

EAST GIPPSLAND WATER

MINUTES OF THE MEETING OF THE BOARD OF THE EAST GIPPSLAND WATER CORPORATION
HELD AT BAIRNSDALE 17 APRIL 2018

PRESENT:

Directors:

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

In Attendance:

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

Item 2.7 onwards: Mathew Scott (Executive Manager Business), Jenny Gregory (Executive Manger Organisational Development), Elaine Mowat (Acting Executive Manager Strategy), Adrian Kelly (Capital Program Delivery Manager).

Item 5.7: Tony Smith (Manager Business Risk)

Apologies: Nil

1. OPENING – BOARD TIME

The Chairperson opened the meeting at 9:05am and acknowledged the Traditional Owners of the Land. The Board met in camera and considered Item 3.1 People and Remuneration Committee.

Item 3.1 was considered at this time

Director Dowsett joined the meeting by phone at 9:45am.

The Managing Director Joined the meeting at 9:50am

The Chairperson also reported on:

- Attendance at the regional chairs' meeting with the Secretary of DELWP, John Bradley on 22 March in Traralgon. The opportunity was taken to brief the Secretary on items such as Nicholson Dam, Wy Yung water storage project, Lindenow Valley Water Security Project, Bairnsdale anaerobic digester, Catchment Partnership Agreement and the success of the regional CEO Forum in East Gippsland. An invitation to meet with the Board at the November strategy session was extended to the Secretary.
- The Chairpersn's intention to attend the TCV budget briefing function scheduled for 3 May

The Managing Director reported on:

- The Statement of Obligations (Emission Reduction) being issued by the Minister during March
- The upcoming Laurie Gleeson dinner scheduled for 5 July 2018 as part of the next IWA conference
- ESC draft decisions for the remaining water corporations having been published during April, with an overview of the highlights
- The Department of Health and Human Services annual water quality report being tabled in Parliament, referencing the Cann River boil water incident
- Attendance, along with the Executive Manager Infrastructure at the annual planning workshop for the Gippsland Regional Water Alliance
- The establishment of a “Governance@egwater” email address as suggested by the Board in its annual performance review workshop. The link for the address will be circulated via email to directors.

2. BOARD OPERATIONS

2.1 DECLARATION OF PECUNIARY AND CONFLICT OF INTERESTS & GIFTS REGISTER

Bruce Hammond declared a conflict of interest at item 3.1.

Ross Passalacqua advised that based on his tourism and regional development experience he has been appointed to the East Gippsland Shire Council Economic Development Advisory Board as an additional representative. The Board considered that a conflict of interest did not exist with this appointment. All Board members 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 19 March 2018 be confirmed.

2.3 ACTION LIST

The Board discussed the current status of actions arising from previous meetings

The Board resolved to note the action list

2.4 BOARD CALENDAR & BOARD ANNUAL AGENDA

The Chairperson noted that the scheduled July People and Remuneration committee meeting is likely to change from the 31st with a date that is still to be confirmed.

The Board calendar and annual agenda were noted.

2.5 BOARD EXCEPTION REPORT

The Board Exception Report was noted.

2.6 BOARD MEETING FREQUENCY

The Board held a thorough discussion relating to the frequency of Board meetings. Consideration was given to the requirements of the Board throughout the year and particular reference was made to the annual agenda items for the May and September meetings. It was noted that the May meeting will become a teleconference meeting going forward, but for 2018 it will stay as scheduled however, the September meeting will not be held in 2018. Consideration was also given to the IOE Committee reviewing the Water Quality Annual Report subject to timing of meetings.

The Board resolved to:

- note the report
- approve the Managing Director to sign off on the Water Quality Annual report
- adopt the practice of nine Board meetings per year
- hold meetings in the months of February, March, April, June, August, October, November and December
- hold teleconference meetings in the month of May

2.7 SAFETY SHARE

The Board had a safety share discussion. Director Passalacqua referenced an accident in the Omeo region that resulted in the death of two young women. He discussed the philosophy of all incidents being preventable and, while the accident victims most likely could not have prevented the vehicle collision, there are actions that the local community might have taken to prevent this tragedy. He noted that the learnings from this incident appear not to have been embraced by the local community and that there are things each of us can do in our personal lives and in our own communities to keep each other safe. The Managing Director also referenced a recent trenching accident involving contractors undertaking works for a developer in the Central Highlands area. The Board noted the advice from management that contractor safety statistics are currently not included in the group reports. The Board encouraged management to establish a methodology to measure and record contractor safety performance.

The Board resolved to:

- request management to investigate defensive driving courses and report back to the Board
- request management present to the Infrastructure, Operations and Environment Committee on the corporations accreditation system for contractors.

3. MATTERS FOR DECISION

3.1 COMMERCIAL IN CONFIDENCE

(The Managing Director and Executive and Board Operations Officer were not present for this item)

3.2 POL 038 INSTRUMENT OF DELEGATION

The Managing Director addressed the report concerning the review of policy 038, Instrument of Delegation. Discussion was held regarding the clarification of delegation limits for term contracts and the wording of the document to ensure any authority is linked back to the financial limitations.

The Board resolved to:

- **note the report**
- **adopt POL 038, Instrument of Delegation with amendments as at attachment three.**

3.3 NICHOLSON RIVER DAM DECOMMISSIONING

The Managing Director addressed the report concerning the Nicholson River Dam Decommissioning with particular reference to the funding proposal process for the project. It was noted that the next step in the process is to seek funding for the detail design stage and that the preferred option of decommissioning the dam may require further review as the design proceeds.

The Board resolved to:

- **note the report**
- **adopt in principle the preferred option to decommission the Nicholson River Dam by removal of the dam to surrounding river bed level**
- **proceed with the detail design of the project subject to suitable funding being made available.**

4. MATTERS FOR DISCUSSION

4.1 MANAGING DIRECTOR'S STRATEGIC UPDATE

The Managing Director addressed the report with reference to the tender process of the retail electricity supply contract. It was noted that the tender was awarded to ERM Power for both the large and small category markets for a three year term. Reference was made to the participation in the purchasing process with the Gippsland Regional Water Alliance and that each corporation has signed individual contracts.

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. It was noted that the existing strategic statement and objectives were retained. The Board discussed the targets and measures for

2018/19 and suggested a number of amendments, noting that the developing plan will be reviewed again at the May meeting

The Board resolved to:

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

4.3 QUARTERLY CORPORATE PLAN PERFORMANCE

(Michelle Dowsett was not present from this item onwards 12:05pm)

The Executive Manager Business addressed the report concerning progress of outcomes against the 2017/18 Corporate Plan targets as at 31 March 2018.

The Board resolved to note the report.

4.4 INDUSTRIAL PRIVATE PROPERTY FIRE PROTECTION

The Managing Director addressed the report providing an update on the advice that has been given to stakeholders and customers in relation to legal responsibilities and accountabilities of East Gippsland Water in the Bairnsdale Industrial Estate area. It was noted that under the Victorian Building Legislation owners are responsible for fire protection of their buildings. East Gippsland Water periodically sends communications to landowners to confirm there is no assurance that water pressure would be adequate to manage fire events in all circumstances, and encouraging those landowners to implement other arrangements to ensure that water facilities are not the only means of defence of fire events on which they may need to rely. The corporation is working with relevant authorities to support a process for an owner funded scheme.

The Board resolved to:

- note the report

- recognise that it is the responsibility of the land owner to make their own firefighting provisions to meet the requirements of the Victorian Building Regulations.
- note the potential risk that landowners may rely on water pressure to defend their property
- note that under applicable legislation, the corporation is not in fact responsible for providing water pressure that is adequate to defend fires
- note that the corporation regularly communicates to landowners to confirm that there is no assurance that water pressure would be adequate to manage fire events in all circumstances and encouraging those landowners to implement other arrangements to ensure that water facilities are not the only means of defence of fire events on which they may need to rely
- note that it has considered this matter in detail and concluded the corporation is doing all things reasonably necessary to manage this risk, given the effect of applicable legislation and other regulatory obligations
- acknowledge that the corporation is actively involved in supporting relevant authorities in managing these issues in future community developments.

5. MATTERS FOR NOTING

5.1 FINANCIAL REPORTS – Period to 31 March 2018

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 report was taken as read.

The Board resolved to note the report.

5.5 INFRASTRUCTURE REPORT

The report was taken as read.

The Board resolved to note the report.

5.6 VICTORIAN PROTECTIVE DATA SECURITY STANDARDS (VPDSS)

The report was taken as read.

The Board resolved to note the report.

5.7 DAM SAFETY PRESENTATION

The Manager Business Risk provided an informative presentation on the corporation's Dam Safety Management System. It was noted that the corporation owns and operates 55 dams ranging from the larger raw water storages at Woodglen to small waste water treatment lagoons.

The Board resolved to note the presentation.

7. MEETING CLOSE

7.1 BOARD MEETING EVALUATION

The Managing Director provided feedback from the Executives to the Board on the March Board meeting with particular reference to the valuable interactions with directors outside a board meeting environment. It was also suggested that with future board tours directors rotate around executive vehicles to facilitate wider interactions amongst executives and directors.

Director Taylor led the evaluation of the April Board meeting observing the efforts of staff and their engagement at the meeting. Items of note were the Safety Share item and its relevance to keep safety issues front of mind, recognising Director Passalacqua for introducing it to the agenda. The time and effort put into getting papers out with sufficient time, discussions being kept on topic and the opportunities for all to contribute were also noted.

Chairpersons initials

Other items noted by the board were director professional development plans are still to be distributed and the director development program learnings document which can be located on the Board portal.

8. NEXT MEETING

The Board confirmed that the next meeting will be held on Tuesday 15 May 2018 in Bairnsdale.

The meeting closed at 1:10pm.

Confirmed: _____ Joanne Booth, Chairperson

Chairpersons initials
