

NI Water Ltd
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")
on Tuesday 25th February 2025 @ 8.30am
IOC Conference Room, Westland House

Present:

Jo Aston	Chair
Maurice Bullick	Non Executive Director
Danny McSorley	Non Executive Director
Paddy Larkin	Non Executive Director
Marie-Therese McGivern	Non Executive Director
Belinda Oldfield	Non Executive Director
Sara Venning	Chief Executive
Ronan Larkin	Director of Finance, Regulation and Commercial
Stephanie McCullagh	Director of Customer and Operations

In attendance:

Mark Ellesmere	General Counsel & Company Secretary
Gary Curran	Director of Engineering and Sustainability
Rose Kelly	Director of People & Learning
Tzvetelina Bogoina	Director of Infrastructure Delivery
Trevor Hutchinson	Head of Health and Safety (Item 2)
Paddy Cassidy	Head of Management Accounts (Item 5)
Ian Presho	Head of Operational Procurement (Item 7.1 & 7.2)

Declaration of Conflict of Interest:

The CEO declared a potential conflict in relation to agenda item 3. It was agreed that the CEO would remain in the meeting for this item.

1. Minutes and Actions from Previous Meeting

- Draft minutes of the previous meeting on 28th January 2025 were approved.
- One action complete and several actions ongoing.

2. Health and Safety Report

- There were no RIDDOR incidents in period. An update would be brought forward to Members on benchmarking including incidents per hours worked in due course. The forward work programme for the next 5 years was being developed and would be brought through EC, Risk Committee and to Board at an appropriate time.

3. Funding Update

- The CEO provided an update on the current position in relation to 24/25 funding including the most recent correspondence from and to Dfl. The Director of Finance, Regulation and Commercial presented a set of slides showing the current position in relation to RDEL. Despite the further cost savings / efficiencies that had been made year to date a gap remained between the current RDEL allocation and the amount that, in the Board's opinion, was required by the Company in order to deliver core services in a safe manner. The gap was currently estimated to be between £7-8m and did not include additional costs incurred as a result of Storm Eowyn. There were no new options to close the gap other than those already considered by the Board and presented to Dfl in the letter from the Chair, dated 30th January 2025. Those options were neither endorsed nor recommended by the Board.

A detailed discussion ensued in relation to the current RDEL position and the Board urged that all efforts be made to seek to close the current RDEL gap before the end of the financial year. It was noted that, in her most recent correspondence to the Minister, the Chair had requested additional RDEL allocation in the circumstances. It was acknowledged that the current situation meant that there was a potential conflict of interest between the roles of CEO and Accounting Officer and a number of actions were discussed and agreed, should the situation ultimately arise that the Board decided to act in a manner contrary to Accounting Officer principles but in line with its statutory and regulatory duties. It was agreed that a further extraordinary Board meeting would be arranged on/or around the middle of March in order to reassess the situation. The consequences of and actions arising from such situation were further discussed.

It was noted that all reasonable alternatives to address the gap between the current RDEL allocation from Dfl and the amount required, in the opinion of the Board, to maintain core services in a safe manner in line with the former Minister's direction to the Board had been considered.

- Recent correspondence from the UR in relation to Licence Condition F6A2A was noted and that a response was being prepared. It was agreed that this correspondence be shared with Dfl and consideration be given to a letter to the Dfl Minister in this regard.

4. UR Initial Enquiry

- The update report was noted to include recent engagement with external advisors. The proposed terms of reference for the Board sub-committee were approved. It was agreed that a meeting be scheduled for the sub-committee to consider the outworkings of the team working with external advisors to inform and review proposed correspondence with the UR.

5. Draft Operating Plan & Budget 2025/26

- The Board discussed the draft Operating Plan and Budget 25/26 in detail. It was noted that the UR had approved the tariffs proposed for 25/26. The draft Operating Plan and Budget 25/26 was approved on the basis of feedback provided at the meeting.

Consideration should be given to sharing the Operating Plan and Budget with other key stakeholders.

It was agreed that a high level summary note of the Operating Plan and budget reflecting key messages be drafted to accompany a letter from the Chair to the Minister with other key stakeholders.

6. Main Board Report

The CEO provided an update on the following matters:

- Storm Eowyn – This had been handled well by the Company in the circumstances. A lessons learned report was being prepared and a submission was being made to the UR in this regard.
- New DfI Minister - An update was provided on recent engagement with the new Minister, DfI.
- Fiscal Council – Feedback had been provided to the Fiscal Council on its draft Infrastructure Sustainability Report / Special Focus Water. Further engagement with stakeholders including NIHE and the Committee for Infrastructure was noted.
- A verbal update was provided in relation to an ongoing whistleblowing investigation.
- The next meeting of the Water Senior Stakeholder Group was to take place on 6th March.

People:

- Members noted the position in relation to 23/24 pay for L4 - 7 Colleagues. A draft Business Case has been prepared in relation to 24/25 pay and would be submitted as soon as the relevant pay claims had been received from the Water Group of Trade Unions.

Customer:

- All strategic targets on track except leakage and supply interruptions which had been detrimentally impacted by recent weather events.
- Compliance – drinking water quality and wastewater compliance remained on target for 2024. Proposed targets for wastewater compliance for 2025 were highlighted in terms of the risk of failure as a result of Whitehouse and/or Kinnegar WWTW performance in period. The Chair asked that a more detailed update be provided to the Board in relation to the Newry proposal at an appropriate time to include the potential for the methodology to be applied to other catchments. Members welcomed the arrival of the electrolyser on site in Belfast.

7. Approvals

7.1 Approval to award - C909 Bulk Chemicals

- Approved based upon the information provided within the paper. It was agreed that the position in relation to the supply of oxygen in ROI be clarified.

7.2 Provision of Security Contract C1264

- Approved based upon the information provided within the paper.

7.3 Review of Treasury Policies

- Approved based upon the information provided within the paper. It was agreed that earnings on cash deposits be confirmed at the next meeting.

7.4 C1247 – Electrical Inspection, Testing and Repair Services

- Approved based upon the information provided within the paper.

7.5 JA341 Ballinrees WTW Upgrade

- Approved based upon the information provided within the paper.

7.6 MC4 Outline Business Case

- Approved based upon the information provided within the paper.

7.7 Directors and Officers Insurance

- A general discussion ensued in relation to the Company's Insurance Cover – proposals in relation to the main policies would be brought forward in March. D & O proposal approved based upon the information provided within the paper. The additional cover set out at paragraph 3.1 in relation to EPL and Corporate Legal Liability was also approved.

8. Forward Look

- The forward look was noted with actions to arrange an additional Board meeting mid-March via Teams, a Remco meeting and the Board Sub-Committee on the UR Initial Enquiry.

9. AOB

- The Chair referred to a potential workshop in relation to the short and long term strategy for the Company.