

## BOARD MEETING MINUTES

Date: Board Meeting #065

Present: Sheila Clark, Chair  
Andrew Swann, Finance Director  
Sam Marshall, Company Secretary  
Peter Thomas, Operations Director  
Carol Thomas, Hydro Project Manager  
Michael Odumosu, Elected Director  
Patrick Marshall (Roo), Elected Director

Pam Stansbury, Administrator

Apologies: Cath Auty, DIG nominated Director.  
David Wilkinson, Co-opted Director

Meeting Details: Date Monday 2<sup>nd</sup> October 2023 at 7:30pm  
This meeting was conducted on Zoom and was recorded.

### **MINUTES of the 65<sup>th</sup> Meeting of the Board of Directors**

The meeting opened at 7:36pm.

1) **Welcome and Apologies**

The Chair welcomed everyone to the meeting and thanked them for attending. Apologies for absence were received from Cath Auty, and David Wilkinson.

2) **Conflicts of Interest**

There were no changes to the listed conflicts of interest.

3) **Approval of Previous Minutes #064**

The minutes of the previous meeting held Tuesday 20<sup>th</sup> June 2023, had been circulated to the board for amendments and approval prior to the meeting.

The minutes were proposed by Carol, seconded by Sam and approved by the board.

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

- The draft minutes of the AGM are still to be circulated to the Board for approval. Admin confirmed that she would distribute as soon as possible after the meeting.

##### **Action: Admin to circulate AGM minutes for approval**

- RAHCBF Logo. Good feedback had been received and has been approved in principle. The image needs to be improved to be print quality. An option to improve using Adobe Photoshop was discussed.

The Board approved a small expenditure for Carol to utilise a design forum or agency if needed.

##### **Action: Carol to arrange for a print quality version of approved logo.**

There were no other matters arising.

#### 5) **Interim Board Decisions**

There were no Interim decisions made by the board since the June meeting.

- An interim meeting was held 4<sup>th</sup> July 2023. This meeting discussed the interest rates paid to shareholders, the redemption of shares both voluntary and compulsory. It was agreed that the minutes and agreements would be circulated to the board for amendment and approval by email.

It was also agreed that following the approval of those minutes an announcement to the shareholders would be agreed and circulated via newsletter and email prior to the next AGM.

##### **Action: Admin to circulate minutes for approval and draft an announcement for shareholders.**

#### 6) **Chair's Report**

The Chair reported on a busy quarter. The Finance review meeting was held in July and the Chair expressed her pleasure at seeing Andrew back with us looking well.

New Stream Renewable reports have been circulated, giving the current demands, supply and pricing information.

The final accounts have been signed and duly submitted to the relevant bodies.

Admin has worked hard on our LBTT return. More information regarding LBTT will be covered later under the agenda.

The annual visit from CINK has been undertaken, together with the operator training. There is a scheduled stoppage of the site for a few days at the end of October. Peter will cover these in more detail during the Operations report.

There being nothing further to add the Chair passed the meeting to Sam for the Company Secretary report.

## 7) **Company Secretary Report**

### i. **Legal requirements.**

Since the last meeting the Company return (AR30) has been lodged with the FCA, within the legally permitted time scale.

LBTT (Land and Buildings Transaction Tax). The mental calculations were undertaken by Pam and submitted via Twin Deer Law on Friday and paid today.

LBTT is similar to the English lease agreements for stamp duty. At the time of the lease commencement Johnny Bell produced an estimate of our revenue-based lease payments and our projected tax was £208. Every three years an update has to be submitted providing actual lease payments for the preceding three years, with a revised projection for future years.

The LBTT submission in Sept 2020, gave a tax liability increase to £1,204 requiring an additional payment of £996.

This year's calculation used actual lease payment to year 6, projected payments of £19,000 to year 20 and £9,000 from year 21. These were increased from £16,000, and £8,500 respectively. This allowed for the improved PPA rates we are currently benefiting from. Year 21 is when our FIT payments will stop, hence the decrease in projected payments as we will only receive PPA from then.

The adjusted submission resulted in an increased tax liability of £1,595, resulting in a top up payment of £391.

It was further advised that following this year's completion the control for submission is being passed to Admin from Twin Deer Law, so that we can reduce our Legal costs by £250.

Sam confirmed that we have now met and filed all our legal documentation for this financial year.

### ii. **Shareholder updates**

There have been no movement in shareholdings this quarter. Admin has now completed all the outstanding interest payments to those members whose bank details needed updating. Our shareholders currently stand at 122 individual members with 5 corporate members. Of the 122 individual members 5 are accounts held in trust

for children. Our total current holding is 504,645 shares, split 450,275 individuals and 54,450 corporates.

iii. **Director packs and contact list.**

Sam advised that the new Directors packs had been issued to Patrick Marshall, and David Wilkinson. The updated packs had also been issued to all Board Members, together with a request from Pam for the Directors to confirm their agreement to share a contact list for the Directors. Sam asked that all directors should respond quickly to this, and any future requests from Admin.

Admin advised that under GDPR she required the express consent from members before she could extract the information from the Directors registry and circulate as a new document.

This concluded the Company Secretary report, Sam handed the meeting back to the Chair.

The Chair thanked Sam for her report and handed the meeting to Andrew for the Finance report.

8) **Finance Report**

i. **Management report and current financial position**

Andrew advised that in addition to the LBTT work Pam had undertaken, she had also been busy unearthing an anomaly. Having investigated Pam had identified and corrected a problem which had resulted in additional expected income of some £16,000 than had been previously reported. This is now reflected in the management reports that were issued today. These are up to 30<sup>th</sup> September, which Andrew commented was good to have accurate data so recent to today's meeting.

The management reports show us in a good position; the year to Nov 2022 shows a surplus of £144,000 before taking into account the Community Benefit payment. The year to date shows a surplus of £188,000, we can therefore safely assume we will end the year comfortably ahead of last year's results.

This has a lot to do with the PPA rate we were able to secure in November 2022. Our generation is on target for this year, with our income being significantly above.

The bank position is good; however, we are approaching the point where the PPA will need to be renegotiated. The market needs to be monitored fairly frequently, with the ability to move quickly when needed. Andrew suggested that if we could fix a rate above our original projections we would probably be well advised to do so.

It was agreed that the reports recently received gave little indication of actual prices, and that an information gathering system should be looked for.

We may or may not take a decision before the next board Meeting, and we will need to decide on a method of making a quick decision. Our current contract expires at the end of January 2024, we can begin negotiations up to three months prior to the renewal.

Carol has registered with NSR for a client log in to access more detailed information.

**Action: Carol will contact F&S, and New Stream Renewable to confirm when we could renegotiate our contract and research a way to monitor PPA prices and trends.**

ii. **FIT contract.**

Feed in Tariff was historically fixed with SSE because SSE were doing all the commission etc, Marc Cameron therefore recommended we went with SSE Roofit. If SSE were continuing Carol would be recommending to the board that we remain with them. However, in July SSE informed us that the management of FIT payments would be moved to OVO. OVO's level of customer service and information leaves a lot to be desired. DIG had experienced a lot of problems when they were transferred from SSE to OVO. This included OVO wiping out a credit balance for no explainable reason, being unable to provide any explanation and taking six months to resolve the problem.

Hence, when SSE announced the move Carol contacted NSR to enquire if F&S could handle FIT payments. We are therefore in the process of transferring our FIT payments to F&S.

Andrew asked if we were transferring direct to F&S from SSE. Carol advised in theory yes, however the problem is that once SSE have decided to move your account to OVO they will not talk to you about your account and refer you to OVO, who seem unable to provide pretransfer information. F&S have contacted Ofgem and submitted the transfer request. On F&S advice Carol has submitted the move meter reading taken on 5<sup>th</sup> September to OVO. Our last meter reading to SSE was taken on 1<sup>st</sup> June at 7,374,311, in September our reading was 7,512,011.

Admin advised the problem she has encountering with SSE is that they have closed their customer portals, removing all access to the electronic records of accounts or payments made. Admin also advised that whilst researching the FIT payments earlier she had discovered that OVO were one of the four companies criticised by Ofgem for failing to make their payments on time.

Carol concluded by advising the board that F&S were handling the FIT payments and transfers. Carol confirmed to Andrew that the FIT payment rates were set by Ofgem, with F&S making full payments to us. Admin confirmed that she experienced no problems with F&S, either in receipt of funds or in responding to any questions.

There being no questions, the meeting was handed back to the Chair.

The Chair thanked Andrew for his report and handed the meeting to Peter for the Operations report.

9) **Operations Report**

i. **Generation data and operational update**

Recently we have had some dry weather and therefore some low outputs. Figures for June, July, August and September were low and under plan. However, the cumulative figures against plan are now at 100.01%. We had a good start to the year, followed by a long dry spell, more rain, another dry spell and whilst it has been a difficult year we are still on plan. Unfortunately, we will have four days of enforced stoppage, when SSE carry out work on the network. The start to October has been strong, and we are experiencing heavy showers. The hydro is currently running around 230, not flat out but achieving around 5,000 kWhrs per day. Weather is forecast to remain the same, and we are likely to finish with a strong month.

Currently moving into the leaf fall season, which will keep the ops team busy over the forthcoming weeks, as the team remove leaf fall from the inlet.

Routine Service was carried out with no issues, and our annual training was undertaken. This included Roo, (Patrick Marshall), and Pam S as backup.

The team have been carrying out routine strimming and clearing by the inlet and over the pipe work, and the stones by the intake have also been cleared. Bed of the River has been slightly reprofiled by moving the shingle bank created by the weir. This is undertaken manually and allows the river to favour the intake route for the Hydro.

Routine Electrical Service (EICR) has now been booked for the 16<sup>th</sup> October. Roo has been booked to do the PAT testing in the next couple of weeks.

Once the two electrical jobs are completed, we will be fully up to date with routine operational work.

There being no questions, Peter handed the meeting back to the Chair, who thanked him for his report.

10) **Community Benefit Fund Report**

The meeting was handed to Carol for the Community Benefit Fund report.

i. **RAHCBF (River Avich Hydro Community Benefit Fund) management**

Carol advised that both the contract with Foundation Scotland and the Fund Management strategy are both due to be reviewed, updated and reinstated by the middle of next year. This will require work on them to be started straight after Christmas. The people required for the initial stage will be Chair of AED, Chair of DIG, Carol and Foundation Scotland.

First stage will be to review everything and agree what if anything needs changing. Second stage will be getting approval from both AED board and DIG board.

On behalf of DIG, Carol met with Foundation Scotland today, to try to get to a place where better use could be made of the funds and things could be moved forward. The discussions included ways to accelerate the recruitment of a Community Development Officer, who would then be able to deal with some of the issues.

Foundation Scotland came to Dalavich on 4<sup>th</sup> September, interviewed some 18 people within the village, and have produced a report for DIG. This will be circulated, initially to the interviewees, and then to people with a valid interest. This will of course include the Awesome Board of Directors, along with TSI, and DTAS. This is to try and get some help to assist with helping the Community to understand how this sort of fund has to work. There are restrictions in both law, and governance which dictate how funds can be used. These restrictions are also reflected in our own Fund Management Strategy.

Carol is hopeful that by the AGM next year there will be significant items to report on.

ii. **Community Benefit Fund report.**

There have been two Education Bursary awards since the last meeting. One more traditional and one a skills upgrade to allow a local young person to undertake excavator training with her new company. A couple of micro-grants have been awarded. The application mentioned last meeting requiring the uplift of limit has not yet progressed to the application point.

Carol predicted that we would quite possibly recommend an uplift in the limits on all bar the Micro-Grants, when we review the Fund Management.

There were no questions, and the meeting was handed back to the Chair, who thanked Carol for her report.

11) **Communications**

List of communications received had been circulated to the board prior to the meeting. There were no matters to discuss not already covered during the meeting.

12) **Any other Business**

Carol requested that the next quarter meeting was moved to January, as 19<sup>th</sup> December was very close to Christmas. It was agreed to move to January, which would also allow additional time for admin to complete year end work before the meeting. The meeting will be held on 3<sup>rd</sup> Tuesday as normal.

Carol advised that Jim Lockhart of Armstrong Watson had now left the company. We are currently waiting to find out who will succeed him as our Account Manager.

There were no other business matters for discussion.

**Date and Time of Next Meeting**

The date of the next meeting will be Tuesday 16<sup>th</sup> January, at 7:30pm

The Chair thanked everyone for attending and closed the meeting at 8:50pm.

**Minutes to be approved at Board Meeting #066 on Tuesday 16<sup>th</sup> January 2024**

A handwritten signature in black ink, appearing to read "Sheila M. Clark". The signature is fluid and cursive, with a long horizontal stroke at the end.

**Signed by Sheila Clark, Chair.**



**Addendum - Conflicts of Interest**

<b><u>Director</u></b>	<b><u>Conflict of Interest</u></b>
<b>Sheila Clark, Chair</b>	Company Secretary on board of Dalavich Improvement Group
<b>Carol Thomas</b>	Treasurer on board of Dalavich Improvement Group
<b>Cath Auty</b>	DIG Nominated Director
<b>Pam Stansbury, Admin</b>	Chair, Dalavich Improvement Group

**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
CBF	Community Benefit Fund
CMS	Co-operative and Mutual Society
DIG	Dalavich Improvement Group
DTAS	Development Trust Association Scotland
EDF	Education and Development Fund
FCA	Financial Conduct Authority
FES	Forest Enterprise Services
FIT	Feed in Tariff
FLS	Forestry and Land Scotland
GDPR	General Data Protection Regulation (Data Protection Act 2018)
HMRC	Her Majesties Revenue & Customs
ICO	Information Commissions Office

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
RAHCBF	River Avich Hydro Community Benefit Fund
REGO-FMD	Renewable Energy Guarantees of Origin - Fuel Mix Disclosure
SEPA	Scottish Environmental Protection Agency
SIS	Social Investment Scotland