

BOARD MEETING MINUTES

Meeting: Board Meeting #071

Present: Sheila Clark, Chair
Sam Marshall, Company Secretary
Andrew Swann, Finance Director
Peter Thomas, Operations Director
Carol Thomas, Hydro Project Manager
Michael Odumosu.
Patrick Marshall.
David Wilkinson.
Cath Auty (DIG Nominated Director)

Pam Stansbury, Administrator

Apologies: None

Meeting Details: Date Tuesday 18th March at 7:30pm
This meeting was conducted via Zoom and was recorded

MINUTES of the 71st Meeting of the Board of Directors

The meeting opened at 7:37pm.

1) Apologies for Absence.

There were no apologies for absence.

2) Conflicts of Interest.

Sheila Clark (Chair)	Company Secretary, Dalavich Improvement Group Trustee, Avich & Kilchrenan Community Heritables
Carol Thomas	Treasurer, Dalavich Improvement Group Company Secretary, Avich & Kilchrenan Community Heritables
Cath Auty	DIG Nominated Director
Pam Stansbury (Admin)	Chair, Dalavich Improvement Group

There were no changes to the conflicts of interest.

3) Approval of Minutes.

- **Board Meeting 070 held Tuesday 21st January 2025.**

The minutes of the previous board meeting, having been circulated to the board, prior to the meeting were reviewed. There were no corrections to the minutes excluding small

grammar changes, which admin will update prior to signing. Approval of the minutes was proposed by Sheila, seconded by David and approved by the board.

4) **Matters Arising not covered by the agenda.**

- Carol reported to the board on the visit by Jenny Minto, MSP. The meeting went well, she did not visit the Hydro, having instead attended a morning session in the Wild Rowan Café discussing the various challenges for the community, and then held a well-attended drop-in session at the Community Centre.

Carol will forward the visit report from Jenny's office to the Board.

There were no other matters arising not covered by the agenda.

5) **Interim Board Decisions**

- **Agreement to continue to use Foundation Scotland.** The Fund Management contract with Foundation Scotland is due for renewal, and a proposal to continue to use FS and to request they draw up a new contract to fulfil all existing criteria and any new legislative was agreed by the board.

Carol had progressed this and a new contract proposal had been circulated to the board earlier in the day. A concern was raised over the wording of clause 7.4 (b) which concerns unused funds being invested as capital, with any capital gain being transferred back to the Community Benefit Fund. The wording needs clarity to confirm that both gain and capital are transferred back to the Fund.

Carol to discuss and confirm changed wording with FS. Subject to that change the board agreed the new contract.

It was further advised that the Fund Strategy would need to be updated to accompany the Fund Management contract. This will be drawn up following the successful completion of the Community Action Plan (CAP). The fund strategy is driven by FS in association with the CAP, AED and DIG.

It was also noted that there had been a small reduction in the cost for the contract, and the contract had been extended to the five years as requested.

- **PPA Renewal Option.** The offer from NSR for a new contract was rejected by the board. Our contract currently runs until January 2026, and normally our offers come in around October November time. F&S Energy, our current purchaser has a policy of only working within a six-month forward window; Admin has taken an action to begin researching offers following the AGM. Carol advised that our offers were always an on the day offer and required a quick response from the Board. Offers needed to be accepted by 4pm on the day.
- **Insurance Renewal.** Admin advised she had not received enough responses to confirm the decision, which had only been issued that week. The board agreed to accept the current offer, admin will notify the brokers accordingly.

It was also agreed that admin would take an action to begin looking for alternative options around October. This would include using our contacts with Foundation Scotland, Harlaw Hydro, DTAS and others to discuss with similar renewable energy companies their arrangements.

6) Chair's report

Sheila reported to the Board on the volume of work being undertaken recently. She also reported on the recent challenges with DIG and was pleased to advise that things were now progressing much better, and she was hopeful of a positive and constructive way forward.

We are currently on the run up to the AGM, which will be reported on by Sam during her report. Sheila was pleased to confirm that she would be in attendance this year because her work commitments were not clashing as normal.

She thanked the board team for all their work recently producing the substantial paperwork generated, and the remaining board for their diligence reading through documents. The chair thanked admin for the precis of work she had sent, which the Chair had found very helpful.

There being nothing further to add, the Chair passed the meeting to Sam for her report.

7) Company Secretary's report

Sam thanked the chair and began by reminding everyone of the date and time of the AGM, Saturday 31st May at 11am.

- **Annual General Meeting.**

Sam confirmed that the AGM, as in previous years would be held on Zoom.

Andrew advised that owing to a clash of dates it was possible he would not be able to attend. After a brief discussion it was agreed that if Andrew was unable to attend, he would prepare his normal report and slides, which Carol would present on his behalf at the AGM. The option to deal with questions raised was also discussed with the possibility to request Armstrong Watson attend for that eventuality.

Sam advised that a series of documents had been issued by admin, with a timeline of requirements and deadline dates. Included were the directors bios which need updating. This is particularly important for Carol, Peter and Michael who were the three directors stepping down and standing for re-election this year. The board were asked to send their updated bios to Pam as soon as possible.

Requests for nominations will go out to the shareholders together with updates on the preparation work. Sam advised that owing to failing eyesight she would be standing down at the 2026 AGM and would welcome someone joining the board to shadow her for a while.

The draft minutes of the 2024 AGM had been circulated to the Board earlier; it was requested that the members review the minutes and respond to Pam by Friday with any changes. Admin will then request an approval by interim decision.

Matters arising from those minutes included the shareholders policies and procedures. It was agreed that Carol and David would jointly work on a response for the AGM, and that this would be included on the agenda.

The board discussed options around the share interest position and confirmed that our current policy was correct and that we would only be allowed or required to alter that if the viability of the company required it to stem a withdrawal of share funding, or if we

needed to raise additional funds via a share issue. The legislation is currently ambiguous, which Carol, Andrew and David will continue to work on to produce the required policies and procedures for our shareholders.

- **Shareholders.**

Total shareholders are currently 123, five of which are corporate accounts, and five are designated child accounts. The total share investment is currently £526,859, which will give us an interest payment this year of £21,074 at the recommended 4% resolution.

Normally the split between cash and shares option is around 50/50. There is currently £3,000 outstanding interest from previous years. This is due to communication problems with the member, which Pam is working to resolve.

Sam confirmed that the transfer of shares for our deceased members was now all completed, and paperwork would be sent to our new member this week.

Following communication with the solicitor involved, the shareholder statements had been updated to show shares purchased separately from shares received in place of interest. The Board and all members would all receive the updated layout following the AGM.

- **Lease Resumption.** Carol gave an update to the Board regarding the lease resumption matter. Our lawyers Twin Deer Law are getting no response from Forestry's lawyers, which could be down to several changes of personnel.

Carol has followed up with her other contacts in Forestry to establish a new contact who can assist.

There being no questions and nothing further to add Sam handed the meeting to Andrew for the Finance report.

8) Finance report

Prior to the meeting Andrew had distributed his draft report for the accounts and had sent out a revised version of the cash flow model.

Andrew had adjusted the cash flow model to adjust for the changes in current debtors and creditors, which resulted in more cash but also more liabilities. Following these adjustments Andrew reported that his January prediction of £175,000 for CBF was slightly reduced to £150,000.

We had a relatively good year, and although we only benefited from our very high PPA for the first two months of the year, we still had a good rate of income from the Power Purchase Agreement.

In considering the rate of the CBF against additional loan repayments, there is an adverse tax effect. With the threat of the balloon payment now removed, and strong indications that the community would benefit from the funds available, Andrew's recommendation was for the £150,000 to be allocated to a Community Benefit Fund payment.

There were no questions from either Andrew's written report, his cashflow model or his report for the annual meeting.

It was proposed that the Board agree the recommendations for a 4% interest payment to shareholders and a £150,000 payment to the Community Benefit Fund, and that these should now

be presented as Resolutions to the members at the AGM. This was approved by all Board Members.

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

9) Operational report

Peter began by reporting the hydro to be running relatively well. By rebalancing our plan on previous data, we effectively wound up our expectations for this time of year.

Currently we were slightly behind plan at the end of February, the cumulative total being 443,000 kWh against a plan of 476,000. Peter anticipates some really low numbers during the summer with a rebalance during the later part of the year.

The hydro is running ok; five days were lost to work being conducted by SSEN, and Storm Eowyn caused a three-day disruption when the valley was without any electrical power. The transformer needed to be reset, which took an additional day, mainly due to SSEN correctly prioritizing homes and people over businesses.

The intake is looking good, with stones cleared from it. There is also no buildup of trees, as both Jamie and Wendy have chain saw licenses and can remove anything small before it becomes a problem.

Peter reported that the SEPA report was overdue, but that it would be sent off this month.

There were no questions, however following a brief discussion it was agreed that our working policy should be updated to include chainsaw work as we now have trained operatives, and that we would adopt Forestry standards of always having two people present while such work was being undertaken.

Peter took an action to check Forestry policy and update our policy documents.

Roo raised a question regarding the PAT testing on 5th, and gaining access to the Powerhouse, which was agreed.

The Chair thanked Peter for his report and handed the meeting to Carol for the Community Benefit Fund report.

10) Community Benefit Fund

- **Fund Management Contract.** As previously mentioned, Carol confirmed that the Management contract is now agreed and in place. We are awaiting the docu-sign contract for Sheila to sign, which Carol will chase up tomorrow.
- **Community Action Plan.** As Sheila had previously mentioned there had been some challenges within the Board of DIG, which had handicapped the production of the CAP. The CAP had been completed in terms of a phenomenal response to the CAP survey; however, the next steps had been delayed. Next steps will include feeding back to the community to assess what was said, prioritise actions and provide feedback.

Following completion of the CAP the next step is to produce the Fund Management Strategy document. Carol proposed that this be undertaken by Debbie from Foundation Scotland, who would lead the project, Elle Steel CDO for DIG, and our admin Pam.

This year's review would be smoother as it would take the previous strategy as a starting point, however the work would be considerable and therefore should be undertaken by paid staff. After a brief discussion and confirmation from admin that the work could be scheduled in without adversely impacting on AGM work, this was agreed by the Board.

It was also confirmed that there was no conflict of interest with Pam's position in both AED and DIG as it is necessary for those involved to have a clear understanding of the requirements from both sides and to understand the legislative advice coming from OSCR, HMRC and the charity regulations.

One area currently under consideration is the assistance to under 16's. Previously this had been discounted because of the statutory obligation of councils to provide education. However, it was now agreed that this should not exclude the children from benefiting from extra-curricular activities. This is one area the new Fund Strategy will be considering.

- **Projects and Activities.** Carol reported to the Board on recent projects undertaken and advised that future projects were being identified that would amount to some £320,000 over a period of time. The CDO is still identifying new projects and new opportunities. Debbie Herron is producing a comprehensive report for the AGM, which will give our members a good view of where their investment is helping and of future plans.

Carol expressed her thanks to Debbie Herron for the work and support she gives us. Debbie has indicated she will have the completed AGM report ready by 15th April.

- **Jenni Minto (MSP) visit.** The visit itself had already been covered previously in the meeting. However, Carol wanted to add that Jenni had taken away some actions to consider. One big one being how renewable energy companies, such as us, could help our local communities combat fuel poverty, both in pricing and inefficiencies of properties.

The board discussed different options currently available, and some of the proposed changes that could help. These included interest free loans to help improve the energy efficiency of local homes, linking our PPA to a company that would supply cheaper electricity to locals by using our renewable energy, and others.

Carol updated the board on the Community Housing project, currently in consideration. The Communities Woodland Group, and the work being undertaken on Community Wellness together with the new youth group being formed.

Carol was hopeful that in future times Elle Steele would be able to attend our board meetings, present this report herself and answer any questions the board raised.

There were no questions following Carol's report and the meeting was handed back to Sheila, who thanked Carol for her comprehensive report.

11) Communications

The communication list had been circulated with the agenda.

- Sheila confirmed that she had received the Docu-Sign document from Foundation Scotland and would be returning that immediately.

- Pam advised on a notification from F&S Energy of an increase in our charge for the DADC connection would be increased by 3.6% in line with RPI. Our current charge is under £25 so this is relatively low.
- BT had again notified us that our analogue service was due to be disconnected, and we should switch over to digital. As this had already been discussed with them, actioned and chased it was agreed that Pam should contact them again and chase for a proper appointment to agree the work and change over.

There were no other items of communication to discuss.

12) Any Other Competent Business

- **Forestry and Land Scotland.** Sheila reported to the board on a recent meeting she had with FLS, who were now concentrating their attentions on growing commercial timber, and environmental issues, rather than on old buildings within their land. This means we are unlikely to see any work done on the sinkhole. Carol advised she would discuss with her Health and Safety contacts at Forestry. Peter advised that the sinkhole is taped off and that following the lease resumption work was confirmed as not being our responsibility.

13) Date & Time of next meeting

- Next meeting will be the AGM on Saturday 31st May at 11am. Admin will be sending the first newsletters out this week and asked Cath and David to undertake their normal proofing.
- The next Board meeting will be held on Tuesday 17th June 2025. This will be the first meeting following the AGM. The meeting will be held on Zoom and will commence at 7:30pm.

The Chair thanked everyone for attending and closed the meeting at 21:00.

Minutes approved at Board Meeting #072, Tuesday 17th June 2025.



Signed by Sheila Clark, Chair.

Date: 17th June 2025