

EAST GIPPSLAND WATER

**MINUTES OF THE MEETING OF THE BOARD OF THE EAST GIPPSLAND WATER CORPORATION
HELD AT OMEO ON 19 MARCH 2018**

PRESENT:

Directors:

Joanne Booth (Chairperson), Michelle Dowsett, 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 3.1 onwards: Mathew Scott (Executive Manager Business), Dean Boyd (Executive Manager Infrastructure), Mark McNeill (Executive Manager Operations), Carol Ross (Executive Manager Customers), Jenny Gregory (Executive Manger Organisational Development).

Item 5.6: Graeme Dear (CEO, East Gippsland Catchment Management Authority)

Apologies: Nil

1. CHAIRPERSON'S OPENING

The Chairperson opened the meeting at 11:45am and acknowledged the Traditional Owners of the Land. She reported on progress discussions regarding the recruitment of a new Managing Director. No other items were raised by directors. The Managing Director attended the meeting at 12:00pm

The Chairperson continued the discussion, noting:

- The DELWP Director Developer Program attended by directors during March 2018. The Board discussed the benefits and high lights of the program at length and considered the merits of collating key items as noted by the attendees.
- The planned review of the Board meeting schedule has commenced with a view to the Board considering the issue at the April 2018 meeting
- The potential for a special Board meeting scheduled in July 2018 as part of the recruitment of the managing director position
- A reminder for directors to plan around the annual Board calendar
- The Letter of Expectations has been received from the Minister for Water and will be stored on the Board portal
- Attendance along with the Managing Director at the Southern Rural Water Board stakeholder engagement function during March 2018
- The planned rural chairpersons' forum with the Secretary of DELWP scheduled for 22 March 2018
- The recent contact with the Victorian Public Sector Commission in relation to the managing director appointment process.

Chairpersons initials

The Board resolved to request management to coordinate the collation of director feedback on the DELWP Director Development Program into a reference document to be distributed to all directors.

2. BOARD OPERATIONS

2.1 DECLARATION OF PECUNIARY AND CONFLICT OF INTERESTS & GIFTS REGISTER

Angela Hutson and Michelle Dowsett declared a conflict of interest at item 4.1 in regards to their directorship on the Gunaikurni Traditional Land Owners Management Board and Audit Committee respectively.

No gifts have been offered to or received by Directors. The Chairperson and Managing Director noted their attendance and hospitality at the Southern Rural Water Board stakeholder engagement function on 6 March.

The Board's Register of Interests record was noted.

2.2 SAFETY SHARE

The Board had a safety share discussion, noting a recent WSAA Members Meeting presentation relating to fatigue management. Consideration was also given to revising the agenda structure to conduct the safety share when the executive were in attendance. In due course it was also considered that scheduling short safety related presentations by staff would be beneficial.

2.3 CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING

The Board resolved that the Minutes of the meeting of the Board held on 20 February 2018 be confirmed.

2.4 ACTION LIST

The Board resolved to note the action list

2.5 BOARD CALENDAR & BOARD ANNUAL AGENDA

Directors advised of their availability and leave arrangements for the coming months for entry into the calendar. To cover leave arrangements director Dowsett was nominated to be the acting Chairperson for the period 25 April 2018 to 1 May 2018 inclusive.

The Board calendar and annual agenda were noted.

2.6 BOARD EXCEPTION REPORT

The Board Exception Report was noted.

2.7 BOARD PERFORMANCE REVIEW

The Board held a thorough discussion relating to areas raised in its performance review and the report from Innovation Delivery Partners. Minor wording amendments to the report were discussed and agreed. Reference was made to the 2017/18 Board Performance summary documented in accordance with the Minister's reporting expectations. The areas for improvement as recommended in the report were considered and agreed to by the Board.

The Board resolved to:

- **note the report**
- **endorse the Board Performance review final report from Innovation Delivery Partners for submission to the Minister with minor amendments**
- **note the draft summary against the Minister's Reporting Expectations**
- **note the draft prior year Board Performance Review – Responses to challenges and improvement opportunities.**

3. MATTERS FOR DECISION

3.1 AUDIT AND RISK COMMITTEE

The Chairperson of the Audit and Risk Committee addressed the report and minutes of the meeting held on 26 February 2018. Items discussed were:

- the review of POL 014, Audit and Risk Committee Charter, to incorporate the requirements of the Standing Directions of the Minister for Finance.
- the annual risk management system review, which included the review of POL 028, Risk Management. The Board requested the People and Remuneration committee be included under the responsibilities section of the policy.

The Board resolved to:

- **note the report and unconfirmed minutes of the meeting held 26 February 2018**
- **adopt POL 014. Audit and Risk Committee Charter as at attachment one**
- **adopt POL 028, Risk Management as at attachment two**
- **note the Risk Management System review document**

3.2 DECEMBER INFRASTRUCTURE, OPERATIONS AND ENVIRONMENT COMMITTEE

The Chairperson of the Infrastructure, Operations and Environment Committee addressed the report and minutes of the meeting held on 19 February 2018. Reference was made to the verbal report provided at the February Board meeting.

The Board resolved to:

- **note the report and minutes of the meeting held 19 February 2018**
- **note that the recommendations concerning the revised forecast of the 2017/18 capital works program were presented to the February Board meeting**

3.3 WY YUNG STORAGE

The Chairperson of the Infrastructure, Operations and Environment Committee addressed the report concerning the Wy Yung Storage. The Board discussed the recommendations at length and noted the next steps will be to proceed with the detailed design and documentation leading to the tendering stage.

The Board resolved to:

- note the report
- approve a 36ML reinforced concrete tank as the preferred storage replacement/upgrade solution at the Wy Yung storage site
- approve the total project budget be increased from \$11.1M to \$13.1M
- approve phasing for the project be brought forward to be undertaken in the 2017/18, 2018/19, 2019/20 and 2020/21 capital works programs
- acknowledge the work of management in regards to the Wy Yung Storage project and the quality of the report.

3.4 CUSTOMER COMMITTEE

The Executive Manager Customers addressed the report and unconfirmed minutes of the Customer Committee meeting held on 13 February 2018 with particular reference to the reappointment of Domenic Zappia as the Chairperson and the resignation of committee member Laila Bertelli. The Board discussed in depth POL 061, Customer Committee Charter, including membership and representation on the committee and the committee's annual agenda. The Board requested that further work be undertaken to clarify committee membership and to identify key topics that the committee will be considering during the year. It was also suggested that additional information be included on the EGW website in relation to the committee including member profiles.

The Board resolved to:

- note the report
- note POL 061, Customer Committee Charter and the committee's annual agenda will be reviewed again at the next Customer Committee meeting.

4. MATTERS FOR DISCUSSION

4.1 MANAGING DIRECTOR'S STRATEGIC UPDATE

The Managing Director addressed the report with reference to the Gippsland Environmental Agencies and GLaWAC Partnership Agreement and the Catchment Partnership Agreement. Reference was made to GLaWAC's preference to have only one common action plan in their agreement. It was noted that the Minister for Water may be in a position to attend the signing ceremony of the Catchment Partnership Agreement.

The Board resolved to note the report.

4.2 LINDENOW VALLEY WATER SECURITY PROJECT

The Managing Director addressed the report providing an update on the Lindenow Valley Water Security project. The Board were advised of the history of the project, the key benefits and the current status of investigations.

The Board resolved to note report.

4.3 REVIEW OF THE CORPORATION'S COMPARATIVE PERFORMANCE - ESC

The Executive Manager Business addressed the report regarding the Essential Services Commission's comparative performance report for the 2016/17 year. It was noted that the corporation was one of the three 'best performers' across a number of key measures and the reference in the report to the corporation's leading comparative performance.

The Board resolved to note the report.

5. MATTERS FOR NOTING

5.1 FINANCIAL REPORTS – Period to 28 February 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 Executive Manager Operations addressed the report with particular reference to the Omeo Waste Water Treatment plant odour complaint, the two water quality incidents reported and the Bairnsdale Waste Water Treatment Plant issues with phosphorous and suspended solids.

The Board resolved to note the report.

5.5 INFRASTRUCTURE REPORT

The Executive Manager Infrastructure addressed the report with particular reference to the claims for compensation associated with the Bairnsdale water main renewal project. It was noted that if anything material is raised it will be reported back to the Board.

The Board resolved to note the report.

5.6 GRAEME DEAR – EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY

Graeme Dear the CEO at East Gippsland Catchment Management Authority presented to the Board on opportunities for collaboration that are in line with Water for Victoria Policy. In depth discussion on a range of opportunities followed the presentation.

The Board resolved to note the verbal presentation.

7. MEETING CLOSE

7.1 BOARD MEETING EVALUATION

Director Passalacqua led the evaluation of the March Board meeting observing the quality of discussion and time well spent on certain matters. Items of note were the external presentation and its relevance to our business and relationship, the inclusion of a safety share item and the importance of getting the safety message out to the organisation and the need to create opportunities for employees to present to the Board.

The Board commented on the effectiveness of Board / Executive interactions and considered the benefits derived from the review of the Wy Yung project papers and the importance of being able to respectfully challenge management. The discussion around the Customer Committee was also noted as being very beneficial. The Board departed for a tour of the Omeo Water Treatment Plant.

8. NEXT MEETING

The Board confirmed that the next meeting will be held on Tuesday 17 April 2018 in Bairnsdale.

The meeting closed at 4:15pm.

Confirmed: _____ Joanne Booth, Chairperson

Chairpersons initials
