

NI Water Ltd
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")
on Thursday 23rd October 2025 @ 1.15pm
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:

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
Aisling McHugh	Acting Company Secretary
Trevor Hutchinson	Head of Health and Safety (Item 2.1)
Anthony Lynn	Head of Communications (Item 6.1)
Tom Kelly	External Communications Advisor (Item 6.1)
Helen Devlin	Head of HR Operations (Item 8.1)
Orla Crothers	Head of Climate Change&WW Reg Reform (Item 9.1)
Michael Mulholland	Head of Regulation & Business Reporting (item 9.3)
Judith Kennedy	Head of Total Reward (Item 10.1)

Apologies: None

1. Apologies / Conflicts of Interest

- No conflicts of interest declared.

2. Minutes and Actions from Previous Meeting

- The draft minutes of the meeting on 30th September 2025 were approved with one amendment to point 1.4 restructure to be replaced with report.
- Actions from the last meeting were noted.

3. Health and Safety Report

Incident Report:

- 1 NIW RIDDOR – IP Injured back
Root cause: IP attempted to lift cover slab of chamber, cover slab has been removed and new lighter version used.
- 0 Contractor RIDDORS

Work Programme: 336 items, on target:

- 71 closed
- 93 in progress
- 172 not started

Incident Update Inc:978 (See attached Note)

Air valve chamber fail/ Pump operated resulting in sewage being sprayed over workers

- Consideration was given to whether this event should have been recorded as a RIDDOR incident, it was confirmed that this was a serious incident, but it did not fit into the definitions of RIDDOR.
- The Corrective Action and the Preventative Actions was discussed. The importance of encouraging a culture of reporting near misses was emphasised and it was also confirmed that appropriate disciplinary action is taken when necessary.

4. Main Board Report

The CEO highlighted the following matters:

- It is unlikely that Waste Water annual compliance targets will be met.
- Indicative allocations for RDEL and CDEL have been confirmed at £151.3m and £361.3m. No further allocation to NI Water has been confirmed following bids for £8m - £10m RDEL and £20m CDEL in a DfI Monitoring Round exercise.
- The bid of £405m for 25/26 did not include several larger projects and whilst funded to c 90% this represents a 35% reduction on the UR's determination of minimum need for Northern Ireland.
- Wastewater Reform; clarity is being sought from NIEA to determine on what date they plan to introduce a number of changes that will impact on wastewater compliance monitoring, particularly so the impact on wastewater connections can be determined.
- A summary of Committee attendance and Stakeholder engagement was provided.
- The Board commended the staff response to Storm Amy and noted the estimated financial impact was submitted to DfI, noting that the goodwill value of the staff is difficult to quantify.
- The Pay Remit has now been approved by DfI and has progressed to DoF for approval. Since the report Notice of Industrial Action was received from the Unions, the ballot closes on 17 Nov with potential action starting as early as 18 November.
- Customer experience remains positive. It was noted the CBC3 transition has not been completed on target, a request to extend CBC2 will be sought. The Board endorsed this approach.
- Drinking water compliance at the end of September 2025 is 99.91% which is above the 2025 target of 99.83%. All other PC21 water quality compliance measures also met the 2025 targets.

- Wastewater compliance there have been 11 high or medium severity pollution incidents ytd against a full year target of 8. Whilst 3 of the fails are being challenged this target is unlikely to be met. The pollution management group actively review incidents to minimise the risk of repeat issues. There is a risk that compliance KPI's at WwTW's will not be met even in the announced sampling regime.
- The financial highlights were noted, NIW submitted £8m - £10m RDEL & £20m CDEL bids on 3 September as part of the DfI internal October Monitoring Round commissioned. Department has been advised that bids should be read in conjunction with 5 August revised Operating Plan & budget 2025/26.
- An update was provided on the Future Corporate Systems, continuing to work with Fujitsu on the optimum timetable to go live with NI Water's Oracle Cloud Fusion solution implementation programme. Further approvals in relation to the legacy Oracle systems will be necessary. The Board endorsed this approach.

5. PPP Exceptions Report

- The content of the report was taken as read
- It was highlighted that an in-depth analysis of Glen Water's Asset Management Plans for the Omega Sludge Facilities (Ballynacor and Duncrue St Incinerators) was being conducted and the report will be completed by the end of October.

6. Engagement Strategy Update

- The paper was taken as read and the Ministers visit to Dungannon and Newry was noted.
- The Board are supportive of the Communication Strategy and noted the importance of clear messaging going forward.
- It was noted that NIW continue with the honest broker role, providing facts in relation to the impact of reduced funding and the choices that brings.

7. ACE2 Update

- Opex benefits are projected to exceed the PC21 business case, closing out year 4 Roadmap with £1.8m opex benefits against a target of £1.7m.
- TSG approved year 5 Roadmap on 31st March 25 aiming for £1.3m in opex benefits.
- Optimising Wastewater Assets Programme now into delivery phase at Newry, and commenced on 4 other key sites – Lisburn, Enniskillen, Dungannon and Cookstown with findings expected March 26.
- A desktop analysis of the next twenty catchment areas is in progress.

8. Diversity Half-Yearly Update

- The Board welcomed the update and was pleased to support the importance of EDI
- Senior Leadership commitment was highlighted with attendance at events by both the CEO and the Director of Infrastructure Delivery
- The forward look was noted and 'striving for Gold' Diversity Mark was highlighted.

9. Specific Items

9.1 Climate Change Strategy Update

- NI Water has secured a Climate Supply Partner and is developing its Climate Transition Plan, with climate considerations shaping the PC28 Business Plan in line with regulatory expectations.
- Active engagement with DfI and DAERA continues, including mandatory climate disclosures reporting regulations.
- NI Water reported a 4.9% reduction in total emissions in 2024/25, from 225,958 to 214,889 tCO₂e, although this is almost exclusively due to changes in reporting methodology.
- Next Steps:
 - NI Water will complete Mitigation Public Body Reporting by 31st October 2025 and continue working with DAERA's Adaptation Reporting co-design group ahead of the March 2026 submission.
 - Development of NI Water's Climate Transition Plan will progress alongside ongoing engagement with DfI on the Infrastructure Sectoral Plan and PAS 2080 accreditation.
 - Business cases for PC28 will reflect some of the Utility Regulator's approach although this is still being developed.

9.2 Funding and Governance Update

- The Board was updated on movement in risk profiles and management actions which have reduced the RDEL funding gap based on prudent forecasting from c£10m to c£5m. It should be noted that forecasting based on "best case" risk scenarios aligns with the budget allocation for RDEL.
- The inability of a constrained CDEL allocation on NI Waters ability to deliver the large LWWP projects was discussed, and it was clarified that being funded to 90% of NI Waters £405m CDEL bid represented a 35% decrease on the minimum funding levels identified by the UR.
- RDEL: a £10m bid to the department was made in the October Monitoring Round
- CDEL: a £20m bid was submitted in the DfI October Monitoring Round
- UR Enquiry into Compliance with Statutory Duties: a further substantial information request in relation to initial request made on 27 March has been received. A response is being prepared to be submitted on 7 November 2025.
- The Board noted an update on NIEA's work in relation to SORPI.
- Further engagement of NIW and Board in relation to budget and funding with stakeholders was discussed.

9.3 UR's Consultation on their approach to PC28

- The UR launched its PC28 draft consultation on 5 September, open until 31 October 2025.
- NI Water and other stakeholders are invited to respond to 17 questions on topics like assurance, capital maintenance, opex efficiency, real price effects, and uncertainty mechanisms.

- The document is generally constructive and reflects prior engagement, though concerns remain around board assurance, outputs, and adjustment mechanisms. The following three concerns were noted:
 1. UR proposes eliminating mechanisms like the MoU and CWA that allowed output adjustments based on funding. NI Water supports investment planning based on established needs, but believes a change mechanism in the event that government funding is constrained will be needed.
 2. UR may modify the Licence to make PC28 output targets legally binding, with penalties for non-delivery. This is problematic given the uncertainty around adequate funding to meet those targets.
 3. UR expects the NI Water Board to assure alignment with its PC28 guiding principles and DfI to endorse the Business Plan. These expectations may conflict, as DfI may not be able to support a plan requiring funding in advance of confirmed budgets.
- A response is being finalised for submission by the 31 October deadline.

10. Approvals

10.1 Holiday Pay Project Update

- Approved based on the information provided within the paper.

10.2 Approval of CEO001 Modern Slavery Policy and Modern Slavery Statement

- Approved based on the information provided within the paper.

10.3 F001 – Supply, Delivery, Installation, Commissioning and Maintenance of Rotating Biological Contractors (RBC's) Framework

- Approved based on the information provided within the paper.

10.4 Approval of Payment of a Dividend for the year ended 31 March 2025

- The Board discussed the paper in detail and agreed to defer the paper.

11. Mid-Year Assurance Statement

- The NI Water CEO is required to submit assurance statements to DfI at mid-year and year-end; the 2025/26 mid-year statement is included at Annex 1.
- The statement assesses 14 areas across strategy, governance, risk, compliance, finance, planning, and operations—nine are rated high risk, five medium, consistent with the previous year-end.
- Funding-related wording has been updated to reflect the 2025/26 mid-year position.
- Fifteen significant control matters are identified, including governance, funding, climate change, economic constraints, health and safety, cyber, wastewater compliance, CSOs, and employee pay. Two new exceptions relate to magnetite supply at Killyhevlin WtW and resource needs across the business.
- The board noted that the DfI would likely want to discuss H&S and Cyber Risk at the shareholder meeting in November.

12. Draft Audit Committee Minutes – 19th September 2025

- The paper was taken as read.

13. Half Yearly Shareholder Meeting – Strategy Agenda Items

- The Board considered the Strategic Items and particularly wanted to discuss, PC21, PC28, Enforcement, Killyhevlin and Sludge.

14. Yearly Forward Plan / Forward Look

- The forward look was noted and feedback encouraged.

15. AOB

- Nothing to note. The Chair closed the meeting.