

**Minutes of Board Meeting for
North West Mull Community Woodland Company Ltd
Meeting held at Dervaig Church Hall on
Monday 28th January 2013**

Present: Colin Morrison, John Morrison, John Addy, Andy Mayo, James MacPhail, Iain Thomson, Neil Munro (co-opted Director).

Also Present: Ian Hepburn (Development Manager) and Belinda Hale (Administrator and Company Secretary).

1. CM **welcomed** everyone to the Meeting.
2. There were **apologies** from Catriona Laurie.
3. The **Minutes** of the Board Meeting held on 19th November 2012 and the exceptional Meeting held on 14th January 2013 were **signed** by CM as true records of the proceedings. One small amendment was agreed for the Minutes of 19th November. **Action BH** to make correction.
4. **Matters Arising.** IAH has not yet heard back from Napier University about the plans for the secure compound building.

Pete Pinnington is increasing the size of his server shortly and has offered to host and manage an upgraded website for us once the other web management contract has expired.

The Village Hall has been booked for the AGM on 13th March and BH has matters in hand to advertise it in the Newsletter, with posters locally and by email to Members. It will also be sent to Round and About as a Diary Date. Local posters will include requests for Director nominations.

Neil Munro has agreed to be co-opted onto the Board with a view to being elected at the AGM.

5. Declaration of items not on the Agenda. Three items were declared: i. School grounds, ii. Disabled access, iii. Firewood.

6. The Finance Report had previously been circulated by JM. He asked that the FR for the December Meeting that was cancelled be included with the current one at the end of these Minutes. All the 100 Club subscriptions have now been received. All the recent expenditure on applications concerning the Micro Hydro can be claimed back on the CARES loan. It may be necessary to ask Tilhill if we can take a small income from the timber revenues for a few months. This will slightly reduce the repayments on the haul road. The extra turnover from timber sales means that our Annual Accounts will require Clements to carry out a statutory audit which will be more extensive than in the past. **Action JM and IAH** to put together the extra items they require so the full Draft Accounts can be approved at the next Board Meeting in time for the AGM.

7. The Development Manager's Report had previously been circulated by IAH. He would also like his December Report appended to these Minutes. The fixed pier at Fishnish is under construction and still scheduled to be ready for use in June.

Five of the remaining crofters would like their tenancy registrations to proceed as soon as possible. **Action BH** to liaise with Duncan McPhee to complete the required paperwork. One couple have formally instructed us that they will not be able to take up their croft allocation. The croft will have to be re-advertised in line with the Crofter's Commission and our own regulations. **Action BH** to put this on the next Agenda for full discussion by the Board.

The Kildavie path reinstatement has been delayed by the bad weather but is now a priority as Bill Patterson and Kevin Luscombe are keen to recommence work at the site.

There have been further complaints from a resident who lives near the haul road. Action IAH to reply saying we are making every effort to ensure the agreed start times are adhered to.

Action JM/JA to see if they can make the Kengharair cattle grid quieter.

8. Community Council Nominee. After attending the November Board Meeting Mike Shilson decided he was not prepared to take on the responsibilities of a Director of NWMCWC Ltd. At present the Community Council do not have anyone else who is prepared to represent them on our Board. **Action IAH** to write suggesting we make a brief report to them once a year until they find a nominee.

9. Secure Compound. JMac has made good progress clearing and levelling the designated area. JM has prepared a cutting programme and it is hoped to start on this when the weather improves. There is the possibility that some larch for cladding may be available.

10. Fundraising. NWMCWC Ltd have been invited to provide the teas again at the Producers Market on August 4th (Bank Holiday Weekend). This has always been a successful fundraiser. **Action BH** to confirm with Cath Mayo and to organise the event nearer the time.

11. Micro Hydro. AMay went into detail about the funding and output projections for the project. The figures show that some capital, probably a minimum of £150,000, needs to be raised but that the project is viable and it was agreed to continue to move forward with the planning stage. IAH has drafted a letter to be sent to Members to see if there would be any interest in a local debenture scheme. It was agreed that this could be circulated soon. AMay and IAH were thanked for all the hard work they have put in.

12. Housing. IAH has met with an estate agent and requested valuations on the possible building plots. Once they have been received the Directors will be in a position to see if land sales could provide the necessary capital for the Micro Hydro Project.

13. Directors Rotation at AGM. In line with the Articles of Association 3 Directors need to retire at the AGM. Alex Duncan and James MacPhail wish to retire completely. Iain Thomson has volunteered to retire and put himself up for re-election to a second term. Neil Munro has indicated that he will stand for election at the AGM but more Directors would be desirable and advertising for the AGM will include a request for nominations.

14. Septic Tank. A local resident wishes to improve her sewage arrangements by creating a new outfall from her septic tank into a burn on NWMCWC Ltd land that empties into the Bellart and eventually Loch Cuin. IAH has met with the resident and suggested a way forward that would include the installation of a bio disc system. Her Consultant then contacted IAH to explain that SEPA are happy with the outfall option. He agreed that this would not meet current standards and that SEPA are only accepting it now because of previous use. The consensus of opinion was that the Directors should not allow something that falls below current standards and carries a risk of lowering water quality. **Action IAH** to inform the resident of the Board's unanimous decision that any outflow has to meet current SEPA standards for discharge into a watercourse.

15. There was no **Correspondence** that has not been dealt with elsewhere.

16. Any other competent business. i. School grounds. Julia Hogg has notified CM that a complaint has been lodged with Argyll and Bute Planning Dept re the improvements to the school car park on our land. The Council indicate that they will accept a retrospective planning application as they believe in principle that the alterations are an improvement. It was agreed

that it is the school's responsibility to sort out the planning issues but that a signed agreement is still essential to confirm the land stays in NWMCWC ownership but that the school have liability while they use it. **Action CM** to discuss further with School and PTA making clear that no costs for drawings or the application can be paid by NWMCWC Ltd. CM will also chase up the requirements for the Fruit Trees project.

ii. Disabled Access. An email has been received from a resident of Tobermory requesting permission to use his modified quad bike to access our forest road. He has a similar arrangement with FES. IAH discussed the matter with Stuart Maidment who confirmed that there have not been any problems and that as the quad bike is modified it counts as a disabled vehicle and entitles the resident to the same right to roam as an able bodied person. He is also bound by the same restrictions, particularly in areas where active felling and transport are taking place. **Action IAH** to write to the resident acknowledging his right to roam on our land, and informing him of the areas where the road travels across land owned by third parties. It will be suggested that he contacts all these people himself and we will also let them know to expect to hear from him. IAH will also warn the resident that there is a real risk from the haulage vehicles down the entire length of the road

iii. Firewood. It has been mentioned by several local people that Calum Duffy intends to stop supplying firewood. **Action JM** to contact Calum and enquire if this will be permanent. If so it could make sense to purchase the log splitter and perhaps the truck that Calum has been using.

CM is going to chase up organising a meeting with Mary Jean Devon and some other local councillors concerning the toilets and other local matters.

IAH reminded the Directors that he is due to retire on 5th March 2013 and indicated that he might be prepared to stay on if they wish it. The Board will discuss this matter informally and let IAH know their decision as soon as possible.

17. The next Board Meeting will be held on **Monday 18th February** at 7.30pm in Dervaig Church Hall. The AGM will take place on 13th March in Dervaig Village Hall and the following Board Meeting will take place on Monday 25th March 2013.

The Meeting closed at 9.55pm.

Development Managers Report December 2012

1. **Timber Haul Road** – the road is holding up well, some minor repairs are being undertaken including repacking around some cattle grids
2. **Fishnish Fixed Pier** –
 - a. Pre Commencement meetings held and Project progressing
 - b. 1st Pier user group meeting scheduled for late January
3. **Timber Harvesting** –
 - a. Harvesting is now continuing in Langamull with the breakout and production rate significantly better than the prediction used for the initial budgeting on the project.
 - b. To date over £125K has been paid off our roading costs.
4. **Timber Haulage and Floating Pier** - the timber haulage continues with up to 4 vehicles running to meet the shipment programme.

5. **Forest Crofts** - Payments have now been received from all three crofters and an invitation to commence registration has been sent to the remaining 6. Of the 6, 4 have asked that we commence registration for them.
6. **Access Feasibility Study** – Priority given to re-instating Kildavie path and creating an additional access via the Haul Route hammerhead
7. **HIE/FCS 5 year Review meeting**– Agreed with HIE that in principle they would assist with ongoing development of the company in particular the Micro Hydro and Woodland burials – IAH to work up project plans and cash flows etc
8. **Housing** –We've been approached by The Rural Housing Service to participate in a Islands housing project to create a semi industrialised passive house system for initial use on the islands, part funded by the Princes fund. The intention is that we would provide a site and they would deliver the houses at about £70k each for use either as shared equity or rental. Still in its early stages but worth pursuing there is no commitment on our part at this stage
9. **Medium Term Income**
 - a. Woodland Burials – The final clearance of and management of the retention in 915 is now virtually complete. Expect to walk the proposed site in the next week or two.
 - b. Leasing Birch Woodlands – Not progressed this month.

10. **Micro Generation – Hydro West Ardhu**
 - a. CARES Loan scheme – Formal letter of offer received and our acceptance confirmed
 - b. The connection offer has been received :-
 - i. Full Connection £23,163.13 Payable on acceptance of the offer
 - ii. None contestable only £3,617.00 Payable on acceptance of the offer
 - iii. Connection available May 2014
 - c. SEPA and Planning applications ready to submit, subject to board approval.

11. **UK Woodland Assurance Scheme (UKWAS)** – The annual audit was carried out on the 28th November and there were only 2 corrective actions listed. 1 has been cleared and 1 dealing with the minor amendment of the LTFDP by the addition of an appendix to comply with the revised UKWAS requirements published this year has to be cleared by June 2013.

Development Managers Report January 2013

1. **Timber Haul Road** – the road is holding up well given that over 25000 tonnes have been hauled across it but some further repair is now necessary.
2. **Fishnish Fixed Pier** –
 - a. Work on site commenced, Piling due to start early February and completion still anticipated late June early July
 - b. 1st Pier user group meeting scheduled for 29th January.
3. **Timber Harvesting** –
 - a. Harvesting is continuing in Langamull with current breakout and production rate lower than before, this is due to the variation in timber quality in the higher areas, no issues as such and the quality is expected to pick up again as the harvesting moves towards the B8073.
 - b. To 01/01/2013 over £135K has been paid off our roading costs.
4. **Timber Haulage and Floating Pier** - the timber haulage continues with up to 4 vehicles running to meet the shipment programme.
5. **Forest Crofts** - An invitation to commence registration has been sent to the remaining 6 crofters. Belinda is progressing the registration of 5 of the 6, one couple have indicated that they may not wish to proceed but we have left the position open at the moment.
6. **Access Feasibility Study** – Priority given to re-instating Kildavie path and creating additional access via the Haul Route hammerhead. Bill Paterson and Kevin Luscombe are pushing for completion of at least the re-instatement.
7. **HIE/FCS 5 year Review meeting**– Agreed with HIE that in principle they would assist with ongoing development of the company in particular the Micro Hydro and Woodland burials – IAH to work up project plans and cash flows etc
8. **Housing** –The proposed Rural Housing Service scheme has been withdrawn as the SG were requiring fully costed schemes in a very short – impractical timescale as has become normal
9. **Medium Term Income**
 - a. Woodland Burials – The final clearance of and management of the retention in 915 is now virtually complete. Need to walk the proposed site.
 - b. Leasing Birch Woodlands – Not progressed this month.
10. **Micro Generation – Hydro West Ardhu**
 - a. The connection offer has been received :-
 - i. None contestable items only £3,617.00 Paid w/c 14th
 - ii. Connection available May 2014 but with export restriction to 50Kw subject to any reclaimed capacity becoming available or major upgrade to the Taynuilt – Inveraray link
 - b. SEPA CAR licence £594 and Planning applications £319 + advertising £156 submitted. Consultation underway to confirm that a Town and Country Planning Act section 22(3) permitted development notification will be needed for the West Ardhu to B8073 track, if so, the cost will be £60 to register the notification.
 - c. Compilation of a planning application for the new entrance to the West Ardhu – B8073 track at the B8073 is under way. Cost approx £700
 - d. Draw down of all the above costs from the CARES loan has been agreed as has any of my direct employment costs back to October that can be attributed to the Micro Hydro project. (significant cash flow benefit)
11. Letters complaining about timber haulage have been sent to TSL and Tilhill despite our request to the resident concerned to deal with ourselves. This is being followed up with TSL prior to a reply to the resident concerned.

IAH 24/01/13

North West Mull Community Woodland Company Limited

Finance Report to 14th December 2012

General

Petty cash stands at £6.17.

Cash available is £15,345.93. This balance is after payment of salaries and all other invoices due this week.

Significant movements during the past period were

- 1) A credit of £447.75 from Highland Game for venison sales.
- 2) 100 Club subscriptions totalling £480.
- 3) Donation of £200 from IOM Cyclosporative to be split £100 for NWMCWCL and £100 for School projects.
- 4) A debit of £504.15 to Kengharair for grant reduction compensation due to loss of grazing.
- 5) A debit of £1,169.24 for Insurances for the next 12 months.
- 6) A credit of £272.02 from the Bingo Night fundraiser.
- 7) A debit of £300 for office rent for the period January to March 2013.

Haul Route

In the coming months, there will be one further bill related to Servitude final payment to be paid to FCS (£15,000).

Fundraising

An enjoyable Bingo Night raised £272.02 with several donations still to be banked.

The Directors must continue to focus on future/innovative fundraising activities and / or grant opportunities to help meet upcoming costs.

Upcoming Costs and Receipts

Further significant costs will be incurred in the coming months re the Haul Route (Servitude as noted above), Mini Hydro, Forest Crofts and Paths and Access projects. Specific costs are noted below;

Mini Hydro - Planning and connection fees - approx £1,500
- Access works at West Ardhu - second quote awaited.
- legal fees associated with the project.

Insurance renewals were paid in early December to our current insurers, NFU Mutual. DTAS who were asked to quote, failed to respond.

There should be a small receipt in due time re chip and firewood proceeds of sale of the roadline timber.

There could also be further receipts from venison sales.

Short Term Future Financial Position

Cash remains secure for the next several months.

Trading Company Balance

Balance stands at approximately £800 with further revenue from firewood sales expected shortly.

J.N.Morrison - Treasurer

North West Mull Community Woodland Company Limited

Finance Report to 25th January 2013

General

Petty cash stands at £6.17.

Cash available is £6,981.19. This balance is after payment of salaries and all other invoices due this week.

Significant movements during the past month were

- 1) Various donations and gifts totalling £358.
- 2) A debit of £1,232.99 to HMRC for NI & Tax.
- 3) Debits totalling £263.50 for fencing costs for the School fruit tree area at West Ardhu.
- 4) A debit of £4,340.40 re connection offer for the Micro Hydro project.
- 5) A debit of £594.00 for the SEPA licence re the Micro Hydro project.
- 6) A debit of £319.00 for a Planning Application re the Micro Hydro project.
- 7) A debit of £156.00 for advertising re the above Micro Hydro Planning Application.

Haul Route

In the coming months, there will be one further bill related to Servitude final payment to be paid to FCS (£15,000).

Fundraising

The Directors must continue to focus on future/innovative fundraising activities and / or grant opportunities to help meet upcoming costs.

Upcoming Costs and Receipts

Further significant costs will be incurred in the coming months re the Haul Route (Servitude as noted above), Mini Hydro, Forest Crofts and Paths and Access projects. Some details noted below:

Mini Hydro - Planning re the access at West Ardhu - approx £700
- Access works at West Ardhu - second quote awaited.
- legal fees associated with the project.

Noted that cost items 4) - 7), which total £5,409.40 will shortly be credited back to the Company under the terms of the Cares loan scheme associated with the Mini Hydro project as will most if not all of the future costs noted above

There should be a small receipt in due time re chip and firewood proceeds of sale of the roadline timber.

Short Term Future Financial Position

Cash remains secure for the next several months.

Trading Company Balance

Balance stands at £1,048 with further revenue from firewood sales of approximately £200 due for paying in.

J.N.Morrison - Treasurer