

NI Water Ltd
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")
on Thursday 29th May 2025 @ 13.00
IOC Conference Room, Westland House

Present:	Jo Aston Maurice Bullick Paddy Larkin Danny McSorley Belinda Oldfield Marie-Therese McGivern Sara Venning Ronan Larkin Stephanie McCullagh	Chair Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director (Item 4 onward) Chief Executive Director of Finance, Regulation and Commercial Director of Customer and Operations
In attendance:	Gary Curran Rose Kelly Damien O'Mullan Paul Dillon Trevor Hutchinson Helen Devlin Peter Semple Andrea Rushby	Director of Engineering and Sustainability Director of People & Learning Director of Transformation & Innovation Acting Company Secretary Head of Health & Safety (Item 4) Head of HR Operations (Item 4) Chief Information Officer (Item 6.2) Head of Information Security (Item 6.2)
Apologies:	Mark Ellesmere Tzvetelina Bogoina	General Counsel & Company Secretary Director of Infrastructure Delivery

1. Chair and Non-Executive Discussion

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

2. Apologies & Conflicts of Interest

- An apology was received from Tzvetelina Bogoina.
- It was noted Marie-Therese McGivern would be slightly late joining the meeting.
- No new conflicts of interest were declared.

3. Minutes and Actions from Previous Meeting

- Draft minutes of the Board meeting held on 28th April 2025 were approved.
- Papers covering actions 1, 2 and 4 were on the agenda for the meeting. Action 3 and 5 are ongoing.

4. Health and Safety Report

- There was one NI Water RIDDOR incident in the period.
- There were no Contractor RIDDOR incidents in the period.
- HSENI have disclosed that a Contractor raised a complaint alleging unsafe working by electrical contractors in respect of Lone Working, Confined Spaces and Control of Hazardous energies. NIW Head of H&S had met with HSENI and provided the relevant NIW H&S Management System documents.
- The recent internal audit of H&S training had identified that not all H&S training initiatives were live on the new Oracle system. The Director of People & Learning advised that all 22 out of 22 learning initiatives are now live on the system.

Attendance bi-annual report

- Board noted the escalation in long-term sick absence and that the 24/25 out-turn attendance figure was 96.04% against a target of 96.5%.
- The Head of HR Operations outlined the work undertaken to support colleagues and improve attendance.
- The level of absence due to stress was discussed and noted that the majority of cases were linked to non-work related stress.
- The Board noted the wider Health and Wellbeing programme and upcoming summer roadshows and how the holistic approach to wellbeing connects to attendance.

5. Main Board Report

The CEO provided an update on the following matters:

- It was noted the report contained an error in Section 1 under the Nature heading; the “actual” figure (99.57%) for Wastewater compliance is correct in the report, but the RAG rating is incorrectly shown as Red as the target for April was 98.75%.
- The CEO advised NIEA had granted an extension for NI Water’s response on the removal of SORPI to 7th July. The CEO will meet the CEO of NIEA to discuss this issue. It was noted the removal of SOPRPI was a cross-cutting issue that would require consideration at NI Executive level. The Director of E&S will bring a paper to Board in June setting out NI Water’s formal response to NIEA.

- Minister Kimmins attended a visit to Warrenpoint WwTW on 9th May. The upgrade to the works was part funded via EU Peace Plus funding under the shared waters initiative.
- The IoD hosted the third of five workshops in their Infrastructure & Investment Forum and would be producing a report on Infrastructure in Northern Ireland. The Fiscal Council's report on Sustainability, focussing on water and wastewater, was due to publish in June.
- The CEO highlighted the NIW Live! companywide broadcast on 22nd May and the input from teams across the organisation.
- The recent extended period of dry weather and high temperatures had increased demand to a peak of c685 megalitres per day. The situation was managed via the high demand incident regime and no customers were affected. It was noted that the previous decision to maintain levels of expenditure on leakage had been beneficial in keeping customers in supply.

The CEO further highlighted:

People

- NIPSA have given a notice of ballot for industrial action to the NIPSA members who remained on the pay progression spine arrangements. The ballot will open 29th May.
- Pay negotiations have been concluded for a two-year deal (24/25 and 25/26) with unions representing front-line colleagues. No negotiations to date with NIPSA. The business case will be forwarded to DfI and DoF in due course.
- The Water Utilities apprentices, LEAP technicians and ACE trainees will graduate from their programmes on 13th June. The event will be attended by the CEO and key staff from across NI Water. Minister Kimmins had planned to attend but unfortunately can no longer attend.

Customer

- The good performance against metrics was noted, however it is early in the year. NI Water is participating in calls with GB water companies on drought management issues.

Operational Review

- The development of leading and lagging indicators was reviewed. It was noted the percentage number of compliant WwTW is currently projected to fail for the year; however, as each month closes the projections will become statistically more accurate.
- Board was advised that the prosecution for Tandragee WwTW has been withdrawn.

Financial performance

- The NI Water Operating Plan & Budget for 2025/26 sets out an RDEL requirement of £171.8m and a CDEL requirement of £405m. On 27th February DfI Minister wrote to NI Water advising a 2025/26 scenario of £149.2m RDEL and £350m CDEL based on the draft DfI budget. Such a scenario leaves a gap of £22.8m RDEL and £55m CDEL.
- Focus remains on securing appropriate RDEL and CDEL allocations to enable NI Water to deliver Year 5 of the PC21 Final Determination, thus NI Water has requested DfI bid for the gap in RDEL and CDEL in June Monitoring Round.

Nominated Outputs

- Board noted the red RAG indicator against all but one of the PC21 6-year targets. This indicated the FD plan is not deliverable given current funding.
- It was noted there are currently no plans for an October Monitoring Round in 25/26 and should significant additional funding be made available later in 25/26, this would not allow sufficient time for projects to be ramped up and monies invested in-year. It was agreed these points should be clearly communicated to the Utility Regulator.

6. Specific Items

6.1 Funding & Governance

- The 2024/25 out-turn RDEL and CDEL positions were noted.
- The CEO outlined the timeline for the 24/25 Ministerial Review. PWC has been provided with all information requested in a timely manner. PWC concluded meetings with Non-Executive Directors on 19th May. The report is expected to be issued to DfI early w/c 2nd June. PWC have stated the report will be shared with NI Water, however the timing of this is not clear. The approach to communications regarding the report was discussed.
- KPMG has commenced the external audit for 2024/25. It was noted the timescale for finalising the audit may be impacted by the Ministerial Review being undertaken by PWC.
- The Chair and Non-Executive directors reflected on the meeting held with Minister Kimmins on 28th May. The Minister had advised no financial risk sharing would be possible in 25/26 however this could potentially be considered for 26/27. The potential for a number of high-level stakeholder meetings was being explored.
- It was noted that DfI have categorised the additional funding request lines in June MR as “inescapable”.

6.2 Cyber Security report

- The Cyber Insurer's maturity assessment score of 3.5 out of 4 was noted. The CIO set out the insurer's view on likelihood and possible cost of a cyber attack.
- The proposal to reduce TR5 to a rating of 15 was agreed.
- The Head of Information Security highlighted NI Water's cyber response capabilities and the major areas of cyber security threats.

Paper 7.5 Lough Neagh Update was taken at this point in the agenda:

7.5 Lough Neagh Update

- The Director of Customer & Operations and the Director of Engineering & Sustainability introduced the paper by outlining the contributory factors to Blue Green Algal blooms.
- It was noted a cross-directorate working group was in place and the group would work to mitigate the effect on customers.
- The ongoing capital investment was noted and the very significant investment that would be required to optimise water treatment (estimated at greater than £200m). This funding request will be included in PC28 business plan.
- It was agreed the level of funding and buildability challenges should be shared with DfI.
- Possible improved messaging for customers was discussed and the potential for a Ministerial visit to one of the major WTW on Lough Neagh.

7. Approvals

7.1 Subsidy assurance statement

- Approved based on the information provided within the paper.

7.2 Extraordinary extension to contract C686 (CBC2)

- Approved based on the information provided within the paper. Position to be communicated to DfI in writing.

7.3 KI732 – Gelvin Grange Science Centre construction contract

- Approved based on the information provided within the paper.

7.4 JG087 – Castor Bay WTW to Ballydougan SR upgrade

- Approved based on the information provided within the paper.

7.6 Direct Award Contract for Water Industry Research from WRc (Apr 25 – Mar 27)

- Approved based on the information provided within the paper.

8. Update on Joint Audit / Risk committee meeting

- The Chairs of the Risk Committee and Audit Committee provided a verbal update on the annual joint meeting between the Audit and Risk committees on 15th May 2025.
- The Chair of the Audit committee highlighted the Internal Audit Opinion for 2024/25 was an overall “limited” assurance opinion. Whilst overall internal control, governance and risk management frameworks are considered adequate and effective, the issues with the funding model present a significant risk the organisation will fail to meet its objectives. It was agreed an external peer review should be undertaken by Deloitte.

9. Shareholder meeting – Strategy Agenda items

- Board approved the recommendations in the paper.
- The Chair requested the information on the two RDEL slides used for meeting with Minister Kimmins be shared at the meeting, along with the estimated capex investment required to optimise WTW performance at Lough Neagh.

10. Forward Look

- The forward look was noted.

11. AOB

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