

NI Water Ltd
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")
on Monday 28th April 2025 @ 12.50pm
IOC Conference Room, Westland House

Present:	Jo Aston Maurice Bullick Paddy Larkin Danny McSorley Belinda Oldfield Sara Venning Ronan Larkin Stephanie McCullagh	Chair Non Executive Director Non Executive Director Non Executive Director Non Executive Director Chief Executive Director of Finance, Regulation and Commercial Director of Customer and Operations
In attendance:	Tzvetelina Bogoina Gary Curran Paul Dillon Rose Kelly Damien O'Mullan Trevor Hutchinson Anthony Lynn Michael Mulholland Barry Nay	Director of Infrastructure Delivery Director of Engineering and Sustainability Acting Company Secretary Director of People & Learning Director of Transformation & Innovation Head of Health & Safety (Item 3) Head of Communications (Item 5) Head of Regulation & Business Reporting (Item 7.4) Head of Asset Management (Item 7.4)
Apologies:	Mark Ellesmere Marie-Therese McGivern	General Counsel & Company Secretary Non Executive Director

0. Chair and Non Executive Discussion

The Chair held a discussion with Non Executive directors only present.

1. Apologies; Conflicts of Interest; Chair's Business:

- An apology was received from Marie-Therese McGivern.
- No new conflicts of interest were declared.

2. Minutes and Actions from Previous Meeting:

- Draft minutes of the previous meeting on 27th March 2025 were approved.
- Five actions were noted as ongoing.

3. Health and Safety Report

- There were no NI water RIDDOR incidents in period.
- For the full 24/25 year there were a total of four NI Water RIDDOR incidents and ten contractor incidents.
- The latest position with the H&S work programme was noted.
- The 2025-28 H&S Strategy is under development.

4. Main Board Report

The CEO provided an update on the following matters:

- The CEO confirmed that the majority of targets for 24/25 had been met, exceptions included supply interruptions and leakage which had been impacted by weather events. Funding constraints are beginning to impact on achievement of targets for pollution incidents and development constraints. The CEO highlighted a number of achievements during the past financial year notwithstanding the pressure and focus on budget allocations including the operational response to Blue Green algae in Lough Neagh, a freeze thaw event and the worst storm event in NI for over 30 years. The Capital Team's reshaping of the capital investment to match DfI's funding availability and the installation of event duration monitors and publication of the data gathered. Innovative approaches have been applied to balance the priorities of better environmental outcomes and connections to the wastewater network. In addition, the reduced rating electrolyser is installed in Belfast WwTW. Work on the introduction of two significant corporate systems (CBC3 & FCS) continued during the year. The Board congratulated the Executive Team, Senior Management and all staff on these achievements.

The CEO further highlighted:

- NIEA have issued notification of their intention to withdraw the SORPI. NI Water have contacted DfI Water Policy team to ascertain their planned response.
- Drought planning is underway given the dry Spring weather; DfI have been informed.
- NI Water continues to work with DfI / DfC Housing Solutions team with a focus on creating the circumstances where NI Water can support up to 5000 new connections by building out more of the PC21 schemes.
- Board noted recent success at the ESRI Ireland GIS awards.

People

- Board noted the schedule for payment of 23/24 pay award for non-frontline L4-L7 colleagues.
- RemCo supported proposals for a potential two-year pay deal for 24/25 and 25/26. The business case is being prepared and will be submitted to DfI for approval.

Customer

- Board noted good performance against the Net Promoter score metric.
- The remaining sections of the Main Board Report were noted.

Nominated Outputs

- Board noted the red RAG indicator against all but one of the PC21 6 year targets.

5. Engagement Strategy Update

- The ongoing work on internal and external communications was noted along with an increase in levels of media enquiries over the last few years.
- Board noted the positive and neutral nature of media items related to storm Eowyn with no negative coverage recorded.
- A Water Quality campaign to reinforce the rigorous testing regime for drinking water will commence in May as part of the mitigation measures taken in relation to potential Blue-Green algae issues at lough Neagh. The Board enquired as to what additional treatment NI Water could take forward, to improve customers experience of water affected by blue-green algae, requested a briefing which should include cost estimates.

6. ACE2 Update

- The update paper provided was noted and taken as read.

7. Specific Items

7.1 Funding and Governance Update

- CEO provided a summary of correspondence issued and received by Chair and CEO since the last Board meeting.
- The Director of Finance, Regulation and Commercial presented a set of slides showing the latest estimated out-turn in relation to 24/25 RDEL. This showed a current forecast budget exceedance of £1.4m, c1% of the total RDEL allocation. This reduction in the forecast level of underspend was mainly driven by unusually dry weather conditions over the last period and a reduction in power prices. The Board recognised the work done by the Executive team to manage the gap down whilst maintaining core services, but also the impact of non-controllable factors such as rainfall, on NI Water's cost base. It was noted this RDEL exceedance had been regularised by the £3m additional RDEL allocation.

A detailed discussion ensued in relation to the Ministerial review into the 24/25 RDEL exceedance. It was noted that PWC had been appointed to lead the review, and an initial meeting had been held between NI Water and PWC on Thursday 17th April. The Terms of Reference for the review were noted and it was agreed that it was important to highlight NI Water's wider operating environment as a regulated utility and that over the last number of years both RDEL and CDEL funding allocated from the Department had been lower than that determined by the UR in the PC21 FD.

The Board were advised of the pertinent documentation that had been shared to date with PWC. The PWC team will hold a series of interviews with Board members.

The 2025/26 initial RDEL funding allocation was then discussed. The DfI Minister has instructed that NI Water must work to an opening RDEL budget of no more than £149m. The Director of Finance, Regulation and Commercial presented a set of slides showing a reconciliation from 2024/25 estimated out-turn, to NI Water's Operating Plan and budget for 2025/26. Given the impact of uncontrollable external factors such as weather and power prices, the Board discussed potential methodologies for risk sharing with the DfI shareholder. It was agreed this should be explored further with the Department.

It was agreed the Chair would communicate this to the DfI Minister and seek a meeting to discuss these pressing issues.

7.2 Update on F36

This item was restricted to the Non Executive directors, CEO, Acting Company Secretary. The other NI Water directors left the meeting at this point.

7.3 Update from UR Initial Enquiry Board Committee

- The update was noted and the submission of a substantive response to UR's Initial Enquiries.
- The Chair proposed some additions to the Committees Terms of Reference.
- A further meeting of the sub-committee is to be scheduled for the end of May/early June.

7.4 Intro to PC28

- The PC28 process and ongoing engagement with the UR was outlined. It was noted the UR was advising NI Water to submit a business plan that delivers all required outcomes in PC28 and this is at odds with the indicated planning assumption of £321m CDEL from the Department. It was also noted the UR requires NI Water to present a business plan that maintains affordable customer tariffs. A workshop on PC28 is scheduled with the Board for 24th June 2025.

10. Risk Committee Minutes from previous meeting – 24th February 2025

Item 10 was taken at this point in the agenda

- Board noted the new H&S work programme for 2025-28 was under development.
- The update on cyber risk was noted.

8. Approvals

8.1 Financial & Procurement Delegations (FR009)

- Approved based on the information provided within the paper.

8.2 C1016 Collection and Transportation of Water and Wastewater Samples

- Approved based on the information provided within the paper.

9. Information Governance Quarterly Report

- This paper was included in error. The paper had been considered by the Executive team and was not covered in the Board meeting.

11. CEO Assurance Statement Year End 24/25

- The CEO presented the 24/25 Year End Assurance Statement.
- Board noted the statement and the red RAG status areas.
- The 24/25 Year End Assurance Statement will now be shared with Dfl.

12. Forward Look

- The forward look was noted.

13. AOB

- There was no AOB. The Chair closed the meeting.