

BULLETIN

June 2014

A report of matters covered at Southern Rural Water's 12 June 2014 Board meeting and associated events

The meeting was held in Melbourne

Present: Mr Terry Burgi, Chairman
Ms Andrea Killeen, Deputy Chairperson
Ms Gabrielle Bell, Director
Mr Matthew Coleman, Director
Mr Russell Napper, Director
Ms Naomi Pye, Director
Mr Terry Swingler, Director
Mr Clinton Rodda, Managing Director
Mr Brian Carr, Corporation Secretary

In attendance: Mr Terry Clapham, Manager Water Supply East
Mr Craig Smith, Manager Sustainability and Mr Richard Mannix,
Environmental Officer (both attended for MID nutrient model
presentation)

Apology: Nil

Events held in association with SRW's June 2014 Board meeting

- A meeting of the Board's Remuneration & Corporate Governance Committee.
- A dinner meeting with Dr Emily Phillips, Deputy Secretary Water, Department of Environment and Primary Industries.

L-R: Mr Clinton Rodda MD, guest Dr Emily Phillips; Mr Terry Burgi Chairman; Ms Andrea Killeen, Deputy Chairperson



Thomson Entitlement Review

The Board approved a revision to the Thomson entitlement rules which will now provide for full use of available Thomson system volume in each year's initial MID seasonal allocation. The new arrangements will commence from 1 July 2014; they will be reviewed in 5 years, unless water from the Thomson system is accessed prior to the 5 years.

The revision was prompted by the Macalister Customer Consultative Committee (MCCC) and follows an extensive review of the rules in consultation with the MCCC.

Sale of Water Shares: Sale Process and Reserve Price Setting

The Board noted the objectives and procedures adopted in conducting water auctions and in setting the auction reserve price. A Managing Director's Instruction will be prepared to capture the principles involved and to ensure that issues regarding confidentiality, probity and market sensitivity continue to be appropriately addressed.

MID Nutrient Model Presentation

The Manager Sustainability and the Environmental Officer made a presentation on the introduction of a new monitoring program to measure phosphorous discharges from the MID.

Customer Consultative Committee Appointments - MCCC and WBMCCC

Vacancies are coming up as of 30 June 2014 for the Macalister Customer Consultative Committee and the Werribee Bacchus Marsh Customer Consultative Committee. Advertisements have been placed in local papers, followed by subsequent interviews. The Board approved five appointments to the MCCC (4 reappointments and 1 new appointment), and five appointments to the WBMCC (2 reappointments and 3 new appointments).

The Board was pleased to see the extent of interest by applicants, for both reappointments and new appointments. The customer perspective provided to SRW by CCCs is most appreciated.

Wellington Community Salinity Committee

To allow for more flexibility in the appointment of members to the WCSC the Board amended membership criteria that had previously required one member of the WCSC to also be a member of the Macalister Customer Consultative Committee.

Risk Management Policy

The Board approved an update to SRW's Risk Management Policy which picks up on extensive work on risk management by the Board and management over the past year. The updated policy expresses the Board's overall intent; details covered in the previous policy will now be addressed at a management level in a Managing Director's Instruction.

Annual Risk Review

This was the 7th consecutive annual risk review submitted to the Board.

The annual risk review was also considered at the 13 May 2014 meeting of the Audit & Risk Policy Committee. It addresses all aspects of SRW's risk management and reports on risk occurrences in the past year. Fortunately, the last year was relatively quiet, without any significant risk occurrences.

Annual Dam Safety Report

All members of the Board attended the 20 May 2014 Asset Governance Committee meeting at which a presentation was made on the 2014 annual dam safety report. The Board formally approved the report at the 12 June 2014 Board meeting; it will be forwarded to the Department of Environment and Environment (by 30 June each year) as required under the Statement of Obligations.

Managing Director's 2014/15 Performance Plan

A draft of the MD's 2014/15 performance plan was also addressed at the 11 June 2014 Remuneration & Corporate Governance Committee meeting.

The Board approved the MD's performance plan for 2014/15; performance plans for managers reporting to the MD are now being developed, fitting in the context of the MD's plan.

Management Report

Several points of the Management Report were addressed:

- MID2030.
- Regulatory review.
- Werribee drainage claim.
- Transfer of DEPI water shares.
- Pacific Hydro electricity generation.
- Private dam operating licences.
- Storage levels, allocation and restrictions.
- Pykes Creek reservoir.

Further Reports

A number of additional reports were noted/approved by the Board:

- Register of interests.
- Performance Dashboard.
- Monthly financial statements.
- Board delegations; Ministerial delegations.

- Treasury Management Policy.
- Conversion of Supply Agreement to Water Shares.
- Board Agenda Policy.
- Information Technology Conference.
- Victorian Government critical infrastructure strategy.
- South West Limestone Local Management Plan.
- Board committee reports.
- Customer consultative committee reports.
- Chairman's and directors' reports.
- Compliance and VCAT matters.
- High profile licence applications.
- Major projects.
- Board administration, FOI, documents sealed and Board correspondence.

Next Meeting

The next meeting of the Board will be held at Bacchus Marsh on Thursday 7 August 2014.

Clinton Rodda
Managing Director

Brian Carr
Corporation Secretary
18 June 2014
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