

NI Water Ltd  
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")  
on Tuesday 23<sup>rd</sup> May 2023 at 11.00 am  
IOC Conference Room, Westland House

|                       |   |  |
|-----------------------|---|--|
| <b>Present:</b>       | Len O'Hagan<br>Paddy Larkin<br>Marie-Therese McGivern<br>Belinda Oldfield<br>Maurice Bullick<br>Sara Venning<br>Ronan Larkin<br>Paul Harper<br>Des Nevin                  | Chair<br>Non Executive Director<br>Non Executive Director<br>Non Executive Director<br>Non Executive Director<br>Chief Executive<br>Finance, Regulation and Commercial Director<br>Director of Asset Delivery<br>Director of Customer and Operations   |
| <b>In attendance:</b> | Mark Ellesmere<br>Rose Kelly<br>Alistair Jinks<br>Trevor Hutchinson<br>Paddy Brow<br>Thomas Gardiner<br>Conor Courtney<br>Helen Devlin<br>Michael Mulholland<br>Barry Nay | General Counsel & Company Secretary<br>Director of People & Learning<br>Director of Business Services<br>Head of Health and Safety ( <b>Item 3</b> )<br>Head of LWWP ( <b>Item 6</b> )<br>Head of Water Strategy ( <b>Item 7</b> )<br>Water Strategic Planning Manager ( <b>Item 7</b> )<br>Head of HR Operations ( <b>Item 8</b> )<br>Head of Regulation & Business Reporting ( <b>Item 10</b> )<br>Head of Asset Management ( <b>Item 10</b> ) |
| <b>Apologies:</b>     | 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 minutes of the meeting on 27<sup>th</sup> April 2023 were approved.
- Both actions from the last meeting are ongoing.

**2. NI Funding Update**

- Members received a slide presentation covering recent correspondence exchanged with DfI in relation to 23/24 indicative budget; steps taken by Management across a number of areas including an ongoing independent efficiency assessment (to be complete by the next Board meeting); an update on the current financial position including material movements in power costs; areas currently under review by Management in terms of additional efficiencies/savings Notwithstanding positive action to date across all key areas of operational costs

the current estimated shortfall in RDEL based upon Dfl's most recent correspondence was in the order of £20M for 23/24. A detailed discussion ensued in relation to the slide presentation with particular reference to the efficiency assurance work and spend areas still under review by Management consisting of "upside", "interventions" and "risks". It was noted from Dfl correspondence that a Ministerial or Government decision would be required to stop treating wastewater. The Board agreed that it would not instruct such a decision on the basis that the Company (and indeed individual Directors) may be personally liable for the consequences of such a decision both in criminal and in civil law.

- The CEO provided a verbal update on recent engagement with key stakeholders including the Utility Regulator and CCNI. The Board agreed that the Company should continue to engage appropriately with Dfl and other key stakeholders in order to seek to resolve the current situation in relation to the 23/24 budget for both RDEL and CDEL.

### 3. Health and Safety Report

- The update report was noted to include one contractor RIDDOR in period, the details of which were considered. In total there were 6 Company RIDDOR accidents and 5 Contractor RIDDOR accidents in 23/24 – an improvement from the previous year's performance. Two new appointees at Level 5 to the Health and Safety Team were confirmed in period.

### 4. Main Board Report

#### Significant matters in month.

The CEO provided an update on the following matters:

- **Month 1 23/24** – Strong performance across all KPIs – leakage appears to be recovering.
- **Executive Recruitment** – The update was noted in relation to the recent recruitment exercise for 2 Executive appointments within the Asset Delivery Directorate – one appointee to take up post with effect from 1<sup>st</sup> September 2023.
- **Employee of the Year Award** – Members welcomed achievement of this award in the face of stiff competition from the private sector.

#### People

- **22/23 Pay Offer** – Engagement ongoing with NIPSA in relation to Level 4-7 colleagues.
- **LEAP Reskilling Initiative** – A new programme for candidates with practical or technical background was launched successfully at the beginning of the month.

#### Operational Review

- **Water Quality** - An update on current enforcement action by DWI was noted including a warning letter in relation to a taste and odour event from February 2021.
- **Wastewater Compliance** – KPIs on target – 2 prosecutions ongoing arising from incidents in 20/21.

#### Governance

- The update was noted including an anticipated "satisfactory" internal audit opinion for 22/23.

**5. Asset Delivery Quarterly Update**

- Members welcomed the refreshed quarterly update based on the Company's 5 strategic priorities and asked that consideration be given to sharing the update (or a version of it) externally?

**6. LWWP Update**

- Members welcomed the informative video presentation circulated in advance of the meeting and noted steps being taken in relation to potential funding risks to the programme as well as a detailed engagement plan with DfI in relation to project approvals.

**7. Water Resource and Drought Management Plan**

- The Draft Water Resource and Drought Management Plan prompted a detailed discussion in relation to the balance between meeting future demand and water conservation. Members noted and approved the proposed next steps in finalising the plan with key stakeholders after consultation.

**8. Hybrid Working**

- Members were briefed on the current and future plans for hybrid working within the Company including employee and line manager experience to date, opportunities for improvement and measuring success. It was agreed that consistency of approach throughout the Company was a prerequisite to the success of this project going forward.

**9. Approvals**

**9.1 EPPB – Meter and Electricity Contract**

- Members welcomed a clear and concise summary paper and it was confirmed that there was no guaranteed spend under the contract and that the indicative spend amount provided sufficient headroom in the current circumstances going forward. It was agreed that hedging products continue to be considered and noted that under the PC21 final determination 60% of the Company's load was required to be from a renewable source. On that basis the Board approved the award of the contract as outlined within the paper.

**9.ii KF425 – Dungannon WwTW Phase 2**

- Approved based upon the information provided within the paper.

**9.iii Subsidy Assurance Statement**

- Approved based upon the information provided within the paper.

**9.iv Risk Committee**

- Draft minutes of the meeting of the Risk Committee on 27<sup>th</sup> April 2023 were presented by the Chair of the Committee.
- Corporate Threats and Opportunities 23/24 were approved by the Board upon the recommendation of the Risk Committee.

**10. PC21 Mid Term Review**

- The Head of Regulation & Business Reporting and the Head of Asset Management presented an update on the Mid Term Review recently commenced by the Regulator in relation to PC21 with a focus on power and chemical costs, net promotor score and the capital plan. The Company's formal response to the

Mid Term Review would be presented to the Board at its next meeting for consideration and approval.

- The Chair asked Management to consider appropriate assurance for the Board in relation to this process.

**11. Forward Look**

- The forward look was noted.

**12. Any Other Business**

- There were no items under any other business.

Approved