

## Lochbroom Community Renewables Ltd

Approved Minutes of the meeting held on 22nd June 2017 at the Ullapool Sailing Club and (as Appendix) approved minutes of the non-quorate meeting held on 6<sup>th</sup> June 2017

**Next Meeting:** Thursday 27th July 2017, 7.00 pm, at Ullapool Sailing Club

Present: Kathleen Donald , Sarah Donald, Tim Gauntlett (Chair), Rob Gibson, Cathy Higginson (Treasurer), Andy Kaye (Company Secretary), Rebekah Lwin (minutes), David Maxwell, Sandy McKenzie Sandy Osborne, Alison Parsons.

tem	AGENDA item	Discussion	Actions	name
1	Apologies	Amanda Barry-Hirst, Paul Copestake,		
	Key others referred to in the minutes	Stuart Hamilton (Locogen)– Project Manager; Bobby Ross – Project Contractor Hugh Campbell (Campbell of Doune) – Project Designer; FCS – Forestry Commission Scotland		
2	Approval of minutes of Meeting on 25/4/2017	Approval of the April minutes: Andy Kaye Seconded: Sandy Osborne (Approval of these minutes had been carried forward due to cancellation of the meeting scheduled for 25/5/2017 and the meeting on 6/6/2017 being non-quorate; minutes from this latter meeting were approved by Rob Gibson and seconded by Cathy Higginson and are attached as an appendix).	Upload to website and copy to New Broom	AP/TG
3	Matters arising/actions update from minutes of meeting 25/4/2017 and 6/6/17 not elsewhere on Agenda	Registration of lease: Andy has liaised further regarding the lease and was advised by our solicitors not to sign until necessary amendments have been made by Harper McLeod; we are still waiting for this. They have offered a 'back letter' and Andy has accepted this and this protects LCR's entitlement to 160 days free of liaison time with FCS liaison officer (including attendance at meetings/ site visits etc.) before any charges are incurred for FCS time. We can sign the lease when Harper McLeod prepares the appropriately amended lease. There should be no further costs incurred from Harper McLeod, our solicitors may request further fees on conclusion. Meanwhile we have a certified copy of the original lease and agreement that we have permission to build.	Andy will continue to liaise	AK
		Land Building Transaction Tax (LBTT) – the charge of £100 for late payment (1-day late) has been withdrawn following Tim's	nfa	

			explanatory letter. LBTT return needs to be filed every 3 years.		
			Power Purchase Agreement: This is more straightforward than Rob thought at the last meeting. Stuart Hamilton has been dealing with the same process for Coigach (EDF won) and he will put out for tenders for LCR.	Rob to update at next meeting	RG/SH
			Grant funding for hydrology monitoring & school project: Paul, Sarah and Rebekah have met and drafted project proposal and Paul is preparing costs. M&S community energy fund has pushed forward the closing date to July 3rd, an application will go in before the deadline. Will continue to explore other funding possibilities but many require applicants to have charitable status; we could ask UCT to apply for us/us apply in their name but UCT are also seeking funding from the same sources for other projects.	Paul to send costs to Rebekah, Rebekah to submit application by July 3rd	PC/RL
			Charitable status: Kathleen went to the Community Shares meeting and asked specifically about other BenComms / hydro schemes and charitable status. Most do not have charitable status. Given the information from this meeting and OCSR, the benefits of pursuing this are not clear. Main concern is to make sure that we do not attract corporation tax.	Need to take further advice and discuss with tax advisor re tax implications	?CH
4	Treasurer's report	CH	Cathy updated on the current bank balance. Payments made: First payment to Bobby Ross, 3 <sup>rd</sup> connection payment to Scottish and Southern, 1 <sup>st</sup> Gilkes payment, insurance for Director's cover.		
			Cathy has researched a number of possible accountancy firms and Scott Moncrieff seems the most appropriate firm. This firm is also recommended by Sunart. Cathy shared an email from them outlining their fees and experience with renewable projects and she has explained that our immediate needs relate to on-going compliance obligations and returning annual accounts. Also our intentions would be advice needs rather than book-keeping although Cathy proposed we should consider paying someone to undertake some of the admin side or the book-keeping and share	Cathy to arrange a meeting with accountant, with a view to engaging them, as discussed.	CH

			<p>distribution tasks.</p> <p>Cathy proposed that a few members of the Board meet with David Boyd (Scott Moncrieff to talk over our process – the Board agreed.</p>		
			<p>Also agreed that we need to consider paying someone with relevant experience to cover the administration associated with the hydro income and share payments. To be raised and discussed at the next AGM.</p>	Tim to action for the next AGM	TG
			<p>Share Distribution document: Andy, Cathy, and Dave (apologies Rebekah) to discuss and revise the newly named 'Accounting Policy and Procedures'. Key issues for discussion and decision and at the meeting were:</p> <ul style="list-style-type: none"> <li>- Interest payments will be paid rather than allowing a choice for these to be rolled over from one year to the next – thus any and all interest due will be paid in the first quarter following the AGM (January to March).</li> <li>- Will allow online payments (to minimise the volume of cheques of small sums).</li> <li>- Will also allow investors to waive annual interest payments (Kathleen informed that the Harlow scheme do this).</li> </ul> <p>Costs need to be investigated. Should be discussed with the accountant when appointed.</p>	Andy to distribute a revision to Dave, Cathy and Rebekah for further refinement, costs investigation, and bring back to next meeting.	AK/CH /RL / DM
			<p>Agreed that Campbell of Doune invoices to first go to Stuart Hamilton for checking before payment from LCR. Campbell of Doune finance department to be informed.</p>	Cathy to contact CoD and arrange this	CH
			<p>Rebekah has agreed to be the second named person with access to the LCR account.</p>	Cathy and Rebekah to set up with RBS.	CH/RL
5	Design and Construction	SO	<p>Pipeline track, to the intake are in place ahead of time and pipeline mostly welded. Work on the final section will start until they have completed the intake. There has been a slight change to the pipeline route this will result in improved flow and will not hold up works. Work on the intake itself is programmed to start next week and work on this will continue until mid-August (weather permitting).</p>		

			Powerhouse work is also on programme, work will start on the superstructure in a couple of weeks and will finish around the end of August, Turbine arrives the end of September.		
			ECOW report is positive and no concerns raised. Site has not been affected by the recent bursts of heavy rain. The land now has better drainage than before and the works have reduced any likelihood of landslip. FCS reported how tidy the site looked.		
			Site visits now reduced to 2 per week		
			SSE visit is scheduled for 17 <sup>th</sup> July 2017		
			Costs remain within overall budget		
6	Publicity	AP/ SD	<ul style="list-style-type: none"> <li>• Various articles have been published with update links on the website; all very well received.</li> <li>• Facebook glitches have been sorted</li> <li>• Next key publicity event will be the turbine arrival. (Amanda has written to Gilkes re the name plaque for the turbine)</li> <li>• Andy confirmed the change of the email address</li> </ul>	Alison to action the change of the email address from Elsie R	AP
7	Capital budget		Dave updated the capital spend and budget. A contingency of 3% (approx. £30,000) remains.		
8	AOB		Should there be an event to mark the end of construction and could this be scheduled to coincide with the next AGM?	Tim to put on Agenda for next meeting	TG
			Meter operating agreement signed		
9	Next meeting	<b>Thursday 27th July 2017, Ullapool Sailing Club.</b>			

## Appendix – approved minutes from the meeting 6/6/2017 (non-quorate)

A1	Matters arising/actions update from minutes of meeting 6/6/17 not elsewhere on Agenda	AK confirmed Directors' Liability Insurance is in place.	nfa	
		Registration of lease: Several matters have arisen regarding the signed lease received from FCS's solicitors. These were fully discussed and have been referred to our solicitors.	Chase for response as agreed lease should be signed as soon as possible.	AK
		Grant funding: deferred to a later meeting pending Paul, Rebekah and Sarah meeting to draft and cost potential project work for funding. Urgent onsite decision taken to upgrade cables from intake as pipe laying work due to commence.	Paul, Rebekah to report at next meeting	RL/PC
		Power Purchase Agreement: Rob updated meeting on discussions with SH. After further consideration it was agreed that we are not appropriate as a partner and do not have the time or resources to pursue the Our Power option at present. SH will get PP quotes from the market and deal with SSE metering under the Locogen Project Management contract. To be completed for SSE by end of July.	SH to report back. RG to advise A Steele	RG
		Charitable status: No further information to date.	Andy to report when he has further information	AK
		Community Asset Transfer Scheme: At a meeting with UCT it was agreed that it would be best for UCT to proceed with any community purchase of FES land. A meeting was held with FES to discuss the land on offer at Braemore (not considered to be a viable proposition), and the possibilities elsewhere on the A835 nearer Ullapool. UCT's initial position is to note an interest in the land at Braemore. This is to protect the position in relation to the potential for a walking and cycling development from Braemore to Ullapool. A working group is being set up to look at the wider opportunities including purchase of the hydro site area.	RL will be a member of the group and will keep us advised	RL
	SSE: The grid connection third phase payment has been made. The final payment when due will be subject to adjustment but the expectation is that it will be reduced. The associated wayleave	To monitor	AK	

			agreement has been signed and returned.		
4	Design and Construction	SO	<ul style="list-style-type: none"> <li>• Sandy briefed the meeting of current status. With favourable weather and ground conditions the pipeline work is ahead of schedule and the powerhouse construction is progressing to schedule. <ul style="list-style-type: none"> <li>○ Discussion about satellite/conduit for Broadband connection for Braemore Hall and link to turbine house – SH is taking forward with Transport Scotland and Community Broadband. Nick Lampen has conducted a site visit. It has been confirmed a signal can reach Braemore Hall but not the powerhouse so an armoured Ethernet connection will be required between the two.</li> <li>○ SH is liaising with the engineer and SSE has agreed to provide a conduit for the Ethernet cable subject to Transport Scotland agreement.</li> <li>○ Transport Scotland has still to respond on the line of sight issue at the southern entrance.</li> <li>○ The first construction invoice from Bobby Ross is being vetted by SH and SO. CH advised on a further invoice from Campbell of Doune.</li> <li>○ Work on the pipe bridge is imminent.</li> <li>○ Steve Rochford, for Campbell of Doune (designer) has visited and reported as required. Supervisory visits have been reduced to two per week.</li> <li>○ Tree removal at the intake will be less than expected.</li> <li>○ A shorter pipeline route from the intake to the main track has been proposed by Bobby Ross along with a simplified design/layout for the intake. This was progressed with FES on Friday last and it is understood the response was favourable. Bends on the pipeline will be eliminated.</li> </ul> </li> </ul>	Invoices to be checked	SO
	Turbine House	PC	SEPA has agreed a simplified tailrace from the turbine. This has been completed.	nfa	
	Capital budget	SO	To date savings have been made on construction work that are greater than foreseen additional costs. This positive scenario	Dave will update and present for next meeting	DM

			provides significant protection for the contingency fund.		
5	Treasurer's report	CH	<ul style="list-style-type: none"> <li>• Cathy updated the Board on the accounts to date.</li> <li>• Total shares purchased £909,150 – Only£60 to receive.</li> <li>• Invoices discussed (as referred to above).</li> <li>• Cathy to progress appointment of an Accountant and begin preparation for end of the financial year (31/5). Three possibilities identified. It was agreed formal tendering not appropriate and Cathy should progress on the basis of suitability and reasonable costs.</li> <li>• Cathy to arrange meeting on Administration document.</li> </ul>	AK,RL & DM to attend meeting on Admin Doc. Preparation of annual accounts to do and the an Accountant to be appointed.	CH
6	SEPA visit	PC/ AK	AK gave a report on PC's behalf on the site visit by David Wilby. There will be no formal report as everything was found to be satisfactory. There were no concerns over the stepping stones arrangement and the essential engineering to protect the powerhouse. David advised the river is in the low sensitivity category, gave advice on the tailrace. He was impressed with the site as a hydro location and how well it is being managed. He asked to be kept advised if any issues arise. SH has given the positive feedback to the FLO.	Maintain contact with SEPA	PC
7	Publicity and communications	AP/ SD	AP/RL actions carried forward. Excellent article in Energy North.	Update next meeting. Copy to New Broom	AP/RL AB-H
	Breaking Ground Day	SD	Excellent event and naming of the turbine house and winner announced with appropriate publicity. SO advised that Gilkes, our turbine supplier had never heard of such a naming and have offered to supply a plaque. Opportunity for an appropriate opening ceremony recognised.	Appropriate wording to be provided.	AB-H SD
8	Project plan & Budget		Carried over.	DM to be updated on recent expenditure	CH
9	AOB		None.		
10	Next meeting	<b>Thursday 22nd June 2017, Ullapool Sailing Club.</b>			