

# Minutes from Harlaw Hydro Annual General Meeting

St Joseph's Hall 14<sup>th</sup> June 2019 at 7:30pm



## Present

22 members

## Apologies

24 members

## Annual General Meeting

### Minutes of previous AGM

The minutes from 2018 AGM were approved; proposed by Simon Dormer and Seconded by Andrew Clark.

### Chairman's Remarks – Martin Petty (slides 4 - 13)

Welcome to our sixth AGM. A big thank you to my fellow board members who give their time and expertise to keep things running smoothly and safely. We should always remember that Harlaw Hydro was

- Initiated in . .
- Funded by . . and is
- Managed by . . people in the Community.

There have been some challenges this year and I want to focus on three things, Water, Maintenance and our Power Purchase Agreement.

### Water Supply

Last year, our best so far, we generated approx. 338,000 kWh, this year, our worst so far, we generated approx. 171,000 kWh. The difference is down to a lack of rain in our catchment area.

The Metrological Office graphs rainfall in quarters and compares them with a 20 year average. Winter, runs from December to February, is generally the wettest quarter and. Slides 5 and 6 show a wide variation in rainfall in the years we have been operating. Slide 6 compares our two worst winters, 2017 and 2019 which were both below average for most of the UK with the Southwest of England very dry in 2017 and The Lothians very dry in 2019. Hopefully we won't draw the shortest straw again for a while.

Low rainfall, leading to low reservoir levels, affects others too. Threipmuir Reservoir acquired a beach, the upper tower in Harlaw Reservoir was high and dry and the soft silt exposed was dangerous with several people needing to be helped out; one lady needed the fire service to get out of the mud. Slides 7- 11 have some pictures.

Slides 12 shows the variety in quarterly generation figures. Slide 13 shows part of the Power Meter, from the website; that includes a rolling 12 month total of power generated, in a good year it will be over 300,000 kWhs in a poor year it is less than 250,000 kWhs.

Malleny Angling had a dreadful year; water too hot for fish, but wonderful for cormorants, and many less fishermen. A meeting with Gordon MacDonald, CEC flood prevention and Malleny Angling was very useful and seems to have resulted in more realistic management of the available water.

### Maintenance

Now for some good news. Having struggled to persuade Kestral, our equipment supplier, to complete the 'free' first year service we then struggled to get them to quote for regular maintenance. We also approached Gilkes who said they were keen to expand their maintenance work but we struggled to get a quote from them and when we did it didn't

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relate to our installation. Then we heard about Proterra a firm based in Drumnadrochit who were keen to take on maintenance contracts. They have been a revelation, competent, helpful and responsive.

## Solarplicity

By the end of 2018 it was clear that Solarplicity, the firm which buys our electricity and manages our FiT payments, was having liquidity problems. Later we heard that Ofgem had placed a provisional order on them with regard to their customer service; Ofgem listed a number of areas it was unhappy with and gave Solarplicity 3 months to rectify the situation, in the meantime they were not allowed to sign any new customers. While we are concerned that we haven't been paid for the electricity sold a bigger concern was that Solarplicity hadn't passed on the government's payments under FiT. We then heard that Ofgem had placed another provisional order on Solarplicity instructing them to pay all outstanding FiT payments; this they have done and we are now up to date on FiT payments.

## Accounts – Gordon Grassick (slides 15 -23)

- The draft statutory accounts had been circulated before the meeting. The P&L, Revenue Comparison and Balance Sheet were presented, and highlights described. The significant fall in revenue £51k vs £94k in 2018 along with the board recommendation to donate £20k to Balerno Village Trust has increased the structural deficit.
- The reduced revenue and actions recommended by the board had raised some questions which were answered and circulated before the AGM, they are included in appendix 1 for completeness.
- The following Financial Provisions, Members Interest and Surplus to BVT were approved
  - Repairs Provision - £3,000
  - Repayment Provision - £3,000
  - Members Interest - £12,000
  - Donation to BVT - £20,000

Proposed by Simon Dormer and Seconded by Keith Taylor

- The Accounts were approved.  
Proposed by Keith Taylor and Seconded by Mike Molleson
- The verification of accounts (i.e. 'disapply the requirement to undertake a full professional audit for the year of account in question') were approved. Gordon Mavor as verifier were approved.

Proposed by Mike Molleson and Seconded by Alister Skinner

## Engineering – Andrew Clark (slides 25-32)

A steel cabinet has been installed in the powerhouse allowing the base of the main control cabinet to be decluttered and to improve the organisation of comms equipment.

Since the meeting with Gordon MacDonald MSP we now have agreement with CEC to try and maintain Harlaw level through the Summer period at 900mm below the overflow notch. The control system does this very effectively but the power being generated varies quite widely. Andrew outlined how the control system worked and talked about the on-going work with an Omron engineer to smooth the power generation.

## Election of Board Members – (slides 34-36)

- Retiring by rotation – Andrew Clark, Simon Dormer and Ian Hynd
- Appointed by BVT – Richard McLeod, Lynn Molleson and Jill Gillard
- Standing for re-election

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- Andrew Clark- nominated by Alister Skinner, seconded by Keith Taylor
- Simon Dormer - nominated by Ian Gidney, seconded by Gordon Grassick
- Ian Hynd - nominated by Lynn Molleson, seconded by Josephine Bisacre

## End of the Formal part of the AGM

### Community Chest – (slide 37)

The joint venture between Currie Balerno Rotary and Balerno Village Trust continues to be well used. At the time of the AGM 26 awards had been made, 10 awards in January 2018, a further 8 in June 2018 awarding a total of £6,000 for the year and in December 2018 a further 8 awards were made. This year the chest is being funded equally by Rotary, Cala and BVT with £2,000 each; BVT donate 10% of money received from HH.

### Balerno Village Trust– Keith Taylor (slides 38-49)

Keith Taylor (Chairman of BVT) told the meeting about the origin and main purposes of BVT and its events and activities described in the slides. The bulk of the donation from Harlaw Hydro, £20,000, goes towards the salary of a part time worker whose main task is organising the monthly farmers market.

Minuted by Martin Petty

8<sup>th</sup> July 2019

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## Appendix 1 – Q&A on Statutory Accounts.

The last year was an unusual one in several ways and some of this is reflected in our statutory accounts and inevitably raised a few questions, and answers. These were shared with the members ahead of the AGM.

Question 1 Why was the income so significantly reduced in comparison to last year? (46% reduction)

Answer 1 Lack of rain - we generated less than half the electricity we did last year.

Question 2 The Shareholder funds are valued at even less than last year; what is the plan to rectify this?

Answer 2 This is due to the lack of rain and the needs of Balerno Village Trust (see answer 3). Last year we almost eliminated the deficit thanks to a very good year for generation. As the text in the accounts say there is no immediate issue but we should look to eliminate the deficit.

Question 3 Despite this undervaluing and the reduced income, I note that the donation to BVT has remained at the same level as last year.

Answer 3 The Board discussed the donation to BVT and took the decision to recommend keeping the donation at £20,000 because of the community benefit and because we are able to do this safely, for at least one year. The bulk of the money given to BVT is used to pay a part time employee who is central to running the Farmers Market and 10% goes to the Community Chest, the scheme that provides small grants to community organisations which BVT and Rotary run. We have told BVT that if we have another very dry year we will not be able to repeat this.

Question 4 The shareholder interest payments are less than last year and now significantly (40%) less than the amount donated to BVT.

Answer 4 Entirely due to the lack of water and reduced revenue; we hope this will be a one off but we can't guarantee rain. 3% is still well ahead of savings accounts.

Question 5 What is the repairs provision for? It is sitting with £12k but there is a £3k+ 'repairs and maintenance' expenditure charged to the general fund.

Answer 5 We are steadily building a fund that will cover major repairs such as a new generator or a new control unit. The board is aiming to build this to £50k which will ensure a major issue can be dealt with. Routine expenditure such as the six monthly maintenance which is now in place is regarded as running costs.