Minutes of the Point & Sandwick Development Trust

Tuesday 13 December 2011, Aird, Point

Sederunt DJ MacSween, M MacDonald, D MacDonald, G MacDonald, L Chaplin, T Clark, W MacFarlane, D Mackay, A Ferguson, N Morrison, A MacCormack, D Macritchie, A Mackenzie,

Apologies Calum MacDonald, KD MacDonald, Scott Connor, Donald Macbain

Minutes The minutes of the previous meeting were read and approved.

Matters Arising DJ MacSween, Chairman, referred to the following:

Sidhean Mo□r Project

The planning application was not being submitted due to Amec copyright issues. It was agreed to remove the relevant documents from the pointandsandwick.com website to avoid difficulties for SgurrEnergy.

Stornoway Trust

The Option Agreement and draft Lease have now been approved with the following condition added: A *further* sum of **£49,000** per annum is to be paid to the 'Trust Benefit Fund'. Considering that the Tolsta project had been excused from a similar condition, the Board expressed its dismay at such an unfair, unjust, undemocratic and inexplicable demand. However, it was felt that the Board had no option but to agree given the timeline for financial close. These documents are now to be sent to Amec/EDF for approval and the Stornoway Trust hoped that this could be done before the Xmas break.

The relevant costs to PSDT under the Lease are:

Initial Rent £1000 pa from date of entry to date of first commissioning

Disturbance sum £10,000 payable on grant of full lease rights

Construction Sum £5000 payable within 3 months of grant of full lease rights

Variable rent 68.53p per MWhr produced from the date of first commissioning subject to a minimum of £1,327 per MW installed pa from the date of first commissioning (To be reviewed at every 5th anniversary in accordance with RPI)

ROCS 2.5% of ROCS payments (buyout fund dividend)

NB *The variable rent and buyout payments set out above do not include the payments of equal value to be made to the crofters under the relevant crofting legislation.*

Payments to Stornoway Trust Development Fund

Disturbance/Construction sum equivalent £1500 payable on the date of full occupation

Annual Rent Equivalent £5, 451 per MW pa

The above is based on a formula provided to the Sty Trust by Amec/EDF and is the same as that which will apply to the Amec-EDF wind farm.
CM had met with SSE and progress is being made in that direction as well as with Enercon.

Brian Inkster, solicitor, has been nominated to represent North Sandwick Grazings Committee in the Section 19 application. Once the 35 shareholders of North Street Sandwick have the lease and rental payments approved then a Section 19a application will be sent to the Land Court for a decision which should be made by February.
Brian Inkster's fees are to be met by PSDT.

Finance and Funding

PSDT had applied to CNES's 'Revolving Fund' for a loan of £62,271. This request was rejected and a much smaller sum of £17,000 offered. This has been accepted. However, the Board members expressed their dissatisfaction and failed to understand CNES's apparent reluctance to assist a major community project. DJ explained that this was in stark contrast to the treatment from the Cooperative Bank which has been extremely helpful and encouraging. The Bank will start its 'Due Diligence' process in December after the lease is agreed by Lewis Windpower, when it will examine all the technical, financial and legal details of the project. This could take up to three months, after which we will achieve financial close (assuming everything is in order). PSDT will have to meet the associated expenses of up to £150,000.

Should the FC be reached in February, the construction phase can begin in the summer, turbines delivered and erected in October and 'snagging' finished in time for grid connection in December 2012.

CM and DJ attended the Green Energy Awards in Edinburgh at the invitation of the Coop Bank. DJ suggested that Bank personnel be invited to the AGM in January. The Board agreed.

Bethesda

Bethesda, with the assistance of the Coop Bank, had hoped to acquire land to erect a small turbine of its own which PSDT would operate. The bank had raised £25.000 towards it. However, in talks between the Coop and CM, it was agreed that PSDT would gift Bethesda a stake in its own project in return for a commitment from the bank to underwrite the Beinn Ghri□deag Project costs. PSDT will now increase its commitment to Bethesda from £20,000 pa to £55,000 pa (inflation-linked).
CM issued a Press Release to this effect. The £25,000 will be used to pay off some of the Trust's bills.
The Board approved these actions.

Funding Applications

1) **Social Investment Scotland (SIS).** CM had met with the latter in Edinburgh on 17 November. A decision will be made before the New Year.

2) **Lottery** They have requested a Western Isles-wide community consultation. Bearing in mind that this exercise, together with the processing of the next stage, would not be complete before the autumn and too late to assist with 'capex' costs, they are being asked, instead, if we could focus on other costs such as office rental, equipment and training for Board members.
Derek Mckim has agreed to write the second stage of the application.

Grazings Committees Update

There was no further update.

Conferences

CM had given talks at the Crofting Law Conference in Edinburgh in September and also at the Crofters Commission Assessors Conference in Inverness in November. DM and AJM had also attended the latter and CM's presentation was well-received.

Membership

There are over 200 members. DM produced a further 14 completed forms.

AOCB

There was no further business.

DONM

The next meeting will be the AGM which will be held in January at a date to be confirmed. It is hoped that members of the Coop Bank might attend as approved by the Board.