

NI Water Ltd
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")
Held in Conference Room, Westland House
on Tuesday 26th February 2019 @ 10.00 am

Present:	Peter McNaney	Chairperson
	John Rae	Non Executive Director
	Trish McAuley	Non Executive Director
	Jim McCall	Non Executive Director
	Kingsley Donaldson	Non Executive Director
	Sara Venning	Chief Executive
	Ronan Larkin	Finance & Regulation Director
	Sean McAleese	Customer Services Delivery Director
	Paul Harper	Director of Asset Delivery
In attendance:	Mark Ellesmere	General Counsel & Company Secretary
	Rose Kelly	Director of People & Learning
	Alistair Jinks	Head of Business Improvement
	Des Nevin	Interim Director of Customer Services Delivery
	Paddy Brow	Head of Living with Water Programme (Item 1ii)
	Cathy Uprichard	Head of Safety, Health and Environment (Item 2)
	Anthony Lynn	Head of Communications (Item 5)
	Paul Dillon	Head of Corporate Projects (Item 6 and 12)
	Caroline McGale	Head of Regulation & Business Reporting(Item 7)
	Keith Scott	Business Performance Manager (Item 7)
	Eilis Kelly	Programme Manager Commercial (Item 9i)
	William Buckley	Programme Manager Commercial (Item 9i)
	Dymphna Gallagher	Head of Safety and Drinking Water (Item 10)
	Maynard Cousley	Water Supply Senior Manager (Item 10)
	Ciaran Crozier	Head Of PPP (Item 10)
	Rod Neill	Head of CSD Services (Item 11)
	Paddy Cassidy	Head of Management Accounts (Item 13)
Apologies:	Len O'Hagan	Chairman

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

The Board extended its sincere sympathies to the Chairman and his family in light of a recent bereavement in the family.

The Board presented a small gift in recognition of Sean McAleese's long and distinguished career in the Company and in recognition of his imminent retirement from the Company.

1.
 - i. **Draft Board Minutes - 11th and 22nd January 2019**
The draft minutes of the meetings on 11th and 22nd January 2019 were approved.
 - ii. **Board Actions**
Five actions were complete and five ongoing within agreed timeframes.
 - **LWWP Update**
The Board discussed an update on the Living With Water Programme in detail.
 - **IF105 Update**
The update on IF105 was noted.
2. **Health, Safety and Attendance Report**
 - The Health and Safety Report was considered in detail. There were no new NI Water KPI incidents and one Contractor Incident in the period - this was being followed up with the contractor as appropriate.

3. **Main Board Report**

Significant matters in month.

The CEO provided an update on the following matters:

- **Headline performance indicators** - customer contacts and leakage remain amber.
- **Budget Discussions 2018/19** - The Board noted steps being taken to meet the 18/19 budget in terms of resource and capital DEL. The 19/20 operating plan and budget would be picked up under Agenda Item 13.
- **Omega** - the update on the Omega Facilitation Process was noted.
- **Brexit** - a separate update paper would be taken under Agenda Item 11.
- **17/18 Cost and Performance Report** - The 17/18 Cost and Performance Report from the Utility Regulator was about to be published - the conclusions from the report were positive.

Colleagues

- It was confirmed that proposals in relation to 18/19 pay award would be brought forward shortly to the Remuneration Committee.

Customer

- Future plans in relation to the customer contacts KPI were discussed. Leakage remains challenging to deliver on target.

Finance

- Pressures in relation to resource and capital DEL were discussed.
- Improvement in the operating profit forecast for Alpha would be impacted by a reduction in the volume of water requested by the Company from Alpha in light of recent events.

4. **PPP Exceptions Report**
 - The update report was noted.
5. **Engagement Strategy Update**
 - The Board considered and endorsed the proposed PC21 engagement strategy.
6. **Capital Delivery Strategy - Quarterly Update**
 - The update on Capital Delivery Strategy was noted. Cultural change remained a key challenge in this particular area for the organisation going forward.
12. **Pension Update**
 - The Chair of the Company Pension Scheme provided his regular update to the Board including the 2018 actuarial report and the employer covenant which was recently assessed as “strong”.
7. **NI Water Strategy Update**
 - Subject to the detailed feedback during the presentation the Board was content to proceed as outlined within the paper.
8. **Theme - Employee Engagement**
 - The presentation on Employee Engagement was welcomed and prompted detailed discussion.
9. **Approvals**
 - 9.1 **Fleet Operating Model Business Case**
 - Approved based upon the information provided within the report and subject to ongoing engagement with Dfl.
 - 9.2 **PC21 Business Cast Planning (Achieving Customer Excellence)**
 - Approved based upon the information provided within the report.
 - 9.3 **NI Water Insurance Programme**
 - Approved based upon the information provided within the report.
10. **Cryptosporidium Mitigation**
 - The Board noted immediate actions arising from the reports into the incidents by Mott MacDonald. It was confirmed that there were no surprises in the recommendations arising from the reports, the majority of which were suggestions to strengthen current processes.
 - The Board noted the update and that a further update would be provided to include recommended actions, prioritisation, cost and timeframes.
11. **Brexit/NI Water Position**
 - The Board was assured that key risks in terms of Brexit had been identified and appropriate mitigation measures were being put in place aligned with the approach being adopted by Water UK.

- The Company was also working closely with DfI in terms of Government planning for Brexit to include risks arising from the land border between Northern Ireland and the Republic of Ireland.

13. Operating Plan and Budget 2019/20

- The Draft Operating Plan and Budget was discussed in detail and approved for submission to DfI in line with current governance requirements.

14. Forward Look

- The forward look was noted.

15. Any Other Business

- There were no items under Any Other Business.

Approved