich Improvement Group. We have had a large amount of work going on and significant amounts of communication regarding share holdings and



additional investments, which will be addressed later in the meeting.

Carol has had several significant meetings and things are going in the right direction. We have had no significant rain fall and there was enough water to restart the turbine briefly. Peter confirmed that he would be reporting a small amount of generation.

It has been abnormally dry for Argyllshire and abnormally hot; normally the monsoon season starts with the commencement of the school holidays and this year that has not happened.

8) **Company Secretary Report**

Sam has given her apologies to the meeting, so the Chair handed the meeting to Carol to report on her behalf. Carol advised the board of Sam's current work commitments and advised that Sam has been in regular contact with both herself and Pam on all things Company Secretary related.

Carol advised the board of a new application for investment of £15,000. This keeps the investor within our current remit of a maximum holding of £25,000 and our current equity stands at £461,000. The approval for the issue of shares was carried unanimously.

Carol advised that all filing had been completed on time and had been done through the online portal. She still has to rescan the documents for Armstrong Watson to produce a bound copy. Carol questioned the requirement for us to have a bound copy. The board discussed and decided that this was not necessary, particularly as some board members have the ability to produce bound copies. Formal record is now held electronically, and a bound copy is not a requirement, so it was agreed not to proceed with this additional cost.

Carol advised that Pam has taken control of the share spreadsheet and will eventually transfer to a more secure database. She has transferred much to automated production and been able to produce reports showing interest paid and interest converted to shares. We are currently on target to complete the share work by the end of July.

We have had additional enquiries on increasing share revenue.

9) **Finance Report**

Andrew began by saying there was not much to report, however it was worth looking at the Profit and Loss section of the Management report. We have had very little revenue over the last couple of months. Fortunately, we had a good start to the year, and if matters return to normal, we should breakeven at the end of the year.



If the hoped for income (rain) comes in Sept, October and November we stand a sporting chance of making a small profit. We are still sitting on a comfortable cash amount. We would still be able to service the loan, which is our priority. We would have to look at and discuss shareholder interest and Community Benefit fund.

We can't do anything about the income, there is not much leeway in expenses. The only optional is the pigging, however if we don't do that now we would have to stop production when the water is there. The pigging has to be done at some point and it has to be done when DA McDonald is available. Additionally, the amount concerned would not make a significant difference.

Peter referred to the two projects currently in hand. The Stop Logs, which have already been manufacture and we are so far down it would be detrimental to halt it at this stage. The second project is the Bridge to the Weir gates, which has already been designed but could feasibly be delayed until a later date.

Peter confirmed to Andrew that the work could only be done at periods of low water. Andrew advised that we needed to be cautious about optional expenditure.

Andrew advised that we could not take a decision on shareholder interest. We do not need to declare a profit to pay a return on investment, however we may need to revise neared the time.

Carol drew attention to the generation data figures. At the end of June, we were 48% of the way through our predicted totals. She also confirmed that all of the company's large outgoings had been made which put us in a reasonable financial position.

Adrian drew attention to a report he raised in 2018 for the board which probably seemed academic at the time, however it concluded; there will be periods of drought and have been historically similar periods. this is not actually unusual and not something to panic about. We will make our money from September through to March when waterfall is high, and April through to August will be sparse.

Andrew concluded his report by saying that he had raised the issue to make the Board aware that if this continued, we would need to review our options.

Carol added that we could also review the level of interest we paid and could propose a lower level for one year, as this was not an "all or nothing" option.

There being nothing further Sheila thanked Andrew for his extensive report, thanked Peter and Carol for their input, and in particular thanked Adrian for

his contribution.

10) Operation Report

Peter reported that we had generated 11,527kw hours in June. This is significantly down; however, we are 50% through our predicted generation at 58% of the way through the financial year. Our budget on kilowatt hours was increased by 15% because of previous high results, and that whilst current generation is disappointing Peter has no doubt that we will get wet rain in Argyll soon.

We have a service visit booked on the 19th and 20th of August, during which time additional training will be held.

The Stop Logs are manufactured, we are currently waiting for one additional plate to be made. This should be completed, and the stop logs installed at the same time as the servicing.

Peter has now had a quote for the bridging work which was discussed last month. The quote is for £3890 plus VAT. The board had previously discussed the visual impact. Peter advised on the new design of the bridge which was lightweight and reduced the visual impact to a minimum by using two L-shaped steel beams that span the river. That they had now designed.

The board discussed the benefits of the current design, visual impact, health and service, impact. Peter has requested images to circulate to the board. It was proposed that it was most sensible to carry out the work during the current dry spell.

Carol raised the possibility of capitalising both the Stop Logs and the Bridge.

Carol asked to minute that CINK servicing is not optional as it is a condition of our loan.

Peter will be talking to the team shortly about getting a work team together to tidy back the growth around the turbine areas.

11) Any Other Business

Carol advised that we were approached by a young person who is doing a master's degree on Renewable Energy and its impact on Communities. They have had a preliminary walk around the site and a discussion with her. Whether it goes ahead will depend on her thesis proposal. She is studying at Glasgow University.

Adrian added that as he will be studying at Glasgow this year, he would be more than happy to meet with her for discussions.

There was no other business.

12) Date and time of Next Meeting

The next board meeting was confirmed to be held on Tuesday 17th August at 7:30pm.

The Chair thanked everyone for attending and closed the meeting.

Minutes approved at Board Meeting #050 on 17th August 2021

A handwritten signature in black ink, appearing to read 'Sheila M. Clark', with a long, sweeping underline.

Signed by Sheila Clark, Chair.