



BOARD MEETING MINUTES

Date: Board Meeting #047 May 2021

Present: Sheila Clark, Chair
Andrew Swann, Treasurer
Sam Marshall, Company Secretary
Peter Thomas, Operations Director
Carol Thomas, Hydro Project Manager
Chrissie Sugden
Adrian Shaw
Cath Auty, DIG appointed Director
Irene McClounnan, DIG appointed Director
David Hardcastle, DIG appointed Director
Rowena Tew, Administrator

Apologies: Michael Odumosu

Meeting Details: 18th May 2021, 7.30pm
This meeting was conducted via Zoom and was Recorded

MINUTES

The Chair opened the meeting and welcomed the members to the first Board Meeting following the Annual General Meeting.

1) Apologies

Apologies were received from Michael Odumosu who was unable to attend, and Andrew Swann who would be arriving late.

2) Conflicts of Interest

There were no relevant conflicts of interest to record for this meeting.

3) Approval of Previous Minutes

a) #046 Board Meeting held 20th April 2021

The minutes of the previous meeting were approved with the amendment that the “compensation slot” did not need to be highlighted

as this is the correct name; being the hole on the side of the weir that makes sure enough water goes down the weir and not into the intake.

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

b) Minutes of the AGM held 16th May 2021

The minutes of the Annual General Meeting having been circulated prior to the Board meeting were considered by the board. Once approved the board will release the draft minutes to be released to the secure area of the website for the shareholders. The number of participants was confirmed as 29, being 11 Board Members and 18 ordinary shareholders.

The penultimate bullet point of Extraordinary Resolutions should be amended to show that the resolutions need to be passed by 75% of the attending shareholders.

Chair's Report final point should be amended to reflect that CINK were able to service the turbine in August and undertook additional training with the local Ops team.

The board commented on the comprehensive, thorough and fast turnaround of the minutes, and thanked Rowena for her efforts.

It was commented that the minutes once approved could be published, however they must have draft watermarked across them and only be available in the secure shareholder's section.

Board Approval of the AGM minutes was proposed by Carol Thomas and seconded by Sam Marshall. The proposal was passed by the board with the exception of David Hardcastle who abstained as he had not been able to read them fully prior to the meeting.

The resolutions from the AGM will be appended to the minutes

c) Formal re-appointment of Directors & Officers of the Board

Sheila Clark confirmed her willingness to stay as Chair, which was confirmed by the board.

Sam Marshall was formally reappointed as Company Secretary following confirmation of her willingness. This was confirmed by the Board.

Andrew Swann confirmed he was happy to stand as Treasurer for the next year. Discussion was had on the need to find a more locally based candidate, although the Board expressed their doubts as to being able to

find someone of Andrews acumen. Andrew's appointment was confirmed by the Board.

Following a question from Cath, it was confirmed that as the Board currently stood at eleven members and was therefore one member short, it is within the company rules to appoint a 12th Board Member during the year. However, their appointment would need to be approved by the shareholders at the next AGM.

Carol confirmed that the Board could function with three members, although all they could do was call an AGM for the express purpose of appointing Directors. That the Board should have a minimum of six, of which three should be DIG appointed Directors, but we are supposed to have as many of the nine as we can, and operate a Board of twelve in total.

Therefore, if anyone thinks of someone who is a shareholder, or prepared to become a shareholder, has the necessary skills set, and interest in standing they should notify the Board.

4) Chairs Report

April into May up to the AGM, had been a very busy time, Vast amounts of correspondence with Armstrong Watson, an awful lot of preparation for the AGM, and more work going on behind the scenes with Foundation Scotland.

Peter had been negotiating with DA McDonald with regard to organising a flexible date for the pigging.

There was nothing else to add at this point, other than to say it had been yet another month of seemingly not a lot happening on the surface and a lot happening below the serene appearance of the surface.

Carol asked to acknowledge the Boards huge thanks to Sam Welsby, without whom Carol and Rowena would have struggled. She performed a lot of background tasks, background work, slide preparation, shareholder briefing pack etc so that Carol and Rowena could concentrate on making the AGM happen with everything in place.

Rowena had a baptism of fire, despite which everything went well, and the feedback from the shareholders has been very good. However, Carol felt it worth minuting the sterling job done by Sam on their behalf.

5) **Communication since last meeting**

As previously mentioned, a great deal of communication with Armstrong
Awesome Energy (Dalriada) Limited, c/o The Post Office, Dalavich, Taynuilt, Argyll PA35 1HN
Registered #7240

Watson has been exchanged during the month.

There has been communication with Triodos Bank, which will be brought into the Treasurers report.

A fairly urgent communication from New Stream Renewable, which Chrissie has brought to attention. This is to do with changing charges for electricity. Main point is that we can apply for exemption if we fulfil the requirements but the application must be made before the end of the month. Carol agreed to contact New Stream Renewables on the following day to discuss. The Chair thanked Chrissie for bringing this to the Boards attention.

Action: Carol to contact New Stream Renewables to discuss possible exemption.

In addition, there has been communication throughout the month with Foundation Scotland. A substantial exchange of communication between Board Members regarding the AGM. Some paperwork, briefing documents, which were well received.

The final work on the Insurance was also sorted out during this month, because we needed formal letter headed paper for SIS, which has now been completed.

6) **Company Secretary Report**

Sam reported that it would be no surprise to hear that this month had been dominated by shareholders, shareholders, shareholders and more shareholders. She therefore gave her utmost thanks to Carol and Rowena who have just dealt with it. By the time Sam logged on at night one or other of them had already answered the shareholder, dealt with it and all Sam had to do was nod wisely and file the paperwork.

She also wished to add her thanks to them both for the smooth running of the AGM. They may have been swans paddling furiously under the waterline, but from Sam's perspective as a panelist it all went really smoothly, 58 minutes from start to finish.

Carol added to the report that the AR30 had to be filed by the end of June. Also, in the next couple of days the email to the shareholders needed to be drafted, with Sam's approval and signature. The email would be to inform shareholders of the rough gist of the AGM, tell them where to find the draft minutes of the AGM, and asking them to advise if they wish to change their method of payment for interest. Then at the beginning of June Rowena and Carol would go through the whole thing and get it all done.

Action: Draft email to be compiled and approved. Email to be distributed to all shareholders.

The Chair thanked Sam for her report.

7) Finance Report

Prior to Andrews report Carol formally recorded that we had today received a letter from Triodos Bank confirming that the changes have all now been implemented. That the people we requested be added to the account have been added. That the bank statements will now be sent electronically, and probably the biggest change, that any payment over £50,000 now requires authorisation by the Chair and the Treasurer, currently Andrew and Sheila. Rowena is now able to set payments up to be made and authorised in accordance with the mandate. New Digi Passes are being sent out, with Sam Marshall confirming she had received hers in the post today. The others have not yet received theirs.

a) Bank Balance

Andrew reported that there was around £240,000 in the account as at the end of April. There are a couple of annual payments to come out of that; the shareholders interest, approximately 8 or £9,000, and the payment to the community benefit fund, which will £65,500. This would be the first payment requiring the dual authorisation of both Andrew and Sheila.

Andrew further reported that his proposal over the next month, his move permitting, was to look at the model again and see where we are on the amount of cash. At some point probably after the summer we may be thinking of another pre-payment of the loan, but he would have to investigate that. Obviously, it would be helpful if we had some rain otherwise, we are not currently forecasting any income.

Carol added to the report that the other big bill going out in the next six weeks is the forestry lease payment. Rowena and Carol will prepare the statement over the next couple of weeks and send it to them because they need to receive it by the end of May. Then it would usually be paid in June, it is around £14,000.

There will probably be a bill from the Auditor and the accountants as well. There is a fair amount of money going to go out and currently nothing coming in, but no doubt it will start raining sometime and then we can count on some money coming in.

b) Board sign off for accounts ending November 30, 2020

Board sign off on the accounts happened with the AGM, and therefore required no action today.

The only other action that does require action is the actual sign off on the AR30 and AR308, which will involve Sheila, Andrew and Sam. These need to be submitted before the end of June. Recollection is that there are some pieces that need to be signed by all of the Officers and some others by individuals.

Action: Carol and Rowena will check what is actually needed. We now have it so that we can file the accounts and the AR30 online, and the AR308, which is the director's statement for the FCS.

Sam will email the directors to check if they have any conflicts of interest, or have added or removed any work, and will include an explanation on the email of what is actually required. She will also check to see if she can provide the lists from last year's submission.

There was nothing further to add and Andrew reiterated that he was hoping to use this quiet time for preparatory work towards what we might be thinking about in Autumn.

The Chair thanked Andrew for his report.

8) **Community Benefit Fund**

The Chair handed the meeting over to Carol.

Following the AGM approval of the rule changes, the things that now have to happen, which Sam Marshall will be involved in, is we have to submit the change of rules to the Financial Conduct Authority. So we need to look at the AR308 with that as well. Carol will talk to Dave Hollings tomorrow and just check the protocol that the procedures involve.

The legal agreement with Foundation Scotland, the first draft is with Carol. She has a meeting with Foundation Scotland on Thursday; there are a couple of bits that she is talking to them about. There is one in particular that will just throw confusion into our way of operating.

It's clear from the agreement that it has been set up on the assumption that they are taking a contribution from their donor every year, which would be how we understand the windfarms and such like work. They have a cost charge that is made, so there is a whole big clause about not being able to generate for nine months, and therefore being able to request a 'stay of execution' on the payment.

That doesn't apply to us because we are not making a cost charge, we are making a contribution out of unallocated retained reserves. Carol will be talking to them about hopefully taking that whole section out, because whether we are generating or not is completely irrelevant. The only thing

that matters is whether or not we have unallocated retained reserves. So that bit is irrelevant.

Andrew has raised a question over the charging table, which you will remember from the original agreement. This is where there is a table which says we pay 12%, or they take 12% on the first £60,000 and then 10%, 8% and then 6%.

Andrew explained that the problem arises because the contribution is capped at £22,200, and you get there well before you finish the 8% segment. By leaving the table in that they have got, it creates an ambiguity, as the 6% never arises.

This need to be clarified with them. If they agree that they have spotted that and are making an amendment that is fine, but if they have some reason for believing their table is correct then we clearly don't understand their proposal.

Carol agreed with Andrew and thought that once she had the conversation with Rachel and they had gone through it, she would then circulate the agreement to the board for them to view and hopefully sign off so that we can put the agreement in place.

This would mean that we would then be able to hand the Community Benefit fund money over in June, which would then just sit there until DIG and Foundation Scotland have done whatever they need to actually get the various fund strands running.

We are of course continuing to pay Foundation Scotland for the support work as agreed at the last board meeting.

Carol hoped that the board would agree that we have kept things moving all be it not at the intensity we would have liked, but there was an AGM as well. It is also worth noting that Foundation Scotland were very impressed with AGM.

Chrissie asked if DIG had a contact person at Foundation Scotland yet.

Carol responded not yet. Tom has not been very well, but he is working on some aspects and they should come through with a contact soon. However, equally DIG hasn't come back and said who they want to work with him.

Chrissie asked if Carol was waiting on the nomination from DIG.

Carol clarified that she was waiting on both sides. However, she does not think it is a one-person job. Ideally there needs to be a small team pulled together, and she suggested that it should not be all DIG board members. That ideally, they would want some other people as well,

because it is not just about how DIG does their stuff, it is about how all the other bits and pieces work as well.

Carol didn't know whether it would be Tom Black or not but was hopeful it would be. He has been ill recently but was on the mend and had certainly been back in touch.

There being no other comments, the Chair thanked Carol for her report

9) **Operation Report**

During April and early part of May we finalised all the details on the stoplogs. The guy that is constructing them has been up to have a look at the site. We've made some minor modifications to the originals and that's all been sorted.

DA McDonald, Peter has had discussions with Stephen to clarify a few points because Peter has asked them to put together a method statement and confirm a cost to place against an order with a flexible date going through to at the latest May next year. At which point he wants a hard date in from them; this is in progress.

As a result of this discussion with Steve, Peter advised the manufacturers that a delivery in June will be fine, as DA McDonald won't be finished before then. We should therefore expect the stop logs to be fitted sometime next month. This will involve going on site, doing the final fitting on site, putting them on and then taking them off and the putting them somewhere to store.

We have yet to identify a place for this but will probably put a suitable storage cabinet in the Powerhouse. They are a meter long and they will stack, and as they are aluminium, they need to be secure. They are valuable even just in scrap, and even though Dalavich is out of the way it will still be a good idea to keep them secure.

a) **Generation Data**

Peter had not been able to get into the computer to check last month's generation data, however he confirmed that we have generated absolutely nothing as we are currently bypassing the intake, and all water is going through the compensation slot because the river is probably at the lowest Peter has ever seen it.

Although Peter didn't have an actual figure, he knew it was around 70 or 80% of plan. Although it was below plan, it is the first month below plan so not panicking yet. We will see how that progresses.

Following information sent to Peter from Carol and Rowena, he was able to confirm the April generation was 69,360 kilowatt hours. The target had

been 85,738 hence we had achieved 80.9% of target on generation.

Andrew confirmed that at the end of April we were well in front of budget, but we may well be behind budget now. Peter advised the board that rain was predicted shortly, and he would close the side gate to take full advantage of whatever rain they had.

Carol advised that we were not far off were we needed to be. The water level is holding up well, which is good news for the community water supply. The intake level is 1.187 meters, and the river level is 1.169, which suggested there may be something adrift with the river level sensor.

Peter also brought to the boards attention a system success that was particularly gratifying. We have set up mechanisms in place for flushing through the sump when we are on low water levels to ensure we have a clean intake.

A couple of weeks ago there was a problem with Chlorine levels in the village. Peter was able to visit the plant, check the logbooks and confirm that all the checks had been carried out. He was then able to take a sample of the water being sent from our intake to the Treatment plant for testing and rule out the any possibility of an issue with the supply water.

This had been a problem in the past, hence our concerns, however it turned out to be a measurement issue on their control systems, and it was good to see our checks and processes were working well, to be able to refute and to be able to rule out a problem very quickly.

- b) The next item is Bridge, which is a fairly new item. Members will have seen the pictures and we've discussed several times the build-up of rubble in the river and the change of the riverbed.

The team got up there last month and tried to move some of the rubble, which they succeeded in doing. The flow is once again a bit more normal, which can be seen from the pictures Peter showed at the AGM. The bank there is quite significant and the best way of getting that clear would be when we have high flows and all that rubble is being brought down the river, to open the side sluice at that time. However, the problem there is when the river is high it would be totally unsafe to attempt it.

While Campbell of Doone and the fabrication guy were on site they discussed the option of putting a bridge across to the sluice gate from the side. They are estimating around £2,500 however by the time we've added in design work and everything else Peter estimates we will more likely be talking around £5,000.

Peters' opinion was that this was not only something we could do, but

actually something we should do if we are going to maintain the riverbed in a state that keeps us compliant.

Peter would like to propose to the board that we go ahead and start work looking at the design and construction of a safe bridge to go across from the bank to the concrete on that sill. This could also give us another means of access to the intake grids, which could be useful as well.

David Hardstaff raised a question as to whether the bridge would be viewable from down near the picnic tables, and if instead of just seeing the top of the falls you would also see metal structures above the falls.

Peter confirmed that this would be the case and a discussion took place as to how this could be minimised. Options on paint colours were discussed, together with the safety aspects of preventing members of the public accessing the bridge and inadvertently falling into the river. It was agreed that careful thought over the design was necessary to avoid causing too much impact on the local landscape.

One option raised by David was whether the bridge could be made retractable in some way, in a design that would somehow swing or slide into place, which would both cover the safety aspect of people climbing on it, and remove it from view from the bottom of the falls. The suggestion was also made that consideration could be given to making the rails collapsible, further reducing the impact of the bridge, as it would then just sit on the bank.

Peter considered this a good idea. It would have an impact on cost, but as consideration of the environment and the picturesque nature of it is part of the ethos of the company, Peter considered this worth investigating further.

Additional questions were asked concerning planning permission and notification to the Forestry Commission. Peter advised that as far as he was aware no planning permission would be needed, as it is to be permitted development on the existing structure, and that whilst we would write to the forestry to notify them as a courtesy, he did not think we needed their permission.

After discussion the Board confirmed their authority for Peter to investigate the various design options and costs involved.

c) The Old Powerhouse

Peter passed this to Sheila for comment, who reported that she had been on site a couple of weeks earlier and had met with Bill at the powerhouse. He has cut the bushes and growth of vegetation around the base of the powerhouse and remaining pipework. He has also dealt with a couple of trees that were too close to the old powerhouse and in ill

health. They have discussed ways to deal with the more obstinate trees, which will involve drilling into them and injecting an herbicide to prevent the regrowth.

They have also looked at the stone structure. There is a bit of picking and pointing that would be appropriate. Sheila has also been finding out about a sealer liquid applied membrane that is being experimented with on some of the CARE properties in the North team. This has proved quite effective so far, and whilst it is around £350 a bucket it may be worth considering as we move further on with the conservation work.

When asked Sheila suggested the first step should be to plan it in some detail and look at what is required.

The gardening and control stage is well underway. The next stage would be looking at pointing and some timber replacement. Sheila confirmed that she has two people in mind who would be appropriate to consider for the pointing work.

d) Outstanding Safety Equipment

Peter advised that he still needed to acquire the Canyon rope, but in the meantime, they do have plenty of rope. He will try to get that organised for next month.

10) **Any Other Business**

a) Transfer of files

Transfer of files from the Google Drive to more robust cloud storage. There has been some communication with David Hardstaff, and discussion with Rowena. However, Carol requested that as they had been concentrating on the AGM and shareholders requirements, they should defer this until July at the earliest. There was a small discussion between the problems with differences between Apple and Microsoft users.

It was agreed they would form a team and look at this at a later date.

b) Electric Vehicle Charging Points.

This was raised at the AGM, and David was asked to report. He advised the board of meeting he had been able to have at his place of work. He was able to advise that there were two methods of achieving this. One would be to go for a completely managed system; where they install the equipment, they charge a tariff and take all the profits. The more popular is to pay for the equipment itself and then pay a subscription to maintain and repair.

For a completely new connection the installation would cost around £10,000 to put one post in. Additional posts would cost £2000 each. The maintenance cost because we are in Scotland they have to travel for the maintenance would be between £500 and £600 per annum.

Discussion was had over different councils and governments that were encouraging and helping with installation.

Following discussion, it was agreed that the answer to the Shareholders, that whilst this was an option to be encouraged and supported, this was actually an area for the Dalavich Improvement Group to pursue and implement at the correct time.

- c) Sheila brought to the attention illustrations of the buildings within Dalavich, that are being featured in a Finish entry for the architecture BNRA this year and is commented on as being one of the best and oldest preserved examples.

11) Date and time of Next Meeting

The next board meeting will be held of Tuesday 15th June at 7:30pm. A new link would be sent for Zoom as we would move back from Webinar mode to meeting mode.

The Chair thanked everyone for attending and closed the meeting.

Minutes approved at Board Meeting #048 on 15th June 2021

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