

EAST GIPPSLAND WATER

**MINUTES OF THE MEETING OF THE BOARD OF THE EAST GIPPSLAND WATER CORPORATION
HELD AT BAIRNSDALE 15 MAY 2018**

PRESENT:

Directors:

Joanne Booth (Chairperson), Michelle Dowsett, Steve Bird, Tim Weight, Susan Taylor, Ross Passalacqua, Angela Hutson, Bruce Hammond (Managing Director).

In Attendance:

Item 2.1 onwards: Louise Holden (Executive and Board Operations Officer)

Item 2.6 onwards: Mathew Scott (Executive Manager Business), Jenny Gregory (Executive Manger Organisational Development), Sarah Johnston (Acting Executive Manager Strategy), Carol Ross (Executive Manager Customers), Elaine Mowat (Manager Treatment Services), Dean Boyd (Executive Manager Infrastructure).

Item 5.6: Andrew Harrison (Senior Strategist)

Apologies: Bill Deveney

1. OPENING – BOARD TIME

The Chairperson opened the meeting at 9:05am and acknowledged the Traditional Owners of the Land. The Chairperson updated the Board regarding progress in recruiting a new Managing Director. Advertising occurred last weekend in The Age and Financial Review and an update from Cordiner King is expected later this week.

The Board also discussed the report from the IOE Committee at item 3.2 and progress with capital developments. The Chairperson IOE committee advised that timing of the IOE meetings is to be changed to allow for better information flow to the Board.

Director Hutson requested a further discussion in relation to qualitative comments in the Board Performance Survey. Directors were requested to email the chair about particular issues they would like to discuss from the Survey Report.

The Managing Director joined the meeting at 9:55am. The Chairperson reported on attendance at the Treasurer's Budget Function on 3 May.

The Managing Director also reported on:

- The Secretary, John Bradley has been invited to attend the Board's strategy planning workshop scheduled for November 2018
- The Gunaikurnai Land and Waters Aboriginal Corporation and Gippsland Environment Agencies Partnership Agreement and the Gippsland Environment Agencies Catchment Partnership Agreement being signed by the parties at a ceremony on 14 May.
- Attendance at the Ozwater Conference during the week commencing 7 May
- Attendance at the IBAC Corruption Prevention and Integrity Seminar in Traralgon on 20 April
- Attendance at a range of Integrated Water Management forums at local and State level
- Engagement with the Mt Hotham Resort Management Board Chief Executive Officer, Jon Hutchins, canvassing opportunities for further collaboration at an operational level.

2. BOARD OPERATIONS

2.1 DECLARATION OF PECUNIARY AND CONFLICT OF INTERESTS & GIFTS REGISTER

Angela Hutson, Michelle Dowsett and Tim Weight noted their standing interests as recorded in the register for relevant agenda items.

All Board directors present confirmed that their entries in the register of gifts, benefits and hospitality are complete and correct.

The Board's Register of Interests record was noted.

2.2 CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING

The Board resolved that the Minutes of the meeting of the Board held on 17 April 2018 be confirmed.

2.3 ACTION LIST

The Board resolved to note the action list

2.4 BOARD CALENDAR & BOARD ANNUAL AGENDA

Directors were requested to provide their leave dates to the Executive and Board Operations Officer for recording in the calendar.

The Board calendar and annual agenda were noted.

2.5 BOARD EXCEPTION REPORT

The Board Exception Report was noted.

2.6 SAFETY SHARE

The Board had a safety share discussion. Director Dowsett referenced an incident involving her husband where an excavator contacted an overhead powerline. There were no serious injuries recorded with the incident but the seriousness of electrical safety was highlighted and the importance of ensuring safe controls, working conditions and practices. Director Hutson also referenced her recent encounter in Paynesville where East Gippsland Water staff were repairing a water main and works being completed on installing NBN lines were being undertaken in the same area. It was noted that both were effectively managing to ensure the safety of the public around their worksite. The Managing Director also noted a recent EGW initiative introduced by the Manager Health and Safety to publicise positive health and safety achievements. The potential impact the initiative will have on positive behaviours was noted.

The Board resolved to note the safety share moments.

3. MATTERS FOR DECISION

3.1 STRATEGY COMMITTEE

The Chairperson addressed the report and minutes of the Strategy Committee meeting held on 17 April 2018.

The Board resolved to:

- **note the report and unconfirmed minutes of the meeting held 17 April 2018**
- **note the committee's annual self-assessment results**
- **adopt POL 017, Strategy Committee Charter as at attachment one**
- **endorse the risk appetite statement as at attachment two.**

3.2 INFRASTRUCTURE OPERATIONS AND ENVIRONMENT COMMITTEE

The Chairperson of the Infrastructure, Operations and Environment Committee addressed the report and minutes of the meeting held 8 May 2018. Items discussed were:

- the proposed changes to the 2018 Corporate Plan Capital works program
- the variations to two contracts as they now exceed the Managing Director's delegation limit and require board approval
- the costed service offer provided by Stantec for the detailed design phase for the Wy Yung storage tank project
- a verbal update on the committee meeting held 14 May 2018 was also provided noting that a paper will be provided to the June Board meeting.

In depth discussion ensued to clarify aspects of the changes proposed in the draft capital works program and implications for the Price Determination.

The Board resolved to:

- **note the report and minutes of the Infrastructure Operations and Environment Committee held on 8 May 2018**
- **endorse the Capital Works program for the 2018/19 financial year for inclusion in the corporate plan**
- **approve the amended contract sum of \$502,577.00 for Contract 0984/A Omeo, Bemm River and Cann River Clear Water Storage Tanks – Supply and Installation and a further contingency provision of up to \$25,000.00**
- **approve the amended contract sum of \$513,217.71 for contract 0933/C Wy Yung Bypass Break Pressure Tanks – Civil Works and a further contingency provision of up to \$20,000.00**
- **endorse the engagement of Stantec to complete the detailed design work for the Wy Yung reinforced concrete tank project for the amount of \$682K (excl GST) and a contingency provision of \$68K (excl GST) subject to confirmation of the insurances and other matters applying being approved.**

3.3 CUSTOMER COMMITTEE

The Executive Manager, Customers addressed the report and unconfirmed minutes of the Customer Committee meeting held 2 May 2018 with particular reference to the committee's concern over the volume of items listed on their annual agenda and their decision regarding the price submission measures, targets and reporting requirements. The Board further discussed the committee's charter and the Native Vegetation and Habitat Creation Grants program and requested the limit of the allocated funds available be clearly identified in the advertising of the program.

The Board resolved to:

- **note the report and unconfirmed minutes of the customer committee meeting held 2 May 2018.**
- **adopt POL 061, Customer Committee Charter as at attachment three**
- **approve the Customer Committee's annual agenda as at attachment four**
- **approve the 2018-23 Price Submission Native Vegetation and Habitat Creation Grants program templates with amendments.**

3.4 IWN LARGE SCALE RENEWABLES PROJECT

The Managing Director addressed the report concerning the IWN Large Scale Renewables project with particular reference to the requirement to finalise contractual arrangements by 30 June 2018. It was noted that a teleconference meeting of the Board may be required to consider the special purpose vehicle and power purchase agreement.

The Board resolved to note the report.

4. MATTERS FOR DISCUSSION

4.1 MANAGING DIRECTOR'S STRATEGIC UPDATE

The Managing Director addressed the report with reference to the East Gippsland Shire's, Chief Executive Officer, Gary Gaffney's announcement to resign with a finish date to be around mid-November 2018. Reference was also made to the Victorian Budget for 2018/19 and the possible benefits for the region from the general funding announcements.

The Board resolved to note the report.

4.2 DRAFT CORPORATE PLAN

The Acting Executive Manager Strategy addressed the report concerning the draft 2018/19 corporate plan. Mention was given to the amendments made to the strategic challenges and opportunities section and associated tables. The Board discussed the corporate plan in detail suggesting a number of further amendments, noting that the final draft will be presented at the June meeting.

The Board resolved to:

- **note the report**
- **endorse in principle the draft Statement of Corporate Intent and Strategic Challenges and Opportunities with amendments**
- **endorse in principle the draft commitments presented in the Strategic Challenges and Opportunities section of the plan with amendments.**

4.3 COMMERCIAL IN CONFIDENCE

4.4 FINANCIAL REPORTS - period to 30 April 2018

The Executive Manager Business addressed the report with particular reference to the Corporation's forecast debt position being outside the limits set in the Treasury Management Policy as at 30 June 2018, arising from the reducing loan balance. It was noted that this will be further considered at the next Audit and Risk Committee meeting. The quarterly forecast report was also noted.

The Board resolved to note the report.

5. MATTERS FOR NOTING

5.1 INFRASTRUCTURE REPORT

The Executive Manager Infrastructure addressed the report noting that the four compensation claims associated with the Bairnsdale water main renewal have been classified as not justified by the insurer's claims assessor and the claimants have been advised of this in writing. It was noted that the Water Plan 3 program is forecast to be within three percent of the original budget.

The Board resolved to:

- **note the report**
- **congratulate staff on their efforts to be within three percent of the budget for the Water Plan 3 program.**

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 report was taken as read.

The Board resolved to note the report.

5.5 EMERGING RISK PRESENTATION

The Managing Director provided the Board with an informative presentation on the corporation’s emerging risks for 2018.

The Board resolved to note the presentation.

5.6 INTELLIGENT WATER NETWORKS PRESENTATION

The Senior Strategist presented to the Board on the work being undertaken through the Intelligent Water Network initiative and the range of benefits for the corporation.

The Board resolved to note the presentation.

6. MEETING CLOSE

6.1 BOARD MEETING EVALUATION

Director Weight led the evaluation of the May Board meeting observing the overall quality of the papers; in particular the potential new customer paper and the Water for Victoria alignment of the draft corporate plan. The issues around the timing of the Infrastructure, Operations and Environment committee meetings was highlighted with the presentation of their paper. The Corporate Plan appears to be developing well and is a good document. Noted that director discussion was at times at an operational/management level rather than governance level and something to be aware of.

Another item noted by the Board was the “what our elders fought for” clip to be shown at a future meeting.

7. NEXT MEETING

The Board confirmed that the next meeting will be held on Tuesday 19 June 2018 in Bairnsdale.

The meeting closed at 1:20pm.

Confirmed: _____ Joanne Booth, Chairperson

Chairpersons initials
