

Central Hawke's Bay Consumer Power Trust

Annual Public Meeting held:
3:00pm, Monday 29th July 2019
at the Waipukurau Club, 10 Russell Street, Waipukurau

MINUTES OF MEETING

1: PRESENT:

CHB Consumer Power Trust:

Alistair Setter (Chairman), Karen Middelberg (Elected Trustee), Kate Taylor (Elected Trustee), Richard Dakins (Appointed Trustee, representing Silver Fern Farms), Vicki Winlove (Executive Assistant)

Centralines (Board of Directors):

Jon Nichols (Chairman of the Board), Wendie Harvey, Dr Ian Walker, Derek Walker, Fenton Wilson, Rachel Baker (Board Observer)

Centralines:

Len Gould (General Manager, Commercial), Kevin Corkery (Operations Manager), Brent Muggeridge (Company Accountant), Julie Collins (Executive Assistant), Devon Brown, James Burne, Joshua Ross, Graham Bundle, Thomas Heywood, Olwen Williams, Graham Kohleis, J te Amo, T White, H Carter, N Hamilton

Public:

Her Worship the Mayor Alex Walker, Monique Davidson, Kelly Annand, Kylie Hepi

2: APOLOGIES:

Marcus Peacock (Elected Trustee), George Williams (Appointed Trustee, representing CHB District Council), Catie Avery (Appointed Trustee, Mayoral representative), Ken Sutherland, Chantelle Gernetzky (Audit New Zealand), Kimberley Booth

3: MINUTES OF PREVIOUS MEETING (MONDAY 23rd JULY 2018):

It was resolved the Minutes of the Central Hawke's Bay Consumer Power Trust Annual Public Meeting held on Monday 23rd July 2018, a copy having been circulated prior to the meeting, were taken as read and accepted as a true and accurate record.

*J Burne / I Walker / All in favour
CARRIED*

4: MATTERS ARISING:

There were no matters arising.

5: CONSOLIDATED FINANCIAL STATEMENTS (YEAR ENDED 31 MARCH 2019):

It was resolved the audited consolidated Centralines and Central Hawke's Bay Consumer Power Trust Financial Statements for the Year Ended 31 March 2019 were accepted as correct.

*O Williams / R Baker / All in favour
CARRIED*

6: APPOINTMENT OF AUDITOR:

The Chairperson moved the resolution not to appoint an auditor for the 2019/20 financial year and to request the Office of the Auditor General to make an auditor appointment.

*T Haywood / All in favour
CARRIED*

7: TRUSTEES REMUNERATION:

The Board moved the resolution for the Trustees Remuneration for the 2019/20 financial year remain the same as the 2018/19 financial year.

*M Davidson / All in favour
CARRIED*

8: CHAIRPERSON'S REPORT:

It has been a significant year for Centralines and the Trust with an \$8,000,000 dividend payout to consumers, a Trustee election, an ownership review and a business and regulatory landscape change.

There are seven Trustees on the Central Hawke's Bay Consumer Power Trust. Four are elected and three are appointed by the Mayor, Central Hawke's Bay District Council and the largest electricity user (Silver Fern Farms). We welcome onto the Trust Karen Middelberg and Kate Taylor as elected Trustees following the retirement of Kate Laugesen and Tim Gilberston. Thank you Kate and Tim for your contributions to the Trust.

It has been another outstanding year results wise for Centralines with a 2018/19 net profit after tax was \$3.3 million, CAPEX \$5.7 million, revenue \$15.9 million and a consumer discount of \$1.4 million. Capex was higher than last year due to new electricity connections to new homes and the purchase of the site for the new depot. Thank you to the staff, management, Unison and the Board for their solid Governance and to fellow Trustees.

Good results means good things happen in our community, including the dividend payment, annual discount, sports park and the \$110,000 of sponsorship to 54 local charitable organisations.

A letter of expectation is set by the Trust in February to outline the Trust's expectations of the company that coming year. Growth forms a significant aspect of the letter of expectation, with the Trust believing that the Company needs to focus on growth and looking for the next opportunity and therefore the Trust is pleased to see plans in progress for the building of a new depot. Trustees are mindful that they represent our consumers well noting the consumer of the future is going to be different to the consumer of yesterday – ie two way power, power storage, power quality and electric vehicles.

An ownership review was undertaken this year, as required every five years under the Trust Deed. This involved the Trust seeking consumer feedback, obtaining a valuation, an in-depth ownership report as prepared by PwC and a Board recommendation. The Trustees voted in favour of keeping the ownership status quo (100% consumer owned) which was in line with overwhelming public feedback and the Board recommendation. Centralines has valuation of \$60 million dollars with a replacement valuation of over \$300 million dollars. The Trustees are pleased that this will remain an intergeneration asset to the power consumers of Central Hawke's Bay.

The Trust is optimistic about the future of Centralines and if the company continues to grow, it will play a significant part in the overall growth and wellbeing of our community.

9: GENERAL BUSINESS:

Jon Nicholls, Chairman of the Board, took to the floor on behalf of the Centralines Board to thank the Trustees for their support and for the good working relationship between the Board and the Trust.

Alex Walker, her Worship the Mayor, took to the floor to question whether the Letter of Expectation was available for public viewing. Alistair confirmed it was. Alex also questioned whether there was an active working relationship between Chorus and Centralines for the roll out of the new fibre cables. Kevin Corkery, Centralines Operational Manager) confirmed there was, with Chorus and Centralines having met recently. They are in regular contact with regard to the use of Centralines poles. Len Gould confirmed there is an overarching agreement in place for this. No cellphone towers have been erected rurally recently due to trouble obtaining landowner consent.

No further general business.

MEETING CLOSED: 3:22pm

SIGNED:

Alistair Setter (Chairman)

Date