

<b>Title of Paper</b>	Minutes of the Board Meeting - 25 June 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
	Don Price	Non Executive Director
	John Rae	Non Executive Director
	Jim Stewart	Non Executive Director
	Deep Sagar	Non Executive Director
	Sara Venning	Chief Executive
	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
<b>Apologies:</b>	Ronan Larkin	Finance & Regulation Director

There were no conflicts of interest declared in advance of the meeting with the exception of George Butler in relation to Agenda Item 9.

The General Counsel and Company Secretary was requested to review the booking of a training course with Training Solutions Ltd.

**[ACTION: General Counsel and Company Secretary]**

**1. Draft Board Minutes - 28<sup>th</sup> May 2014**

The draft minutes of the meeting on 28<sup>th</sup> May 2014 were approved subject to minor amendment.

## **Board Actions - 28<sup>th</sup> May 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**

There were no KPI reportable incidents in May, no contractor reportable incidents and the attendance target was on track. An update was provided in relation to the responsibility on contractors to maintain best practice and behaviours in terms of Health and Safety. A brief discussion ensued in relation to an incident involving a contractor working late at night and it was noted that appropriate steps were taken to ensure employee and contractor safety where work was being undertaken outside normal working hours or in “hotspot” areas.

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

The Chief Executive confirmed an overall positive start to the new financial year across all KPIs. The Board also noted updates on PC15 (including the public facing document published by the Company), PPP matters and the forthcoming pension roadshows. The Board also noted that, under the consultation for proposed amendments to the 2006 Order, the Company risked being asked to take on additional work at the request of the Department which may not be specifically covered under the current licence.

The Interim Customer Service Delivery Director provided an update on customer issues. DG3 was still on target in spite of 2 significant bursts in month. A change protocol request had been invoked in relation to the out of sewer flooding target and discussions were on-going with the Utility Regulator in relation to the DG9 target given the potential adverse impact of HVCA on this matter. The EPIC billing issues would hopefully be closed out before the next Board meeting. Deep Sagar suggested an appropriate challenge of calls, billing enquiries and complaints. It was noted that this was directly linked to work being done under the FOM Project on the customer journey. It was agreed that Deep Sagar would be provided with further details on this matter at his FOM briefing.

**[ACTION: Chief Executive Officer/Head of Business Improvement]**

DRD had recently approved the continued use of the existing VER/VS scheme for 14/15. The Board noted that financial targets remained on track year to date. In relation to compliance the Board acknowledged the benefit of the graphs tracking improvements in drinking water quality and wastewater compliance since 2007. DRD had recently approved the STA in relation to Ballyclare and it appeared that some improvement to the flow through the works may be made in advance of the installation of new cassettes.

A brief discussion then ensued in relation to the Tandragee Prosecution. The Board noted that an appeal had been launched in relation to the level of the fine. There had been a significant increase in fines in the UK for pollution incidents. It was agreed that this was a potential risk going forward for the organisation. A delay in the award of the Ballydougan to Newry Trunk Main tender may adversely impact on the PC13 nominated output in relation to new trunk main schemes.

The risks and opportunities register was noted and it was agreed that consideration of measuring successful achievement of opportunities be considered further through the Risk Committee. In relation to the PC15 public facing document the Board requested that the table at page 9 be checked.

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

**4. PPP Exceptions Report**

The PPP update report was noted.

**5. CWP - No Surprises Report**

The no surprises report was noted.

*(Head of HR joined the meeting for Item 6)*

**6. HR Strategy**

The Board received a presentation from the Head of HR. The Board discussed the draft strategy in detail including ways to influence the culture and values of colleagues. It was agreed that it was imperative to have the buy-in of all levels of

management within the organisation to the proposed strategy. The HR Strategy was approved by the Board.

*(Financial Controller and Regulatory Assurance Manager joined the meeting for Item 7)*

#### **7. Annual Report and Accounts Update**

The Board considered and approved the revised Subsidy Memorandum of Understanding for 14/15. The Financial Controller confirmed that all KPMG audit opinions were unqualified including statutory accounts, regularity opinion and regulatory accounts. The Chair of the Audit Committee confirmed that the draft report and accounts were recommended to the Board for approval. On that basis the Board approved the Annual Report and Accounts 13/14. The letters of representation on behalf of the Board to KPMG were noted and approved.

*(Regulation Manager and Jon Bateman and Glen Hawkins from CH2M Hill joined the meeting for the Item 8)*

#### **8. 2014 Annual Information Return**

Jon Bateman tabled a summary of key audit findings by the Reporter in relation to the Annual Information Return. The Board noted the confirmations provided by the Reporter and the list of principal exceptions none of which were significant or material. On that basis the Board approved submission of the Annual Information Return to the Utility Regulator on or before 15<sup>th</sup> July 2014.

*(Pension Scheme Secretary joined the meeting for part of Item 8)*

#### **9. Update on NI Water Pension Scheme**

The Board's attention was drawn to 2 key issues from the Bi-Annual Update report on the Pension Scheme.

*(George Butler and Donaree Marshall left the meeting at this point)*

The Board discussed both issues in detail and agreed its position.

*(George Butler and Donaree Marshall rejoined the meeting)*

The Chairman confirmed that the Board's position in relation to one of the issues was agreed and would be confirmed in writing to the Chair of the Trustees as soon as possible.

#### **10. Approvals**

The following matters were approved by the Board based upon the information provided within the relevant reports

- i. Disposal of Derryvolgie House - Planning Consent Application to be checked.  
**[ACTION - General Counsel and Company Secretary]**
- ii. Ballycastle WWTW
- iii. C521 Scanning Telemetry Radio Licencing Extraordinary Extension
- iv. Microsoft Premier Support Agreement
- v. IF005 - Framework for Screening and Associated Conditioning Plant and Equipment
- vi. C732 - Siemens Instrumentation, Control and Automation Equipment Contract
- vii. C720 - Provision of Temporary Resources

#### **11. CWP Good News Report**

It was agreed that although complete, this report would be deferred to the July meeting for discussion when the Director of Engineering Procurement would be in attendance.

#### **12. Audit Committee Update**

The draft minutes of the Audit Committee meeting held on 18<sup>th</sup> June 2014 were noted. The Chair confirmed that all significant matters had been dealt with under Agenda Item 7.

#### **13. Procurement Committee Update**

The Procurement Activity Report was noted. The draft minutes of the Procurement Committee meeting held on 13<sup>th</sup> June 2014 were considered. It was noted that the Board would receive a report in relation to the risks associated with moving to standard terms and conditions as required by CPD at its next meeting.

**14. CSR Committee Update**

The minutes of the CSR Committee were noted.

**15. Weather Forecast**

The short term weather forecast was noted.

**16. Forward Look**

Forward Look was noted.

**17. Any Other Business**

A general discussion ensued in relation to the implementation of the HR Strategy. The Board would receive an update on implementation at its October meeting. A brief discussion then ensued in relation to the harmonisation of the terms and conditions across the organisation.

The Chairman thanked Don Price once again for the significant contribution he had made to the organisation and noted that he would be missed by his colleagues.