



Summary of Board meeting 204 Wednesday 11 April 2012, Tatura

Llew Vale OAM
Chairman

Sarah Scales
Director

Ian Mansbridge
Director

Dennis Moon
Director

Neil Pankhurst
Director

Frank Whitford
Director

Gavin Hanlon
Managing Director

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The Chairman welcomed Directors and management to the meeting, noting Jenny Dawson was an apology.

The Health, Safety and Well-being Report was discussed and noted.

Chairman's Report

The Chairman commented on his recent activities, which included –

- Had had three integration meetings;
- Met with other water authority chairman at a Treasury Corporation Victoria hosted dinner;
- Met with Minister and discussed potable water supply catchments;
- Met with Minister for discussions on the transformation and integration process.

Managing Director's Overview

The Managing Director reported on the following:

- Finance – net position YTD is \$4.8m favourable;
- NVIRP/Transformation – submission made on time, awaiting government response;
- Business case – submitted to the gateway team for review;
- Recruitment – interviews for five senior positions will be undertaken in coming weeks;
- Consultant Services – tenders are being called for the provision of consultancy services post 1 October 2012;
- On 5 April 2012 met with Lake Meran customers.

NVIRP Information Papers

The following NVIRP management reports were provided to the Board:

- Business Services
- Capital Report
- Communications Report
- Modernisation Report
- Planning and Environment

The Chief Executive Officer of NVIRP, Mr George Warne, then attended the meeting and spoke to his slide presentation.

Governance

Board Committees

The Board noted the minutes of the Risk and Compliance Committee meeting held on 13 March 2012 and approved the inclusion of a consequence severity for environment impact into the Risk Management Framework.

Water Plan 3

Water Plan 3 will set service standards, programs and prices for the years 2013/14 to 2015/16. The objectives of Water Plan 3 are to give certainty to customers on price and levels of service and to ensure financial sustainability of G-MW.

Following advice from the ESC that the draft Plan should be written for customers rather than the Commission or other regulators, it is proposed to segment the draft Water Plan to produce a series of short brochures that focus on the specific issues relevant to different customer groups rather than have a single document that covers all issues and customers. The separate brochures will be for each of the following customer groups; irrigation areas, water districts, diverters and bulk water customers. The full Water Plan will be drafted for submission to the ESC in September.

The Board noted the progress on the development of Water Plan 3.

Draft G-MW Basin Plan submission

The Draft Murray-Darling Basin Plan was released in November 2011. There is a 20 week formal public consultation period and submissions close on 16 April 2012. G-MW has analysed the Draft Plan and consulted with its key stakeholders and regional partners in order to understand what the MDBA is proposing and what the likely impacts would be. G-MW believes it cannot support the Draft Plan in its current form and is asking the MDBA to revise the Plan. G-MW has now prepared a draft submission with input from WSCs setting out its views and concerns.

The Board approved the submission in principle and, subject to amendments being made as discussed, approved the submission being forwarded to the MDBA.

Mildura-Merbein Salt Interception Scheme – Procurement of Pumps

The Mildura-Merbein Salt Interception Scheme (MMSIS) is jointly funded by G-MW and the MDBA. There are a number of similar schemes along the River operated by SA Water, NSW Office of Water and G-MW under the auspice of the MDBA. The MMSIS pumps saline groundwater to a salt disposal basin thereby reducing the salt load entering the River Murray. The Board approved a staged refurbishment of the scheme in February 2010 with costs to be shared equally between G-MW and MDBA. G-MW is currently delivering the first stage project which includes installation of a number of new groundwater bores, bore headworks and spur disposal mains.

The Board noted the preferred supplier arrangement for the purchase of pumps required for the Mildura Merbein Salt Interception Scheme refurbishment.

Financial Reporting and Performance Measurement Framework

The Board noted the progress on the Financial Reporting and Performance Measurement Framework and the further development requirements for NVIRP transformation and organisational integration.

Watermove Financial Report

The Board noted the update on Watermove operations.

Reports for Noting

The Board noted the following monthly and quarterly reports:

- Financial Report
- Capital Projects Report
- Wholesale Water Business Performance Report - The bars from the Mildura have been removed - the Board commented that it was a job well done.
- Retail Water Business Performance Report
- Water Services Committee Report

Following discussion the Board approved:

1. the replacement of clause 2 of the WSC Charter by the following:

The Committee shall consist of up to nine members appointed by G-MW from those people elected in accordance with clause 5.

Committee members are to be drawn only from within the relevant designated operational area of a Committee. For efficient running of Water Services Committees, exceptions to this composition can be granted by G-MW, provided a rationale is presented.

2. the suspension of the operation of clause 7.3 of the WSC Charter for the 2012 elections and its non-application to any Committee members appointed by the Board following those elections for the term of that appointment.

The Board nominated the Managing Director to undertake the discussions with the Chairs and Operating Managers of each WSC in accordance with clause 23 of the Charter as part of the biannual review of the Charter.

- Human Resources Report
- Technology Report

Gavin Hanlon
Managing Director

Leigh Jondahl
Acting Corporate Secretary

1 May 2012