



BOARD MEETING SUMMARY

August 2011

A summary report of matters covered at
Gippsland Water's 26 August 2011 Board meeting.

The meeting was held at Gippsland Water Offices, Traralgon

Present:	Richard McDowell	Chairman
	Leah Young	Deputy Chair
	Janice van Reyk	Director
	John Donovan	Director
	Peter Day	Director
	Duncan Malcolm	Director
	Kevin McKenzie	Director
	David Mawer	Managing Director
In attendance:	Tony Staley	Corporation Secretary
	Ann McCurley	Executive Assistant
	Svetla Petkova	General Manager Asset Planning, Management & Delivery
	Ian Soutar	Manager, Waste
	<i>(For Gippsland Water Factory presentation.)</i>	
Apologies:	Peter Skeels	General Manager Operations

Conflicts of Interest: Nil

Consent Agenda Items

- Strategic Issues Matrix
- Documents for Signing and Sealing
- Quarterly Risk Management Review
- Large Customer Water Consumption
- 2010 Risk Management Attestation
- Key Performance Indicators
- Finance Report
- Inwards Correspondence – VAGO Final Management Letter
- Inwards Correspondence – VAGO Closing Report
- Coongulla-Glenmaggie Sewerage Scheme Update
- Report of the Audit Committee

Consent agenda items are received without further discussion at the Board meeting. If Directors have any questions or require any further information about any consent agenda item they are required to request the information prior to the Board meeting. Management will address any issues prior to the Board meeting. Directors can request that an item be moved to the Discussion Agenda.

Discussion Agenda Items

- **Managing Director's Report**

The Managing Director provided the Board with an update on:

- Sewer spill incidents following recent high rainfall events. The Managing Director had personally visited affected residences;
- Briefing to the Minister's office staff on the ongoing water and sewerage district issue; and
- Planned review of security of supply to the power industry.

- **2011/12 SORF Pricing**

The Board approved the 2011/12 SORF gate prices following an update on:

- the current SORF cost position;
- the current SORF pricing position within the waste market;
- competitor pricing position within the waste market;
- the SORF's geographic location relative to our metropolitan competitors;
- the strategic advantage of the availability of the Dutson Downs treatment lagoons; and
- the time based resources utilised to treat 'difficult' wastes.

- **Recommendation on the Provision of Internal Audit Services**

Following an extensive tender and selection process the Audit Committee recommended the appointment of Moore Stephens as internal audit provider for 3 years commencing 1 October 2011 with the option to extend for a further 2 x 1 years subject to satisfactory performance. The Board approved the appointment of Moore Stephens as internal audit provider.

- **Contract Extension Approval GWS333 Sewer Maintenance Services**

Following the completion of the contract triggers and satisfactory performance by the contractor, GMA Environmental Services, management recommended the Board approve the exercising of the 2 plus 2 year extension options of GWS333 sewer maintenance contract. The Board approved the contract extensions.

- **Authority to Commit ATC044 – Moe WTP Sludge Handling System**

Following the completion of detail design of the sludge handling system and a cost estimate and risk analysis review, management recommended that the Board approve proceeding with this project. The Board approved the 'Authority to Commit' for \$6.322M for the project.

- **Loch Sport Sewer Scheme Update**

The Board was provided an update on progress of the Loch Sport project. The Board also approved the issuing of the "First Notice" under section 268(1) of the *Water Act 1989* to provide clarity of the eligibility to qualify for the \$800 per lot capped contribution. The Board resolved to also include Coongulla/Glenmaggie as part of this 'First Notice' process.

- **Final Statutory Accounts (subject to VAGO clearance)**

The Board were advised of the final outcomes of the revaluation of infrastructure assets and were presented with final Financial Accounts for 2010/11 reflecting all matters raised by the external auditor and Audit Committee. The Board accepted the revaluation of infrastructure assets and adopted the accounts as at 30 June 2011 subject to final clearance by VAGO.

- **WaterMAP moving to a Voluntary Program**

The Board approved the adoption of an exemption from the compulsory requirements of the WaterMAP program for customers using over 5ML of potable water from 1 July 2011 until permanent changes to Permanent Water Saving Plans are made in November 2011 as part of a State-wide review.

- **Presentation on Gippsland Water Factory**

The Board received an update presentation in respect of the Gippsland Water Factory advising:

- permeability of the industrial MOS cells continues to improve as the biology recovers;
- Excess flows of industrial wastewater continue to be released via the ROS untreated; and
- A response to the request for further information from the insurer in relation to the repairs to the anaerobic reactors has been provided.

**Next meeting: 23rd September
2011 to be held in Baw Baw
Shire Offices, Warragul ■**