

<b>Title of Paper</b>	Minutes of the Board Meeting - 23 October 2014
<b>To be presented by</b>	Chair
<b>Purpose of paper (approval/information)</b>	For the Board to agree the minutes of its meeting for subsequent internet publication.
<b>Significant Issues</b>	None

<b>Present:</b>	Sean Hogan	Chairman
	Kevin Steele	Non Executive Director
	John Rae	Non Executive Director
	Jim Stewart	Non Executive Director
	Deep Sagar	Non Executive Director
	Sara Venning	Chief Executive
	Ronan Larkin	Finance & Regulation Director
	George Butler	Asset Management Director
<b>In attendance:</b>	Mark Ellesmere	General Counsel & Company Secretary
	Alec McQuillan	Interim Customer Service Delivery Director (Observer)
	Pauline Sterling	EA/CEO

There were no conflicts of interest declared at the beginning of the meeting with the exception of George Butler who declared a conflict in relation to Item 10.

**1. Draft Board Minutes - 24<sup>th</sup> September 2014**

The draft minutes of meetings on 24<sup>th</sup> September 2014 were approved.

**Board Actions - 24<sup>th</sup> September 2014**

Outstanding actions were either closed, covered in the current agenda or on track for completion at an agreed future date.

*(The Head of Safety, Quality and Compliance joined the meeting for Item 2)*

**2. Health and Safety Update**

It was noted that there was one RIDDOR reportable incident in period and that attendance continued to be slightly below target however Management was taking

appropriate action to deal with the latter. The Board welcomed the appointment of a new Safety Health and Environment Manager and Board Members were invited to the NIW Health and Safety Seminar on 1<sup>st</sup> December 2014. The Board then discussed in detail the action plan in relation to the recent Internal Audit on Health and Safety Training. The Board confirmed a zero tolerance approach in relation to training for specific tasks and asked Management to provide an alternative mitigation plan in the event that staff did not have appropriate training to perform specific tasks. It was agreed that the approach taken in relation to Incident NIW 1616 be reconsidered.

**[ACTION: Interim Customer Services Delivery Director]**

The Board also requested details of the accident frequency rates for the Contractors listed in Annex 2 to the report. It was agreed that further information in relation to Incident NIW 1611 be provided to John Rae.

**[ACTION: Director of Asset Management/  
Head of Safety, Quality and Compliance]**

### **3. Main Board Report**

The Chief Executive confirmed the majority of KPIs were on target and that the FOM tender had closed and bids were currently being evaluated. Other key strategic issues such as PC15, Pensions and PPP were covered under separate agenda items. There was a need to establish relationships with new CRD members and plans were on-going to address this. The organisation was currently on target to exceed its OPA forecast.

The Interim Customer Service Delivery Director confirmed that work was on-going in relation to the recovery of the supply interruptions target by the year end. The Board noted the position in relation to DG5, Out of Sewer Flooding and Leakage Targets. The Chief Executive provided an update on pay remits 2013 and 2014 and noted an area of risk to be highlighted at the Quarterly Shareholder Meeting that afternoon in relation to plans for winter preparedness. The Board discussed this matter in detail and asked Management to provide a plan to ensure that appropriate levels of cover

were in place in the event of a major emergency or major incident over the Christmas period.

**[ACTION: Chief Executive Officer]**

It was also agreed that the Communications Section within the report be reviewed with a view to providing more relevant information to the Board.

**[ACTION: Chief Executive Officer/  
General Counsel and Company Secretary]**

The Finance and Regulation Director confirmed that financial targets were on track for delivery. The Board discussed debtors in detail and it was agreed that an update would be provided on action taken in relation to debt management within the organisation at the next Board meeting.

**[ACTION: Chief Executive Officer/  
Interim Customer Service Delivery Director]**

The Board also discussed its position in relation to the payment of a dividend in light of future public expenditure constraint. It was agreed that a reminder of the Board's duties in relation to payment of a dividend would be provided at the next meeting.

**[ACTION: General Counsel and Company Secretary/  
Finance & Regulation Director ]**

In response to a question in relation to Drinking Water Quality the Director of Asset Management outlined the limitations of the OPA methodology. It was also noted that the fine in relation to the Tandragee Pollution Incident had been reduced by 50% on appeal. In terms of governance 2 risks had been escalated namely the PC15 Final Determination and the funding thereof. It was agreed that winter preparedness be considered and at the next Risk Committee.

**[ACTION: Chair - Risk Committee]**

*(Director of Engineering Procurement joined the meeting for Item 4 and 5)*

#### **4. PPP**

The update report in relation to PPP was noted.

A supplementary paper was discussed in detail in relation to odour issues at Duncrue Street. The Board noted and agreed the position adopted by Management and confirmed its consent to the provision of a waiver as outlined within the supplementary paper.

**5. CWP - No Surprises Report**

The updated report was noted by the Board.

*(The Head of Human Resources joined the meeting for Item 6)*

**6. NIW Values and Behaviours and HR Strategy Update**

The Board received a presentation on proposed values and behaviours for the organisation moving forward. The Board welcomed the presentation and discussed the values and behaviours in detail including their measurement. The Board approved the adoption of these values and behaviours by the Company in line with the presentation.

The Board then received an update on the HR Strategy and the five key projects taken forward as part of that strategy. It was agreed that the Board should receive a quarterly update on HR Strategy starting in January 2015.

**[ACTION: Head of Human Resources]**

*(The Financial Controller, Head of Operational Procurement, Finance Business Partner and Compliance and Regulatory Accountant joined the meeting for Item 7)*

**7. Financial & Procurement Delegations**

A copy of the revised Financial Delegations was tabled at the meeting. The Board discussed the main changes to the financial delegations in detail and agreed to the proposed changes on the basis that there were appropriate control measures in place. The Board also expressed its thanks to the team involved in this project.

**8. Subsidy Assurance Statement**

The Subsidy Assurance Statement was approved based on the information provided within the report.

*(Energy Manager joined the meeting for Item 9)*

**9. Purchase of Renewable Energy**

The Board considered the proposals in detail and noted that in due course a strategic plan in relation to renewable energy would be presented to the Board including a proposed approach to power purchase agreements. On that basis the Board approved the 2 proposals subject to DRD approval.

**[ACTION: General Counsel and Company Secretary/  
Energy Manager]**

*(Item 10 was deferred to end of meeting.)*

*(The Head of Management Accounts joined the meeting for Item 11)*

**11. January Monitoring Rounds**

The Board discussed the draft submission and agreed that a bid for Opex should be made in the January Monitoring Round. The submission was approved subject to that bid.

**[ACTION: Finance and Regulation Director]**

**12. Procurement Activity Report**

The Procurement Activity Report was noted.

**13. CSR Committee Update**

The Chair of the CSR Committee updated the Board on the last Committee meeting on 24<sup>th</sup> September 2014. The main issues addressed by the Committee were approval of revised terms of reference and updates on 4 strategic themes namely customer engagement, well-being, blockage reduction and schools liaison.

A detailed discussion then ensued in relation to the organisation's approach to flooding generally. Management agreed to consider whether or not there was a more effective way of dealing with flooding events on a multi-agency basis.

**[ACTION: Director of Asset Management/  
Interim Customer Service Delivery Director]**

**14. Weather Watch**

The short-term weather forecast was reviewed.

**15. Forward Look**

The forward look was noted.

**16. Any Other Business**

There was a brief discussion on the Board to Board meeting with the Utility Regulator on the 22<sup>nd</sup> October 2014.

*(George Butler left the meeting at this point.)*

**10. Pension Update**

The Board was provided with an update on the Pensions Project including forthcoming engagement with DRD and DFP. The Board also considered the risks evolving in relation to this project and actions being taken to mitigate those risks.