

NI Water Ltd
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")
on Tuesday 28th January 2025 @ 10am
Ops Block Rooms 3 & 4, 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)
Anthony Lynn	Head of Communications (Item 4.1)
Paddy Brow	Head of Living with Water Programme (Item 4.3)
Michael Mulholland	Head of Regulation & Business Reporting (Item 5.1)

Declaration of Conflict of Interest:

There were no conflicts of interest declared at the beginning of the meeting.

The Chair thanked NI Water Group colleagues, contractors and volunteers for their work in relation to the ongoing Major Incident as a result of Storm Eowyn.

1. Minutes and Actions from Previous Meeting

- Draft minutes of the previous meeting on 19th December 2024 were approved.
- Two actions were dealt with in the current agenda and one action remains ongoing within an acceptable timeframe.

2. Health and Safety Report

- There were no NI Water RIDDOR incidents in period and 1 Contractor RIDDOR incident relating to a utility strike, the details of which were noted. Engagement remains ongoing with HSENI in relation to chlorine supply. It was confirmed that the Company was a duty holder as consignee and that whilst HSENI had written a warning letter to the Company

it confirmed that no further enforcement action would be taken in the circumstances. Work should complete for the next meeting in relation to the reforecast of the Health and Safety action plan. It was confirmed that work was ongoing in relation to measuring Health and Safety incidents per hours worked albeit it was difficult to benchmark with other utilities on a consistent basis.

3. Main Board Report

- **Major Incidents** - The CEO provided a verbal update on 2 recent major incidents. The first involved an extreme weather freeze thaw between 10th and 16th January resulting in 15% increase in demand for water, a six-fold increase in customer contacts and a four-fold increase in bursts. A Category 1 major incident was declared and managed by the Company.

Mitigation measures were then put in place in relation to Storm Eowyn on 24th January including switching the main water treatment works on to generators, topping up service reservoirs and declaring a major incident. A loss of power at Dunore Point WTW was the biggest initial concern and was treated as a high priority by both the Company and NIE. The main impacts of the storm were no telemetry and poor communications coverage due to lack of power. Alternative water supplies were put in place for those customers off supply for a period of at least 24 hours and supplies were provided to critical care customers. There was good engagement with DfI in relation to the incident which remains ongoing. Board Members again expressed their thanks to all colleagues involved managing both major incidents. It was noted that significant impacts in relation to wastewater were being worked through in conjunction with NIEA.

- **NI Fiscal Council** – Feedback is being provided on a draft report by the Council - “Infrastructure Sustainability Report – Special Focus Water”.
- **Committee for Communities** – It was agreed that appropriate guidance / direction be sought from DfI (and others as necessary) where additional funding was being provided specifically in relation to housing development.
- **Customer** – The recent major incidents would have a detrimental impact on interruptions to supply and leakage.
- **Nature** – An assessment of the Whitehouse WwTW compliance performance for 2024 is still under review.

4. Specific Items

4.1 Engagement Strategy Update

- The Quarterly Update Report was welcomed with details of 3 recent major incidents as well as recent meetings of the Assembly and the Infrastructure Committee. Further enquires were being made by various media bidders in relation to Belfast Lough, Lough Neagh and the Living With Water Programme. The Chair asked that consideration be given to engagement with individual stakeholders (NGO's, Fiscal Council as well as the Political Parties).

4.2 ACE2 Update

- The Quarterly Update Report was noted.

4.3 LWWP Update

- The Update Presentation was welcomed and discussed in detail by Members. It was confirmed that a similar presentation had been made to the LWWP Board including key Stakeholders. The Chair asked that consideration be given to extending this messaging to a wider audience, given the consequences of not progressing major works on the environment and development.

4.4 Funding Update

- The CEO provided a general overview of the current position in relation to 24/25 funding. The Director of Finance Regulation and Commercial tabled a set of slides showing the current position in relation to RDEL. Members discussed and provided feedback in relation to a draft letter to the Minister in response to his letter of 18 November and a letter to the Minister in relation to the most recent Shareholder Meeting. It was agreed that the Company would continue to consider appropriate measures to reduce the current RDEL gap.
- A detailed discussion ensued in relation to the potential consequences of the current funding position in terms of the Company's statutory duties as water and sewerage services undertaker and its obligations as an NDPB to adhere to budget allocations.

4.5 UR Notice of Initial Enquiry

- The General Counsel and Company Secretary summarised the paper in relation to this process, including the legal position. It was agreed that the Board sub-committee, referred to within the paper, be established with a first meeting towards the end of February to consider the matters discussed.

5. Approvals

5.1 25/26 Tariff Paper

- Having considered the matter in detail, Members approved the recommendation of the Executive Committee outlined within the paper.

5.2 Consideration of Payment of a Dividend for the year ended 31 March 2024

- Members considered the proposal for dividend in line with their fiduciary duties to include the current funding position of the Company and agreed to recommend payment of a Dividend based upon the information provided within the paper in the sum of £24M for the year ended 23/24.
- The General Counsel and Company Secretary tabled a written resolution from Dfl confirming payment of the Dividend upon the recommendation of the Board.

5.3 Update on NI Water Operating Plan & Budget 2025/26

The update was discussed in detail, it was noted that a final draft for approval would be brought to the next Board meeting.

5.4 Approval to award DAC to SE Water

Approved based upon the information provided within the paper.

5.5 DACs Request Papers

Approved based upon the information provided within the paper.

6. Audit Committee Minutes from previous meeting – 14th January 2025

The Chair of the Audit Committee provided a verbal update on the last meeting on 14 January 2025. Matters considered included material uncertainty and going concern which will be an issue in 24/25, the Annual Internal Audit Opinion for 24/25 will likely be limited linked to the material uncertainty point, chlorine supply chain and the Loan Note 2027. There were 6 satisfactory internal audit assurance reports in period. The Chair also met with the Head of Internal Audit as required under the Committee's terms of reference, there were no issues to be brought to the attention of the Board arising from that meeting.

7. Forward Look

The forward look was noted. It was confirmed that the Chairs of the Audit and Risk Committees had been invited to a meeting with the Chair of the DARAC (Departmental Audit and Risk Assurance Committee).

The Executive Committee left the meeting at this point

8. AOB

Non-Executive Directors discussed and agreed a response to the Ministers letter of 21 January 2025.