

NI Water Ltd
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")
on Tuesday 26th September 2023 @ 10.00 am
IOC Conference Room, Westland House

Present:	Len O'Hagan Peter McNaney Paddy Larkin Marie-Therese McGivern Belinda Oldfield Maurice Bullick Sara Venning Ronan Larkin Paul Harper Des Nevin	Chair Non Executive Director Non Executive Director Non Executive Director Non Executive Director Non Executive Director Chief Executive Finance, Regulation and Commercial Director Director of Asset Delivery Director of Customer and Operations
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In attendance:	Mark Ellesmere Stephanie McCullagh Rose Kelly Alistair Jinks Gary Curran Tzvetelina Bogoina	General Counsel & Company Secretary Director of Customer and Operations Director of People & Learning Director of Business Services Director of Engineering and Sustainability Director of Infrastructure
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Apologies: None

The Chair welcomed three new members of the Executive Committee to the meeting, Stephanie McCullagh - Director of Customer and Operations, Gary Curran - Director of Engineering and Sustainability and Tzvetelina Bogoina - Director of Infrastructure. The Chair then expressed the Board's thanks to Des Nevin, the outgoing Customer and Operations Director, for his extensive service to the Company and for exemplifying the values and behaviours of the Company and for his focus on customer service and colleagues in the transformation of his business area and the wider organisation.

A Written Resolution from the Shareholder was tabled and approved by the Board in relation to the appointment of Stephanie McCullagh as a Director of the Board to replace Des Nevin.

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 25th July 2023 and 23rd August 2023 were approved.
- All outstanding Board actions are now complete.

2. Health and Safety Report

- The update report was noted including 3 Contractor RIDDOR incidents in period, the details of which were noted. The target number of contractor RIDDORS for 23/24 had been exceeded. Members were advised of a number of mitigating actions being taken with contractors in order to reduce such incidents going forward including the establishment of a contractor health and safety forum.
- Progress continues in relation to the health and safety compliance and improvement programmes.

3. Main Board Report

- The current position in relation to the 23/24 budget and beyond would be picked up in the second part of the meeting at Agenda Item 15.

Significant Matters in Month

The CEO provided an update on the following matters.

- **Annual Report and Accounts 22/23** – the Chair, CEO and Director of FRC presented the annual report and accounts to the DfI Permanent Secretary Denis McMahon on 18th September.
- **Stakeholder Engagement** – the CEO and Director of FRC met officials from DfI, DoF and NIO at the end of August to discuss funding in the short and medium term.
- **Policy Under Review - Domestic Water Charging** – high level information has been shared with DfI in relation to potential revenue raising measures requested by the Secretary of State for NI.
- **Wastewater Infrastructure** – significant media coverage in relation to this matter was noted and a briefing paper had been prepared for Members under Agenda Item 8.
- **Lough Neagh** – a significant increase in the prevalence in blue/green algae across NI but particularly in Lough Neagh was highlighted. Notwithstanding a small number of taste and odour issues, at all times the water supplied by the Company has been safe to drink.

People

- **Pay Remit 22/23** – engagement with NIPSA continues to include a forthcoming conciliation process. Updates in relation to the entry level strategy and listening strategy were noted and nominations for a number of business awards were welcomed.

Customer

- The leakage target remains challenging.
- Compliance – drinking water quality and wastewater compliance remain on track to deliver against annual targets and positive progress continues in relation to green economy matters.

Finance

- Financial targets remain on track for delivery with income slightly higher than forecast notwithstanding continuing costs pressures.

Governance

- Audit actions continue to be delivered in line with agreed timelines, feedback on a recent EC risk workshop will be provided to the Risk Committee and the Chair

requested that a Risk Appetite Workshop be arranged for the Board at an appropriate time.

4. PPP Exceptions Report

- The update report was noted including progress in relation to the Omega Star delivery and interim arrangements in relation to the Kinnegar PFI which will be run by the joint venture consortium appointed to upgrade the works between the end of the PFI agreement and completion of the works in 2027.

5. Diversity Half Yearly Update

- The half yearly update was welcomed including developments in relation to data analysis, benchmarking, education and awareness and leadership commitment.

6. PC21 Mid Term Review – Consolidated Submission

- The presentation on the proposed PC21 Mid Term Review Submission was considered in detail with particular reference to capital investment, operating expenditure, outputs and targets and price limits. Members approved submission of the proposal to the UR in line with paper and accompanying slides.

7. Approvals

7.i C1188 Solar PV

- Approved based upon the information provided within the paper.

7.ii C686 CBC 2 Uplift

- Approved based upon the information provided within the paper.

8. Publishing Wastewater Discharge Information

- The update report was noted including proposals to arrange a Board workshop in relation to this matter.

9. Asset Delivery Quarterly Update

- The quarterly update was welcomed. It was noted that this document was shared with colleagues and supply chain partners.

10. Pension Update

- The Chair of the Pension Scheme provided an update in relation to scheme funding which was positive, progress in relation to the scheme's new target investment strategy, finalisation of a responsible investment policy by the Trustees and GMP equalisation.

11. Risk Committee

- The Chair of the Risk Committee provided an update on the most recent meeting of the Committee on 21st July 2023 to include the draft minutes of the meeting. The meeting included a focus on health and safety as well as recent engagement with the Competent Authority in relation to cyber risk.
- Revised Terms of Reference for the Committee were approved by the Board on the recommendation of the Committee.
- Changes to the people risk theme were approved by the Board and the position on Risk Appetite themes for Q1 23/24 was noted.

12. Audit Committee

- The Chair of the Audit Committee provided an update on the most recent meeting of the Committee on 13th September 2023. The draft minutes of the meeting were noted, and Committee Members received updates on Internal Audit Assurance Reports as well as approving a number of governance policies.
- External Auditors – the Director of FRC provided a verbal update on the recent briefing paper on the position in relation to the Company's External Auditors. This included recent market engagement and engagement with NIAO. On the basis of the information presented the Committee recommended and the Board approved re-appointment of the current External Auditors for a further period of one year in line with current contract arrangements.
- Terms of Reference – the Board approved revised Terms of Reference for the Committee upon the recommendation of the Committee.