

NI Water Ltd
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")
on Tuesday 22nd October 2024 @ 11am
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
	Mark Ellesmere	General Counsel & Company Secretary
	Stephanie McCullagh	Director of Customer and Operations

In attendance:	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)
	Paula Graham	Head of Learning and Engagement (Item 7)
	Alison Sweeney	OD Partner - Talent & Engagement (Item 7)
	Paul Dillon	Head of Future Workplace (Item 8)

Declaration of Conflict of Interest:

Maurice Bullick highlighted a potential conflict of interest in relation to agenda item 8.3 (Sydenham WwPS Replacement Project). It was agreed that he would absent himself from the meeting for this item.

1. Minutes and Actions from Previous Meeting

- Draft minutes of the previous meeting on 24th September 2024 were approved.
- In relation to the EQIA on Water and Wastewater the DfI Minister wrote to The Chair confirming 24/25 budget allocations on 18th October 2024. There was no increase in allocations from the indicative allocations previously advised (£137.7m RDEL and £324.5m CDEL). A copy of the formal allocation letter was subsequently shared with Members under AOB.

2. Health and Safety Report

- The update report was noted. There were no reportable incidents in period.
- The Board welcomed the highly commended award for the Company at the recent All Ireland Safety Awards.
- It was agreed that the forecasted plan for the Compliance Programme be extended to cover up to August 2025.

3. Funding & Governance

3.1 Board Funding & Governance Update

- The Chair noted that the current pressing item is RDEL in 24/25 and reflected on recent engagement with the Dfl Permanent Secretary. The purpose of this part of the meeting was for Members to satisfy themselves as to whether any further steps could be taken in order to live within the current RDEL allocation of £137.7m and to test, in particular, the current RDEL spend across all parts of the Company. The CEO confirmed that bids of £23m RDEL and an additional £30m CDEL had been made on behalf of the Company as part of the October monitoring round. Further assurances were being sought from Dfl in relation to the outstanding Pay Remit 23/24. The Chair of the Remuneration Committee confirmed that Members had considered the 23/24 Pay Remit at a Committee Meeting earlier and remained supportive of the current proposal. The Committee Chair also reflected the concern regarding the current threat of industrial action, which would have a very severe impact on the Organisation and its Customers. The CEO provided a verbal update on a recent meeting between with The Chair and CEO of NIEA and their intention to continue to take appropriate enforcement action against NI Water as well as their intentions in relation to potential removal of the SORPI. Members noted that steps were being taken to better understand the risks and implications in relation to both matters for the Company and for individual Directors and Officers.
- A detailed discussion ensued in relation to the Shareholders influence and control over the management of the Company and how the funding situation together with the associated increased risk of enforcement action might best be escalated. The ORG is due to meet on 24th October to further consider the Reasoned Submission, the importance of a WSSG being held promptly thereafter was emphasised. The General Counsel and Company Secretary confirmed the current escalation process for conflicts (potential or actual) arising between the Company and the Shareholder.

3.1.1 Board Opex Review October 2024

The Director of Finance Regulation and Commercial presented a set of slides with a detailed breakdown of the current areas of Opex spend. Members noted that in its recent PC21 midterm review the UR indicated an Opex requirement of £170.5m for 24/5. The stark contrast with the confirmed Dfl allocation of £137.7m was noted. Managements current assessment of the requirement was £160m, a gap of £23m from the current allocation. Members scrutinised the breakdown of operating costs including those defined as “other” in detail to include Regulatory, Insurance, IT and Comms, Legal and Professional, SME, Advertising and Publicity, Travel and Training. A detailed discussion ensued in relation to the Pay Remit 23/24. It was noted that Dfl was still considering the Company’s request for approval to hedge in relation to energy costs. Further details were provided in relation to the income and costs of providing Water and Wastewater services. The Director of Customer and Operations explained the process for de-energising wastewater sites and the fact that colleagues may be unwilling to undertake such a task.

5. ACE2 Update

- Members welcomed the ACE2 Update including the video circulated in advance of the meeting. Particular thanks were expressed to Carol Duffy, Head of Intelligent Operations for the work done in relation to Customer contacts.

6. Comms Workshop Feedback & Engagement Strategy Update

- The feedback from the recent Board Communications Workshop was welcomed subject to minor comment/amendment.

7. PC21 MTR & PC27 Forward Look

- The update report was noted including the proposal by the UR to extend PC21 by 1 year – the next Price Control would be PC28.

8. Approvals

8.1 Payment of Dividend

- The Board discussed the rationale and basis for the proposal as well as the perception in circumstances where the Company has a current RDEL funding gap. It was agreed that this matter be deferred to the next appropriate meeting for consideration.

8.5 C1228 External Audit – Approval to Award

- The Chair of the Audit Committee confirmed that notwithstanding a lack of market tension in external audit services (confirmed in discussions with the NIAO and others) one effective tender bid had been received under a tender process conducted properly under the rules. On that basis, the Committee recommended the appointment of KPMG as external auditors to the Company for a period of up to 6 years. The Board approved the appointment upon the recommendation of the Committee.

Maurice Bullick left the meeting at this point.

8.2 Approval for Contract Uplift – C1007 Fleet Management Services

- Approved based upon the information provided

8.3 Sydenham WwPS Replacement Project Outline Business Case Submission to Dfl for Approval

- Approved based upon the information provided

8.4 Response to Consultation on Programme for Government

- Approved subject to feedback

4. Main Board Report

This item was taken as read. It was confirmed that the recent taste and odour incident was now closed.

9. Forward Look

- The forward look was noted.

10. AOB

- A copy of the Budget Allocation Letter dated 18th October 2024 was circulated under this agenda item.

Approved