

1st Meeting of the Board of Directors of Sleat Renewables / Cumhachd Shlèite Community Benefit Society

On: Monday 28th March 2022

Venue: Sleat Community Trust Boardroom

Time: 11am

Attending: Mark Entwistle ME (Secretary), Martin MacGillivray MM (Chair/Director), Roddy Murray RM (SCT representative/Director), and Chris Watson CW (Director). Note-All Board members are shareholders

Observing: Mike Shucksmith MS (SCT Project Development Officer)

Apologies and absences: none

Introduction of new directors: ME was a civil engineer and ran a successful yacht chartering business on Skye. RM has extensive experience in local government and is active with voluntary work in the community. MM worked in education. MS works for SCT and was responsible for much of the early Sleat Hydro work. CW lives in Herefordshire and has a background in community housing as well as a keen interest in renewables.

Questions raised: How do we officially record/ change directors? A CBS is not the same as a Limited Company where directors are enrolled through Companies House. It apparently goes through the Financial Conduct Authority. For the record, Gary Noakes and Jean McInnis, Directors at the time of Registration stood down at the AGM. Action - MM to clarify with Community Shares Scotland.

CW enquired how the administrative work done by the Board in setting up and running the Hydro is paid for. The work is purely voluntary, there are no payments.

Are we a formally constituted body? Yes we are.

Do Directors have personal liability? No

Operating Report: In the model, electricity generation is assumed to be 50% of maximum as an average across the year. This equates to 148,000 KWh. As of last week 78% of that target has been achieved in 60% of the year to 16/8/22 despite there being no significant output due to drought for the first 7 weeks of operation. ME was reasonably confident that the annual target will be exceeded.

The system has run with no outages and the only issues have been with the monitoring computer which didn't affect output. ME has undertaken the maintenance (checking, greasing etc.) and Rob Brakes, the original construction contractor, will undertake the first service in August.

Due to very wet weather there was some erosion up at the Inlet. JMQ contractors shored this up and reinforced the riverbank without charge as a quid pro quo for other work done for the trust.

The original monitor screen in the turbine house has failed. It belonged to the monitoring company. Action - ME to follow up with Rob.

The headline news in terms of the operating report is that we now know the system can run flat out 24/7 and reach/ exceed the targets predicted in the model.

Financial Report: There are three main income streams. Export of Power payments are up and running and automatically kick out payments, an average of £1,800 per month over the winter. FIT payments have been harder to arrange as there was a problem with our registration which missed the December deadline by six hours. However, we will get the money and will be paid around £9K in arrears for the first 3 quarters. Due to the current spike in electricity prices we have had several approaches from companies looking for our business. However, we have a two year contract with GoodEnergy which was the best deal at the time. After that we will be free to move to a potentially better deal. The third stream is a Dual Use of System (DUOS) payment which is around £250 a month paid quarterly in arrears.

Our bank balance is currently around £42,000 plus the FITS payments owed. The only liability is a vat payment of £800 due next month. Our Government Gateway credentials need changing so that the secretary has proper access.

The end of year will be March 31st. Action: MM to contact Mann, Judd and Gordon re. The end of year accounts.

Shareholder matters: MM asked at the first AGM for communications help but there was a deathly silence! It was therefore proposed to use the SCT newsletter which reaches the majority of shareholders, and also Mail Chimp to send out minutes and comment to shareholders.

Changes to the shareholder register have been very minor, usually where someone attains the age of 16 and therefore becomes a shareholder in their own right.

Future actions: Supporters of Sleat Hydro are reminded that the scheme is a 'buy back' model where shares are repaid over twenty years. This works out at 5% of shares paid back each year. The Board considered whether the scheme could work in a voluntary way where people apply to sell their shares back, or whether it would be better to pay back an extra 5 % each year on top of the agreed dividend, so that the total amount is repaid over the life of the scheme. Action - MM to contact CSS for advice on managing payments.

Payment of a dividend: The guidance states that an annual interest payment of 'up to 4%' will be paid after the first full year of operation. The Board agreed that the first payment be decided at the AGM in November and then paid out at the end of the financial year i.e. 31st March 2023 and thereafter annually to the same pattern. The level of donation to the local community would also be decided at that point.

AOB: The Board proposed three meetings a year in March, July and before the AGM (Post meeting note-the rules of the Society actually require us to have 4 meetings a year....count the AGM as 1)

A question of security of data was raised. Shareholder information is securely stored under keypad access in the Trust's archive store.

Date of next meeting: 18th July 11am at the Trust offices or via Zoom