

<b>Title of Paper</b>	Minutes of the Board Meeting - 25 <sup>th</sup> July 2012
<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

**Present:**

Sean Hogan	Chairman
Kevin Steele	Non Executive Director
Deep Sagar	Non Executive Director
John Rae	Non Executive Director
Jim Stewart	Non Executive Director
Trevor Haslett	Chief Executive
George Butler	Director of Asset Management
Ronan Larkin	Finance & Regulation Director
George Butler	Director of Asset Management
Sara Venning	Customer Service Delivery Director

**In attendance:**

Mark Ellesmere	General Counsel & Company Secretary
Pauline Sterling	EA/CEO

**Apologies:**

Don Price	Non Executive Director
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There were no conflicts of interest declared at the beginning of the meeting.

**1. Draft Board Minutes - 27<sup>th</sup> June 2012**

The minutes of the meeting on the 27<sup>th</sup> June 2012 were approved.

**Board Action Points - 27<sup>th</sup> June 2012**

All actions were closed or included in the current Agenda.

*(Dymphna Gallagher joined the meeting for Item 2)*

## 2. Health and Safety Update

The Board noted that the Company had been awarded a RoSPA gold award for the third consecutive year. The Board agreed that this was a commendable achievement and thanked all staff for the continued focus on Health and Safety within the workplace. The Board then discussed the organisation's approach to managing stress within the organisation.

## 3. Main Board Report

The Board noted that completion of capital works projects was slightly behind target for the period however the target should still be achieved at year end. The Board noted continued positive performance in terms of Opex efficiency. The Board requested a short presentation on leakage in terms of potential efficiency and promoting water efficiency.

**[ACTION: Customer Service Delivery Director]**

The CEO updated the Board on the recent flooding events at the end of June and confirmed that a number of residents' meetings had been attended by senior NIW staff. The Board noted that the Performance Efficiency Delivery Unit (PEDU), DFP was currently conducting a review of the flooding events and would make recommendations in due course in relation to agencies' responsibilities in these circumstances. The Board agreed to await the outcome of the PEDU review before considering this matter further. The DRD Minister was going to be briefed on the Annual Report and Accounts at the beginning of August. It was noted the CEO would be writing to NIAUR in relation to the delay in the publication of NIAUR guidance on PC15.

**[ACTION: CEO]**

The Board then discussed the sale of certain surplus assets (depots and offices) and noted that there was a significant mark down in the value of these assets from the date of transfer (2007) and the current date of sale. It was further noted that all properties were being sold at or above the current market valuation assessed by external property valuers.

In relation to customer service matters the Board noted the impact of the flooding events on customer complaints and abandoned calls. The Board was encouraged

to note recent CCNI customer research that reflected positively on the organisation. The Customer Service Delivery Director was continuing to liaise with CCNI in relation to the future use of this research.

The Board noted that income remained an area of focus for a number of reasons. The Board then discussed the potential for an exercise to revalue the assets transferred to the Company in 2007. In relation to compliance the Board noted an issue in relation to a provisional enforcement order which was being addressed. Going forward it was noted that the Environmental Regulators were promoting “catchment solutions” which would require a different approach from the organisation going forward. The Board noted continued good performance in relation to compliance generally. The Board then received an update in relation to corporate risks 2 and 8, Business Improvement and MSFM Compliance.

*(Jane Mellor joined the meeting for Items 5 and 6)*

**5. Procurement Activity Report**

The Board noted an update in relation to procurement activity. It was confirmed that phase 1 of the off-contract regularisation project was now complete and the Board thanked Jane and her team for their continued efforts in the completion of this important project.

**6. C554 - Compressors and Blowers Framework Contract**

The Board noted that this matter had been competitively tendered and the proposed solution within the paper was considered and approved by the Board. DRD would also be informed of this approach in monthly reporting on STAs.

**4. PPP/PFI Exceptions Reports**

The Board noted the update report in relation to PPP/PFI matters. It was agreed that the provisions issue should be raised at the Quarterly Shareholder Meeting.

*(Michael Mulholland and Carolyn McGale joined the meeting for Item 7)*

7. The Board received an update presentation in relation to PC13 and developments since submission of the business plan and the Board's recent engagement with NIAUR. The Board discussed recent developments in detail and it was agreed that work undertaken by Management on scenario planning should be shared with the Board.

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

The Board also agreed that Management should progress with publication of the PC13 Business Plan summary document. The Board dealt with Items 12 to 17 next.

**12. CSR Update**

The Board noted draft minutes of the most recent CSR Committee Meeting and agreed budget proposals recommended by the Committee. The Board also asked that consideration be given to taking a table or tables at the forthcoming WaterAid Charity Ball. The Board noted that WaterAid was now NIW's corporate charity.

**[Action: CEO]**

**13. Risk Committee Update**

Jim Stewart provided an update on the recent Risk Committee meeting and the Board noted draft minutes in this regard.

**14. Weather Watch**

**15. Reservoir Levels Report**

The Board noted that there were no weather warnings to date for the near future and that reservoir levels were not a cause for concern.

**16. Forward Look**

The Forward Look was noted.

**17. Any Other Business**

There were no items of Any Other Business.

**11. Q1 Subsidy Assurance Statement**

The Board approved submission of the Q1 Subsidy Assurance Statement on the basis of the report presented by the Finance and Regulation Director.

**10. October Monitoring Round Forecast**

The Board discussed the draft Monitoring Round Forecast and the key risks associated with this. It was agreed that a further conference call could be arranged if necessary prior to submission of this document in September.

**8. Dividend Proposal**

The Board considered the declaration of payment of a dividend for the year ended 31<sup>st</sup> March 2012 bearing in mind its fiduciary duties and the solvency of the organisation. Based upon the information summarised within the report and the last set of annual accounts the Board recommended a Final Dividend of £26,964,873 for the year end at 31<sup>st</sup> March 2012. The General Counsel and Company Secretary confirmed that a Written Resolution had been provided by the Shareholder agreeing that such dividend be declared and paid. The Finance and Regulation Director and the General Counsel and Company Secretary were then requested to take all appropriate steps to ensure that the dividend was paid.

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

**9. Pension Update**

The Board was updated on the current position in relation to this matter.