

Minutes of an extraordinary meeting of the Queenstown Lakes District Council held via Zoom on Thursday 20 August 2020 commencing at 11.32am

Present

Councillors MacDonald (Chair), Clark, Copland, Ferguson, Gladding, Lewers, Miller and Shaw

In Attendance

Mr Mike Theelen (Chief Executive), Ms Meaghan Miller (General Manager, Corporate Services), Mr Pete Hansby (General Manager, Property & Services), Mr Ulrich Glasner (Chief Engineer), Ms Erin Moogan (Maintenance & Operations Manager), Mr Stephen Batstone (Recovery Manager), Ms Michelle Morss (Strategy & Development Manager) and Ms Stacey Harris (Governance Advisor)

Due to the absence of both the Mayor and the Deputy Mayor the Chief Executive called the meeting to order and invited the Councillors to elect a chair in accordance with the QLDC Standing Orders 13.1.

On the motion of Councillors Miller and Gladding the Queenstown Lakes District Council resolved that Councillor MacDonald be elected to Chair the extraordinary Council meeting in accordance with section 13.1 of the QLDC Standing Orders.

Apologies

Apologies were received from Councillors Macleod and Smith.

It was noted that Mayor Boulton was on an Approved Leave of Absence.

On the motion of Councillors Clark and Copland the Queenstown Lakes District Council resolved to accept the apologies.

Declarations of Conflicts of Interest

No declarations were made.

Confirmation of Agenda

The agenda was confirmed without addition or alteration.

1. Memorandum of Understanding with the Crown on Three Waters Delivery Reform Programme

A report presented by Mr Ulrich Glasner (Chief Engineer), Mr Peter Hansby (General Manager, Property & Infrastructure) and Ms Erin Moogan (Maintenance & Operations Manager) sought approval of the proposed Memorandum of Understanding (MOU) with the Crown on the next steps in the government's Three Waters Review.

The Council discussed the details of the report in depth.

Councillors noted that a process would be established to keep elected members up to date as the reform programme progressed, and that any formal decisions required would be made by the Full Council.

It was clarified that public consultation would still occur in the event that substantive changes requiring legislative amendments were proposed.

The Council noted that the established Steering Committee was not a decision making body, but rather an advisory body, with the intention being that decisions would be reached collaboratively within each sector.

It was confirmed that any change of government following the elections would not affect the course of the reform programme and that signing the MOU would allow the Council to actively engage with the programme as it progressed and provide a platform for all regional councils to discuss their concerns.

On the motion of Councillors Lewers and Clark the Queenstown Lakes District Council resolved to:

1. Note that:

- a. in July 2020, the Government announced an initial funding package of \$761 million to provide a post COVID-19 stimulus to maintain and improve water networks infrastructure, and to support a three-year programme of reform of local government water services delivery arrangements; and**
- b. initial funding will be made available to those councils that agree to participate in the initial stage of the reform programme, through a Memorandum of Understanding (MoU), Funding Agreement, and approved Delivery Plan.**

- a. supports economic recovery through job creation;
and
- b. maintains, increases, and/or accelerates
investment in core water infrastructure renewal
and maintenance.

2. Feedback for the Commerce Commission on the Aurora Energy Investment Plan

A report presented by Ms Michelle Morss (Strategy & Development Manager), Ms Meaghan Miller (General Manager, Corporate Services) and Mr Stephen Batstone (Recovery Manager) sought the Council's approval to submit feedback to the Commerce Commission on the Aurora Energy Investment Plan.

Ms Miller noted that an additional paragraph had been circulated to the Councillors ahead of the meeting with the intention of it being inserted into the feedback letter to the Commerce Commission as the fifth recommendation, being 5.5 on page 6:

"The commission considers how it might be able to compel all distributors to undertake a periodic independent review of its asset management maturity.

We are concerned that the fundamental issues that led to the present situation could be repeated in the future – either for Aurora or for other distribution customers. On the issue of under investment some form of regulatory oversight by the commission could be a preventative measure to ensure asset management is driving the correct outcomes rather than e.g., sweating assets at the discretion of a governing body. We recommend the commission considers how it might be able to compel distributors to undertake a periodic independent review of its asset management maturity, such as that that many councils (including our own) undertake. We are of the view that only an independent review will materially reduce the risk of a repeat of the Aurora situation, as described by Deloitte's 2016 review."

The Councillors noted that a draft decision was anticipated in November 2020 with a final determination by March 2021.

Concerns were raised regarding Aurora's proposed cost structure and the desire for costs to be spread evenly across the district. Ms Miller advised that she had been in contact with Aurora that morning and that they were working through the matter, noting that the Electricity Authority who set the pricing methodology for the sector were aware of the situation and would need to work through any resolution with Aurora directly.

Councillor Lewers sought to amend the recommendation in order to direct the Chief Executive to share the Council's feedback with the Electricity Authority and seek a response.

On the motion of Councillors MacDonald and Lewers the Queenstown Lakes District Council resolved to:

- 1. Note the contents of the report; and**
- 2. Approve the contents of the attached feedback and authorise it to be submitted to the Commerce Commission.**
- 3. Direct the Chief Executive to share the feedback with the Electricity Authority and seek a response.**

3. LGNZ Annual General Meeting Delegate

A report presented by Mr Mike Theelen (Chief Executive) sought for an alternate delegate to be appointed to exercise the Council's vote at the 33rd Local Government New Zealand Annual General Meeting.

On the motion of Councillors Clark and Shaw the Queenstown Lakes District Council resolved to:

- 1. Note the contents of the report;**
- 2. Agree to delegate Councillor Smith the power to exercise the Council's vote at the Annual General Meeting.**

The meeting concluded at 12.24pm.

Confirmed as a true and correct record:

Chairperson

Date

Minutes

Confirmation of public part of minutes:

3 September 2020 (Ordinary meeting)