

NI Water Ltd  
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")  
Held in Conference Room, Westland House  
on Tuesday 26<sup>th</sup> March 2019 @ 12.00 noon

<b>Present:</b>	Len O'Hagan Peter McNaney John Rae Trish McAuley Jim McCall Sara Venning Ronan Larkin Paul Harper	Chairman Non Executive Director Non Executive Director Non Executive Director Non Executive Director Chief Executive Finance & Regulation Director Director of Asset Delivery
<b>In attendance:</b>	Mark Ellesmere Rose Kelly Alistair Jinks Des Nevin Cathy Uprichard Ciaran Crozier Caroline McGale Barry Nay Peter Johnston	General Counsel & Company Secretary Director of People & Learning Head of Business Improvement Interim Director of Customer Services Delivery Head of Safety, Health and Environment ( <b>Item 2</b> ) Head of PPP ( <b>Item 4</b> ) Head of Regulation & Business Reporting( <b>Items 6&amp;7</b> ) Head of Strategic Client ( <b>Item 6</b> ) Financial Controller ( <b>Item 7v.</b> )
<b>Apologies:</b>	Kingsley Donaldson	Non Executive Director

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

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

1.
  - i. **Draft Board Minutes - 26<sup>th</sup> February 2019**  
The draft minutes of the meetings on 26<sup>th</sup> February 2019 were approved.
  - ii. **Board Actions**  
Actions were ongoing within agreed timeframes.
2. **Health, Safety and Attendance Report**
  - There were 2 new NI Water KPI incidents in period both of which were under review.
  - A new occupational health provider was now in place for the Company.

### 3. Main Board Report

#### Significant matters in month.

The CEO provided an update on the following matters:

- **Headline performance indicators** - customer contacts and leakage are likely to fail in year.
- **Budget 19/20** - A verbal update was provided on the current budget position which had yet to be officially confirmed by Dfl. Once the position was confirmed by Dfl then a submission would be made to the Outputs Review Group making clear the impact of a decision to underfund the Company in 19/20.
- **Omega** - the Board Sub-Committee would be briefed in detail on progress at a meeting on 1<sup>st</sup> April 2019.
- **2019/20 Tariff Announcement** - media coverage around this announcement was noted.
- **A Code of Good Practice - Partnership between Government and Arms Lengths Bodies** - the opportunity for NI Water to take part in a pilot of this proposed new approach was discussed in detail.

#### Colleagues

- Proposals in relation to 18/19 pay award would be brought to the Remuneration Committee on 1<sup>st</sup> April 2019.
- Diversity - bronze level accreditation achieved from Diversity Mark NI for the recent submission of a diversity action plan on behalf of the Company.

#### Customer

- Customer contacts - reflect an increase in wanted contacts, unwanted contacts remain below forecast.
- Leakage - the impact of extreme weather events during the year has made this target extremely challenging.

#### Compliance

- The position on drinking water quality and wastewater compliance was noted.

#### Finance

- It was noted that spend in both resource and capital DEL would be in line with allocations for 18/19.

### 4. PPP Exceptions Report

- The update report was noted including a briefing for the Board in June on the action plan to address recent water quality issues as a result of independent review. Such actions would likely be a cost to the Company as the client under the Alpha contract.

### 5. Capital Programme - Quarterly Update

- The Capital Programme Quarterly update report was noted including live projects at Ballintoy and Ballykelly.

6. **PC21 Update**
  - The Board received a presentation on PC21 which was discussed in detail.
  - In addition the Board received a high level update on indicative capital submissions for the PC21 process.
  - The Board requested support from an expert external advisor on the PC21 business case.
7. **Approvals**
  - 7.1 **Strategy**
    - The Board noted that recent feedback had been accepted and incorporated into the current draft strategy document which was approved on that basis.
  - 7.2 **Board Charter Update**
    - Approved based upon the information within the report.
  - 7.3 **Chemicals Direct Award Contract**
    - Approved based upon the information within the report.
  - 7.4 **Tax Strategy**
    - Approved based upon the information within the report.
  - 7.5 **Amendment to the Financial and Procurement Delegations (FPD) Policy FR009**
    - Approved based upon the information within the report.
  - 7.6 **Retrospective POR Exemptions**
    - Approved subject to appropriate assurance from Internal Audit in relation to the proposal.
8. **Audit Committee Update**
  - Peter McNaney provided a verbal update on the meeting of the Audit Committee on 21<sup>st</sup> March 2019 including consideration of the Internal Audit strategy and plan and the corporate reform agenda.
  - It was agreed that “Developments in Governance” would be added as an agenda item to the Half Yearly Shareholder Meeting.
9. **Forward Look**
  - The forward look was noted.
10. **Any Other Business**
  - Draft letter in relation to the PC21 process was discussed and feedback provided.