

NI Water Ltd
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")
on Tuesday 24th March 2020 @ 10.30 am

Present:	Len O'Hagan Peter McNaney Paddy Larkin Belinda Oldfield Maurice Bullick Marie-Therese McGivern Sara Venning Ronan Larkin Paul Harper	Chairman Non Executive Director Non Executive Director Non Executive Director Non Executive Director Non Executive Director Chief Executive Finance & Regulation Director Director of Asset Delivery
In attendance:	Mark Ellesmere Des Nevin Rose Kelly Alistair Jinks Paddy Brow Paul Dillon	General Counsel & Company Secretary Interim Director of Customer Services Delivery Director of People & Learning Director of Business Services Head of Living with Water Programme Head of Corporate Projects
Apologies:	None	

There were no conflicts of interest declared at the beginning of the meeting.

The Chairman noted the ongoing significant impact of the Covid-19 pandemic and thanked the Senior Team and all colleagues for ongoing efforts to maintain core water and wastewater services.

Covid-19 Update

- The CEO presented an update on the position including the current strategic objectives set by the Major Emergency Group, key work streams established including health and safety, communications, operations, capital works and rescoring.
- Collaboration ongoing with Water UK Platinum Incident Management Team, Joint Utilities Group NI, Dfl and UR.
- All metering activity had ceased and there were no more planned interruptions to supply.
- A review was ongoing to establish non critical tasks that could cease whilst the focus remains on maintaining core services in relation to water and wastewater.
- It was confirmed that all staff who could work from home have been asked to do so. An order had also been placed for a number of virus testing kits.

- The Board expressed its thanks to all colleagues for their ongoing efforts in these difficult times.

1. Minutes and Actions from Previous Meeting - 25th February 2020

- The minutes were approved.
- Actions were complete.

2. Health and Safety Report

- The update report was noted.

3. Main Board Report

Significant matters in month.

The CEO provided an update on the following matters:

- Operating plan and budget submitted to DfI for consideration,
- NIEA workshop which was currently planned to proceed by remote access.
- Postponement of the proposed Climate Emergency Event - the Minister has welcomed a meeting to discuss future plans in this regard.
- The Company hosted a meeting of the Committee for Infrastructure at the Heritage Centre earlier in the month and members were taken on a tour of the Belfast Wastewater Treatment Works.

Colleagues

- An update was provided in relation to NI Water pay and diversity and inclusion activities.

Customer

- All targets on track except leakage.

Compliance

- Drinking water quality and waste water compliance targets on track.

Finance

- Financial targets broadly on track for delivery subject to unforeseen impact of Covid-19.

Governance

- TR4 (Health and Safety) has been updated with relevant actions, TR8 (Major Incident Planning) has been increased as a result of Covid-19.

4. Capital Efficiency Update

- The update report was noted.

5. Approvals

5.i. Analytical Services Resilience - Long Term Strategy and Facilities Strategy

- The Board received a presentation on the long term strategy for analytical services.

- More detailed explanation of the return on investment for this project would be brought to the Board at the next update on this matter.
- On that basis the Board approved the strategy as outlined within the report and presentation.

5.ii. Head Office and Intelligent Operations Centre (IOC) Business Case

- The Board received an updated presentation on the IOC project which was linked to the previous agenda item.
- The proposal was discussed in detail including the narrative around the business case.
- The Board confirmed approval to proceed as outlined within the report and presentation subject to the feedback provided.

5.iii. NI Water Clear Limited Restructuring

- The business case supporting the purchase of the Alpha PPP through NI Water Clear Limited (“NIWC”) indicated that savings would be secured which would flow up from the subsidiary companies to NI Water.
- An exercise is required to restructure NIWC to allow these benefits to be secured in NI Water.
- The proposed restructuring involves the subscription by the Company of (£3m) ordinary shares of £1 each of NIWC in consideration of cancelling £5m of debt due to the Company by NIWC, the Company’s entry into a term loan agreement with NIWC formally documenting the terms of a loan entered into on 20th November 2017, the Company’s entry into a deed of release with NIWC formally documenting the partial release by the Company of NIWC of a proportion of its repayment obligations under the loan and the Company’s entry into a cash pooling agreement among NIWC and NIW Alpha Ltd.
- It was confirmed that the proposed restructuring was in line with advice from the Company’s tax advisors Deloitte and the documentation had been prepared by the Company’s external legal advisors CMS.
- Having considered the matter it was agreed that the restructure would promote the success of the Company and was approved on that basis.

5.iv. IF105

- The Board welcomed progress in relation to the procurement of this framework and having considered the information provided in the report, including the external legal opinion in relation to the procurement process, approved the award of the framework as outlined in the report.

5.v. Pension GMP

- Presentation to the Board on ongoing pensions matter by John Livesey of Mercer - the Board agreed the approach outlined within the presentation in relation to indexation of GMP benefits and potential gender based inequalities in the scheme arising as a result of the Lloyd’s bank case.
- The Finance and Regulation Director was delegated to take the latter forward with the Trustee.

- 5.vi. **NI Water Group Publication of Group Tax Strategy 2019/20**
 - Approved based on the information provided in the report.
- 5.vii. **DAC for the Approval of Magnetite**
 - Approved based on the information provided in the report.
- 5.viii. **PC21 Transformation Partnering Contract (X185)**
 - Approved based on the information provided in the report.
- 6. **Pension Update**
 - The Chair of the Pension Scheme provided an update in relation to scheme funding, investments, the employer convenient and GMP equalisation which was noted.
- 7. **Forward Look**
 - The forward look was noted - all future meetings to be held via video/telecom.
- 8. **Any Other Business**

The Board will be kept updated in relation to the impact of Covid-19.