

NI Water Ltd
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")
on Thursday 28th May 2020 @ 10.00 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	General Counsel & Company Secretary Interim Director of Customer Services Delivery Director of People & Learning Director of Business Services

Apologies: None

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

1. Minutes and Actions from Previous Meetings - 29th April 2020

- The minutes from 29th April were approved.
- One action outstanding in relation to funding to be discussed.

Strategic Discussion

- The Chair noted a number of strategic issues for consideration by the Board including linking Board reporting to the long term strategy of the Company, the funding of the Company linked to PC21 and the current challenge in running the organisation as a result of Covid-19.
- The Chair facilitated a broad discussion among Members with their thoughts on these topics including the local political situation and developments in terms of Brexit.
- In summary the Board congratulated Management on maintaining services in spite of Covid-19 and acknowledged a focus on the welfare of colleagues as things developed further.
- The Chief Executive then presented a number of slides in relation to 20/21 funding and the recent letter of assurance provided by the DfI Permanent

Secretary. The legal position on the solvency of the Company as a result of the assurance within the Dfl letter on cash was noted notwithstanding the remaining issue in relation to PE cover for such cash.

- The Board discussed these matters in detail including the position on regularity as well as the role of the Accounting Officer.
- The Chair and the Chief Executive provided a verbal update on recent engagements with the Dfl Minister.

2. Health and Safety Report and Attendance Quarterly Update

- The update report was noted including on-going Covid-19 specific activities.

3. Main Board Report

Significant matters in month.

The CEO provided an update on the following matters:

- Recent engagement with the Utility Regulator and the Joint Utilities Group.
- The legal proceedings issued in relation to Framework IF105.
- A recent meeting of the Drought Order Group in relation to current levels of water supply - the situation continues to be closely monitored.
- Customer bills - for some customers bills will issue in July.

People

- Ongoing work in relation to employee health and well-being guides as well as recent pulse survey were noted.

Customer

- All targets on track (apart from leakage) including very positive position on net promoter score.

Water and Nature

- Drinking water quality and wastewater compliance measures currently on target for delivery.

Finance

- The Company continues to operate to the budget approved by Board
- In month estimated £1.6m costs in relation to Covid-19.
- Some Contractors planning to return to site earlier than initially anticipated. This is dealt with in more detail under Agenda Item 7.
- It was confirmed that the anticipated cost of compensation events was an early estimate at a high level.

4. PPP Exceptions Report

- PPP Exceptions update report was noted.

5. Capital Programme Quarterly Update

- The Capital Programme quarterly update was welcomed including the images of major projects.

6. **Approvals**
- 6.i. **C1007 - Fleet Management Services**
 - Approved based upon the information provided within the report.
7. **Covid-19 Contract Amendments**
 - The update report was noted including ongoing engagement with DfI
8. **PC21 Update**
 - The update report was noted including the Utility Regulators position in relation to the timetable for PC21.
 - The impact of Covid-19 on the PC21 business plan was discussed and it was agreed that there should be a mechanism to deal with such costs shocks.
9. **Risk Committee Update**
 - The Chair of the Committee provided an update on the meeting on 30th April 2020. Items considered included approach to Covid-19, Cyber Project Update and Year End Corporate Threats and Opportunities.
 - The proposed corporate Threats and Opportunities for 20/21 were approved by the Board on the recommendation of the Committee.
10. **Joint Audit and Risk Committee Update**
 - The Chairs of the Joint Audit and Risk Committee provided a verbal update on the business conducted by the Committee at its meeting on 19th May 2020.
 - A detailed discussion ensued in relation to the proposed length of the long-term viability statement given NI Water's financing constraints. It was agreed that this would be resolved by the Audit Committee.
11. **Forward Look**
 - The forward look was noted.
12. **Any Other Business**
 - No items under Any Other Business.