

BULLETIN

September 2014

A report of matters covered at Southern Rural Water's 3 September 2014 Board meeting and associated events

The meeting was held at Red Hill

- 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 Paul Byrnes, General Manager Technical Services (for part)
Mr Amos Micallef, Senior Engineer Western Irrigation Business (for part)
- Apology:** Nil

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

- An inspection tour on the Mornington Peninsula, meeting with various customers:
 - Mr Glen Favero at Favero Gardens, Cranbourne
 - Mr Paul Gazzola at Gazzola Farms, Somerville
 - Ms Geraldine McFaul, Willow Creek Winery, Merricks North
 - Mr Mike Farnill, Sunny Ridge Strawberry Farm, Main Ridge

Hearing customer experiences is extremely valuable for SRW. It builds a better understanding of customers' businesses and the things important in helping to make their businesses successful. It's most helpful to the Board and management to understand how these businesses operate, to know the market forces they face, and to appreciate their particular water requirements.

- A dinner meeting with customers and stakeholders at which SRW Senior Hydrologist Elissa McNamara made a presentation on the Port Phillip and Western Port Groundwater Atlas.



Glen Favero at Favero Gardens, Cranbourne, explaining points of celery production



Paul Gazzola at Gazzola Farms, Somerville, talking on the marketing of broccoli



Mike Farnill, Sunny Ridge Strawberry Farm, Main Ridge, explains the company's strawberry packaging processes

BMID Asset Study

The General Manager Technical Services and Senior Engineer Western Irrigation Business attended the meeting for a presentation and discussion of this agenda item.

The stated objective of the BMID asset study is to develop a strategy for the BMID and to guide investments from Water Plan 4 and onwards.

The Senior Engineer Western Irrigation Business led a presentation detailing a wide range of points including the key facts and features of the BMID, customer and stakeholder outlooks, irrigation use and demand, issues with the existing system, asset condition, the scope of works to maintain and operate the system in its current configuration (ie, without significant service improvements but with increased system reliability), and the next steps proposed in the process.

The Board discussed the various aspects of the study following which it formally noted progress to date and the actions proposed in Phases 2 and 3.

Year End Financial Review

SRW has had a successful 2013/14 year. There were good outcomes (operating revenue and expenditure for SRW's prescribed businesses both increased broadly with Water Plan 3 estimates) and there has been a marked improvement in the organisation's management of its capex program.

Board Performance Review

The Board noted the final report of actions achieved against its 2013/14 Board performance improvement plan.

The appointment of an external party (Northwood Blyth and Associates Pty Ltd) to facilitate the Board's performance review in November 2014 was approved.

Acting Managing Director Appointments

The Board resolved that temporary appointments to cover leave by the Managing Director would be made as acting MD, rather than acting CEO which has been the practice in the recent past.

The Board approved the appointment of Mr Stuart Wrigglesworth, Chief Financial Officer, as acting MD for the period from 19 September to 7 October 2014 whilst Mr Clinton Rodda is on leave.

Instrument of Delegation

A number of recommended updates to the Instrument of Delegation were approved; further updates to reflect the change from acting CEO appointments to acting MD appointments, referred immediately above, will also be incorporated in the updated Instrument.

Internal Audit Work Plan

The Board approved the internal audit work plan for 2014/15, being the final year of the 2012-2015 work plan.

Management Report

Several points of the Management Report were addressed:

- MID2030, including the Southern Cowwarr Balancing Storage and Southern-Tinamba pipeline.
- Heyfield regulator retrofit launch, to be held on Friday 19 September 2014.
- Lindenow project.
- South West Local Management Plan.
- Urban encroachment into irrigated areas.
- SRW taking up membership with Committee for Gippsland.
- Gippsland MOU group, 17 November 2014 meeting, Traralgon
- Enterprise agreement.
- Application of Lake Glenmaggie storage charges for the Victorian Environmental Water Holder.
- South West Local Management Plan.

Further Reports

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

- Performance Dashboard.
- Corporation Seal Policy.
- Water Trading by Directors, Employees and Related Parties Policy.
- Treasury certificate of compliance.
- Ombudsman Report – Office of Living Victoria.
- Board committee reports.
- Customer consultative committee reports.
- Chairman's and directors' reports.
- Compliance and VCAT matters.
- High profile licence applications.
- Board administration, FOI, documents sealed and Board correspondence.

Next Meeting

The next meeting of the Board will be held at Mt Gambier, in conjunction with an inspection tour of the Vic/SA border zone groundwater area, on Thursday 6 November 2014.

Clinton Rodda
Managing Director

Brian Carr
Corporation Secretary
10 September 2014
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