

NI Water Ltd  
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")  
Held in Conference Room, Westland House  
on Tuesday 19<sup>th</sup> December 2018 at 10.30 am

<b>Present:</b>	Len O'Hagan	Chair	
	Peter McNaney	Non Executive Director	
	John Rae	Non Executive Director	
	Jim McCall	Non Executive Director	
	Sara Venning	Chief Executive	
	Ronan Larkin	Finance & Regulation Director	
	Sean McAleese	Customer Services Delivery Director	
	Paul Harper	Director of Asset Delivery	
	<b>In attendance:</b>	Mark Ellesmere	General Counsel & Company Secretary
		Rose Kelly	Director of People & Learning
Alistair Jinks		Head of Business Improvement	
Cathy Uprichard		Head of Safety, Health and Environment ( <b>Item 2</b> )	
Ciaran Crozier		Head of PPP ( <b>Item 4</b> )	
Pete Semple		Interim Chief Information Officer ( <b>Item 6</b> )	
Ciaran Nicell		Head of Business Analytics ( <b>Item 6</b> )	
Mark Turner	Ernest and Young ( <b>Item 6</b> )		
Paul Dillon	Head of Corporate Projects ( <b>Item 7</b> )		
<b>Apologies:</b>	Kingsley Donaldson	Non Executive Director	
	Trish McAuley	Non Executive Director	

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

1.
  - i. **Draft Board Minutes - 27<sup>th</sup> November 2018**  
The draft minutes of the meeting on 27<sup>th</sup> November 2018 were approved.
  - ii. **Board Actions**  
All actions were complete or on the Agenda.
  - iii. **IF104 Capital Delivery Framework Procurement Update**
    - The update report was discussed in detail. Further assurance was requested in relation to changes being made to the new tender process as well as lessons learned and training to be provided to those involved in capital procurement within the company.

## 2. Health, Safety and Attendance Report

- There were no NI Water KPI incidents nor contractor RIDDOR incidents in period.
- The Board noted the improved warning process for extreme weather events for staff and contractors in light of the fatality and serious injury at Slieve Gullion in September 2018.

## 3. Main Board Report

### Significant matters in month.

The CEO provided an update on the following matters:

- Headline performance indicators for customer contacts, leakage, water quality events and waste water quality are amber.
- October Monitoring Round - the allocation from the October Monitoring Round results in a £1.7m Resource and £2.0m Capital shortfall against latest year end forecasts. Management will continue to seek to identify options that may address these pressures.
- Updates on Project South Shore and Omega Facilitation Process were noted.
- Brexit - the Board discussed the Company's current preparations for a "no deal" Brexit including work with DfI through Operation Yellowhammer as well as engagement with Water UK and Irish Water. Consideration will be given to how additional cost as a result of Brexit preparations will be treated.
- NIS Regulations - The Board agreed that further engagement should be undertaken with the Competent Authority in Northern Ireland in relation to proposed compliance self assessments.
- A recent meeting between Senior Management of the Company and the Utility Regulator was noted including plans for a Board to Board meeting in 2019 in relation to PC21.

### Colleagues

- Management has written to DfI to highlight the potential risk of industrial action in relation to 18/19 pay negotiations.

### Customer

- Reservoir levels are 95% full.

### Finance

- Pressures in relation to resource and capital DEL already discussed. Improvement in the operating profit forecast for Alpha was noted.

## 4. PPP Exceptions Report

- The update report was noted. The Board approved the proposed approach in relation to the notice for referral to Expert Determination under the Kinnegar PFI.

## 5. Capital Programme Quarterly Update

- The quarterly update report was noted.

## 6. Theme - Digital/Analytics Strategy

- The Board welcomed a presentation on the Digital and Data Analytics Strategy.
7. **IOC Presentation**
    - The Board noted the update presentation on the Intelligent Operation Centre.
  8. **2018/19 Half-Year Strategic Report**
    - Strategic Report was noted.
  9. **Forward Look**
    - The forward look was noted.
  10. **Any Other Business**
    - There were no items under Any Other Business.

Approved