

<b>Title of Paper :</b>	Minutes of the Board Meeting - 24 <sup>th</sup> June 2015
<b>To be presented by:</b>	Chair
<b>Purpose of paper:</b> (approval/information)	For the Board to agree the minutes of its meeting for subsequent internet publication.
<b>Significant Issues:</b>	None

<b>Present:</b>	Len O'Hagan Kevin Steele John Rae Jim Stewart Sara Venning Ronan Larkin George Butler Sean McAleese	Chairman Non Executive Director Non Executive Director Non Executive Director Chief Executive Finance & Regulation Director Asset Management Director Customer Services Delivery Director
<b>In attendance:</b>	Mark Ellesmere Martin McIlwaine Pauline Sterling Bill Gowdy Garth Stewart Johnny Glenn Chris Turner Peter Johnston Donaree Marshall Paul Dillon Ian Bingham Trevor Armstrong Lewis Murray Nicola Brennan	General Counsel & Company Secretary Interim Asset Management (Observer) EA/CEO Director of Engineering Procurement <b>(Items 4 &amp; 5)</b> Regulation Manager <b>(Item 6)</b> Regulatory Assurance Manager <b>(Item 6)</b> Reporter CH2MHill <b>(Item 6)</b> Financial Controller <b>(Items 6 &amp; 7)</b> NI Water Pension Scheme Secretary <b>(Item 7)</b> Head of Corporate Projects <b>(Item 7)</b> Energy Manager <b>(Items 8 &amp; 9)</b> Senior Category Manager <b>(Item 9.1)</b> Senior Category Manager <b>(Item 9.2)</b> Head of Internal Audit <b>(Item 10)</b>
<b>Apologies:</b>	Deep Sagar	Non-Executive Director

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

**1. Draft Board Minutes - 22<sup>nd</sup> May 2015**

The draft minutes of the meeting on 22<sup>nd</sup> May were approved.

**Board Actions - 22<sup>nd</sup> May 2015**

- Paper tabled on Action 4 in relation to adjusted outputs. The Board discussed the updated position and discussed making more use of the public health aspects of the Company's activities.
- The Chair provided an update on his recent meeting with the Chair of the Utility Regulator.
- The Board noted and agreed the current position in relation to the Year 1 budget for PC15.

## 2. Health and Safety Update

- No reportable incidents in period.
- On-going initiatives in relation to attendance.
- A detailed discussion in relation to the Health and Safety Ambition and the current year's target.
- It was acknowledged again that the Company's aspiration was for no accidents.
- The Chief Executive agreed to review the "ambition" and the current target.

## 3. Main Board Report

### Significant Issues in month

The Chief Executive provided updates in relation to pension proposals, recent meeting with the UR, the future organisation model and the Water Bill.

### Customer Issues

- Further engagement with the Utility Regulator in relation to telephone contacts via HVCA.
- CBC Contract phase 1 successfully launched.

### Finance, Governance and Risk Issues

- KPIs on target.
- Chair requested further information on the capital spend profile in-year.
- Corporate Risks 1 and 2 noted by the Board.

### Compliance Issues

- Drinking water quality on target.
- Water quality events amber due to 2 bathing water incidents at Ballywalter and Newcastle currently under investigation.
- Appeal against conviction for Green Bridge Wastewater Pumping Station adjourned to 8<sup>th</sup> October.

## 4. PPP - Exceptions Report

The update report was noted - no material changes since last month.

## 5. CWP - No Surprises Report

The update report was noted. Discussion in relation to the Mersey Street Project - an update will be provided at the next Board meeting.

It was agreed that consideration be given to similar issues arising in other parts of East Belfast.

6.
  - i. **Audit Committee Update**  
The Chair of the Committee provided an update on the meeting on the 18<sup>th</sup> June 2015 and confirmed the Committee's recommendation to the Board to approve the Annual Report and Accounts 14/15.
  - ii. **Annual Information Return 2015**  
Chris Turner provided a high level update on the work done to date in relation to the AIR 2015. Work on track to complete by the 29<sup>th</sup> July. The current outstanding area of concern in relation to sewer flooding had been resolved and there were currently no significant outstanding issues. Chris Turner acknowledged restrictions in outputs in the longer term as a result of current financial constraints.
  - iii. **Annual Report and Accounts 2014/15**  
The Board considered and approved the Annual Report and Accounts 14/15 on the recommendation of the Audit Committee.
  
7. **Pension Scheme Matters**  
*(George Butler left the meeting at this point)*
  - i. **Update from Company**  
The Board received an update on pension matters and approved the execution of the revised Trust Deed and Rules by any 2 Directors or a Director and Company Secretary with the exception of the Chair of the Pension Trustees. The Board also approved the proposed employer contribution rates detailed within the paper.
  - ii. **Update from Trustees**  
The Board noted the update from the Trustees including the triennial valuation. The Trustees were currently monitoring the valuation position. It was noted that the Trustees would now write to the Pensions Regulator and confirm that they should be in a position to submit the triennial valuation before the end of the month.
  
8. **Energy Strategy**  
The Board discussed and approved the strategy.
  
9.
  - i. **C769 Supply of Electricity**  
Approved based upon the information provided within the report.
  - ii. **C340 - Sludge Management Services**  
Approved based upon the information provided within the report.
  
10. **Annual Internal Audit Update**  
The Board received an annual internal audit update presentation covering 14/15 internal audit opinion, 15/16 audit plan and PC15 internal audit strategy. It was agreed the Chief Executive would consider whether or not the Company was fully exploiting its IT capability.

It was agreed that the good practice guide to Directors from the Chartered Institute of Internal Auditors be circulated to members.

**11. Procurement Activity Report**

Noted.

**12. Forward Look**

Noted.

**13. Any Other Business**

The Chairman noted that it was George Butler's last Board meeting. He complimented George's involvement in the transformation of the organisation and the significant improvements made in terms of water quality and waste water compliance as well as capital delivery. On behalf of the Board he wished George and his family well for the future.

Approved