

NI Water Ltd
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")
on Tuesday 22nd March 2022 @ 9.00 am
The Hub Conference Room, Westland House

Present: Len O'Hagan Chairman
Peter McNaney Non-Executive Director
Maurice Bullick Non Executive Director
Belinda Oldfield Non-Executive Director
Paddy Larkin Non-Executive Director
Marie-Therese McGivern Non-Executive Director
Sara Venning Chief Executive
Ronan Larkin Director of Finance, Regulation & Commercial
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 (**Item 2**)
Ciaran Crozier Head of PPP (**Item 4**)
Anthony Lynn Head of Communications (**Item 5**)
Paula Graham Head of Learning and Engagement (**Item 7**)
Stephanie McCullagh Head of Intelligent Operations (**Item 8**)
Gary Lawther Customer Experience Senior Manager (**Item 8**)
Damien O'Mullan Head of Energy (**Item 10**)
Angela Halpenny Head of Environmental Regulation (**Item 11**)
John Doherty SSO Process Advice (**Item 11**)
Paul Dillon NI Water Pension Scheme Secretary (**Item 12**)

Apologies: None

There were no conflicts of interest declared at the beginning of the meeting.

1.1 Minutes and Actions from Previous Meetings

- Minutes of the meeting on 22nd February 2022 were approved

1.2 Actions - 22nd February 2022

- One outstanding action was closed.

1.3 22/23 Funding

- The CEO explained the background to the recent letter issued to DfI in relation to funding of the Company in 22/23 including additional budget pressures as a result of energy costs and inflation and the fact that, in the absence of an NI Executive, the budget approval process is unclear at present.
- A letter of comfort was being sought from DfI in relation to 22/23 funding, engagement continues with external auditors on the issue of “going concern” and other routes to escalate the situation were being explored.
- An update would be provided at the next Board Meeting.

2. Health and Safety Report

- The update report was noted including completion of compliance surveys and continued progress in relation to top five compliance remedial works.

3. Main Board Report

Significant matters in month.

The CEO provided an update on the following matters:

- **Energy Costs** - volatility in the market continues, a fixed price for 12% of the Company’s energy consumption in 22/23 has been secured leaving the remainder currently exposed to market pricing
- **Budget Consultation** - the recent budget consultation was commenced but not completed by DoF, the Company submitted a detailed response to the consultation
- **Stakeholder Engagement** - a number of stakeholder engagement activities in period were highlighted.

People

- Pay remits for the NI Water Group have been formally submitted to DfI for 21/22.
- The Director of People and Learning provided a verbal update on 22/23 pay considerations currently under review by the GB water companies.
- Leadership Event - a recent in person meeting of Senior Managers discussed hybrid working/return to the office as well as proposals for the Company’s values.

Customer

- Positive progress against in year targets including unwanted contacts, supply interruptions and leakage.

Quality and Compliance

- Drinking water quality and wastewater compliance on target in period
- Members welcomed the outcome of the recent enforcement action by DWI in relation to a water quality event at Castor Bay. The Board asked that its appreciation be passed on to all colleagues involved in engaging with DWI on this matter.

Finance

- The Group financial position in period was noted and key financial targets remain on track for delivery at year end.
- Energy cost pressures continue in 22/23.

4. PPP Exceptions Report

- The update report was noted including engagement across all 3 PPP contracts.

5. Engagement Strategy Update

- Members welcomed the update video and presentation.
- Key areas of focus going forward include development constraints and the climate emergency.
- The Company's social media profile continues to increase across a number of platforms including Facebook and Linked-in.
- A discussion ensued in relation to educating children on water issues through schools as well as proposals currently under consideration to provide assistance to those affected by the war in Ukraine.

6. Quarterly ACE2 Programme Update

- The Chair congratulated the Senior Management Team for exceeding opex and capex targets in Year 1 of the programme.
- The key risk to the programme continues to be stakeholder support going forward.

7. Diversity Half Yearly Update

- The video and update report were noted. The Company has recently applied for the Silver Diversity Mark with Company data pointing to age, gender and social mobility as a key focus of initial activities.

8. Theme - Net Promotor Score ("NPS")

- The Board was briefed on the background to the target set for NPS during the PC21 period, the Company's current performance against this target as well as some benchmarking against the performance of other water and sewerage companies which was not completely based on like for like situations. Having discussed the matter in detail the Board agreed with the proposal to engage further with CCNI and ultimately the Utility Regulator in relation to the NPS targets for PC21.

9. Approvals

9.1 C909-38A Chemicals Contract (Bulk Chemicals)

C909-40 Coagulands

- Approved based upon the information provided within the paper.

9.2 C1116 - Leakage Management Services Contract

- Approved based upon the information provided within the paper.

9.3 C1100 - Electrical, Instrumentation, Control and Automation, Installation, Repair and Maintenance (EICA) Contract

- Approved based upon the information provided within the paper.

10. Power of Water - 10MW Electrolyser Deployment

- The Director of Business Services outlined the background to the proposed project and, having discussed the matter, the Board approved the Strategic Outline Case presented as well as the further work set out in the paper to develop the full business case including a memorandum of understanding with Translink.

11. Wastewater Surveillance Programme - The Role of NI Water

- The Board congratulated all those involved in the programme to date and noted the extensive opportunities for further research and innovation as a result of the initial programme.

12. Update on NIW Ltd Pension Scheme

- The update on the NIWL Pension Scheme was noted including scheme funding, potential minimal exposure of the scheme to the Russian market, as well as ongoing engagement with the Company in a number of areas.

13. Audit Committee Minutes - 15th March 2022

- The Chair of the Audit Committee provided a verbal update on the Committee meeting on 15th March 2022 including 2 limited internal audit assurance reports with appropriate Management actions and timelines to address findings, as well as an update on the regulatory report and accounts for 21/22.

14. Forward Look

- The forward look was noted.

15. Any Other Business

- No items raised under AOB.