

NI Water Ltd  
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")  
on Tuesday 16<sup>th</sup> December @ 11.00 am  
Microsoft Teams

- Present:**
- |                        |                                     |
|------------------------|-------------------------------------|
| Len O'Hagan            | Chairman                            |
| Peter McNaney          | Non-Executive Director              |
| 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 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                          |
| Cathy Uprichard   | Head of Safety, Health & Environment ( <b>Item 2</b> ) |
| Ciaran Crozier    | Head of PPP ( <b>Item 4</b> )                          |
| Anthony Lynn      | Head of Communications ( <b>Item 5</b> )               |
| Dymphna Gallagher | Head of Drinking Water Regulation ( <b>Item 7</b> )    |
| Paddy Brow        | Head of Living with Water Programme ( <b>Item 10</b> ) |
- Apologies:** There were no apologies.

Paddy Larkin declared a potential conflict of interest in relation to a project referred to under Agenda Item 6. It was agreed that if the project was discussed in detail then Paddy Larkin would absent himself from that part of the meeting.

#### 1. Minutes and Actions from Previous Meetings

- The minutes of the meeting on 23<sup>rd</sup> November 2021 were approved.
- The General Counsel and Company Secretary referred Members to the legal opinion on accruals confirming that it was reasonable for the Board to rely on the accruals as stated in the 20/21 Annual Report and Accounts.
- The Chair led a detailed discussion on a proposed Board motion in relation to the current lack of sufficient RDEL cover for 21/22 and the continued provision of core services to customers
- Having discussed proposed amendments and reached consensus on the purpose and intent of the motion it was agreed that the revised motion be brought back to an appropriate future Board meeting for consideration if necessary.

- The CEO provided a verbal update on the current funding position in relation to the 21/22 budget including the most recent engagement with the DfI Permanent Secretary. The proposed approach - to provide RDEL cover until the outcome of the January Monitoring Round - was noted, thus potentially avoiding the need for drastic action to be taken by the Company in terms of core services.
- The 3 year indicative budget (22-25) has been published recently by DoF for consultation. Whilst the budget proposed for the Company is in line with the PC21 Final Determination (for those years) it does not take account of the likely continued increase in energy costs nor inflation during that period. The Company will respond in those terms to the consultation and continue engagement with DfI/DoF in this regard.

## 2. Health and Safety Report

- The update report was noted including the removal of one Company RIDDOR incident based upon further information and investigation.
- Health and Safety Strategy Action Plan - all fire risk and asbestos risk assessment surveys have been completed ahead of schedule, with legionella surveys to be completed by the end of February 2022.
- A recent internal audit assurance report in relation to progress against the plan concluded with a “satisfactory” rating.

## 3. Main Board Report

### Significant matters in month.

The CEO provided an update on the following matters:

- **Committee for Infrastructure** - briefing provided on 1<sup>st</sup> December by DfI Officials on the outcome of the October Monitoring Round - Committee Members supported the need for additional funding for the continuation of water and wastewater services.
- **Water Senior Stakeholders Group** - the Group met on 7<sup>th</sup> September when Members were briefed on the current under funding of the Company in terms of RDEL and the plans to address this.
- **NIAO Review of Water Infrastructure Funding in NI** - Members noted that the terms of reference for this review had been agreed and the Company will continue to engage in and support this review.

### People

- The update was noted including progress in relation to the 21/22 pay review.

### Customer

- Positive progress against in-year targets (excluding the impact of the Dunore burst).
- Preparations for the winter period are ongoing and, to date, sufficient resources are available to cover for the Christmas period.

### Quality and Compliance

- Drinking water quality and waste water compliance are on target in period, the outcome of 2 prosecution cases was noted.

### Finance

- The Group financial position in period was noted including additional cost pressures in the Alpha subsidiary. A discussion ensued in relation to the

potential for flexibility within the draft 3 year budget - engagement will continue with DfI and DoF to try to secure this going forward.

#### **4. PPP Exceptions Report**

- The update report was noted. Proposed amendments to the Alpha PPP contract in relation to new assets at Ballinrees WTW were approved as outlined within the paper.

#### **5. Engagement Strategy Update**

- The video presentation shared in advance of the meeting was welcomed and key challenges ahead will include pollution (including combined sewer overflows); funding the Company; the Climate Emergency and, in the shorter-term, customer tariffs.
- The Company will respond to the Green Growth Strategy consultation before the Christmas break.

#### **6. ACE2 Update**

- It was noted that benefits forecasts were positive and there was strong momentum in support of the programme.
- A detailed discussion ensued in relation to virtual power purchase agreements and how this potential opportunity might best be taken forward.

#### **7. Theme - Mourne Collaboration - Nature, Environment and Health**

- Members commended the Team and, in particular, Rebecca Allen on the video presentation.
- Plans to transform the Silent Valley site were welcomed and strongly supported by the Board in the context of public service enterprise and the Company's role as a custodian of a large part of the Mourne area.

#### **8. Approvals**

##### **8.1 UKAS**

- Approved based upon the information provided within the paper.

##### **8.2 C1099 - Mechanical Installation Repair and Maintenance**

- Approved based upon the information provided within the paper.

##### **8.3 C1092 - Leakage Detection Support Services**

- Approved based upon the information provided within the paper.

##### **8.4 KR255 261 - Belfast Tunnel Build Over Indemnity**

- Approved based upon the information provided within the paper.

#### **9. Senior Accounting Officer (SAO) Certificate to HMRC**

- The Board noted the NI Water Group SAO Certificate for the year ended 31<sup>st</sup> March 2021 as well as the detailed update within the paper on tax matters.

#### **10. LWWP Update**

- The update presentation and video were noted with discussion focused on the legislative changes required in order to progress the programme. It was agreed that this be picked up with Dfl in a number of fora including the Half Yearly Shareholder meeting as appropriate.

#### **11. Audit Committee Update**

- The Chair of the Committee provided a verbal update on the most recent Committee meeting on 15<sup>th</sup> December. Items included four internal audit assurance reports all of which were satisfactory, an update on the Annual Integrated Report and Financial Statements 21/22, Principal Financial Risks for 21/22 (including funding, Covid impact and Brexit) as well as a number of internal policy approvals.

#### **12. Risk Committee Update**

- The draft minutes from the Risk Committee meeting on 23<sup>rd</sup> November 2021 were noted.

#### **13. Forward Look**

- The Forward Look was noted and a Board Theme on Capital Investment added.

#### **14. Any Other Business**

- The Chair thanked Board Members and the Executive Team for the very significant achievements in the year to date and the continued focus on becoming a world class organisation.