



BOARD MEETING MINUTES

Date: Board Meeting #048 June 2021

Present: Sheila Clark, Chair
Andrew Swann, Treasurer
Sam Marshall, Company Secretary
Peter Thomas, Operations Director
Carol Thomas, Hydro Project Manager
Cath Auty, DIG appointed Director
David Hardcastle, DIG appointed Director

Pam Stansbury, Administrator

Apologies: Michael Odumosu
Adrian Shaw

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

MINUTES

The Chair opened the meeting and thanked everyone for attending.

1) Apologies

Apologies for absence were received from Michael Odumosu, and Adrian Shaw.

Carol confirmed that there were six directors present and the meeting was therefore quorate.

2) Conflicts of Interest

There were no relevant conflicts of interest for this meeting.

3) Approval of Previous Minutes

#047 Board Meeting held Tuesday May 18th, 2021

The minutes of the previous meeting, having been circulated prior to the meeting were approved with no amendments.

The minutes were proposed by Sam Marshall and seconded by Cath Auty. The minutes were passed unanimously.



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

a) New Stream Renewables.

Two items came through, the TNuOS, and DUOS charges which take effect from 2022.

Carol confirmed she had the application in to New Stream Renewables by the 31st of May deadline. No response has yet been received.

5) **Board Decisions Made by Email**

None

6) **Communications**

The following communication had been received and will be dealt within the meeting agenda

- Community Benefit Fund.
- Request for buy back from shareholder.
- Campbell of Doune, correspondence related to upgrades.
- Armstrong Watson, Year End & VAT
- David Hardstaff regarding options for secure hard drive.

The following communication has been received and dealt with.

- Fit request for readings.
- Andrew Raven Trust Community Energy Feedback were doing a new event on Community Energy and asked for our input. Carol sent them some information for which they were very grateful. Carol also briefly attended their free two-day web event. She attended briefly, however the content and timing did not fit with current commitments. Sam commented that people had to understand the other commitments of individual board members and how time had to be rationalised.
- New Stream Renewables
- Co-Operative Mutual Society regarding rule changes

Cath Auty requested that any communication sent to the board since February could be resent to her as there had been a problem with the email on record for her.

Action: Pam to resend all communication to Cath Auty

7) **Chairs Report**

a) Resignation of Board Member

Chrissie Sugden has resigned due to other commitments.



b) Change of Administration staff

Rowena decided after a conversation with Carol that she was resigning her post. Things were not working out and probably had not been what she anticipated. She resigned with immediate effect.

Consequently, rather than go through the readvertising process, the board had a discussion and decided that the position should be offered to the person who had come a close second to Rowena. Pam Stansbury joined as Administrator. Sheila thanked Pam the work she had done to date and welcomed her to the role.

There has been a lot of activity with Armstrong Watson, and with shareholders.

We have now signed off £65,500 to Foundation Scotland to set up Ben Com. This will be transferred to Foundation Scotland in the next few days.

Sheila thanked David for his work on the investigation into a more secure cloud storage for our documents, and for his work on Electric Charging points.

Carol explained to the board some of the problems that had occurred, most predominately her commitment to setting times for work and responding to communications.

Carol went on to discuss Pam's arrival, the increase of emails that Board Members would be aware of. She has already brought the accounts pretty much under control and has understood some questions Andrew has been asking for close on a year. Carol anticipates that over the next two to three months everything would come back under control.

She expressed her thanks to Sam Welsby for, once again returning to help with the induction process. She had a meeting with Pam this morning and a Mailchimp communication went out this afternoon.

The Foundation Scotland agreement has now been signed off.

8) **Company Secretary Report**

The Chair handed the meeting to Sam Marshall

- a) We have had a request during the month from a shareholder to withdraw her investment. A conversation went between the senior team who felt this should be discussed at full Board. The shareholder in question has £1000 worth of shares, she takes her interest in cash



paid to her bank account. She is moving overseas and wishes to withdraw her funds.

When the Hydro Scheme started it was agreed that no-one could withdraw their funds until three years of operation had completed. It would therefore be 2023 before anybody could look to withdraw any of their investment. Andrew had raised questions about whether a precedent would be set; the question that Andrew posed was if we agreed this would we;

- A) Open the flood gates for any shareholder to remove their money now?
- B) Set a precedent for anybody who held shares of £1000 or less to withdraw their money?
- C) Set a precedent for Members who were going overseas?

Carol had responded that a precedent wouldn't be created.

Sam considered the request; her view was that the person concerned is going overseas, and as far as Sam could tell ceasing everything she has here. Sam thinks it appropriate that she should have her investment paid back to her with her interest, as a one-off. Sam does not consider anyone moving within countries within the UK as going overseas, and therefore if they were moving within the UK Sam would be saying No to an early withdrawal of investment.

Sam then passed the floor to Carol before opening the item for general discussion.

Carol advised that the original share offer stated that there would in no circumstances be any opportunity to withdraw within three years of investment. That original offer was 2017, so that would be 2020. Our rules say any and all withdrawals are at the discretion of the Board. There are no criteria in the rules, it is simply at the discretion of the Board. As Dave Hollings explained it; one year you say you will buy back some shares, then next year something goes wrong, rain fall drops, spend more earn less etc and you say no to any share withdrawal.

The only exception is if the estate of a shareholder who has died asks to liquidate the shares. There is an action Carol needs to follow up with Johnny Bell. It was agreed at a previous Board Meeting that it was acceptable for a shareholder to nominate a transfer in case of death. Shareholders are not allowed to sell their shares to anyone except Awesome Energy, but they can nominate a transfer to a beneficiary on death.

There is no precedent set because our rule book states it is entirely up to the Board. She would reinforce Sam's position, that as they are going overseas that would create a problem in terms of managing the



finances. We do overseas transfers through Fexco and for interest payments of £40, it would probably cost as much again in fees. We currently have one foreign investor; however, he operates a British bank account and has his interest paid in Pounds Sterling to his British account.

Carol's vote would be to say yes because she does not think that £1000 is going to make any difference to our cash flow.

David agreed that he felt the request was not unreasonable. He thought that we had to be careful with the way we came to exceptional circumstances. Whenever you move funds or even budgets around within a business it normally falls under three events. A planned event, an unexpected event, and an exceptional event. Ordinarily if it is a planned event, and they have planned to go abroad, then we can say sorry you planned to go abroad, we can say No. An unforeseen event is totally unexpected and could normally be a Yes.

He thought this fell into exceptional. It has been planned as they have decided to move overseas but in doing that it leaves us with hardship and potential financial costs to manage that account and therefore, we should say Yes; this is in the interests of both parties and there is no reason to say No.

Sheila thanked David as she felt he had expressed it very clearly. Her opinion was, having read all the information and considered the request she could see no reason why we couldn't say yes under these circumstances. She was moving abroad; we did not know where but presumably was moving all her accounts as well.

Carol added that we did not know her exact destination, and there was no reason why she should tell us. She has a reasonable expectation to request a withdrawal. Carol understood Andrews concerns about setting a precedent; however, our average shareholding is currently around £2400. We have some up at £25,000, and we have some that are below £1000 because they are the original local investors who invested at £250. Our rules are quite clear, buy back is up to the Board on a case-by-case basis.

Carol agreed with David as she saw no point in refusing to buy back £1000 of share when we would annually encounter problems organising the foreign currency transfer and all that entails.

Cath agreed that it made far more sense in this case to buy back.

Andrew confirmed that his point was it had to be discussed by the board and fully recorded in the minutes in a way that although it is at our discretion, we are not shown to favour one person, and that it is



the circumstances that are relevant.

The Board can say that considering the relatively small amount involved, considering the inconvenience of handling foreign currency transactions, considering our current generation and income position, then it would be appropriate in this instance.

Andrew reiterated that it had to be recorded in this way. In previous years we had people in the past who saw us as a quick method to make a return and investment in Awesome Energy is a long-term strategy.

Having discussed the matter fully and considered the benefits to Awesome Energy and the investor the matter was put to a vote and agreed unanimously.

b) Shareholder Communication

Sam reported that there had been a flurry of information going out to shareholders. She has a conversation with Pam earlier today; messages have been drafted, preferences have been requested with a deadline date of the 23rd as the interest payments will be made between the 24th and the 30th June.

Following questions raised it was confirmed by Carol that as part of the process a full statement would be sent to each shareholder, which would also cover historical transactions.

c) Directors Registration and Submission of AR308

This is currently being dealt with. Carol and Sam will be meeting on Friday to finalise the submissions. Armstrong Watson have been asked to correct the relevant director's pages so that Irene McClounnan's name is spelt correctly. Sam advised this had been checked previously but issued an apology to Irene for the error.

Sam advised that at the next meeting she would be able to give the full report on number of shareholders, payments made, and certificates issued.

With no questions the meeting was handed back to the Chair, who thanked Sam for her report.

9) **Finance Report**

a) Management Report and Financial Position

The Management Report has been issued. As the Board are aware we are not currently generating income and are paying bills as they



come up. It has now started raining in the area, so we should start to generate income again shortly.

Now that the new admin is on board Andrew will be looking at some oddities in the accounts which he will now have time to investigate these, in order to make the accounts more comprehensible.

Andrew is now signed up and active on the Triodos Bank Account to enable the authorisation of payments.

b) Summary of Expected Outgoings

During the coming month the Forestry payment of around £12,500 will go out. The quarterly payments to SIS will go out on the 30th, which will be £313. The balance at the end of the month will be around the £200,00. The Community Benefit money has gone out, and a payment of around £60,000 has come in from SSE.

Our position is fine, however with no income through May we could be under budget. However, the Feed In Tariff works quarterly, and this dry spell will not reflect in our accounts until November.

Andrew will review the forecast; however, there are actions we can take to adjust such as making a smaller Community Benefit Donation or not paying as much to SIS. The original forecast was to pay a lump sum loan payment this year which could easily be deferred to the following year.

c) Submission of Year End Accounts

The accounts have been all approved and signed. The submission of the forms is in progress. Andrew will review the letter of Representation, and either sign, or agree the Financial Elements and return to Carol for the appropriate signature.

The Tax Computation will be signed by Sam as Company Secretary. Andrew confirmed the figures and entries. Going forward this should become a fairly routine and predictable submission.

There being nothing further the Chair thanked Andrew for his report.

10) **Operational Report**

The Chair handed the meeting to Peter for his report.

Peter reported that they had been very busy doing no generating; however, it is now raining, and we have generated 814khrs in the last 24 hours. Unfortunately, the big storms are due to miss our area, but the rain will continue and should keep us generating.



The Stop Logs are currently in construction. The fabricator will be on site in the next few days so that a proposal can be put together concerning the Bridge.

Peter is still awaiting an update on Pigging and waiting for a service date from CINK.

Peter opened the floor to questions and confirmed that we are expecting a pigging this year, however as the Stop Logs will be fitted it is possible to do the pigging in any weather except extreme storms. We have been flexible but have requested a drop dead booking for May of next year.

He has also requested a formal Method Statement as to how the process will be carried out.

There being no further questions the Chair thanked Peter for his report.

8) **Community Benefit Fund**

The Chair handed the meeting over to Carol to report on.

As the Chair had reported we have signed the agreement with Foundation Scotland and that has been forwarded to the Board Members. It has been signed by Foundation Scotland and countersigned by Sheila as Chair.

The position that the project is at in regard to setting up, is that we have our agreement in place with Foundation Scotland, which will be reviewed on a rolling three-year basis. Foundation Scotland have stepped into their role in a very focused and disciplined way. They are working with AKCC, they will be working with the Open Grants and they will deal with the Educational and Development Bursary, and they will be dealing with DIG to help DIG sort things out.

Carol's involvement now is very limited and will be confined to answering queries on past actions.

However, when they went to AKCC so that the micro grants could start as quickly as possible, which is the element that more of the community will see particularly as these will go to a wider area than DIG covers, AKCC highlighted a potential discrepancy. It was agreed at the joint meeting that a wider area could benefit, for example Kilchrenan School caters for children within the DIG area, as well as children from outside. The team didn't feel that it made any sense to have some of the children in the school eligible and some excluded.



AKCC pointed out that if someone in the future read the letter rather than the spirit of the document, they could argue that AKCC had stepped outside of their remit.

A couple of phrases have been added to each document that states "with the exception of the Micro Grants managed by AKCC, which includes the AKCC area, which includes DIG. Therefore, DIG people can go for the Micro Grant as can some others.

The proposed change was made and signed off by Sheila as it was a clarification of the original intentions.

The two documents that the Board Members have been sent are the Agreement between AED and FS, and the minor modification to the Fund Management Strategy.

Carol asked that the DIG directors could ensure that DIG had an up-to-date copy. It was agreed that the DIG directors would pass that on, and that Board would also send a direct copy.

Action: Carol to provide copy of agreement and Strategy documents for DIG Board.

Tomorrow £65,500 will leave our bank account, approved by both Sheila and Andrew in accordance with our Bank Mandate.

As far as the AED Board is concerned the Community Benefit Fund is now completed and no longer needs to be an Agenda item. and could be dealt with under Any Other Business if necessary. This was agreed by the Chair.

Sam expressed her thanks for an outstanding job, where they had gone through every line item, made sure that DIG was protected made sure the Community were protected and made sure that Awesome Energy are protected.

The Chair thanked Carol.

12) Any Other Business

a) Shared Drives

The Chair passed the meeting over to Carol.

Carol began by thanking David for the work he had done on this item; it was very good.



This item was on the list to be dealt with after shares and Year End had been completed. Carol hoped the Board would understand that with everything else Carol had not had the time to look at this issue properly. She has told Admin that we will pick this up, possibly not before the next Board Meeting because of the need to complete the Share and Finance matters first. Once that is complete, we will come back with a recommendation to the Board.

David confirmed his agreement and advised the board of his actions to date. His contact would be happy to provide a walk-through of the system and answer any questions. He advised that as we were a Not for Profit or Charitable Organisation, we would qualify for free access.

Sheila thanked David for his work and input.

- b) Sheila advised the board that a new Wind Farm Proposal has been made, lying between the ridge of Loch Awe and Loch Fyne. This is for up to 26 turbines, up to 200 metres in height. Statkraft is the company involved and the proposal occupies the failed Ardconnel Wind Farm which was rejected by Scottish Government. The new proposal is called Cardui and would be on the ridge directly opposite the village. The ridge at its highest points is 526 and 589 meters; the height of the turbines would be substantial.

Whilst not directly related to our own Hydro, the incentive they are offering, in addition to the Community Benefit Fund is their intention to bring High Speed Broadband or Fibre Broadband to the area.

It was agreed that Sheila would send a link to Members or continue the discussion after the formal close of business.

11) Date and time of Next Meeting

The next board meeting will be held on Tuesday 20th July at 7.30pm.

The Chair thanked everyone for attending and closed the meeting at 8:38pm

Minutes approved at the Board Meeting #049 held on 20th July 2021

A handwritten signature in black ink, appearing to read "Sheila M. Clark".

Signed by Sheila Clark, Chair



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