

NI Water Ltd  
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")  
on Monday 23<sup>rd</sup> February 2026 @ 9.30am  
IOC Conference Room, Westland House

**Present:**

Maurice Bullick	Acting Chair, 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
Aisling McHugh	Interim Company Secretary
Damien O'Mullan	Director of Transformation & Innovation
Trevor Hutchinson	Head of Health and Safety ( <b>Item 3</b> )
Paddy Cassidy	Head of Management Accounts ( <b>Item 5.2</b> )
Michael Mulholland	Head of Regulation & Business Reporting ( <b>Item 5.3</b> )
Barry Nay	Head of Asset Management ( <b>Item 5.3</b> )
Geraldine Mooney	Energy Business Manager ( <b>Item 6.3</b> )
Alan McConnell	Senior Supply Chain Manager ( <b>Item 6.3</b> )
Eilis Kelly	Head of Commercial ( <b>Item 6.4 &amp; 7</b> )
Frank Kirkland	Dfl Observer

**Apologies:** Jo Aston Chair

### 1. Conflicts of Interest

- No Conflicts of interest were declared.

### 2. Minutes and Actions from Previous Meeting

- Draft minutes of the meeting held on 27<sup>th</sup> January 2026 were approved.

### 3. Health and Safety Report

- Incident Report: 1 NIW RIDDOR & 1 Contractor RIDDOR

There was a detailed discussion on the nature of the incidents and appropriate follow up actions to reinforce safety first approach across the organisation and its supply chain.

- The Work Programme is ongoing with continued progress on targets and compliance.
- Overall mandatory training completion was 85% at end of December, with continued progression expected as further sessions scheduled throughout March.
- The number of days lost due to injury was noted and is being monitored by the HR team.
- It was confirmed that the H&S Executive was not taking any further action in respect of the previously reported gas explosion and electricity flashover incidents.

#### **4. Main Board Report**

The CEO highlighted the following matters:

- Strategic Performance Indicators: noted that both the Reduction in Leakage and the Reduction in Number of Properties at Risk of Sewer Flooding have not been achieved, neither has the Reduction in H&S incidents. It was noted that the quantum of red / amber SPI's were demoralising for staff considering the work that has been committed to these areas.
- PC21 Shareholder Investment (2025/26): The impact of weather continues to dominate operating costs with exceptional January rainfall and Storm Chandra response costs creating unbudgeted pressures. This will be discussed further in agenda item 5.1.
- Infrastructure Committee requested further information in relation to the multi-year budgets, NI Water has been invited to attend the committee, no date has been set.
- IoD NI Infrastructure & Investment Action Plan: Launch scheduled for 27 February, to bring together senior leaders to discuss actions to unlock investment and improve long-term resilience.
- Ballygawley WwTW: Minister Kimmins marked completion of an £8.5m investment, increasing treatment capacity and improving flood protection.
- Wastewater Reform: Limited engagement with NIEA continues, with urgent clarification sought on new compliance monitoring requirements ahead of the PC28 submission deadline.
- Potential Cyber Incident: NI Water monitored UK-wide DDoS attacks affecting other water companies in January, whilst there was no impact on our systems, learning points were taken onboard.
- NI Water will welcome the new Perm Secretary in April, start date has not been confirmed yet.
- Storm Chandra: The January storm increased customer contacts by 30%, but effective preparation and response limited impacts on customers, it did impact costs.

People:

- Frontline: continued constructive engagement and progress noted with negotiations on the 2026–2029 Pay Remit underway.
- McCloud Pension Remedy: Consultation concluded in January, with positive feedback from members and unions. The Pension Trustee's approval secured, and implementation progressing under joint oversight.

- Non-Frontline Industrial Relations: NI Water and NIPSA undertook judicial mediation on 20 February 2026 with no resolution. The Executive Committee continues to seek progress and prepare for potential industrial action through regular MEG meetings.
- Recruitment campaigns for General Counsel & Company Secretary (closed 13 February) and Head of Integrated Capital Delivery (closed 23 February) progressing, with good response for both.

#### Operational Review:

- Customer Contact performance has been good.
- The team continues with a sustained effort to reduce leakage, noting the 25/26 target will not be met.
- Drinking Water Quality is on Target and two regulatory enforcement notices have been closed.
- No pollution incidents to date; however, concerns were noted for increased probability this will move to amber during the year.

#### Economy:

- Proposed tariff increase approved by the UR.

#### Financial Performance:

- RDEL currently tracking at £153m against a budget of £151.5m. The £151.5m budget assumed comparable weather to last year, however both January and the Autumn season are the wettest since 1877 and NI has experienced four named storms, creating a c £5m pressure on power and PPP costs. A bid has been made to Dfl to reflect an additional £1.5m of cost pressures and management will continue to work toward the budget allocation.
- 2027 Capital Loan Note: Corporate Finance advisers appointed to support refinancing discussions with Dfl Shareholder Unit, with urgency highlighted ahead of Board approval of accounts in June 2026 and consideration of extending the current 31 March 2027 payment date. Board noted that as of the 1 April there will be less than 1 year remaining on the financial instrument and stressed the urgency of resolving this.
- 2042 Loan Note: Dfl has confirmed the 2042 Loan Note will be available for drawdown during the PC21 extension year (2027/28).

#### Governance:

- The Risk Committee will receive an update on Risk Horizon Scanning exercise following this meeting.
- Insured risks: £50k payout to NI Water was received under parametric insurance.
- Partnership Agreement: under review with external lawyers and Dfl.
- Assurance Statement: CEO invited to brief the Dfl Board in April 2026.

## 5. Specific Items

### 5.1 Funding and Governance Update

The report was noted and the following points highlighted:

- The full-year net RDEL forecast has improved from £171.8m in April 2025 to around £153.0m, leaving a remaining shortfall of approximately £1.5m against the Dfl RDEL allocation of £151.5m.

- The PC21 MTR Final Determination estimated an RDEL requirement of around £169m, based on the operating costs of an efficient water company delivering its services.
- The Board has challenged management to align full-year spending with the approved budget by year end, while recognising the potential cost impacts of severe weather, including four storms and the third wettest autumn on record.
- The 2025/26 CDEL allocation is £366.5m, with a further £3.2m allocation in February, bringing total CDEL to £369.7m. This represents 90% of NI Water's £405m capital bid but is 35% lower than the level agreed by the UR at the PC21 Mid-Term Review.
- NI Water advised the UR that rescinding the MoU and CWA leaves no mechanism to address public expenditure shortfalls, creating unacceptable delivery and reputational risk, and has reminded the UR of its shared duty with DfI to ensure NI Water can finance its regulated activities.

## 5.2 NI Water Operating Plan & Budget 2026/27

The Board was content to approve the proposed budget request as detailed in the supporting paper noting the following points:

- It was noted that the PC21 Mid-Term Review Final Determination points to funding for Resource Cash DEL for 2026/27 of c£167m and NI Water is continuing to seek ways to comply with the Minister's request for an Operating Plan & Budget for 2026/27 in line with a RDEL allocation of c£149m (with specified £6m risk transfer to DfI) and a CDEL allocation of £321m (with consequences explained). The recommended allocations for 2026/27 would be £155m RDEL and £412M CDEL and the document will reflect the impact of underfunding these amounts.
- Members expressed concern regarding the heightened risk exposure for the organisation based on the proposed budgets and the forecasted non-delivery of all but one PC21 outputs.
- NI Water is required to submit its Operating Plan and Budget to DfI Shareholder Unit for Ministerial approval no less than 30 days before the commencement of the new financial year i.e. by end of February 2026.

## 5.3 PC28 Update for Board

- The Board noted the update on the development of the PC28 Outline Capital Submission (OCS), including the requirement to submit to the Utility Regulator by 9 April 2026.
- The Board acknowledged the scale of the full investment need and noted management's assessment that c£3.4bn (2025/26 prices) represents investment that is both deliverable and affordable for the PC28 period.
- The proposed investment prioritisation was highlighted, with emphasis on critical national infrastructure projects, asset maintenance, protection of drinking water, and initial steps to address wastewater investment backlog, including the indicative allocation across these themes.
- The focus on reducing pollution and enabling development, including reliance on the "no detriment" principle to facilitate new connections was addressed along with the associated regulatory dependencies.
- The Board noted the key assumptions and risks underpinning the plan and agreed to provide further guidance as PC28 development progresses.

## **5.4 Board Effectiveness Update**

- The paper was noted with a further update to be provided in April.

## **6. Approvals**

### **6.1 Approval paper: Directors and Officers Insurance**

- Approved based on the information provided within the paper.

### **6.2 Cash Advance of Grant for Protecting Shared Waters PEACEPLUS Project**

- Approved based on the information provided within the paper.

### **6.3 Metered Electricity Tendering Strategy Paper**

- The Board noted the paper provided for information.

### **6.4 Approval to Award a DAC for Liquid Oxygen (NIWA)**

- Approved based on the information provided within the paper, noting the very limited number of suitable suppliers available

## **7. Procurement Strategy Paper - Goods & Services Contract Strategy**

The following points were highlighted to the Board:

- NI Water procures a wide range of goods and services, awarding around 150 contracts annually to approximately 100 suppliers, with annual expenditure of c.£180m, and that the Commercial team manages a wider portfolio of c.300 strategic contracts supporting critical uninterrupted operational delivery.
- Ensuring continuity of supply to maintain seamless operational delivery requires proactive management of the tender pipeline, disciplined use of contract extensions and cost control, early market engagement, deployment of dual-supplier and multi-lot models to enhance resilience and competition, and the use of CCMS to provide effective contract oversight and governance.
- NI Water maintains a rigorous compliance regime including compliance with the Procurement Act 2023, Utilities Contracts Regulations 2016, NI Public Procurement Policy, and continued external assurance through ISO 9001 certification and audit.
- The commercial disciplines applied to secure value for money, including specification challenge, negotiation and BAFO processes, benchmarking, and balanced price/quality award criteria were highlighted.

The Board welcomed the contents of the report and noted that the Strategy will inform the development of the full PC28 Procurement Plan to be progressed through the appropriate governance during the year.

## **8. Draft Nomination and Remuneration Committee Minutes – 27<sup>th</sup> January 2026**

The Chair of the Remuneration Committee discussed key points from the most recent meeting. It was noted that a paper on NED remuneration across the public sector would be provided at the next Remco meeting.

## **9. Draft Audit Committee minutes – 12<sup>th</sup> January 2026**

The minutes were noted and taken as read.

## **10. Forward Look**

The following items were noted:

- UR Board visit to Silent Valley on 18 March 2026
- Strategy Update and PC28 Workshop to be held at EY Offices on 23 March 2026

## **11. AOB**

- The department approved and executed the written resolution on 6 February 2026 approving the payment of the dividend and requested this was brought to the Boards attention. All is in order for payment as approved.