



## BOARD MEETING MINUTES

Board Meeting: #039- Covering Mid-March to May 2020

Participants: **Elected Directors**  
Sheila Clark – Chair  
Andrew Swann – Treasurer  
Sam Marshall – Company Secretary  
Peter Thomas – Operations  
Carol Thomas – Projects & Finance  
Chrissie Sugden – Bookkeeper  
Michael Odumosu  
**DIG Appointed Directors**  
Agnes Fleming  
Cath Auty

Meeting Date & Time: 21<sup>st</sup> July 2020; 7:30 PM

Location: Zoom Meeting

### AGENDA

- 1) Apologies – Adrian Shaw.
- 2) Approval of previous minutes
  - a. #037 – May Board Meeting – Cath Auty proposed and Sheila Clark seconded.
  - b. #038 – Adhoc CBF meeting – **Action for Carol:** Amend wording in precis document of meeting with Foundation Scotland, item 7b, needs to re-worded to say AED and DIG asked Foundation Scotland to drop their fees before the meeting. Item 16, change “fees” to “set up charges”. Cath Auty proposed and Chrissie Sugden seconded.
- 3) Matters Arising from Previous Meetings
  - a. Carol to update share application form with BACS details, end of month. **Action for Carol:** Check this has been done.

- 4) Board Decisions Made by Email
  - a. Approval of CBF Costs - £6750 instead of £6000 that was approved at the Foundation Scotland meeting.
  - b. Approval of CINK Spares List
  
- 5) Communications received since last meeting
  - a. SSE Fit Statement
  - b. Exchanges with Johnathan Cox of CINK re:
    - i. Failed restart,
    - ii. G59/G99 Accelerated Loss of Mains adjustments
    - iii. ANM relay
  - c. FS re Community Benefit Fund
  - d. SIS re Lump Sum Payments
  - e. New Stream renewables Updates, Triad warnings, and Commodity Price challenges
  - f. Bank Statements
  - g. Campbell of Doune & DA Macdonald re pigging prep (stop logs etc)
  - h. Armstrong Watson re Accounts and Accounting protocols
  - i. Armstrong Watson re Financial Year End Documents
  - j. Forestry re Lease payments – invoiced received for outstanding balances from former years we were paying 4% and not 5%.

#### 6) Chair's Report

- a. We have had more share application from new and existing shareholders, this may be because we offer 4% interest rate which is more attractive than any bank rate at the moment. We made a lump sum repayment of £60K in June to SIS which will reduce the final lump sum repayment by £196,240.70.

We also made a payment of £6256 to DIG's hardship fund.

There was discussion with Foundation Scotland to set up paperwork for the Community Benefit fund.

Dry weather meant there was no generation for 3 weeks.  
(more details in the operation report)

On 12<sup>th</sup> July 2020 we received a letter from Libby Foy-Lowry resigning from AED Board, she wished us future success.

- b. Zoom account – Decided that it is not worth paying for it the webinar functionality for board meetings going forward, as we can hop in and out if we need it in the future.

**Action for Carol:** cancel webinar functionality for now.

## 7) Company Secretary Report

- a. New Share purchases – Since the AGM we've had £33,500 in new shares requested, this does not include £11K received this month or expressions of interest for a further £15K. The total equity increase year to date is £84K. We paid £60K to SIS and we may be in a place to make another payment to them soon.
- b. Share Interest Payment reporting – BACS payments made to shareholders who wanted to be paid in cash and Carol is dealing with people who want their interest paid as shares. We still have 2 shareholders who we can't get hold of, so their money is ringfenced in the accounts until they inform us on how they want to be paid.

## 8) Finance Report

- a. Bank Balance – £260,604.30, without £28K due in from FIT (Sept). Most of the big bills out of way. £19K from forestry, £32K going out to SIS in Sept, CINK service coming up and also pigging. We're going to generate surplus cash this year, so at the end of year we need to decide how much we can use to pay off the debt.

Peter: Shall we have a resolution to target share money to debt repayment when we get to £50K surplus cash?

Andrew: Need to know if we are ahead or behind budget, if ahead of budget then we can do this.

There is no limit on how many times we can pay SIS in the year, we just have to give them 14 days notice and board minutes saying it has been approved.

The board has instructed share money to be released upon confirmation that we have received £50K. Could be £60K,

depending on what comes in. We can pay in increments of 10K. All board in agreement.

Not wanting one shareholder having too large a holding, as on death we will have to pay back. Largest shareholder is £25K, and 13 individuals and 2 organisations that hold in excess of £10K.

- b. Community Benefit Fund - payment of £6256 was made to DIG.

We sent the terms of reference to Foundation Scotland and had the inception meeting on 13<sup>th</sup> July, with Agnes, Tom from FS and Carol to define processes and fund strategy which will be given to Shareholders for approval. FS now have a clear understanding that AED can't guarantee payment to the fund in any given year because the unallocated retained reserves differ each year and we may have unexpected operational costs. For example, when the generator failed to restart after a low water shutdown recently, if the generator needed rewinding, we would have had to pay £90K to fix it, which would have wiped out any community benefit. By January each year we should be able to say what the CBF payment might be, but we can't guarantee the amount. The next key date is 26<sup>th</sup> August to review the draft documents, strategy and outline for processes etc (Sheila, Agnes, Carol, Tom) This will then be circulated to board. Agnes sent update on current Community Action Plan to Carol and Tom which helps Tom to put together the themes the fund will work towards and will also include any other themes that are added to the new community action plan. We are trying to finish this part of the project by end of November but that may move into January 2021.

Chrissie: What protection do FS have for our funds? Action: to ask that specific questions to Tom.

- c. Share Equity - Total equity increase year to date £84K and total equity is £380K. We have to repay shares at some point so we're not paying 4% on shares when we have money in the bank earning zero. We need a policy about how we are going to manage paying back shares in the future.

**Action for Carol and Andrew:** To look at long term management of share repayment.

- d. Year-End Projections – Profit for this year excess of £70K, excess of £50K as unallocated reserves, assuming repayment of the loan is at the same level as after we paid £60K.
- e. Forestry Lease – Invoice has been received.
- f. Armstrong Watson has simplified accounting protocols. Carol will organise board papers to be sent to the board as to how the accounts work.

#### 9) Operational Report

- a. ANM Update – nothing to report due to Covid-19
- b. Generation Data – Year to date 1,100,108 KwH against a target of 147,000 KwH, which means we have done 96% of target. By middle of next month, we will have hit target.
- c. Maintenance and repairs – restart fail after a dry spell and called in CINK engineer who fixed the small relay failure. We now also have spare parts so we can fix it ourselves next time. We didn't lose that much generation as the river wasn't high. As soon as it was fixed the river went back up and we started generating at a high rate. The spares will be delivered when CINK comes to do the service next month. Charlie's visit cost us £435, for one day on site.

A fan was installed as we lost power output for 4-5 days because the turbine won't run when it's too hot in the powerhouse. £1900 to install and that includes the resetting of the river sensor. Now we have a spare river level sensor, lightening protection sensor and are waiting for spare fuses for the lightening protector sensor. The spares will be stored in the powerhouse. Peter to look for large steel cabinet for storage, cost about £900, to keep the spares safe.

- d. Old Power House – Sheila, no further progress with conservation adviser as yet. In the meantime, we can cut back any trees or plants that are growing into it.

10) Any other business – Carol: By the end of the year, can we find an administrator 2-3 days a week to take some of the workload? Board agrees this is a good idea.

11) Date & Time of Next Meeting – 15<sup>th</sup> September 2020 at 7:30PM.

**Minutes approved at Board Meeting #040 on 15<sup>th</sup> September 2020.**

A handwritten signature in black ink, appearing to read 'Sheila M. Clark', with a long horizontal flourish extending to the right.

**Signed by Sheila Clark**