

NI Water Ltd  
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")  
Held in Radio Workshop, Westland House  
on Tuesday 28<sup>th</sup> November 2018 at 11.00 am

<b>Present:</b>	Len O'Hagan	Chair
	Peter McNaney	Non Executive Director
	John Rae	Non Executive Director
	Kingsley Donaldson	Non Executive Director
	Jim McCall	Non Executive Director
	Trish McAuley	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> )
	Anthony Lynn	Head of Communications ( <b>Item 5</b> )

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

1.
  - i. **Draft Board Minutes - 22<sup>nd</sup>/23<sup>rd</sup> October 2018**  
The draft minutes of the meetings on 22<sup>nd</sup>/23<sup>rd</sup> October 2018 were approved.
  - ii. **Board Actions**  
All actions were complete or on Agenda.
    - The interim solution for card payments for new connections was noted including actions being taken to mitigate risk during manual reconciliation between systems.
    - The legal advice note in relation to the recent hosepipe ban was noted including the Company's position under current legislation and the steps being taken to address this with DfI
2. **Health, Safety and Attendance Report**
  - There were no NI Water KPI incidents nor contractor RIDDOR incidents in period.

- The update on the corporate health and safety strategy and action plan was noted.
- An update on the recent contractor fatality was provided.

### 3. Main Board Report

#### Significant matters in month.

The CEO provided an update on the following matters:

- Headline performance indicators for customer complaints, leakage and water quality events are amber.
- Dfl Workshop in relation to the future of the water sector in NI and actions agreed as a result of the workshop.
- October Monitoring Round - the Company was allocated an additional £1.4m resource DEL (against a bid for £4m) and an additional £2.8m capital DEL (against a bid for £4.8m). A discussion ensued in relation to the current budget including the fact that the Company is not permitted under the MSFM to carry any reserves. Work was ongoing to identify options that may address the current pressures on both resource and capital DEL.
- Omega Facilitation Process - The Board Sub Committee would receive a detailed update on this matter after the Board meeting.
- Interim Director of Customer Service Delivery - the Board was updated on the outcome of the interview process for this post.
- Brexit - Work continues to mitigate key risks identified including planning for a “no deal” scenario. This includes engagement with Water UK as well as Dfl.
- Capital Procurement Frameworks - A detailed discussion ensued in relation to the current challenge to the tender process. This included legal advice on the options available and the option recommended by management as well as steps to be taken to ensure that work can be allocated appropriately under the capital works programme. The potential impact of the current challenge was being considered by management, the Board would be updated on this aspect at its next meeting.

#### Colleagues

- A verbal update was provided in relation to the recent engagement survey highlighting a growing concern in relation to the company’s remuneration policy. The Board asked Management to seek to resolve the unacceptable delay in paying annual salary increases with Dfl. A detailed presentation on the survey would be made to the Board in February.
- A recent Level 4 Managers’ event as well as on-going EC Engagement sessions were noted.

#### Customer

- A significant improvement in storage in Impounding Reservoirs was noted albeit storage is 10% lower than normal at this time of year.

#### Finance

- The outcome of the October Monitoring Round was discussed earlier in the meeting.

- Capital spend is currently being assessed over the next 2 years of the PC15 period. There are a number of pressures in this area.
4. **PPP Exceptions Report**
    - The exceptions report was noted including a recent payment matter arising under the Kinnegar Contract. It was noted that there was no similar risk in either the Alpha or the Omega Contracts.
  5. **Engagement Strategy Update**
    - The Board received an update presentation on the Company's Engagement Strategy.
  6. **Capital Delivery Strategy - Integrated Partnerships Update**
    - This matter was covered under Agenda Item 3.
  7. **Theme - Clear Governance Review**
    - Clear Governance Review and actions arising as a result were noted.
  8. **Approvals**
    - i. **C924 - Operation and Maintenance of Voice Data and Radio**  
Approved based on the information provided with the report.
    - ii. **Tax Senior Accounting Officer**  
Following a comprehensive update from the Finance and Regulation Director the Board approved submission of the Senior Accounting Officer's certificate to HMRC
    - iii. **January Monitoring Round Forecast**  
This item was covered under Agenda Item 3.
    - iv. **NI Water Strategy**  
The Board considered the draft update. It was agreed that Members would provide feedback during the next 2 weeks.
  9. **NI Water Mid Year Assurance Statement**
    - The Mid Year Assurance Statement was noted.
  10. **Forward Look**
    - The forward look was noted.
  11. **Any Other Business**
    - There were no items under Any Other Business.