



ATTACHMENT D

**ORDINARY MEETING
OF COUNCIL**

**AGENDA
OPEN MEETING
21 JANUARY 2019**

**Item 10.10
Supporting Documents**

TasWater Owner Representatives Group AGM Draft Minutes



Owners Representatives Group General Meeting (AGM)

held on Thursday 29 November at 10.45am at

Windsor Community Precinct, 1 Windsor Drive, Riverside

Minutes

Attendees

Owners' Representatives			
Mayor Mick Tucker	Mayor Greg Howard	Mayor Tim Wilson	Councillor Tony Bisdee OAM
Mayor Tony Foster AM OAM JP	Bill Boehm (General Manager)	Mayor Dean Winter	Mayor Kelly Spaulding
Mayor Jan Bonde	Mayor Bridget Archer	Councillor Jim Cooper	Mayor Robby Walsh
Deputy Mayor Jim Allwright	Councillor Annie Browning	Mayor Peter Freshney	Mayor Phil Vickers
Mayor Darryl Quilliam	Alderman Tanya Denison	Mayor Mary Knowles OAM	Councillor Richard Ireland
Mayor Doug Chipman	Mayor Bec Enders	Mayor Kerry Vincent	
Others in attendance			
Miles Hampton (Board Chairman)	Dean Page (CFO)	Councillor Anthony Archer	Martin Gill, General Manager
Nick Burrows (Director)	Ailsa Sypkes (General Manager Legal & Governance / Company Secretary)	Councillor Geoffrey Jackson	Tony McMullen, General Manager
Dr Stephen Gumley (Director)	Juliet Mercer (General Manager Corporate & Community Relations)	Alderman Alison Jarman	Emilio Reale, General Manager
Peter Lewinsky (Director)	Bennie Smith (General Manager Service Delivery)	Councillor Frank Nott	Ron Sanderson, General Manager
Dr Helen Locher (Director)	Sonia Green (Department Manager Service Optimisation)	Gary Arnold, General Manager	Rolph Vos, General Manager
Sally Darke (Director)	Stuart Carless (Community Engagement Officer)	Sandra Ayton, General Manager	Andrew Wardlaw, General Manager
Michael Brewster (CEO)	Colleen Davidson (Executive Assistant)	Shane Crawford, General Manager	Paul Gimpl, Chief Financial Officer

Proxies held for this meeting

Burnie City Council	Andrew Wardlaw, General Manager
Devonport City Council	Alderman Alison Jarman
Glenorchy City Council	Tony Mc Mullen, General Manager
Launceston City Council	Paul Gimpl, Chief Financial Officer

Welcome

The Deputy Chief Owners' Representative, Councillor Tony Bisdee OAM, welcomed Owners' Representatives and guests to the meeting.

Quorum

The Secretary confirmed that a quorum was present.

1. Election of Chief Owners' Representative and Deputy Chief Owners' Representative

Nominations for Chief Owners' Representative were called, and the following nominations were received:

Nominee	Moved by	Seconded by	Nomination accepted
Mayor Doug Chipman	Mayor Tony Foster AM OAM JP	Mayor Mick Tucker	Yes
Mayor Kristie Johnston	Mayor Dean Winter	Alderman Tanya Denison	Yes (confirmed by Tony McMullen, General Manager)

There being no other nominations, and no motion to conduct a poll, the Deputy Chief Representative called for a vote on a show of hands.

A total of 14 votes were in favour of Mayor Doug Chipman, and 10 votes in favour of Mayor Kristie Johnston.

Mayor Doug Chipman was declared elected as Chief Owners' Representative.

The Chief Owners' Representative assumed the role of chair of the meeting and acknowledged the contributions of previous Chief Representatives, noting the significant challenges TasWater has gone through over recent years and the imminent changes to the governance structure of the organisation.

The Chief Owners' Representative called for nominations for Deputy Chief Owners' Representative, and the following nominations were received:

Nominee	Moved by	Seconded by	Nomination accepted
Councillor Tony Bisdee OAM	Mayor Bridget Archer	Councillor Jim Allwright	Yes
Councillor Richard Ireland	Paul Gimpl (proxy – Launceston City Council)	Bill Boehm	Yes
Mayor Bridget Archer	Mayor Tony Foster AM OAM JP	Mayor Mary Knowles OAM	Yes

There being no other nominations, and no motion to conduct a poll, the Chief Owners' Representative called for a vote on a show of hands.

A total of seven votes were in favour of Councillor Tony Bisdee OAM, 10 votes in favour of Councillor Richard Ireland, and eight votes in favour of Mayor Bridget Archer.

No candidate having received the support of an Ordinary Majority, the lowest ranking candidate was excluded and another vote conducted.

A total of 11 votes were in favour of Councillor Richard Ireland, and 14 votes in favour of Mayor Bridget Archer.

Mayor Bridget Archer was declared elected as Deputy Chief Owners' Representative.

2. Apologies

Representative	Council/other body
Mayor Steve Kons	Burnie City Council
Mayor Ben Shaw	Derwent Valley Council
Cr Martyn Evans	Derwent Valley Council
Mayor Annette Rockliff	Devonport City Council
Mayor Kristie Johnson	Glenorchy City Council
Gerald Monson, General Manager	Kentish Council & Latrobe Council
Mayor Albert Van Zetten	Launceston City Council
Mayor Wayne Johnston	Meander Valley Council
Deputy Mayor Michael Kelly	Meander Valley Council
Des Jennings, General Manager	Northern Midlands Council
Mayor Christina Holmdahl	West Tamar Council
Tony Kelly	Director, TasWater

Resolution: The Owners' Representatives note the apologies.

Moved: Mayor Mick Tucker

Seconded: Councillor Richard Ireland

Carried unanimously.

3. Declaration of interests

Resolution: The Owners' Representatives note the Register of Interests and any further declarations made at the meeting.

No interests were declared.

4. Confirmation of Minutes

Resolution: The Owners' Representatives adopt the Minutes of the meeting held on 27 September 2018 as a true and accurate record.

Moved: Mayor Bridget Archer

Seconded: Mayor Robby Walsh

Carried unanimously.

5. Ownership and Governance Matters

The Board Chairman introduced the report, noting:

- The Board has received advice that the legislation is in substantially the same form as incorporated into the Information Memorandum issued to Owner Councils in July 2018
- The legislation will be proclaimed and take effect shortly
- The Government's equity contribution will be received, and shares issued, in early January 2019
- Once the new Constitution and Shareholders' Letter of Expectation have taken effect the Company Secretary will initiate regional elections for membership of the Board Selection Committee, which will comprise either six or seven members
- Once the Board Selection Committee has been formed, it will meet to consider the vacancy on the Board created by the Board Chairman's retirement

- Dr Stephen Gumley AO has been appointed to the role of Board Chairman, to take effect from 30 November 2018.

Resolution: That the Owners' Representatives note the report.

Moved: Mayor Tim Wilson

Seconded: Mayor Jan Bonde

Carried unanimously.

6. Annual Report

The Board Chairman introduced the report, noting several key achievements over FY2017/18:

- The resolution of the ownership debate has enabled TasWater to develop a very positive relationship with the State Government, and to bring focus to key projects
- The removal of all Public Health Alerts has delivered compliant water services to a number of small towns around the state
- A record capital expenditure of \$164M was achieved, even though we did not complete all of the planned projects for the year
- Efficiency gains of \$10M were achieved, and productivity remains a key focus for the business. Efficiency gains are captured in our budgeting and planning processes, monitored through ongoing reporting to the Board and externally reviewed on an annual basis
- In light of the strong financial performance, the Board determined to bring forward some expenditure to address some of the ongoing challenges facing the business
- The Board had previously targeted an interest cover ratio (ICR) of two times. The MOU modelling shows that the ICR will fall slightly below this for a short period of time and then recover
- The State Government has accepted the principle, previously endorsed by Owners' Representatives, that TasWater will contribute to the relocation of the Macquarie Point STP to reflect the benefit we (and our customers) will derive
- The capital works program will continue to be essentially set between TasWater and our regulators, and will be provided to our Owners through the Corporate Plan. This will provide transparency around the prioritisation of projects
- We have been in discussions with the State Government in relation to funding arrangements for certain projects not captured within our capital program (e.g. Macquarie Point STP relocation, Launceston sewerage, and the potential introduction of sewerage services to Freycinet)
- The establishment of the Capital Delivery Office (CDO) will provide capacity to deliver additional projects in parallel, but any impacts upon the capital works program will be brought back to our Owners
- We are cognisant of significant number of major infrastructure projects underway and planned across Australia in the next few years, and the potential risks relating to costs in the market. The CDO is designed to enable us to deliver our program more efficiently and ensure that we can attract and retain appropriate resources. We have kept unions informed throughout the process and do not anticipate any industrial relations issues.

Resolution: The Owners' Representatives note and receive the Annual Report for the year ending 30 June 2018.

Moved: Mayor Tony Bisdee OAM

Seconded: Mayor Mick Tucker

Carried unanimously.

7. Presentation – Operations Control Centre (OCC)

The CEO introduced Bennie Smith, General Manager Service Delivery, and Sonia Green, Department Manager Service Optimisation.

Bennie Smith and Sonia Green spoke to a presentation, highlighting:

- Previously, our system was largely paper-based, with telephone calls from multiple sources (customers, contact centre, crews etc.) and significant amounts of 'noise'
- Now, we operate a 24/7 Operations Control Centre (OCC) to provide centralised monitoring and operations, and to manage TasWater's assets across the state
- Awe are increasing our use of technology to enable direct communications with field crews via tablets, with a focus on creating a better customer experience
- The OCC provides a number of benefits, including driving efficiency (e.g. reducing callouts and better utilisation of resources), improving safety performance (e.g. monitoring lone workers and workers in remote locations), improved customer experience (e.g. promoting timely and predictive decision making) and innovation (e.g. the StaySafe app and high risk shellfish location maps)
- The OCC also plays a key role in other innovations in monitoring data and initiating action where required (e.g. IoT manhole level sensors, automated mains flushing devices, Chloroclam monitoring of water quality and pressure)
- The OCC will play a key role in future innovations through improved visibility of our performance through a statewide SCADA system, the real time integration of information and greater automation, enabling TasWater to improve customer outcomes.

Resolution: The Owners' Representatives note the presentation.

Moved: Mayor Mary Knowles OAM

Seconded: Mayor Jan Bonde

Carried unanimously.

8. Quarterly Report to Owners - Progress update to 30 September 2018

The Chief Executive Officer spoke to a presentation, highlighting:

- We are working with the DHHS to ensure fluoridation performance improves, and expect to meet our target. References in the Report to fluoride being unsafe are related to the risks to our people in managing the fluoridation process, not risks to consumers
- 100% of our potable systems are microbiologically compliant and we are focusing on preventing *E.coli* into the future
- We are expecting to meet or slightly exceed our target on effluent volume compliance, and to finish just under the target in relation to dry weather spills
- NPAT \$7.7M (against budget of \$7.8M), but expecting to meet our year end target
- Operating expenditure for the quarter was higher than budget, mainly due to depreciation, but we are on track to meet our target of \$4.0M in sustainable cost savings
- We are on track to meet our year end capital expenditure target, with a number of major projects completed during the quarter
- All of our customer satisfaction metrics are tracking positively to target, however we continue to seek to improve customer experiences
- Whilst the numbers of complaints are continuing to decrease, this remains a key area for the business. The largest category of complaints relates to water quality and a number of projects have been implemented to address this area of concern

- Our safety performance has plateaued over the past 12 months, although most incidents are low severity. The Board and management team remain committed to our Zero Harm program and a number of initiatives have been put in place to regain momentum in safety improvement

Resolution: The Owners Representatives note the report.

Moved: Mayor Kerry Vincent

Seconded: Mayor Mick Tucker

Carried unanimously.

9. Other Business

A number of queries were raised by and responded to by management, including:

- ***Does the corporation have a strategy to mitigate the impact of rising energy prices?***
 - TasWater has considered a number of opportunities to mitigate our exposure, including the potential generation (solar etc.) and the sale of gas generated at our STPs. None of these opportunities, solar and
 - Approximately 150 sites contribute to 90% of our annual energy use, which have been split into three tranches for procurement purposes. Each year we contract one tranche for a period of three years, so we can mitigate some of our exposure to market fluctuations
 - Over time, we anticipate that the OCC will be able to shift operational patterns to align with off peak prices – this is currently in place at larger sites but will be rolled out to all of our sites
 - In due course we will consider additional mitigation strategies such as operating directly in the market as some of our contemporaries currently do for at least part of their demand.
- ***Does TasWater charge the owners of rural properties which are not connected to but which are near TasWater's water infrastructure?***
 - Unconnected properties within serviced land receive the service charge (or fixed) component if they are within 30 metres of TasWater's water infrastructure
 - This issue was raised in the customer consultation process as part of the development of Price and Service Plan 3, and change was not supported by customers.
- ***Can TasWater advise how many properties that receive service charges are not connected?***
 - This information will be provided at the next meeting.
- ***Does TasWater work with Tasmanian Irrigation in relation to water supplies? For example, why are there two separate water schemes at Bothwell with separate infrastructure?***
 - TasWater considers whether there is the potential to work collaboratively with Tasmanian Irrigation in providing water services wherever the opportunity arises, but this needs to be balanced with ensuring the appropriate customer outcomes are delivered efficiently
 - Further information relating to the Bothwell service, the options considered and our reasoning, will be brought to the next meeting.

The Chief Owners' Representative acknowledged the contributions of the previous Chief Owners' Representative (Mr David Downie) and Deputy Chief Owners' Representative (Councillor Tony Bisdee OAM) and thanked them for their service.

Resolution: That the Chief Owners' Representative's acknowledgement be noted in the minutes.

Moved: Mayor Mary Knowles OAM

Seconded: Mayor Mick Tucker

Carried unanimously.

The Chief Owners' Representative provided a summary of the Board Chairman's history with TasWater and the regional corporations and acknowledged his outstanding contribution to the corporation. The meeting unanimously acknowledged the Board Chairman's contribution with a standing acclamation.

The Chief Owners' Representative introduced Dr Stephen Gumley AO, the incoming Board Chairman.

Dr Stephen Gumley AO acknowledged the extraordinary contribution of the Board Chairman and expressed his gratitude for assisting him to gain a sound understanding of the complex business of TasWater. He noted that TasWater still faces challenges, particularly in a tightening contracting market, but that it is well positioned to succeed.

Next General Meeting

Thursday 9 May 2019, Windsor Community Precinct, Windsor Drive, Riverside – date to be confirmed.

Meeting closed: 12.25pm

Chief Owners' Representative

Date