

NI Water Ltd
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")
on Thursday 25th June 2020 @ 11.00 am

Present:	Len O'Hagan Peter McNaney Belinda Oldfield Maurice Bullick Marie-Therese McGivern 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
In attendance:	Mark Ellesmere Des Nevin Rose Kelly Alistair Jinks Dominic Mudge John Poole Garth Stewart Kunle Akande Caroline McGale	General Counsel & Company Secretary Interim Director of Customer Services Delivery Director of People & Learning Director of Business Services KPMG (Item 2.i and 2.ii) KPMG (Item 2.i and 2.ii) Regulation Manager (Item 2.iii) Reporter (Item 2.iii) Head of Regulation & Business Reporting (Item 3)
Apologies:	Paddy Larkin	Non Executive Director

One Member declared a potential conflict of interest regarding a connected person to the firm presenting agenda item 2.iii. which was noted.

1. Minutes and Actions from Previous Meetings - 28th May 2020

- The minutes from the meeting on 28th May 2020 were approved.
- Actions were noted.

2.i. Audit Committee Update

2.ii. Overview of the Subsidiary Companies Accounts for 2019/20

- The Chair of the Audit Committee confirmed that the Committee was proposing approval of the Annual Report and Accounts 19/20, the Regulatory Accounts 19/20, the Letters of Representation from the Board to the Auditors. The Statement of Factors taken into account in preparing the Directors' Certificate of going concern and the Letter of Assurance of continuing financial support to NI Water Alpha Ltd on the basis of the last Committee meeting on 28th May 2020.

- The Committee also recommended approval of a 7 year term for the long term Liability Statement.
- John Poole confirmed that the External Auditors were fully satisfied with the assistance provided by Management and that the External Audit Opinion for 19/20 was unqualified including in relation to regulatory of spend.
- In addition the Auditors were content with Management judgements in relation to claims, pensions and other subjective matters.
- The Board expressed its thanks to all colleagues involved in reaching this position in challenging conditions.
- The Board approved the documents referred to above on the recommendation of the Audit Committee and having heard from the External Auditors. This included the financial statement of the subsidiary companies.

2.iii. 2020 Annual Information Return

- The Reporter made a slide presentation to the Board in relation to the Annual Information Return 2020.
- He confirmed that there were no material issues to highlight to the Board and thanked all those involved from the Company's perspective in providing information and assistance in relation to this process.
- On that basis the Board approved submission of the AIR 2020 to the Utility Regulator in line with the timetable referred to within the report.

3. PC21 Update

- It was noted that the revised timetable for PC21 included an eleven week consultation period as well as a working group to look at the impact of Covid-19.

Funding Discussion

The Chairman provided an update to Members on recent engagement with the DfI Minister and Officials in relation to the 20/21 budget culminating in the most recent letter from the Minister which had been shared with Members. A detailed discussion then ensued in relation to the Board's approach to seek to ensure that appropriate funding was in place to enable the Company to continue to deliver its services. A number of actions were agreed to be taken forward by Management as a priority to include the consequences of under funding, focus on core activities, review of discretionary spend as well as engagement with key stakeholders including the Department and the Utility Regulator.

The Chief Executive provided an update on recent engagement with the Utility Regulator and plans for further engagement with both the Utility Regulator and the Department.

It was noted that the UR would take confidence from the Reporter's report on AIR 20/20.

It was confirmed that legal advice was being obtained in relation to director's duties and the consequences of under funding from Senior Counsel.

It was agreed that the Board would meet again to review progress against actions and further developments on 24th July 2020.

4. **Health and Safety Report**
 - Update report was noted.
5. **Main Board Report**

Significant matters in month.

The CEO provided an update on the following matters:

- Recent demand surge - a very proactive response on the operations side prevented customer restrictions in relation to a recent surge in demand as a result of good weather. It was noted that the current legislation did not assist the Company in dealing with a high demand scenario, Dfl had been made aware of this post 2018, it was agreed that this should be highlighted to the Minister.
- Drought planning measures were also underway in order to seek to address as far as possible a drought situation evolving over time

Colleagues

- Updates were noted in relation to employee engagement, future ways of working, trade union engagements and a recent senior managers event conducted on Microsoft teams.

Customer

- All targets on track for delivery except leakage.
- Drinking water quality and wastewater compliance on track for delivery against targets at this stage.

Finance

- The finance position was noted.

6. **ACE Update**
 - Members welcomed the video presentation circulated in advance of the meeting.
7. **Approvals**
 - 7.i. **X144 Calls Lines and Mobiles**
 - Approved based on the information provided within the paper.
 - 7.ii. **DAC for PPE and Cleaning Supplies**
 - Approved based on the information provided within the paper.
 - 7.iii. **LIMS Update Spend**
 - Approved based on the information provided within the paper.
 - 7.iv. **JP631 Killyhevlin Clear Water Tank**
 - Approved based on the information provided within the paper.
 - 7.v. **C835 - Vehicle Plant and Streetworks**
 - Approved based on the information provided within the paper.

8. Forward Look

- The forward look was noted with an additional Board meeting on 24th July 2020.

9. Any Other Business

- No items under Any Other Business.

Approved