

EAST GIPPSLAND WATER

**MINUTES OF THE MEETING OF THE BOARD OF THE EAST GIPPSLAND WATER CORPORATION
HELD AT BAIRNSDALE ON 22 AUGUST 2017**

PRESENT:

Directors:

Joanne Booth (Chairperson), Michelle Dowsett, Therese Tierney, Steve Bird, Richard Elkington, Bill Deveney (via phone link), Bruce Hammond (Managing Director).

In Attendance:

Louise Holden (Executive and Board Operations Officer)

Item 3.1 onwards: Dean Boyd (Executive Manager Infrastructure)
Item 3.2 onwards: Mathew Scott (Acting Executive Manager Business), Frank McShane (Executive Manager Operations), Lara Caplygin (Executive Manager Strategy), Carol Ross (Executive Manager Customers).

Apologies: Gail Morley, Angela Hutson

1. CHAIRPERSON'S OPENING

The Chairperson opened the meeting at 9:05am and reported on:

- VicWater Conference on 14 & 15 September. It was also noted that the Audit Chairs meeting has been rescheduled to the 13 September in line with the conference and that Director Dowsett is unable to attend
- The correspondence received from VPSC & DELWP regarding executive remuneration and bonuses.
- The director appointment process and the possibility of some changes to the Board. Announcements are due to be made early September
- Proposal for a Women in Water Directors group and expression of interest to join a interim steering committee.

The Managing Director reported on:

- The new executive managers commencing in August
- Rob Carlesso's last day on 17 August and a farewell dinner being held on the 11th September.
- Frank McShane retiring at the end of September.

Directors reported on:

- Director Bird noted the MOU dinner with East Gippsland Shire Council.
- Director Elkington reported on the Gippsland Ports Board appointments.

2. BOARD OPERATIONS

2.1 DECLARATION OF PECUNIARY AND CONFLICT OF INTERESTS

The Board's Register of Interests record was noted.

Chairpersons initials

2.2 CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING

The Board resolved that the Minutes of the meetings of the Board held on 20 June 2017 and 14 August 2017 be confirmed.

2.3 ACTION LIST

The Board resolved to note the action list

2.4 BOARD CALENDAR & BOARD ANNUAL AGENDA

The Board noted the Managing Director’s annual performance review will be reported in September (not August) and that the October Infrastructure, Operations and Environment Committee meeting will be moved to September.

The Board calendar and annual agenda were noted.

2.5 BOARD EXCEPTION REPORT

The Board Exception Report was noted.

3. MATTERS FOR DECISION

3.1 COMMERCIAL IN CONFIDENCE

3.2 AUDIT AND RISK COMMITTEE

The Audit and Risk Committee Chairperson provided a verbal report on the meeting held on 21 August 2017. Items discussed were:

- End of financial year reporting
- An overview of the Victorian Auditor General’s Office closing report
- The audited Financial and Performance Statements
- The compliance report for the Standing Directions of the Minister for Finance
- The Risk Management Framework and Processes compliance attestation

The Board resolved to:

- note the report
- note the committee’s recommendation to approve the audited Financial Statements and Performance Statements
- approve the Standing Directions of the Minister for Finance’s compliance report for submission to DELWP
- approve the full compliance attestation with Ministerial Standing Direction 3.7.1 (2016) – Risk Management Framework and Processes.

3.3 APPROVE AUDITED FINANCIAL STATEMENTS & PERFORMANCE STATEMENTS

The Acting Executive Manager Business provided a brief overview of the audited financial and performance statements for 2016/17. Reference was made to some high variances in the performance statement being due to a change in the way water quality complaints are categorized and recorded.

The Board resolved to:

- **note the report**
- **approved the 2016/17 audited Financial Statements & Performance Statements subject to no material changes**
- **note a job well done by the Finance team.**

3.4 STRATEGY COMMITTEE

The Chairperson addressed the report and the unconfirmed minutes of the meeting held on 19 June 2017. The board discussed the options for East Gippsland Water's Vision and Mission Statements.

The Board resolved to:

- **note the report and unconfirmed minutes of the meeting held on 19 June 2017**
- **adopt the Vision and Mission Statements as follows:**
 - o **Vision – Sustainability and resilience through leading and innovative water solutions**
 - o **Mission - Providing quality water and waste water services to sustain and enhance our community.**

3.5 PRICE SUBMISSION AND CUSTOMER COMMITTEE

The Executive Manager Strategy addressed the report and the unconfirmed minutes of the customer committee meeting held on 22 June 2017. Discussion was held regarding the Guaranteed Service Levels developed by the committee. Reference was made to the draft price submission and guidance received from the Essential Services Commission (ESC). A brief presentation on the PREMO model was provided.

The Board resolved to:

- **note the report and unconfirmed minutes of the Customer Committee held on 22 June 2017**
- **note and accept the Customer Committee's resolution relating to Guaranteed Service Levels (GSL's), including the GSL for a sewage spill in a customer's house**
- **note the mandatory ESC GSL relating to bill payment difficulties**
- **note the 2018 Price Submission update**

3.6 AUTHORISE 2016/17 ANNUAL REPORT

The Executive Manager Customers addressed the report regarding finalisation of the 2016/17 Annual Report.

The Board resolved to approve the 2016/17 Annual Report subject to the compliance review by DELWP.

3.7 COMMUNICATIONS STRATEGY & ACTION PLAN REVIEW INCLUDING COMMUNITY ENGAGEMENT STRATEGY

The Executive Manager Customers addressed the report with reference to the community engagement strategy and action plan for 2017/18. The Managing Director noted the local engagement that is occurring in particular the MD/CEO regional forum and the work being undertaken on economic development strategies.

The Board resolved to:

- **note the report**
- **note the progress with implementation of the Community Engagement Strategy and Action Plan between 1 January to 30 June 2017 and whole year results**
- **adopt the revised Community Engagement Strategy and Action Plan for 2017/18.**

3.8 INFRASTRUCTURE REPORT

The Executive Manager Infrastructure addressed the report with particular reference to key project changes to the 2017/18 CapEx program.

The Board resolved to:

- **note the report**
- **adopt the updated forecast for the 2017/18 Capital Works program**

3.9 REVIEW POLICY 045 CUSTOMER CHARTER

The Managing Director addressed the report concerning POL 045 Customer Charter, noting the consistency with provisions of the ESC Customer Service Code and focus on mutual obligations of EGW and customers.

The Board resolved to:

- **note the report**
- **adopt POL 045 Customer Charter as at attachment one.**

3.10 GIPPSLAND WATER CORPORATIONS – REVIEW OF MOU

The Executive Manager Infrastructure addressed the report noting the recent changes in the other water corporations. The Board expressed their desire for another combined dinner.

The Board resolved to:

- **note the report**
- **adopt the revised partnership agreement.**

4. MATTERS FOR DISCUSSION

4.1 MANAGING DIRECTOR'S STRATEGIC UPDATE

The Managing Director briefed the Board on the Intelligent Water Networks (IWN) project for Large Scale Renewable Energy. Reference was made to an in principle commitment being sought and the option to withdraw would be available if the pricing was not considered favourable.

The Board resolved to:

- **note the report**
- **agree to participate in the IWN Large Scale Renewables project expression of interest and tender process.**

4.2 BOARD STRATEGIC PLANNING SESSION

The Chairperson addressed the report regarding the Board's November Strategy meeting with reference to it having a regional stakeholder engagement focus rather than planning. The Board discussed potential presenters and the format for the two days.

The Board resolved to:

- **approve the November Board strategy session being held in Bairnsdale**
- **approve the itinerary two format**
- **request management to invite the desired presenters.**

5. MATTERS FOR NOTING

5.1 FINANCIAL REPORTS- Period to 31 July 2017

The report was taken as read.

The Board resolved to note the report.

5.2 ACTS, REGULATIONS AND MINISTERIAL DIRECTIONS

The report was taken as read.

The Board resolved to note the report.

5.3 HEALTH, SAFETY & ENVIRONMENT REPORT

The report was taken as read.

The Board resolved to note the report.

5.4 OPERATIONS REPORT

The Executive Manager Operations addressed questions from the Board regarding the number of frozen meters that have occurred. The Board acknowledged that this will be Frank's last meeting.

The Board resolved to:

- **note the report**
- **note that this is Frank McShane's last meeting and thanked him for his significant contribution to EGW over the past 12 years.**

5.5 EPA AMALGAMATED LICENCE ANNUAL PERFORMANCE STATEMENTS

The report was taken as read.

The Board resolved to note the report and summary of performance against the EPA Amalgamated License for 2016/17.

5.6 2016/17 CORPORATE PLAN PERFORMANCE OUTCOMES

The Managing Director addressed the report noting that three targets were not fully achieved.

The Board resolved to note the report and outcomes of the 2016/17 Corporate Plan performance targets.

5.7 ESSENTIAL SERVICES COMMISSION COMPLIANCE REPORT – Full year result 2016/17

The report was taken as read.

The Board resolved to note the service standard performance report for 2016/17.

5.8 REVIEW CONSULTANTS & CONTRACTORS REPORT

The report was taken as read.

The Board resolved to note the consultants and contractors report for 2016/17.

6. MEETING CLOSE

6.1 BOARD MEETING EVALUATION

Director Bird led the evaluation of the August Board meeting with reference to the evaluation template. An overall well run meeting noting that the agenda, papers and presentations were all very good and the positive balance between strategic and operational matters. Particular reference was made to quality of the financial statements report.

7. NEXT MEETING

The Board confirmed that the next meeting will be held on Tuesday 19 September 2017 in Bairnsdale.

The meeting closed at 12:50 pm.

Confirmed: _____ Joanne Booth, Chairperson

Chairpersons initials
