

NI Water Ltd  
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")  
on Tuesday 23<sup>rd</sup> January 2024 @ 11.00 am  
IOC Conference Room, Westland House

**Present:**

Len O'Hagan	Chair
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
Rose Kelly	Director of People & Learning
Alistair Jinks	Director of Business Services
Gary Curran	Director of Engineering and Sustainability
Tzvetelina Bogoina	Director of Infrastructure Delivery
Trevor Hutchinson	Head of Health and Safety <b>(Item 2)</b>
Paula Graham	Head of Learning and Engagement <b>(Item 7)</b>
Helen Devlin	Head of HR Operations <b>(Item 7)</b>
Judith Kennedy	Organisational Development Partner <b>(Item 7)</b>

**Apologies:** Peter McNaney Non Executive Director

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

**1. Minutes and Actions from Previous Meeting**

- The draft minutes of the meeting on 19<sup>th</sup> December 2023 were approved.
- Both Board actions were complete.

**2. Health and Safety Report**

- There were no contractor and no NI Water RIDDOR incidents in period.
- The first meeting of the Safety Leadership Collaboration Group including the capital delivery contractor supply chain took place on 20<sup>th</sup> December – all participants welcomed this engagement.
- The reduced capital budget allocation for 23/24 will have no immediate impact on delivery of the pilot site assessments for DSEAR and delivery of pre-planned PUWER works but would impact on follow-on (or remedial) work. The impact of a similarly constrained capital budget in 24/25 is still being worked through but may impact on planned preventative maintenance inspections.

### 3. Funding Update

- The CEO provided an update on recent engagement and correspondence on funding with DfI and the UR since the last meeting. This included a meeting between Members and the DfI Permanent Secretary, DfI Non-Executive Board Members and officials on 21<sup>st</sup> December as well as all subsequent correspondence resting with the Permanent Secretary's most recent letter dated 17<sup>th</sup> January 2024.
- In its letter of 20<sup>th</sup> December 2023 the UR has confirmed that it has no plans to adjust or reduce the current outputs and outcomes under the PC21 FD. This letter is addressed to the DfI Permanent Secretary as well as the NI Water CEO.
- The updated RDEL forecast was noted with an indication that the current gap to the 23/24 allocation (£171.4m) is likely to be closed by the year end.
- The latest correspondence from the DfI Permanent Secretary asked the Company to prepare plans to manage a capital budget planning envelope of £321m CDEL for each of the 3 remaining years of PC21. The Company has consistently confirmed that such an allocation will make it impossible to deliver the outputs and outcomes set out within the PC21 FD and that, in order for this to happen, a process needs to be followed with all key stakeholders (including the UR and NIEA) commencing with a review of the social and the environmental guidance previously issued in relation to PC21 by DfI.
- In the circumstances the proposed draft letter to the Utility Regulator in relation to the Directors' Certificate was approved to include a copy of the most recent letter of 17<sup>th</sup> January from DfI.
- The Board received an update on the latest CDEL position in terms of 23/24 and, going forward, for the 24/25 operating plan and budget from the Director of Infrastructure Delivery and Director of Engineering and Sustainability. It was confirmed that the £321m capital allocation in 23/24 should be met as a result of deferrals and rephasing. The extent of major project deferrals in 23/24 was explained.
- The risks and consequences of a £321m allocation in 24/25 was set out with the majority of impacts on wastewater treatment and networks. This was in the context of increased media and NGO interest in pollution and CSOs as well as continued pressure and focus in relation to new connections from councils and developers. The slide set out 2 scenarios – implementing a £321m CDEL allocation and an alternative plan for an investment of £560m approximately that would still seek to deliver the PC21 FD including the significant investment required under the Living With Water Programme.
- A detailed discussion ensued in relation to the risk to delivery of the investment programme as required under the PC21 FD (and recently reaffirmed by the UR).
- The Board discussed the need to develop a coherent narrative in relation to the consequences of such a significant deviation from the PC21 programme.
- A verbal update was provided in relation to recent meetings with Mr Leo O'Reilly in relation to the Lessons Learned Review commissioned by the DfI Permanent Secretary.
- The Board agreed with the proposals outlined within the update paper for a letter to the UR in relation to the Directors' Certificate, the PAP letter, a 24/25 operating plan and budget (to include 2 proposals in relation to CDEL) and a detailed response to the DfI letter of 17<sup>th</sup> January.

- 4. Main Board Report**
  - The report was taken as read with verbal updates from the Director of Customer and Operations in relation to the impact of storm Isha and preparation for storm Jocelyn and from the Director of Business Services on the hydrogen project.
- 5. Engagement Strategy Update and**
- 6. ACE2 Update**
  - The update reports were welcomed including the video presentations circulated in advance of the meeting.
- 7. Theme – People**
  - The Board welcomed the video and presentation by the NI Water Culture and Engagement Team on developments in the Company’s Culture and Engagement since the appointment of Director of People and Learning.
- 8. Approvals**
- 8.1 24/25 Tariff Submission to UR**
  - Approved based upon the information provided within the paper.
- 8.2 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 £21M for the year ended 22/23.
  - The General Counsel and Company Secretary tabled a written resolution from Dfl confirming payment of the Dividend upon the recommendation of the Board.
- 8.3 Operating Plan and Budget**
  - Approved based upon the information provided within the paper.
- 8.4 Electricity Price Hedging – BC1**
  - Approved based upon the information provided within the paper.
- 8.5 IF102 (JI073) – Framework Extraordinary Extension**
  - Approved based upon the information provided within the paper.
- 8.6 KB552 – Ballyronan WwTW**
  - Approved based upon the information provided within the paper.
- 8.7 DAC – C1207 CSols Support and Licensing Contract Renewal**
  - Approved based upon the information provided within the paper.
- 9. Audit Committee Update – 16<sup>th</sup> January 2024**
  - Maurice Bullick provided an update on the most recent meeting of the Committee on 16<sup>th</sup> January 2024. The meeting was inquorate, and no decisions or approvals were made. A number of matters were noted including the most recent internal audit progress report, an update on the funding position and an update on the annual integrated report and financial statements 23/24 with a focus on financial risk including “going concern”.
- 10. Forward Look**
  - The forward look was noted.

**11. Any Other Business**

- The Chair thanked Members of the Executive Committee for their continued work and support under difficult circumstances in relation to funding.

Approved