

NI Water Ltd
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")
on Tuesday 20th December 2022 at 11.00 am
F&R Conference Room, Westland

Present: Len O'Hagan Chair
Peter McNaney 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
Paul Harper Director of Asset Delivery
Des Nevin Director of Customer and Operations

In attendance: Mark Ellesmere General Counsel & Company Secretary
Rose Kelly Director of People & Learning
Alistair Jinks Director of Business Services
Ivan Jackson Interim Head of Health and Safety (**Item 2**)
Trevor Hutchinson Head of Health and Safety (**Item 2**)
Anthony Lynn Head of Communications (**Item 5**)
Paddy Brow Head of LWWP (**Item 7**)

Apologies:

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 22nd November 2022 were approved.
- All actions complete.

2. Health and Safety Report

- The Chair welcomed Trevor Hutchinson, the newly appointed Head of Health and Safety to the meeting.
- There were no Company KPI incidents or Contractor RIDDOR incidents in period.
- Slieve Gullion fatality – criminal proceedings have now issued against Newry, Mourne & Down Council and Lagan Construction.
- Continued progress in relation to Health and Safety priority compliance projects.
- Attendance remains on target but is likely to be adversely impacted by covid and flu over the winter period.

3. Main Board Report

Significant matters in month.

The CEO provided an update on the following matters:

- Continued strong performance against KPIs in period.
- Funding 22/23 – the recent DfI funding allocation letter and the Board’s response were discussed in detail. It was noted that the ongoing freeze/thaw incident would result in increased operating costs – this was covered in the response letter.
- Members expressed their concerns around the levels of assurance and information being required of the Company by DfI – the CEO and the Permanent Secretary have been asked to sponsor a joint piece of work to improve how the interface works between the Company and DfI as shareholder and policy maker.
- NIAO Funding Review – the draft report has just been released to the Company and the CEO provided a verbal high level summary of the findings of the draft report – a detailed discussion ensued in relation to the Company’s approach to the publication of the report and actions required as a result.
- The Board welcomed the outcome of the 22/23 budget allocation and noted that DfI had approved the 22/23 pay remit proposal which was currently with DoF for approval.
- Freeze/Thaw Major Incident – the CEO provided a verbal update on the ongoing incident and Board agreed that Management should take all necessary steps to manage the incident including incentivisation of attendance by colleagues over the Christmas holiday period.

Customer

- It was noted that the impact of the ongoing freeze/thaw incident would have a significant detrimental impact on the leakage target.

The remainder of the main board report was noted

4. PPP Exceptions Report

- The update report was noted.

5. Engagement Strategy Update

- The video presentation was welcomed and the Head of Comms and his team were thanked for their continued work with the media and ongoing support in relation to the current incident.

6. ACE2 Programme Quarterly Update

- The quarterly update was noted.

7. Theme – LWWP Update

- The half yearly update was welcomed including the video presentation. Members thanked the Head of LWWP and his team for positive recent progress in engaging with key stakeholders including Belfast Harbour Commissioners and NIEA in relation to projects impacting the Herdman Channel and Belfast Lough.

8. Approvals

8.i Dividend

- Members considered the proposal for dividend in line with their fiduciary duties to include the current funding position of the Company and agreed to recommend payment of a Dividend based upon the information provided within the paper in the sum of £19M for the year ended 21/22.
- The General Counsel and Company Secretary tabled a written resolution from Dfl confirming payment of the Dividend upon the recommendation of the Board.

8.ii Senior Accounting Officer Certificate to HMRC and Associated Board

- Approved based upon the information provided within the paper.

8.iii Contract Uplifts

C1055 – Sludge Management

C1034 – Buildings Maintenance

Approved based upon the information provided within the papers.

8.iv. Direct Award Contract (DAC)

C1183 – Magnetite

C1050 – Future Corporate Systems (FCS) Stabilisation

Approval based upon the information provided within the papers.

8.v. Contract Award

C1152 – Lifting and Fall Arrest Equipment

Approved based upon the information provided within the paper.

9. Oxygen and Hydrogen Demonstration Project

- The Chair thanked the team for their update on the oxygen and hydrogen demonstrator project and noted ongoing discussions and engagement with the current supplier. It was noted that this project was “cutting-edge” and that the issues that had arisen to date were linked to the fact that this is new, unproven technology. The Board encouraged the Management team to proceed with the project and to consider other potential supplier options as appropriate.

10. Risk Committee Update – 22nd November 2022

- The Chair of the Risk Committee provided a verbal update on the last Committee meeting on 22nd November 2022 – there were no material matters to raise.

11. Audit Committee Update – 9th December 2022

- The Chair of the Audit Committee provided a verbal update on the last meeting of the Committee on 9th December 2022 including acknowledging an award for the annual report and accounts 21/22. An update on recent developments in the UK Water Industry would be provided by the KPMG partner in charge of UK Water Utilities at the next meeting of the Committee on 14th March 2023.

12. Forward Look

- The forward look was noted including plans to conduct an externally facilitated board effectiveness review during Q4 22/23.

13. Any Other Business

- The Chair welcomed the outcome of the 22/23 budget allocation process and acknowledged the Company's response to the ongoing major incident. The Senior Management Team were thanked on behalf of the Board for their continued successful delivery of the Company's objectives and the Chair wished everyone a Happy Christmas.

Approved