

Minutes of the Sixteenth Annual Meeting of Beneficiaries

Held at	The Ellerslie Event Centre, 80-100 Ascot Avenue, Remuera, Auckland
Date & Time	Thursday, 26 October 2017 at 7.00 pm
Present	William Cairns (Chairman), James Carmichael, Paul Hutchison and Karen Sherry 30 Beneficiaries registered their attendance
Apologies	Michael Buczkowski (Deputy Chairman)
Staff in attendance	Helen Keir (Chief Operating Officer) and Kaylene Taylor (Executive Assistant)

APOLOGIES

Apologies were received and noted.

Entrust Chairman, Mr Cairns, opened the meeting at 7.00 pm and introduced Trustees and passed on apologies from Entrust Deputy Chairman, Mr Michael Buczkowski who was travelling internationally on business and unable to attend the meeting.

Mr Cairns extended a warm welcome to all Entrust beneficiaries, Vector Directors, Simon Mackenzie, CEO of Vector; members of the Vector Executive Team, Entrust's accountants, auditors and legal advisors.

MINUTES

The minutes of the Fifteenth Annual Meeting of Beneficiaries held on 27 October 2016 and confirmed by the Trustees on 13 December 2016, were tabled and received.

YEAR IN REVIEW – ADDRESS FROM THE CHAIRMAN

The Chairman noted that it had been a busy year with the introduction of several new initiatives adding to the Trust's involvement in the Entrust district. Trustees were pleased to advise that, although it is outside the financial year reported on the dividend increased to \$350 this year. This was despite a further increase in beneficiary numbers – from 322,800 in 2016 to 327,000 in 2017.

Key priorities Trustees had focused on during the year were ongoing Trustee responsibilities, undergrounding, a new energy efficiency community programme in conjunction with Auckland Council and Vector, sustainable sub-stations and beneficiary communications.

Financial performance

This year the Trust received \$121.5 million in income comprising of \$120.1 million from Vector in dividends and \$1.4 million in interest from funds on deposit.

For the year ended 30 June 2017, the total expenditure incurred by the Trust was \$3.5 million, compared to \$4.2 million last year. This is a significant reduction in costs, which is due to a strong focus from new management on reducing expenditure and costs.

The cost savings have come from renegotiating contracts with existing suppliers and changing suppliers where better value can be gained.

This focus will continue this year, however the cost of the 2018 Entrust election will result in additional costs this financial year and next, as election costs are spread across two financial years.

An Unqualified Audit Certificate was issued on 24 August 2017.

Energy Solutions programme

In 2015 the parameters around the fund were changed and extended to include new technology initiatives such as solar, battery and EV chargers. The programme is now known as the Energy Solutions Programme.

A large component of the funding was spent on undergrounding again this year, however going forward Chorus has advised they plan to reduce funding to underground their telephone lines and will only participate in undergrounding projects by exception.

This decision by Chorus means there is no visual benefit to continuing the undergrounding programme as telephone poles and wires would remain in place even if electricity lines were underground.

Trustees will monitor the situation with Chorus closely and will take advantage of any opportunities that arise to do further undergrounding projects.

Undergrounding

Undergrounding projects completed during the year were Burwood Crescent and Bell Road in Remuera and Glanville Terrace in Parnell. The projects have been delivered without a lost time injury and have resulted in positive feedback from customers upon completion.

Undergrounding work is still progressing on Franklin Road in Freemans Bay and a large undergrounding project has commenced in Massey Road in Mangere. The Massey Road project will be completed in late 2017 while the Franklin Road project will be completed in 2018.

The Franklin Road and Massey Road projects will result in a total of 112 power poles and 2.16 kilometres of overhead lines being removed.

Energy efficiency community programme

Entrust, Vector and Auckland Council entered into a partnership during the financial year to deliver a community based energy efficiency project to the community and home owners in Papakura and Wattle Downs in South Auckland.

The project comprised of three key components – installing ten solar and battery Tesla Powerwall systems at local schools and community groups, conducting home energy audits in residential homes and installing LED lighting and hot water control units to improve the energy efficiency of the homes.

The project is drawing to a close with analysis of the project yet to be completed, however anecdotal comments from participants is that they found the initiative beneficial and they have benefited from a warmer home over winter.

Sustainable sub-stations

Another new initiative was introduced this year which saw the installation of solar panels and battery packs on some of Vector's zone substations in the Entrust area to reduce the energy consumption from the grid.

Installations at three sub stations in Glen Innes, Mt Roskill and Mt Wellington were completed in the financial year.

We are delighted that Vector is making this new technology available in New Zealand.

Vector innovations

Mr Cairns introduced Simon Mackenzie from Vector.

Simon Mackenzie, Vector's Chief Executive Officer, provided an overview about Vector innovations.

Entrust communications

Facebook was added to our communications channels last year and has proven to be successful at engaging with a new demographic of beneficiary.

We have had a fantastic response to our dividend posts, with our posts reaching around 100,000 Aucklanders and attracting lots of shares and likes.

Sustainability

One of the other issues we have been turning our attention to this year, is sustainability. Vector have a sustainability strategy in place.

Mr Cairns introduced Karen Sherry, Trustee.

Karen Sherry, Trustee, provided an overview about sustainability.

Acknowledgments

It has been another good year for Entrust and we thank all those who contribute to the success we share.

We are proud and privileged to serve the community, but it does take a team to do this and I'd like to acknowledge the commitment of our Trustees, our team and the assistance of our advisors.

APPOINTMENT OF AUDITORS

As recommended by the Trustees, it was

Moved: Tim Dixon

Seconded: Monika Clark

That Grant Thornton is re-appointed auditors of Entrust for the ensuing year.

Carried

FIXING OF THE REMUNERATION OF THE AUDITOR

Moved: Vaughn Davis

Seconded: John Rodger

That, in accordance with Section 101(3) of the Electricity Industry Act 2010, the Trustees be authorised to fix the fees and expenses of the auditors for the ensuing year.

Carried

FORUM

The Chairman opened the meeting to questions from the floor. The following were noted:

Question: 1

A beneficiary asked the cost of last year's audit?

Entrust's Chairman advised the cost of the audit last year was \$39,500.

Question 2:

A beneficiary asked how much the Kupe Street project cost?

Vector's CEO Simon Mackenzie advised the solar and battery cost approximately \$16K.

Question 3:

A beneficiary asked what % of renewable electricity was used in New Zealand during the winter?

Vector's CEO Simon Mackenzie advised around 80% and said the big debate is what is classified as renewable.

Question 4:

A beneficiary asked how long solar panels last once installed?

Vector's CEO Simon Mackenzie advised the life of the panels is around 20 years and in some cases depending on the environmental conditions, they may last longer.

Question 5:

A beneficiary asked when erecting solar panels, is it true you need to pay Auckland Council a fee before you can undertake the installation?

Vector's CEO Simon Mackenzie advised that was incorrect.

Question 6:

A beneficiary questioned undergrounding being put on hold and would like this to be reviewed.

Entrust's Chairman thanked the beneficiary for his comments which were noted by the Trustees present at the meeting and the Chief Executive of Vector.

Question 7:

A beneficiary suggested that Entrust reduce the dividend amount paid to beneficiaries and use the funds to increase the pace of undergrounding.

Trustees advised that a lot of beneficiaries earn either the average wage or below and Trustees need to balance the needs of all beneficiaries which included doing undergrounding where possible.

Trustees advised they would like to see more undergrounding happen but it is difficult to continue given the position Chorus has taken with funding.

There being no further questions, the meeting closed at 8.00 pm.

Confirmed: 

Date: 19/12/17