

**MINUTES OF THE TWENTY THIRD ANNUAL MEETING OF THE  
TRUSTEES AND BENEFICIARIES  
OF THE COUNTIES POWER CONSUMER TRUST**

HELD AT THE FRANKLIN CLUB, 7 EAST STREET, PUKEKOHE

ON TUESDAY, 21 AUGUST 2018 AT 5:18 PM

**TRUSTEES PRESENT** Mrs C P Rupp (Chair) and Messrs A D Eyes, P S Beston and D W Thomson and D M Spratt

**IN ATTENDANCE** Mr Norman Foote, Secretary to the Trustees  
Mr Doug Troon (Chair of Counties Power Limited)  
Mr Vern Dark (Deputy Chair of Counties Power Limited)  
Mr Hamish Stevens (Director of Counties Power Limited)  
Mr David Tompkins (Director of Counties Power Limited)  
Ms Barbara Elliston (Director of Counties Power Limited)  
Ms Judy Nicholls (Chief Executive of Counties Power Limited)  
Mr Conrad Harvey (Chief Financial Officer and Secretary of Counties Power Limited)  
Mr Colin Henderson of RSM Hayes Audit – Auditors of Counties Power Consumer Trust  
(A total of 24 consumers were present and 11 observers – per the attendance lists).

**APOLOGIES** None.

**WELCOME** The Chair declared the meeting open, as a quorum existed and welcomed all those present. The Chair began by informing all present that Consumers could only vote on specific resolutions; appointing the auditor and the fixing of their fees and expenses.

She reminded those present that if any consumer made a statement during the meeting, then that statement would be recorded to enable Trustees to give it their consideration at a later time.

Mrs Rupp then introduced the current Trustees, their Secretary, Directors of Counties Power Limited, including the Chair, Mr Doug Troon and Management of Counties Power Limited, including the CE, Ms Judy Nicholl. She also noted the attendance of past Chairs of Counties Power Limited, namely, Messrs Graham Calvert and Paul Muir and the Trust's auditors.

The Chair noted the recent passing of long-time legal advisor and solicitor to the Trust, Mr Kevin Jaffe. This was marked by a moments silence by those in attendance.

Mrs Rupp then discussed the narrative portion of the Annual Report, taking pertinent points from it and enlarging on same where appropriate. She congratulated the Company on its strong financial performance for the year

  
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ended 31 March 2018, which had led to discounts of \$11.6 million being distributed to consumers; up from \$11.3 million the previous year.

Mrs Rupp advised that Trustees regularly canvassed issues of strategic importance to the long term future of the Trust and the Company. She mentioned two key areas that Trustees had been involved with over the past 12 months. Firstly, the proposal by Inland Revenue to remove the Company's ability to refund, to consumers, a discount each year, had been the subject of lobbying of key politicians and correspondence with IRD officials. Mrs Rupp said it was pleasing to be able to report that this matter had been resolved with IRD and that the Company could continue to refund an annual discount to consumers on the Counties Power Limited electricity network.

Secondly, she informed the meeting that Trustees take the opportunity to meet, in person, with senior officials of the Commerce Commission, discussing matters of importance to the electricity industry.

Mrs Rupp concluded by thanking her fellow Trustees for their support during the year.

## MINUTES

### *Resolution*

Moved	Mr D M Spratt
Seconded	Mr A D Eyes

That the minutes of the twenty second Annual Meeting of the Trustees and the Beneficiaries of Counties Power Consumer Trust held on 16 August 2017 having been circulated and taken as a true and correct record at a meeting of Trustees held on 21 September 2017, now be confirmed.

***CARRIED UNANIMOUSLY***

## ANNUAL TRUSTEES' REPORT

Mrs Rupp took the position that all present will have read the circulated narrative of the Annual Report.

### *Resolution*

Moved	Mr D W Thomson
Seconded	Mr P S Beston

That the Annual Report for the year ended 31 March 2018 be received.

***CARRIED UNANIMOUSLY***

## FINANCIAL STATEMENTS AND AUDITORS REPORT

The Financial Statements for the year ended 31 March 2018 of Counties Power Consumer Trust had been publicly available from late July, via both the Trust's office and its website. Meeting attendees also received a full set, but were invited to go to the Trust's website or the office had they not received a set and would like same.

### *Resolution*

Moved	Mr A D Eyes
Seconded	Mr D W Thomson

That the Consolidated Financial Statements and Auditor's Report for the year ended 31 March 2018 be received.

***CARRIED UNANIMOUSLY***

Chair



## APPOINTMENT OF AUDITOR

### *Resolution*

The incumbent audit firm, RSM Hayes Audit, indicated they were available for reappointment.

Moved Ms L Irwin-Parsons

Seconded Mr T Mandeno

That RSM Hayes Audit be appointed as the Trust's Auditor for the ensuing year.

**CARRIED WITHOUT DISSENT**

## REMUNERATION AND EXPENSES OF AUDITOR

### *Resolution*

Moved Mrs S Beston

Seconded Mr G Calvert

That the fees (including expenses) of RSM Hayes Audit be fixed at \$16,500, including GST, for the audit of both the Consolidated and the Trust Financial Statements.

**CARRIED WITHOUT DISSENT**

## REMUNERATION OF TRUSTEES

### *Resolution*

Moved Mr D M Spratt

Seconded Mr A D Eyes

That, effective 1 September 2018, the base annual remuneration of Trustees be increased by 9%, (excluding meeting fees), to \$85,000, to be divided by the Trustees as they see fit and meeting fees, including special events, remain at \$250 per meeting to each attending Trustee with the Chair of the meeting receiving \$300 and to receive a further fee of \$250 per Trustee for attendance at any related meeting or event approved by the Trustees.

**CARRIED UNANIMOUSLY**

## SPECIAL BUSINESS

Any matter, other than those attended to above, is deemed to be special business and which requires no less than 28 days notice in writing to the Secretary. The Secretary advised he had received no such notice.

The Chair invited the Chair of the Company to report on the activities of the Company over the past 12 months.

Mr Troon stated that he was pleased to be able to report on, what was, a great year for Counties Power Limited. The Company had enjoyed notable success in the region; a region which had experienced significant growth which led to a demand for infrastructure development, including the electricity network. In this regard, he noted that the Company's vision was to be one of the highest performing rural/urban networks in the country.

Some of the highlights during the year that he observed were:

- Improving visibility through more sponsorship arrangements
- Focus on safety, with staff and consumers always being front and centre in the minds of

Chair

Management.

- A further decline again in the percentage of recordable injuries in the latest year.
- A strong financial performance, once again, in the current year with revenue at \$70.0 million, up 5.4% on the previous year, and profit after tax at \$15.0 million, up 15% on FY 2017.
- Capital expenditure had increased to record levels, reflecting the strong growth in new residential connections and industrial customers.
- FY 2018 was the fourth year where the distribution component of the pricing structure had been held unchanged.
- Improved systems had allowed the Company to recover quickly from the uncontrollable weather events which impacted significantly on the network.
- The Company was well positioned for changes in technology with increased focus on electrical vehicles, (EVs), along with solar and alternative generation options.

Mr Troon thanked Mr Vern Dark for his leadership as Chair of the Company, completing his term on 1 April. He also noted the valuable contribution of Mr Malcolm Don, who retired from the Board in August 2017. In concluding he thanked the Chair of the Trust and her fellow Trustees for their support during the year and recognised the CE of the Company and the great leadership team she had built, since joining the organisation in October last year.

The Chair then invited the CE of the Company to address the meeting.

Ms Nicholl started off by saying how much she was enjoyed the role of CE. She considered that all parts of the puzzle had come together really well, with a supportive group of Trustees, Directors who were keeping the Management team focussed, a Management team who were smart and sharp, backed up by very good staff.

Ms Nicholl commented that the Company was part of an amazing community and was proud to be able to meet the needs of consumers. They were, she said, at the heart of the Company's decision making.

In closing, Ms Nicholl noted that the electricity industry was a great industry to be part of, with all the diverse factors involved, emphasising that within that mix, safety was a key part of her and her team's focus.

Mrs Rupp thanked Ms Nicholl and asked if anyone from the floor had any questions for Trustees or Directors.

Questions included:

1. A consumer from Tuakau asked, as to what extent the Company saw EV becoming a greater part of its future. The GM Commercial of the Company noted that several countries were now taking about cessation of the manufacture of petrol and diesel powered vehicles. The GM Asset Management for the Company commented that there was an uptake of EV within the second hand fleet in NZ and that there was a move towards electrification of transport vehicles such as trucks. He did caution however, that rapid uptake of EV would place considerable strain on the electricity network, if charging of vehicles took place within narrow daily time zones.

2. Another consumer asked the question if the Company was doing anything in the way of providing scholarships for students within the district. The CE confirmed that the Company had recently awarded the first Counties Power Electrical Engineering scholarship to a local, who is completing his third year at AUT. This was part of a 'grow our own' programme within the Company. She also noted that a scholarship, named after Mr Bob Arvidson, late Chair of the Trust, had been established to provide the opportunity for a local student, who has demonstrated academic ability but is not financially able to undertake a course of higher education. It is intended this this will be a community-based scholarship.

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There being no further questions, Mrs Rupp invited everyone to join the Trustees and remain to share light refreshments and to take the opportunity to talk with Trustees, the Board members and the staff who were present.

The meeting concluded at 5:56 PM.

Read and Confirmed this 20 day of August 2018 *ek*

  
Chair