

NI Water Ltd
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")
on Thursday 18th December 2025 @ 11.30am
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 (Left at 12.30)
	Damien O'Mullan	Director of Transformation & Innovation (Left at 12.30)
	Aisling McHugh	Company Secretary
	Trevor Hutchinson	Head of Health and Safety (Item 3.1)
	Eilis Kelly	Head of Commercial (Item 8)
	Nicola Brennan	Head of Internal Audit (Item 10)
	Anthony Lynn	Head of Communications (Item 10)
	Tom Kelly	External Communications Advisor (Item 10)
	Caoimhe Fitzpatrick	Governance Manager (Item 10)

The Chair opened the meeting and advised that an Observer will attend Board and/or Committee meetings from January for six months.

1. Apologies / Conflicts of Interest

- No conflicts of interest declared.

2. Minutes and Actions from Previous Meeting

- The draft minutes of the meeting on 25th November 2025 were approved
- Actions from the last meeting were noted and updated accordingly.

3.1 Health and Safety Report

Incident Report:

- 0 NIW RIDDOR
- 1 Contractor RIDDORS

Work Programme: 343 items on target:

- 83 closed
- 93 in progress
- 167 not started

Incident Update Inc:1014

Discussion on the Contractor RIDDOR:

- The incident was an electrical ARC flash and the IP sustained minor burns to hands. An investigation into the incident is underway. Importance of enforcing safety measures was noted.
- DSEAR and PUWER programmes of work are progressing well.
- Health and Safety Training continuing with a positive 80% attendance.
- It was brought to the Boards attention that Uisce Eireann had a fatality in the past couple of weeks and the team will monitor for any learning points.

4. Main Board Report

The CEO highlighted the following matters:

- It was noted that Wastewater and Pollution Incidents have failed the compliance targets.
- Wastewater Reform – the Director of Engineering & Sustainability continues to liaise with NIEA to get confirmation of the date they intend to introduce additional compliance measures. It is expected that Unannounced Sampling will come into effect in Jan 2027 and there was a discussion held on how we best deal with this and communicate same.
- The CEO, Director of Finance, Regulation & Commercial and the Director of Engineering & Sustainability attended the Infrastructure Committee on 26 November, the gap in investment compared to PC21 FD alongside the consequential impacts were highlighted.
- EC held an in depth NI Water Risk and Horizon Scanning workshop in December, supported by senior Risk Practitioners from our insurance and risk partner Marsh. Outputs will be shared with Risk Committee/Board in due course.
- A Leadership meeting was held in December where key business updates and challenges were shared.
- The Executive Committee visited the Cyber and Operations Innovation Lab, a visit for Board is planned for January.
- Two minor recommendations were identified in the UR Report on Storm Eowyn, these had been addressed.

People:

- Frontline & NIWA: Continuing engagement with Dfl on additional pay business cases, aiming for approval by early January to prevent escalation of Frontline and NIWA industrial action, with unions already operating a continuous work-to-rule from 10 December.
- Non-Frontline: NIPSA's industrial action ballot runs from 10–22 December. NIW have had extensive employee communications through HR-led briefings, reaching over 200 staff. Legal teams are progressing terms for Counsel-led mediation expected to address collective bargaining status and outstanding pay/settlement issues.
- Contingency planning continues across the business for potential Frontline and NFL industrial action.
- NI Water have agreed to participate in a judge-led mediation session with NIPSA on Friday 19 December with potential for further sessions in January. The mediation will be attended by NI Water and NIPSA representatives as well as senior counsel and other legal representatives of both parties.

Operational Review:

- A discussion on leakage was held; it was noted that the DI average remained unseasonably high through November. The team continue to detect high numbers of leakage defects during the year, and the defect repair times are at their lowest historically. The challenge is that small-scale leakage increases across large number of DMAs. It was noted that to further effectively address leakage will require continued investment in the replacement of water mains, an activity which has been reduced in PC21 given capital funding constraints. This is being considered as part of PC28.
- Pollution Incidents remain at 11 to date against a target of 8.
- Wastewater compliance target (percentage of population equivalent %) will not be achieved this year as Kinnegar Wastewater Treatment works is now reported as a fail due to Total Nitrogen levels. Kinnegar is a key works impacting Belfast Lough and was a £170m project included in the LWWP that cannot proceed within current funding levels.
- Investment Management is reviewing the Ards and North Down Draft Plan Strategy ahead of a 15 December 2025 response and have also begun reviewing the Belfast Harbour Master Plan 2025–2050.

Financial Performance:

- A summary of RDEL and CDEL requirements and allocations was noted:
Opening RDEL Requirement £172m; Allocation £151.3m
Opening CDEL Requirement £405m; Allocation (inc add funds from monitoring round) £362.1m
- As part of the December Monitoring round NIW submitted £5m RDEL & £10m CDEL bids. It has been informally indicated that we may receive £4.1m CDEL and it is not clear that a bid was submitted for additional RDEL for NI Water.
- Borrowings are on target and Income and Cash Balances holding steady.
- Road Drainage charge for 2025/26 of £40.9m (including VAT) has been received from Dfl.
- Operational Cost are 1% higher than forecast, Staff costs are 1.3% higher, partly attributable to increased overtime from Storm Amy.

- Power volumes have increased by 3.6% this is linked to the wettest autumn for years.
- Capital investment is on track, with £2.5m underspend, linked to phasing in delivery of vehicles.
- NI Water met with the Cabinet Office in relation to Future Corporate Systems and a further meeting is scheduled with Fujitsu on 19 December.
- Alpha operating profit ahead of forecast by 3.8% and the operating costs are lower year to date.

5. NIW Storm Overflows, EDMs (Event Duration Monitors) & Capital Delivery Plan Update

The paper was noted and the following points highlighted

- 774 EDMs have been installed, an increase of 21 monitors from September 25.
- Continue to work with NIEA to pilot a near real time view of discharges from CSO's to Bathing Waters. This will be limited to Ballyholme and Newcastle and will not be public facing at this stage.
- Publishing the data for all c1100 EDM's due to be installed by the end of PC21 will likely not complete until PC27, as publication of data was not planned for PC21.
- Under the Capital Delivery Plan, it was noted that if we do not receive £10m requested in the monitoring round we will have to reduce the pace of delivery from Jan 26.
- Accuracy of monthly accruals continue to demonstrate a high level of financial control on CWP
- There are 438 live projects, with 1252 related contracts. The Board commended the Director for good management of projects being delivered.

6. Specific Items

6.1 Funding and Governance Update

- Following the June Monitoring Round NI Water received allocations of £151.3m RDEL and £361.3m CDEL. An additional £0.75m CDEL was allocated in October 2025 to the Living with Water Urban Drainage Transformation Pilot, taking total CDEL to £362.1m
- NIW bid for £5m RDEL and £10m CDEL as part of December Monitoring Round, whilst not confirmed, it would appear NIW are to receive c£4m CDEL.
- Improved full-year net RDEL position by around a further c£5m, to c£156m, gap remaining of c£5m compared to the Dfl allocated RDEL budget – this has closed the opening RDEL gap by £15.6m from £171.8m to £156.2m as at December Monitoring Round
- It was proposed that the Chair will indicate the risk of a potential gap in budget when she meets with the Minister in January.
- Proposals have been developed to align spending with the £151.3m budget currently allocated. This depends on uncertain, primarily weather risk-related costs in the second half of the year, it was noted rainfall has been above five year rolling average as result of a wet Autumn, with budgetary impacts from Storm Amy and Storm Bram.
- Funding for NI Water in 2026/27 has not been confirmed; Dfl advises planning within a CDEL (£321m) and RDEL (£149m) envelopes, while NI Water recommends using PC21 Mid-Term Review assumptions (RDEL £166m, CDEL £465m), with the draft

2026/27 Operating Plan & Budget due to EC/Board in February 2026. Progress on this is to be brought to the January Board for discussion.

- NI Water's 2024/25 Directors Certificate reported insufficient financial resources under licence condition F.6A.1/2, the UR served notice of Initial Enquiry on 20 October 2025 regarding compliance with F6A.1 and NI Water responded on 1 December 2025.
- An update on SORPI was provided, NIEA has not concluded their review and have not made recommendations to the Minister.
- The Office for Environmental Protection (OEP) launched an investigation on 25th November 2025 into the regulation of sewage discharges into Belfast Lough, in relation to DEARA, DfI and UR fulfilling their regulatory duties.
- A verbal summary of the UR Guiding Principles for PC28 was provided and consideration was given to further correspondence between the Chair and the Minister which may refer to the UR Guiding Principles and the funding required to fulfil same.

6.1.1 Correspondence re PC28 Planning

- Correspondence was received by Chair NI Water from Minister Kimmins on 11 Dec outlining that NI Water should align its PC28 business planning with the Department budget outlook.
- The UR in their draft approach expressed a contrasting position "UR nonetheless is legally obliged to set a price control for PC28 based on what NI Water needs and can realistically deliver, without any regard to government funding availability".
- Further legal advice is being sought.

6.2 Update on NI Water Operating Plan & Budget 2026/27

- The Board considered the paper and were content to support the recommendation. It was agreed that it was important to position the funding options carefully and support with details of which projects can be delivered and to illustrate the projects and outcomes that cannot be delivered if funding is below the level needed. If NIW are not allocated sufficient funding we need to clarify the projects that can not be delivered as result of this. Implications and sustainability of limited RDEL was also discussed.

7. Approvals

7.1 Health & Safety Strategy (2025-2028)

(This Item was heard following the H&S Report to enable the Director of Director of People & Learning and the Director of Transformation & Innovation to leave the Meeting)

- Approved based on the information provided within the paper.

7.2 Approval of extensions of the Cirrus & IP Integration Contracts (DACs)

- Approved based on the information provided within the paper.

7.3 JL 715 Caugh Hill, Carmoney to Strabane Strategic Link Watermain

- Approved based on the information provided within the paper.

7.4 Approval paper: Tax Update / Senior Accounting Officer paper

- Approved based on the information provided within the paper.

7.5 Payment of Dividend

- A detailed paper was provided to Board and it was agreed the decision should be deferred until after the outcome of Dec monitoring round.

8. Procurement Act Update

- The detailed paper confirming the process of implementing the new Act and the challenges faced was commended by Board.
- It was accepted that although the Act has delivered some benefits (e.g., shorter negotiated-tender timelines), its overall advantages remain unclear, and significant challenges persist around workload, dual compliance, frameworks, and system reliability as the wider cultural and operational shift continues to bed in.
- The introduction of the Procurement Act has significantly increased the workload of the team.
- It is too early to assess the full impact of the Procurement Act, which will only become clearer as the new regime, case law, and practical experience develop.

9. Draft Risk Committee Minutes – 24th November 2025

- Taken as read.

10. F36 – NI Water Consolidated Completion Report

- An outline of the investigation and a summary of all the matters considered during same was provided to Board.
- The conclusions of both the Deloitte Report and the Mott MacDonald report were advised.
- In order to establish if the findings of the report could be considered as fraud Counsel opinion was obtained. Counsel concluded that there was no evidence of fraudulent activity by NI Waters contractors or its officers.
- The investigation team have contacted the PSNI to advise that NI Water has concluded its investigation and share the report so the PSNI can determine if they want to conduct their own investigation.
- The Board was briefed on the proposed timings of an update with DfI, the Contractor and the Media.
- The Board acknowledged and commented on the work of the investigation team, noting the considerable volume of communications received from the Contractor and others.

11. Forward Look

- The forward look was noted.

12.AOB

- A verbal update on a letter dated 12 December 2025 received by the Chair from the Department in relation to the payment of the Dividend was provided and discussion was had on potential contents and timing of reply.

Approved