

NI Water Ltd
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")
on Tuesday 23rd April 2024 @ 9.15 am
IOC Conference Room, Westland House

Present:

Jo Aston	Chair
Danny McSorley	Non Executive Director
Paddy Larkin	Non Executive Director
Marie-Therese McGivern	Non Executive Director
Belinda Oldfield	Non Executive Director
Maurice Bullick	Non Executive Director
Sara Venning	Chief Executive
Ronan Larkin	Finance, Regulation and Commercial Director
Stephanie McCullagh	Director of Customer and Operations

In attendance:

Mark Ellesmere	General Counsel & Company Secretary
Gary Curran	Director of Engineering and Sustainability
Rose Kelly	Director of People & Learning
Alistair Jinks	Director of Business Services
Tzvetelina Bogoina	Director of Infrastructure Delivery
Trevor Hutchinson	Head of Health and Safety (Item 3)
Anthony Lynn	Head of Communications (Item 6)

Apologies: None

1. Appointment of Chair and Non-Executive Director to the Board.

- The Senior Independent Director proposed that Jo Aston be appointed Chair of the Board and that Danny McSorley be appointed a Non-Executive Director of the Board. The General Counsel and Company Secretary tabled a written resolution from the shareholder resolving that those appointments be made. It was agreed unanimously that Jo Aston be appointed Chair of the Board and that Danny McSorley be appointed a Non-Executive Director of the Board with immediate effect.

2. Minutes and Actions from Previous Meeting

- The draft minutes of the meeting on 26th March 2024 were approved.
- Both actions from the last meeting were closed.

3. Health and Safety Report

- The update report was noted, there were no Company RIDDOR incidents and one contractor RIDDOR incident in period, the details of which were noted.
- The establishment of a Safety Leadership Collaboration Group with contractors was welcomed.
- Continued progress in relation to the Health and Safety Work Programme with a focus on DSEAR and PUWER was welcomed.
- Details of an individual contractor incident involving a trench box were discussed.
- In response to a question, it was confirmed that work was ongoing to ensure the continuation of the Health and Safety Programme in the context of constrained budgets but that, if some elements of base maintenance could not proceed, that would have an impact on Health and Safety matters associated with that base maintenance work.

4. Budget Update

- Budget allocations for RDEL and CDEL in 23/24 had been met (subject to audit). It was confirmed that the current RDEL planning envelope for 24/25 from DFI (£145m) was insufficient for the whole year and that engagement continues with DFI in this regard.
- Lessons Learned Review – the Chair has raised this with the DFI Permanent Secretary.
- In relation to the Capital Programme for 24/25, recent slides presented to the Outputs Review Group were noted in terms of what could be delivered with a budget of £321m (as well as what would not be delivered) together with what could be delivered with an allocation of £470m.
- The recent Assembly debate and motion passed in relation to NI Water and the Utility Regulator's recent appearance at the Infrastructure Committee were noted. It was confirmed that the Company's current budget position for 24/25 was similar to that in 23/24, however the risks facing the Board had increased given that the PC21 FD outputs remain the same and the anticipated, marked step up in capital investment during the final 3 years of the Price Control.
- The Chair presented a number of slides in relation to 3 main priorities moving forward in the short term. A detailed discussion ensued in relation to the priorities and the current budget situation. It was noted that all key stakeholders including UR, NIEA, DWI and CCNI were aware of the current situation and risks as a result of correspondence and briefings to the Water Senior Stakeholder Group and the Outputs Review Group. It was agreed that a meeting be set up to include the Chair and CEO with equivalent officers in UR and with NIEA.

5. Main Board Report

- The CEO confirmed that all targets for 23/24 had been met with the exception of leakage and that the latter had continued to improve in year. The CEO highlighted a number of achievements during the past financial year notwithstanding the pressure and focus on budget allocations including a high demand event over two weeks, blue green algae at Lough Neagh, Mid Term Review submission, delivering the Capital Investment Plan, solar farm battery at Dunore, the introduction of two significant corporate systems (CBC3 & FCS), recent engagement insights from Gallup, the introduction of the new pay

framework and the appointment of three new Directors. The Board congratulated the Executive Team, Senior Management and all staff on these achievements.

People

- The Director of People and Learning provided a verbal update on recent engagement with NIPSA including the outcome of a recent ballot on industrial action.
- The remaining sections of the Main Board Report were noted.

6. Engagement Strategy Update

- The update paper and video circulated in advance of the meeting were welcomed by Members, the CEO presented a short set of slides covering recent media attention on wastewater.
- Recent correspondence from the DFI Communications Team (on behalf of the Minister) was discussed in detail and it was agreed that the Board's serious concerns in this regard would be highlighted at the forthcoming Shareholder meeting. The Chair confirmed that she was in contact with the DFI Permanent Secretary in this regard in order to seek an appropriate resolution that would ensure Members could meet their statutory duties, in particular, the duty to act independently.

7. Update Report - ACE2 Update

- The update report was noted, it was accepted that future delivery of the programme would depend upon funding allocations.

8. Approvals

8.1 C1179 Sludge Management Contract

- Approved based upon the information provided within the paper.

8.2 FR009 Financial and Procurement Delegations Policy

- Approved based upon the information provided within the paper, and on the basis that there were no material changes to the policy.

9. Half Yearly Shareholder Meeting – Strategic Agenda Items

- The briefing paper was noted and it was agreed that, in addition to the suggested strategic items for discussion at the Shareholder meeting, the Directors' certificate under the licence and the Company's continuation as a "going concern" be raised.

10. Year End Assurance Statement

- The Year End Assurance Statement was noted.

11. Forward Look

- Noted.

12. Any Other Business

- There were no items discussed under AOB.

Approved