

NI Water Ltd
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")
on Tuesday 27th September 2022 @ 9.30 am
IOC Conference Room

Present:	Peter McNaney	Non Executive Director (Chair)
	Belinda Oldfield	Non Executive Director
	Paddy Larkin	Non Executive Director
	Maurice Bullick	Non Executive Director
	Marie-Therese McGivern	Non Executive Director
	Sara Venning	Chief Executive
	Ronan Larkin	Finance, Regulation and Commercial Director
	Paul Harper	Director of Asset Delivery
	Des Nevin	Director of Customer and Operations
In attendance:	Mark Ellesmere	General Counsel & Company Secretary
	Alistair Jinks	Director of Business Services
	Ivan Jackson	Interim Head of Health and Safety (Item 2)
	Michael Mulholland	Head of Regulation & Business Reporting (Item 4)
	Caroline McGale	Financial Controller (Item 5)
	Ciaran Crozier	Head of PPP (Item 6)
	Paula Graham	Head of Learning and Engagement (Item 7)
	Kerri Townsend	Project Support Officer (Item 7)
Apologies:	Len O'Hagan	Chair
	Rose Kelly	Director of People & Learning

Peter McNaney chaired the meeting at the request of the Chair.

There were no Conflicts of Interest declared at the beginning of the meeting.

1. Minutes and Actions from Previous Meeting

- The minutes of the meeting on 26th July 2022 were approved.
- One outstanding action closed.

2. Health and Safety Report/Attendance Quarterly Report

- There was one Company RIDDOR incident in period, the details of which were noted.
- Good progress in relation to the top 5 priority projects under the Health & Safety strategic action plan.
- A new Head of Health and Safety is scheduled to join the Company at the end of November.

3. Main Board Report

Significant matters in month.

The CEO provided an update on the following matters:

- Operating Plan and Budget 22/23 – To be discussed under Agenda Item 4.
- Energy Market – The current estimated energy costs for 22/23 are £75-110m against historic annual energy costs of between £30-32m.
- Ministerial Briefing – The Chair and CEO met with the Minister and Permanent Secretary Dfl to discuss the annual report and accounts 21/22 as well as the requirement to continue to fund water and wastewater services.
- High Demand Event – The Company managed a high demand event during August, the details of which were noted.
- GB Water Industry – The sustained media interest in the GB Water Industry with an emphasis on hose pipe bands, CSO discharges, leakage and payment of dividends was highlighted.
- Awards – Recent awards achieved by the Company were welcomed by Members.

Colleagues

- Pay and reward proposals for 22/23 to be considered by the Remuneration Committee later that day.

Customer

- Good engagement with the Utility Regulator in relation to NPS, remaining operational targets are on track for achievement.
- Water Quality – broadly on track for achievement of targets in 22/23.
- Wastewater Compliance – Culmore WwTW highlighted as having a potential negative impact on overall wastewater compliance 22/23 subject to ongoing mitigating actions.

Green Economy

- Upon consideration it had been decided not to proceed with the co-ordination/sponsorship of a public sector energy event as a follow on from the Power of Water event.

4. Update of 22/23 RDEL Budget Position

- Members noted an update paper including recent correspondence between the Company and Dfl on 22/23 RDEL Budget, a summary of advice from Senior Counsel, an updated consequences paper to include the impact of further assumptions indicated by Dfl in terms of RDEL planning envelopes and a short slide presentation summarising the current position.
- The General Counsel and Company Secretary provided a short summary of the legal advice to date including a recent opinion confirming that previous advice was still valid and relevant in the circumstances.
- A detailed discussion ensued in relation to the indicative RDEL numbers from Dfl. It was noted that these were not final figures and that an RDEL budget for 22/23 had still not been confirmed.

- Members discussed the current legal advice as well as Dfl's powers of appointment and removal of Directors and the potential to meet directly with Senior Counsel should the need arise.
- It was agreed that the "straight-line" basis of spend/accounting continue to be used as the most appropriate in the circumstances in order to give as much time as possible for the situation to be resolved in a positive manner.
- The CEO agreed, in due course and if necessary, to set out options to meet any confirmed RDEL budget and it was noted that recent legal advice notes were published in the Reading Room on Diligent.

5. Dividend

- The Board discussed the proposal to declare and pay a Dividend for 21/22 and agreed that, in the current circumstances, the decision be deferred to the next Board meeting in October and that the matter be raised with Dfl at the forthcoming Shareholder meeting.

6. PPP Exception Report

- Omega - the update paper was noted including increased costs as a result of a change in law and an on-going claim in relation to sludge volumes.
- Kinnegar – a joint team was now in place to manage hand back of the site to the Company in 2024.
- Alpha - a number of operational issues were highlighted including the impact of pond weed at Castor Bay – this issue was being addressed by a cross-functional working group.

7. Diversity Half Yearly Update

- The half yearly update on diversity was welcomed including achievement of the Silver Charter Mark in NI as well as D&I training for senior leaders as part of the forward action plan over the course of the next 6 months.

8. Approvals

8.i Sludge Strategy SOC

- Approved based upon the information provided within the paper.

8.ii Audit Update

- Approved based upon the information provided within the paper.

8.iii Slavery & Human Trafficking Statement

- Approved based upon the information provided within the paper.

8.iv C893 – Leakage Detection Services

- Approved based upon the information provided within the paper.

8.v C1008 – Supply & Delivery of Padlocks, Cylinders & Keys with Havlins Locksmiths

- Approved based upon the information provided within the paper.

8.vi Benenden Health Corporate Scheme

- Approved based upon the information provided within the paper.

9. Pension Update

- Members welcomed the update on the Pension Scheme including the latest funding position and investment strategy.

10. **Engagement Strategy Update**
 - The update presentation was noted.
11. **ACE Update**
 - The update presentation was noted.
12. **Forward Look**
 - The forward look was noted.
13. **Any Other Business**
 - No items under Any Other Business.

Approved