

BOARD MEETING MINUTES

Date: Board Meeting #070

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 21st January at 7:30pm
This meeting was conducted via Zoom and was recorded

MINUTES of the 70th Meeting of the Board of Directors

The meeting opened at 7:30pm.

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 069 held Tuesday 15th October 2024.

The minutes of the previous board meeting, having been circulated to the board, prior to the meeting were reviewed. Two typo corrections were made to the minutes. There being no other corrections the minutes were proposed by Sheila, seconded by David and approved by the board.

4) Matters Arising not covered by the agenda.

There were no matters arising not already on 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.

6) Chair's report

Sheila wished everyone a Happy New Year and welcomed them all back. Sheila commented on the expansion of the ops team and the volume of work being undertaken currently. As most of the work would be covered by later reports, she thanked everyone for their hard work and passed the meeting to Sam for the Company Secretary report.

7) Company Secretary's report

Sam thanked Sheila and also wished everyone a Happy New Year.

- **Lease Resumption.** Twin Deer Law are still waiting on forestry solicitors to reply to them. There has been a change of personnel within Forestry, Chris Wheeling having retired, which could be contributing to the delay. Carol is going to discuss with her DIG related contacts to see if it can be moved along.
- **Shareholders.** Shareholders capital currently stands at £526,226, of which around £450,000 is individual accounts and the balance is corporate. This would make our interest liability, assuming 4% interest again, £21,049. The split of shares to cash last year was ten thousand in cash and nine thousand in shares. We also have £1,700 held until the shareholder can either confirm the share option or provide bank details.

Sadly, we've been notified of a shareholder passing on, Pam is dealing with that person's estate through the solicitors. This shareholder is one of our largest, holding £26,614.

They do not have a beneficiary notice on file; however they do have a legal will in place which stipulates the holders wishes.

Johnny Bell had previously advised that a legal document is required, and that a will was sufficient for our compliance. The solicitor has provided us with a copy of the will, which stipulates the shares are to be transferred to a friend. Pam is liaising with the Blackadder LLP over the wishes of the beneficiary and will update as required. Andrew has been advised of the potential withdrawal of funds should the beneficiary decide to cash the shares in.

The solicitor has advised that it is unlikely to happen before June as probate can be slow moving. It may be necessary to review our procedures in the event of a death of a shareholder and take advice from Johnny Bell,

- **Annual General Meeting.** The date for the 2025 Annual General Meeting was discussed. The accounts should be ready for sign off at the March Board meeting. After discussion around Board members availability and deadlines for FCA submissions, it was agreed to set the meeting for Saturday 31st May.

Admin will issue a timeline schedule of what is required from various people and by when. She also asked if Cath and David could do their normal proof-reading duties for this year's documents. This was agreed by both.

A question was raised over the number of directors that would need to stand down at the forthcoming AGM. This was confirmed as three. Pam agreed she would confirm the names of those required to stand down and issue the names with the schedule of activity.

- **Co-Operatives UK Training, Company Secretary part 2.** Sam gave a report to the members on the training she attended in November. Unusually most of the attendees were Community Benefit Companies, which meant that the training could be tailored more to our specific requirements.

One main issue she reported on was the new guidance that the Company Secretary could now be a paid position, rather than a director on the board. This opens the options when Sam retires at the end of her current term. The board could decide to recruit a paid position to undertake the role instead of trying to find a suitable candidate to elect to the Board. It was commented that it was becoming common practice in smaller charitable groups and could well be a viable choice for the board when the time comes.

There being no questions and nothing further to add Sam handed the meeting back to Sheila, who thanked her for the report.

8) Finance report

The Chair handed the meeting to Andrew for the Finance report. Andrew had issued a brief report prior to the meeting, and the members had been issued with the accounts to the year end. In summary it had been a pretty good year. We had the benefit of a very high price PPA agreement at the beginning of the year, and then a perfectly reasonably priced one thereafter.

We hit the generation target, so that all resulted in a pretty good year. £238,000 profit before tax. Less than the previous year, but that was due to a very high PPA the previous year.

A very good result. In the bank, we ended up with more money in the bank at the end of the year than in the beginning, and in fact, more free cash. All of which puts us in a good position.

We'll be doing the examination by Armstrong Watson, who will confirm the figures. Andrew is not expecting any major changes.

But assuming we've got it right, the question is, what do we do? We potentially have £175,000 free cash to allocate.

Andrew had sent two financial models out to the board giving different options on how the free cash could be utilised, either by way of a substantially increased Community Benefit Fund payment, or a split between a smaller increase to £125,000 and a further prepayment of the loan to SIS.

Carol was asked to update the board on the current options with DIG. She advised that the board were currently having to consider which works would or could be deferred. The new Community Development Officer was proving exceptional, both in her progress of Community Survey and Action Plan, and in her ability to source additional funding from other sources. Both to further assist with additional funding but also in identifying projects that would increase the income flowing into DIG.

The options were discussed in more detail by the board who concluded that the probable best option would be to make an increased payment of £125,000 to CBF, with a smaller prepayment to the loan capital. Carol updated the board on the current funds unallocated in the strategic fund, and the current anticipated costs of projects identified by the board and the community during the community survey.

The board agreed that subject to the final figures being as expected from Armstrong Watson, they would probably recommend a £125,000 to the Community Benefit Fund and £50,000 to the SIS Loan.

One other comment Andrew picked up from his report was that we are currently sitting on £46,000 reserve for the repayment of shares if required. Therefore, if it is necessary to repay the £26,000 shareholding discussed earlier this would not impact on the £175,000 being discussed.

There being no further questions, the Chair thanked Andrew for his report and passed the meeting to Peter for the Operations report.

9) Operational report

Peter reported on a relatively quiet period through November and December. There had been some cold weather which had not affected our operations. November had been below plans in terms of output however, December had been over at 198,000 kWh. Combined this had left us significantly over plan. January had so far been drier, and we were currently at 95,000kWh. The weather prediction remains the same and Peter's expectation is that we finish the month around 120,000kWh.

The phasing was recalculated for this year based on our five-year cumulative data. This had changed our predictions across the 12 months, resulting in January being below target and February over. Cumulatively, we are almost on plan at 3% over target to date.

The new phasing predicts a much lower generation over the drier months, particularly in May, when our generation has historically been below target.

The new team is bedding in well, and there have been no problems encountered.

Andrew asked if leaf fall had been a problem this year? Peter responded that leaf fall had been relatively easy this year, with the river quite often self-scouring itself. There had been little loss of generation due to leaf fall this year.

Peter relayed to the Board that the Operations team had all enjoyed their Christmas boxes and been most grateful.

Carol updated the board on progress with BT & Openreach on the change to digital network. Currently it was proving hard to get a confirmed visit from BT for the survey, or details of time and costs involved. However, F&S had confirmed that they would be able to manually retrieve data for our generation payments provided we were not offline for more than 30 days. If we were we may have to pay for a second visit to retrieve the data manually.

Carol also advised that Sid would hopefully be back with the team soon, as they had now been allowed back into their house, following the previous year's landslide.

10) Community Benefit Fund

Having already discussed the fund and situation during the Finance section Carol had one small item to discuss. She would expect that by our next meeting in March it should be possible to get the data element and the breakdown of the community action plan to the board for that meeting.

She suggested that subject to DIG Chairs agreement we should invite Elle to attend the meeting to present the data direct to the Awesome board. This would give them an opportunity to meet Elle in person and to hear the results of the survey. This was agreed in principle.

11) Communications

Pam apologized to the board as the normal communications list had not been issued prior to the meeting. The only communication of note was from SIS advising of a new account manager. Brian has moved to a new position within SIS, and our new account manager is Derek Gardiner.

The Chair thanked Admin for sending the condolence card to the husband of our deceased shareholder.

12) Any Other Competent Business

- **Scotland United for Climate Action, Community Energy report Adrian Shaw.**
Carol reported to the Board that Adrian Shaw, a resident of Dalavich and previous board member, had been asked to present to the Scottish Government. As it was he didn't get the opportunity to speak at the Government meeting, but our scheme was picked as one of three to be used as a sort of showcase. The link had been circulated to the board. Carol proposed that we thank Adrian and Elle, the Community Development Officer, who helped pull it all together with him. It had been a fantastic piece of PR.

This was agreed by the board.

13) Date & Time of next meeting

The next meeting will be held on Tuesday 18th March 2025. 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 to be approved at Board Meeting #071, Tuesday 18th March 2025.

A handwritten signature in black ink, appearing to read "Sheila M. Clark", is written in a cursive style.

Signed by Sheila Clark, Chair.