

NI Water Ltd
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")
on Tuesday 28th April 2026 @ 11am
IOC Conference Room, Westland House

Present:	Jo Aston	Chair
	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:	Tzvetelina Bogoina	Director of Infrastructure Delivery
	Gary Curran	Director of Engineering & Sustainability
	Rose Kelly	Director of People & Learning
	Damien O'Mullan	Director of Transformation & Innovation
	Gillian Shaw	General Counsel & Company Secretary
	Aisling McHugh	Senior Commercial Lawyer
	Trevor Hutchinson	Head of Health and Safety (Item 3)
	Ciaran Crozier	Head of PPP (Item 7)
	Helen Devlin	Head of HR Operations (Item 6)
	Keith Scott	Chief Risk and Reporting Officer (Item 10.3, 10.4, 11.1)
	Caroline McGale	Financial Controller (Item 11.6)
	Eilis Kelly	Head of Commercial (Item 11.7)
	Geraldine Mooney	Energy Business Manager (Item 11.8)
	Frank Kirkland	Dfl Observer

Apologies: Maurice Bullick Non-Executive Director

1. Board Members Only – MPMNI Breach: Use of Confidentiality Clauses

- The Board noted the background to the matter and the correspondence with the Department to date. Next steps were agreed.

2. Apologies – Declaration of Conflict of Interest - Welcome New Company Secretary

- Maurice Bullick sent apologies
- No Conflicts of interest were declared.
- The Board noted that Aisling McHugh retired from the role of Company Secretary with effect from Tuesday 22 April 2026, and that Gillian Shaw was appointed as Company

Secretary with effect from the same date. Board agreed to the appointment of Gillian Shaw as Company Secretary

3. Minutes and Actions from Previous Meeting

- Draft minutes of the meeting held on 24th March 2026 were approved.

4. Committee Updates

4.1 Audit Committee Minutes Update – 19th March 2026

Two minor amendments to Items 1 and 7.2 were noted. The following points were highlighted:

- Internal Audit: Satisfactory progress noted, with no Category 1 findings and two overdue Category 2 actions relating to the Climate Transition Plan.
- Internal Audit Plan: The 2026/27–2028/29 plan was approved, including additional advisory time for the Killyhevlin Project.
- Hedging Accounting: The Committee noted readiness for first-time application of IFRS 9 hedge accounting.
- Long Term Viability Statement: Proposed stress testing and Board presentation timetable were noted.
- Governance Update: Audit & Governance Reform Bill withdrawal, upcoming fraud risk assessment, and ongoing sustainability reporting developments were noted.

4.2 Risk Committee Verbal Update – 24th April 2026

The following points were highlighted:

- Key Corporate Risks: Ongoing high funding and climate resilience risks were noted.
- Risk Management Update: A proposed increase to TR3 reflecting geopolitical and fuel price volatility was noted.
- Proposed Corporate Risks 2026/27: Approved, subject to ongoing review, with continued focus on TR1 and TR9.
- Board Risk Workshop: A dedicated Board workshop on risk will be provided following Independent Review.
- Update on the Long Term Viability Statement for 2025/26 and the planned Independent Review of Risk Management over 2026/27: Both were noted ahead of the Joint Audit and Risk Committee in May.

4.3 Rem Co Verbal Update – 28 April 2026:

A summary of the NIW Resources & Headcount paper, the NFL Pay Update and the 2026/27 – 2028/29 Pay Remit Proposals was provided. It was noted that NI Water were contacting DfI in relation to the DoF circular on application of the 24/25 & 25/26 Pay Remits to NEDs.

5. Health and Safety Report

The contents of the report were noted and the following points highlighted:

- **Contractor RIDDOR:** One contractor RIDDOR incident was reported during the period, arising from an equipment failure during construction activities associated with

a new system of work. The contractor team involved has been replaced, and a revised method of work implemented to address the issue and mitigate recurrence.

- **Confined Spaces – Emergency Access:** A discussion took place regarding emergency access arrangements in confined spaces. It was confirmed that appropriate risk assessments are in place and that staff are being trained in self rescue techniques. In addition, work has commenced with external consultants to further discuss arrangements for stretcher access where required.

6. Main Board Report

The CEO highlighted the following matters:

- **Joint AERA / Infrastructure Committee:** NI Water team were commended for providing evidence on wastewater impacts on Lough Neagh at a joint Assembly Committee session.
- **Spring Staff Engagement Meetings:** Executive-led staff engagement sessions will commence in May; consideration is being given on how to best address anticipated questions on pay.
- **Dfl Board Briefing:** For the first time the CEO and Finance Director were invited to brief the Dfl Board on the End of Year Assurance Statement. NI Water was commended for its strong operational performance and the Dfl would like to see this reflected in the Assurance Statement. It was agreed to work collaboratively to consider the applicability of Dfl's approach to risk classification in relation to NI Waters governance framework and report on progress in September 2026.
- **PC21 Shareholder Investment (2025/26):** RDEL and CDEL outturns were broadly in line with budget despite weather-related pressures and higher risk appetite.
- **PC21 Shareholder Investment (2026/27):** Funding allocations for 2026/27 remain unconfirmed, with planning assumptions adopted pending Dfl confirmation. Initial forecasting will track against NI Waters submitted Operating Plan.
- **Capital Delegations Uplift:** Dfl declined NI Water's request to increase capital delegation limits from £10m to £20m. It was agreed that there is a need to further understand the reason this was declined.
- **Energy Prices / Fuel Supplies:** Ongoing monitoring continues in response to Middle East instability and supply chain requests for cost increases.
- **PC28 Planning:** The Outline Capital Submission milestone was achieved, with work progressing on the full PC28 Business Plan.
- **UR Cost & Performance Report:** NI Water challenged the draft report to better reflect the impact of constrained funding and subsequent target adjustments.
- **NIAO Report on Partnership Working:** The report provides relevant context for the current triennial review of NI Water's Partnership Agreement.
- **Social & Environmental Guidance:** NI Water responded to Dfl's consultation, supporting its ambition while highlighting affordability risks.
- **Stakeholder Engagement:** NI Water promoted its energy and decarbonisation work through participation in a regulator-led energy event.
- **Wastewater Reform:** Progress with NIEA remains limited, with NI Water seeking formal responses to its correspondence and clarity on future compliance oversight arrangements.
- **No changes to the corporate risks,** quarter four meetings have completed and the Risk Overview session held on 13 April was well received.

People:

- A detailed update was provided to the earlier Rem Co committee meeting. It was highlighted that the Trade Union Detriment Legal cases had now been re-listed for November with a preliminary hearing scheduled for June.
- There is ongoing engagement with the preferred candidate for the role of Head of Integrated Capital Delivery.

Operational Review

Customer:

- Good results for Customer Performance:
 - An average score of 87% for First Point of Contact Resolution against a target of 84%.
 - The Net Promoter Score increased by one to 57 at year end against a target of 47.
- CBC3 contract is progressing but still behind original go live date, it is expected this will now be end of summer/early autumn.

Water:

- The Board noted that Supply Interruptions targets were achieved, however, despite significant efforts by the team, the Leakage target was not met, albeit trends have begun to improve.
- Drinking water projected compliance at end of March is 99.94% against target of 99.83%
- DWI notifiable events are on target.

Operational Review, Wastewater:

Announced and Unannounced sampling is still on target, but a downward trend is projected.

Current performance assessments indicate that the %PE target may not be achieved should Kinnegar fail to meet total nitrogen consent standards in 2026.

Financial Performance:

- RDEL and CDEL: Provisional outturn delivered within Resource DEL (£151.4m vs £151.5m) and in line with Capital DEL (£369.7m) allocations.
- Strong income: Total income (£613.2m) and billed income (£111.2m) were marginally ahead of forecast.
- Capital Loan Note / Net debt: Net debt was £19.7m lower than forecast; the 2027 Capital Loan Note was extended to March 2028, removing short-term going-concern risk.
- Road drainage: Agreement reached in principle to move to monthly invoicing.
- External audit: KPMG commenced year-end audit work in April 2026 following approval of the Audit Plan by Audit Committee.
- Power (higher than forecast): Power costs exceeded forecast due to adverse weather conditions and increased rainfall.
- PPP: PPP costs were higher than forecast, driven by continued wet weather impacting wastewater volumes.
- Other costs offset: Higher power and PPP costs were partially offset by underspends in other operational cost areas.
- Net profit of £44.5m was £0.9m above forecast.
- Borrowing via Loan Note were £15m lower than forecast.

- Depreciation: Depreciation was above budget, creating a non-cash Resource DEL pressure at provisional outturn stage.
- Capital investment: Capital investment out turned at £369.7m, with underspends reallocated to fully utilise the CDEL allocation.
- FCS (Fujitsu): Engagement continues with Fujitsu to reset the programme timetable, targeting go-live in autumn 2026. We continue to assess costs forecast with Fujitsu.
- PC21 / Nominated outputs: PC21 capital delivery was achieved within funding constraints, with nominated outputs reported broadly not deliverable within PC21 (8 of 10 cannot be delivered).

6.2 Risk Summary Update

The Board was provided with an illustrative, improved high-level report on corporate risks, which was well received. A small number of amendments were suggested, including:

- updating the key mitigation for TR1 to explicitly reference DEL funding aligning with the Utility Regulator determination;
- clarifying that the report does include reference to SORPI and Zero Detriment; and
- incorporating an indication of upward and downward risk trends within the quarterly reporting.

7. PPP Exceptions Report Update

The Board noted this was Ciaran Crozier last Board meeting and commended him for his hard work and commitment over the years.

- Solar Project – North Down WWTW: Early access for groundworks secured; Deed of Variation remains outstanding before main works can proceed.
- Wastewater Reform (WWR): The financial impact on NI Water's Omega costs is expected to remain low for the remainder of the contract.
- Sludge Disposal Contingency: Veolia's incinerator contingency arrangements continue to present high risk; maintenance deferrals and further major incident escalation over Easter highlight ongoing challenges, with further pressures anticipated ahead of the planned June shutdown.
- Contract Expiry: Early indications suggest asset condition at contract expiry may be subject to dispute; the importance of early preparation, adequate resourcing, and inclusion within PC28 planning was emphasised.
- Work has begun to progress the replacement of the Head of PPP.

8. Engagement Strategy Update / Communications Quarterly Update

The Board commended the paper, video and the volume and quality of the communications being delivered.

9. ACE2 Update

- The ACE2 PC21 programme has now delivered £11m of benefits against a whole programme target of £9.1m.
- The Board noted the video and particularly the achievement of being shortlisted for several awards.
- ACE PC28 planning is in progress.

10. Specific Items

10.1 Funding and Governance Update

The report was noted and the following points highlighted:

- RDEL position: Through Board scrutiny and management action over the course of the year RDEL expenditure was reduced by c£19m (from c£172m to c£153m), narrowing the gap to around £1.5m by Q4; a further management challenge of c£1.5m was agreed to ensure alignment with the approved allocation by year end. It was noted that this level of operational investment is £16.6m lower than that agreed by Utility Regulator, reflecting higher levels of operational risk.
- The RDEL waterfall demonstrated how pressures were managed, including the absorption of c£2m of higher-than-forecast Power & PPP costs, resulting in provisional close-out within allocation.
- CDEL narrative: The Board noted recent public statements by DfI indicating NI Water received “92% of CDEL” and confirmed that the allocation was c 65% of that recommended as minimum by the Utility Regulator in the PC21 MTR.
- Capital uncertainty / PC28: Ongoing uncertainty around future capital allocations will directly impact PC28 planning, with the first year particularly difficult to define due to the absence of confirmed budgets.
- 2026/27 assumptions: Management is planning on the basis of a £412m CDEL assumption; if this is not confirmed, scaling back of planned activity will be required.
- Cost pressures: We are seeing requested regulation charges from the Utility Regulator and NIEA increase by c80% and c30% per annum respectively. We are challenging these with both bodies and seeking clarity on same.
- We are monitoring additional inflationary pressures linked to Middle East instability.
- We will update Board on emerging cost pressures and budget impacts and possible mitigations as clarity develops.
- Discussion was held on:
 - the response to the Utility Regulator’s Article F.6A.1 enquiry.
 - a suggestion that PC28 funding be ring-fenced in full and that other options to improve funding certainty be explored.

10.2 PC28 Update

The paper was noted and the following points highlighted:

- PC28 Outline Capital Submission (OCS) was submitted to the UR on 3rd April, with full plan to be submitted by 12 November 2026.
- The PC 28 Plan was noted and the Board workshop engagements were scheduled.

10.3 Triennial Review of Partnership Agreement between DfI and NI Water

The paper was taken as read. The Board noted the importance of concluding the triennial review of the Partnership Agreement in a timely and constructive manner, while ensuring that the Agreement provides a robust, proportionate and workable governance framework grounded in NI Water’s statutory and regulatory context. The Board noted concerns that certain proposed amendments risked creating system-level misalignment between statutory duties, regulatory requirements, funding decisions and delivery responsibilities, particularly

in the context of PC28. It was agreed that further engagement and communication would be progressed to address these issues and support movement towards an agreed position.

10.4 Board Effectiveness Update

The paper was noted and the following points highlighted:

- In line with the external review recommendations, 10 actions have been completed with 3 remaining in progress.
- Internal Action Plan: Progress against the Internal Board Effectiveness Assessment 2025 was noted, with three actions completed and two actions in progress.
- The Board noted that work will continue to progress the remaining internal actions.
- Preparatory work has commenced on a procurement exercise to appoint an external provider to undertake the next Board Effectiveness Review in Q3.

11. Approvals

11.1 (a) Approval of Schedule of matters reserved for Board

- Approved based on the information provided within the paper.

(b) Board Charter

- Approved based on the information provided within the paper.

11.2 New BioSolids Facilities OBC

- Approved based on the information provided within the paper.

11.3 LMS Leakage Management System Business Case

- Approved based on the information provided within the paper.

11.4 F002 Framework- Laboratory Equipment (Science Centre)

- Approved based on the information provided within the paper.

11.5 F004 – Supply, Maintenance and Repair of Screening & Conditioning Equipment – Contract Award

- Approved based on the information provided within the paper.

11.6 FR009 Financial & Procurement Delegations Policy updates

- Approved based on the information provided within the paper.

11.7 External Procurement Assurance Exercise

- Consideration is to be given to who might be best placed to carry out this exercise. Liaise with the Cabinet Office and CMA to gain recommendation for truly independent assessor.

11.8 Approval of EPPB documents – Updates to Governance

- Approved based on the information provided within the paper.

11.9 Year End Assurance Statement

- Approved based on the information provided within the paper.

12. Half Yearly Shareholder Meeting

It was confirmed that the Half Yearly Shareholder Meeting had been cancelled and NI Water have written to DfI to ask if it can be re-scheduled, to ensure that forward looking strategic issues are discussed.

13. Forward Look

The contents were noted with the invites for the future Board PC28 Workshops to be circulated.

14. AOB