



BOARD MEETING MINUTES

Date: Board Meeting #055

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

Pam Stansbury, Administrator

Apologies: Michael Odumosu

Meeting Details: Date Wednesday 16th February 2022 at 7:30pm
This meeting was conducted via Zoom and was recorded

MINUTES of the 55th Meeting of the Board of Directors

The Chair opened the meeting at 7:30pm and thanked everyone for attending.

1) **Apologies**

Apologies for absence were received from Michael Odumosu.

Conflicts of Interest

There were no changes to the conflicts of interest.

3) **Approval of Previous Minutes**

#054 Board Meeting held Tuesday 18th January 2022, at 7:30pm

The minutes of the previous meeting having been circulated prior to the meeting were reviewed and agreed.

The minutes were proposed by Carol Thomas, seconded by Cath Auty, and passed unanimously.

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

Lease Legal work. Carol advised that she had not heard anything from Johnny regarding the lease, however she had also not followed up because of her other commitments.

Pam also apologised to Andrew as she had not yet shared the original lease with him. She now has the document, would upload to a shared drive and forward a link to him.

5) **Board Decisions made by Email**

The Nomination form was approved unanimously.

Carol asked if the form had been sent to those who had requested them. Admin advised that this had not been completed. The nomination form and newsletter to Members would be discussed in the Company Secretary's report

6) **Communication since last meeting**

List of communications received has been circulated to the Board. There were no items to discuss that were not included in later sections of the meeting.

7) **Chairs Report**

Sheila's main item was the resignation of David Hardstaff from the board. David felt that he had done the job he came on to the board to do and was upset by the scale of the infrastructure around the intake, and its impact on the local area.

The forestry work around clearance and the other options were discussed. Due to the Hydro and Forestry clearance the land has now been designated a natural regeneration area, which will mean that in years to come the land will be greatly improved. Peter commented on the build and actions to minimise the visual impact on the area. Warning signs and safety measures have been kept to minimum possible impact and Peter will continue to investigate the use of camouflage paint.

Sheila gave her thanks to Pam for her work on admin, and to Carol and Andrew for the level of Directors work they were currently involved in.

8) **Company Secretary Report**

The Chair handed the meeting to Sam for her report.

- **Resignation of Director.**

Following the recent resignation of a director, we are now perilously close to not being Quorum. We therefore need to do some urgent recruitment work in the run up to the AGM.

Sam's plan was to put together some appealing words to our shareholders to encourage them to step up and join the Board. Her plan is to compose a draft which will then be circulated to the AED Board for adjustments and once agreed would be sent to all Shareholders. We need to appeal to our target audience as we need fresh blood on the Board, we need people who care about the Hydro, we need people that want to step up and take some of the work from those doing the bulk.

ACTION: Sam to create advertising material for directors, due date 28th Feb

Sheila put forward a suggestion of David Jardine who had been involved from the forestry side and was now retired. Before his retirement he was very in favour of the scheme and helped considerably from within the forestry.

Cath also raised the DIG representative issue. David Hardstaff had been a DIG nominated representative.

Rule 61 says that the Society should have a Board of Directors not less than three people. The Board maximum is nine directors elected by shareholders and up to three directors appointed by Dalavich Improvement Group. Carol advised that whilst we could have a board of three, it was not very efficient or effective as we have a minimum three officers, Chair, Company Secretary and Finance Director, and caused complication with our rules governing re-election.

Sam asked if Dalavich people could canvas for DIG representatives, and she would approach David Jardine. There was a discussion over the project, the needs of the Board and the appeal to potential directors.

Peter raised the frequency of the Board Meetings. They had previously discussed stepping down to a bi-monthly meeting and with diminishing nitty gritty bit a less often and more active meeting could be more appealing. The second point was that we had spent a lot of time setting up the community action plan and this is now with the outsourcing a largely oversight role. Where we need strength now is in the financial team. Operationally the running of the hydro is a relatively simple task, what makes a big difference is the financial understanding, and we therefore need to recruit a strong financial team to support Andrew.

Carol reminded the board that Rule 67 allows us to co-opt members for six months, and we could therefore look for people with the right skill set and co-opt for a period. She agreed with Peter that a strong finance and co-operative team was needed. The buy back shares would be a

future issue to consider as also would the generation issue when FIT came to an end when we would need to look at how we generate money, how we use the energy to best financial effect and how we maintain a Board of Directors.

The need to future proof the Board on both the engineering, operational and finance sides for future and succession planning.

Various matters were discussed by the board in more detail.

Sam confirmed that we currently have three spaces for Board Members and two spaces for DIG directors.

Sam will check how many members need to stand down at the next AGM.

- Shareholders Report

Sam reported that the motion passed at the last board meeting to allow a withdrawal of shares had now been completed. There had been a few contacts to amend personal details which had been actioned. Otherwise, there was nothing else to report. For shareholders

- Data Protection Policy Update.

Sam advised that she had not yet updated the DPP to remove all references to EU. She apologised and advised that she would undertake this next week and make it an appropriate UK document.

ACTION: Sam to update DPP policy

- AGM preparation and updates.

The date has been set for the AGM. A newsflash will be added to the website and a newsletter out to the members. We need to co-ordinate the notice periods and briefing packs, which need to be out 14 clear days before the AGM. In relation to the briefing pack, we need to have the briefing pack ready for mid-April.

Admin needs to be underway in March. The various officers need to write their reports, and year end accounts need to be finalised with Armstrong Watson. This will need to be chased up.

We will need to hold a Board meeting to make decisions and discuss the proposals the board will make to the Members at the AGM. This should preferably be at our March Board meeting

This will include the proposal for Community Benefit pay out and a report back on this year's fund usage by DIG, the continuance or closure of the Open share offer, and any forthcoming projects with risks and benefits.

Options to review work required where discussed by various members and the need to pull together a document to confirm work and required dates by the second week of March.

Pam confirmed that all required year end accounting work had been handed over to Armstrong Watson. It was agreed they should be advised the draft accounts should be available for our March meeting.

- Sam concluded her report by advising the members that she would contact them all regarding updated biographies and photos. She has updated some recently and would be asking Board Members for updates together with their main associations as she has to complete the affiliation form in May.

There being nothing further to report Sam handed the meeting back to the Chair.

9) **Finance Report**

The Chair handed the meeting to Andrew for his report.

- The management report had been circulated prior to the meeting.

The month had been a good month and there was nothing Andrew needed to comment on regarding the first two months of the financial year. The bank position was £196,930. There was nothing to indicate a change of position in recommending a zero Community Benefit Fund payment at the AGM.

- CFADS Update.

Andrew advised the board on current work with SIS to review and remove the option for SIS to double the payments to them if there were sufficient cash flow, which would effectively bankrupt the Hydro. Discussions have been held with SIS who confirmed they would not invoke this clause, and this has now, at our request been confirmed in writing. Andrew further advised on the scope for a further prepayment to reduce the loan at a future date. Andrew anticipates that questions will be raised again at the AGM over the requirement to repay the loan against potential additional Community Benefit funds.

- Vikki Boddice – Boddice Accounting.

Andrew advised the board on the forth coming Zoom meeting with Vikki. Whilst are current account requirements are fairly simple now, the concerns are does she have the sufficient knowledge and capacity to cope if things change.

The options and concerns were discussed and the need to make a decision to put to the Members for approval at the AGM.

We are duty bound to review our accountancy costs as this is currently our most significant outlay. There costs have risen this year and their costs and work is under review.

Further discussion took place over AED's requirements, understanding of our unique position as a Ben Comm and green energy manufacture.

A request from Cavetta Consulting for a review has been received by Sam. Their help was invaluable during our setting up period, and saved considerable costs; it was therefore agreed that the request would be passed on to Carol to action.

There being no questions the Chair thanked Andrew for his report.

10) **Operational Report**

The Chair handed the meeting to Peter for the Operational Report.

- Updates and Generation.

Peter advised that Steve was confirmed for May service, and that the safety signs had been ordered.

The output for December and January were both above plan. December was 173,292 kw which is 125% of plan, and January was 187, 216 kw which is 155% of plan. February, we have already made plan at just over halfway through the month. We have done 128,973 kw, basically because the Hydro has been running flat out all month.

We have had no issues with long cold spells of weather yet. We have had no significant floods and have had a steady stream of fast flowing water. Everything is clear and the team are doing a great job.

Andrew asked Peter about the size of the team and whether they were up to full strength again. Peter confirmed they were. Sid had now undertaken his annual training which took them back to full strength. Callum is available as a trainee, and Pam has been trained as a reserve should the need ever arise. There are now four members on

the team, which allows for a week each of cover. Peter felt this was an ideal number as it allowed for a regular cover period with people to cover if needs arose.

- Sink Hole.

Peter updated the Board on the Sink Hole situation. Progress had been slow with Forestry; however, the barriers are in place, and we have covered our duties and responsibility.

We have fulfilled our obligations by notifying Forestry, who have now taken responsibility. We have established that it is not in our corridor of rental, and therefore we have no liability or duty to repair. It is now down to Forestry to establish a timeline for repairs.

There being no further questions Peter concluded his report, for which the Chair thanked him.

11) **Community Benefit Fund FS Contract Amendment proposal**

The Chair handed the meeting to Carol to report.

Carol advised that there was little movement since our previous discussions. However, we have been advised that the first grant under the Education & Development Bursary has been awarded and paid. There will be some positive news to report on at the AGM.

AKCC have not yet made any payments out. Part of the problem is that people do not yet understand what can and can't be applied for. The advertisement for the Open Grants has now been sent to all the constituted groups, which is effectively the Avant Gardeners and the Social Club.

The Social Club can't currently apply as their constitution is unacceptable. Foundation Scotland have given some advice as to the corrective steps needed. They cannot have funding for anything that involves the supply of or provision for supply of alcohol. However, they could have funding for improvements such as moves to low energy consumption.

This will be an ongoing problem, however she felt it was far too early to start talks about moving the boundaries, although this could be required at a future date.

DIG will be doing a new Community Action Plan. The first one was for five years and a new one is now due. The new plan may give a better insight as to future use of the fund.

Currently there are a lot of people who have ideas on how to spend the money, however those ideas are not for the benefit of the community as a whole. The property owned or managed by DIG was raised, and Carol agreed that there could be future projects that could use significant funds.

Carol advised there have been some understanding problems, some teething problems, and problems with understanding off constituted groups and how groups become constituted.

Andrew asked about Foundation Scotland's understanding of this year's fund position. Carol confirmed FS's understanding of both the fund and the difficulties involved in early stages.

The first award has been promoted. Which had also raised and highlighted peoples understanding of funding only being available for new, and where not available for projects that are already been started..

The Chair thanked Carol for her report.

12) Any Other Business

There were no further matters to discuss.

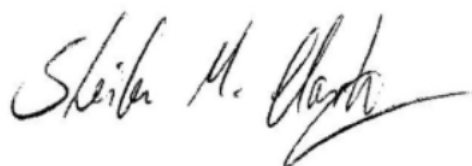
Sam advised that she would be travelling on the 15th, however she understood the importance of the meeting and would therefore do everything she could to attend.

13) Date and time of Next Meeting

The next meeting will be held on Tuesday 15th March 2022, at 7:30pm

The Chair thanked everyone for attending and closed the meeting at 9:10pm

Draft Minutes to be approved at Board Meeting #056 on Tuesday 15th March, 2022



Signed by Sheila Clark, Chair.

Addendum - Conflicts of Interest

Director	Conflict of Interest
Sheila Clark, Chair	Director on board of Dalavich Improvement Group
Andrew Swann, Finance Director	
Sam Marshall, Company Secretary	
Peter Thomas, Operations Director	
Carol Thomas	Director on board of Dalavich Improvement Group; Member of Kilchrenan & Dalavich Kirk session; Member of An Suidhe Open Grants.
Michael Odumosu	
Cath Auty	DIG Nominated Director

Addendum

Glossary of TLA's (Three Letter Acronyms) and Abbreviations used.

AED	Awesome Energy (Dalriada) Ltd
AGM	Annual General Meeting
AKCC	Avich and Kilchrenan Community Council
CFADS	Cash Flow Available for Debt Service
CBF	Community Benefit Fund
CMS	Co-operative and Mutual Society
DIG	Dalavich Improvement Group
FCA	Financial Conduct Authority
FES	Forest Enterprise Services
FIT	Feed in Tariff
FLS	Forestry and Land Scotland
HMRC	Her Majesties Revenue & Customs
LBTT	Land and Buildings Transaction Tax
LFDp**	Low Flow Data (percentage allowance)
NSR	New Stream Renewables
OSCR	Office of the Scottish Charity Regulator
PAT	Portable Appliance Testing
PPA	Power Purchase Agreement
SEPA	Scottish Environmental Protection Agency
SIS	Social Investment Scotland