Company No: NI054463

NI Water Ltd
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")
on Tuesday 26th May 2026 @ 9.30am
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-Thérèse 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
	Gillian Shaw	General Counsel & Company Secretary
	Trevor Hutchinson	Head of Health and Safety **(Item 5)**
	Thomas Gardiner	Head of Water Strategy **(Item 6.2)**
	Pete Semple	Chief Information Officer **(Item 6.3)**
	Andrea Rushby	Head of Information Security **(Item 6.3)**
	Roisin Connor	Head of Capital Procurement **(Item 6.4)**
	Geraldine Mooney	Energy Business Manager **(Item 7.3)**
	Colin Murtagh	Energy Programme Manager **(Item 7.5)**
	Caoimhe Fitzpatrick	Governance Manager **(Item 8)**
	Frank Kirkland	DfI Observer

<u>Main Board Agenda Matters:</u>

(Amendments were made to running order to facilitate a members-only meeting to be held after the Main Board Session. The minutes reflect meeting running order, noting the original paper numbering convention.)

1. Declarations, minutes, document status

1.1 Apologies: None

1.2 Declaration of Conflict of Interest

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

- Frank Kirkland (& TB, GC, RK, DOM) joined the meeting at 11.00am.
- The Chair carried out a fresh Conflict of Interest check - There were no conflicts of interest declared

1.3 Document Status

Noted as papers marked Official Sensitive

2. Minutes and Actions from Previous Meeting

2.1 Draft Minutes of the Previous Meeting

The tabled draft minutes of the Board meeting held on 28th April 2026 were approved.

2.2 Board Actions

The Board Actions were reviewed and updated.

3. Committee Updates

3.1 Joint Audit & Risk Committee Update

The Chairs of the Audit and Risk Committees briefed the Board on matters arising from the recent Joint Audit and Risk Committee meeting held on 14th May 2026:

- DAO 02/26 (use of Confidentiality Clauses) – Committee updated on remedial actions. NI Water is seeking further clarification on use of clauses in employment and procurement contracts.
- System integration delays on the Future Corporate Systems and CBC3 projects
- Conflict of Interest Policy update – outlining the company wide training and awareness programme.
- Escalation Policy was approved
- External auditors considering DAO 08/16 breach in relation to regularity audit – it was noted that DfI declined to regularise
- Health & Safety team advised Committee that NI Water has been accredited to ISO 45001 following a 10-day external audit process
- Cyber – update in relation to the key workstreams delivered during 25/26 and a look ahead to the work planned for 26/27.
- Principle Risks outlined in preparation for inclusion in the Annual Report and Accounts.

3.2 Draft Minutes of Risk Meeting - 24th April 2026

The tabled draft minutes of the meeting on 24th April were noted.

4. Approvals (Item 7)

No.	Agenda Item	Presented by	Approval status	Comments
7.1	C1110 (CBC3) Partial Milestone Payment	Stephanie McCullagh	Approved based on the information provided within the paper.	*Discussed and agreed not novel.*
7.2	Extraordinary Extension Contract X069 (e-Business Suite Support - Fujitsu)	Ronan Larkin	Approved based on the information provided within the paper.	*DfI approval is also required*
7.3	EPPB Approval of Metered Electricity Tender Outcome	Ronan Larkin	Approved based on the information provided within the paper.	
7.4	Subsidy Assurance Paper	Ronan Larkin	Approved based on the information provided within the paper.	
7.5	Funding request for Dunore Point LLPs	Damien O'Mullan	Approved based on the information provided within the paper.	
7.6	Escalation Policy CE001	Gillian Shaw	Approved based on the information provided within the paper.	

5. Health and Safety Report (Item 4)

5.1 Health and Safety Report

- The report was noted as read.
- The Board noted the significant achievement of attaining ISO45001 accreditation.
- The team was commended for their efforts.

5.2 Attendance and Wellbeing Update

- Industrial relations pay situation remains challenging
- Stress has become the primary factor for staff absence
- Long Term Absence represents 78% of all absence
- NI Water overall absence figures remain lower in comparison to NICS
- Absence trends indicate that staff are taking additional time off following a bereavement – in excess of the company bereavement allowance.
- Noted efficiencies in managed exits

6. Main Board Report *(Item 5)*

The CEO provided a verbal update on the following matters:

- Stakeholders from business community indicating importance of investment in infrastructure, calling out current wastewater deficit, in particular.
- NI Water pay dispute with NIPSA causing financial difficulties for staff and impacting on staff retention & recruitment. Operationally there is a risk to service provision. A Major Emergency Group has been set up in response, and the matter has been brought to the attention of the DfI Perm Sec.
- Ministerial visit to Ballinrees Water Treatment Works rescheduled
- NI Water Live broadcast allowed colleagues to showcase progress across NI Waters Strategic Priorities during PC21.
- New legal providers being onboarded by Company Secretary
- OEP have published a report on Evaluation of Wastewater Systems.
- The recently published Treasury Report on NI Finances points to a continued constrained fiscal framework in Northern Ireland.
- It was noted that NI Water has not been advised of its budget allocations or planning envelopes for 26/27 and the company is working towards the assumptions within its Operating Plan and Budget as submitted to DfI.

Risk Management

- Risk Committee have examined the proposed 26/27 Corporate Risks and Opportunities, and these will be subject to formal Board approval.
- NI Water is commissioning an independent external review of its approach to risk management.

Operational Review

- Wastewater Compliance Targets under the current wastewater performance regime are now failing in relation to % Population Equivalent Served due to the performance of Kinnegar WwTW. The performance deficit that was due to be corrected via the LWWP is now being realised.
- Risk of additional Wastewater treatment works compliance failures was highlighted and the need for investment in base maintenance and the PC28 WW programme. Alignment with NIEA in relation to the Wastewater Reform programme will be important.

Governance

- Work continues with DfI in relation to the triennial review of the Partnership Agreement.
- The Assurance Statement provides assurance on the design and operation of the internal control environment and accuracy of the governance, financial and operational reporting mechanisms. However, the structural funding limitations and system level misalignment outside of management control constrain the overall assurance levels.

Finance

- Board were updated on the work to refinance the 2027 Capital Loan note, having secured external Corporate Finance Advisory services to support both NI Water and DfI

All other sections of the Main Board Report were noted as read.

7. Specific Items *(Item 6)*

7.1 Funding and Governance Update

The update was noted and included updates on

- Continued uncertainty regarding funding allocations for 2026/27, with the Department for Infrastructure (DfI) not yet in a position to confirm budget provision. It was highlighted that planning assumptions remain based on indicative funding envelopes, while the organisation continues to review financial projections considering emerging cost pressures, including escalating regulatory charges.
- The submitted Operating Plan and Budget reflect a funding requirement above current planning assumptions, with further pressures arising from increased regulatory costs, market volatility impacting input costs, and delays in programme delivery.
- The extension of the Capital Loan Note 2027, work is progressing to refinance this facility.
- The regulatory environment, including:
  - Continued engagement with the Utility Regulator in relation to funding and price control matters;
  - Draft findings from the Cost and Performance Report, including areas of underperformance linked to investment constraints;
  - Ongoing enforcement and compliance inquiries relating to statutory obligations.
  - Developments in environmental regulation, including proposals to amend the Statement of Regulatory Principles and Intent (SORPI), and that further clarification is being sought from the Northern Ireland Environment Agency.

7.2 Water Resource & Supply Resilience Plan - Long term water strategy

The update was noted and the following key points highlighted: -

- Investment is allocated on a priority basis to ensure resilience over a typical year
- NI Water aspire to provide 30 hours availability of treated water per household. This is unbalanced with some areas having much lower volumes available
- Resilience in extreme weather conditions was discussed, noting geography and historic investment patterns can have a significant impact. It was noted that resilience can be improved with action both customer and company.
- Water resource plan in place and Climate Change Committee factor in a 1 in 500-year drought scenario

7.3 Cyber Update

The update was noted and the following key points highlighted: -

- Significant progress and investment in cybersecurity have been made since 2018 to date in addressing threat landscape.
- Acknowledged that risk of attack is real and recognising constantly evolving AI it is vitally important that robust cybersecurity is implemented.
- Sustainable model continues to manage and mitigate risk as such proposals will be discussed with Risk Committee to consider adjusting risk rating (TR5) to Major from Catastrophic.

7.4 IF109 Capital Framework

The update set out the key steps in replacing the current IF105 capital delivery framework with a new framework that can underpin the PC28 investment plan and the following key points highlighted: -

- Benchmarking with comparators has suggested ability to explore longer term frameworks from 8 years to 12 years. Considering a revised tendering approach to include interviews. (Legal advice to be sought on approach)
- Challenges were acknowledged in attracting quality contractors given funding uncertainty and no guarantee of work. The existence of a local supply chain was noted, recognising they are currently engaged in UK and ROI contracts.
- Enterprise type KPI's to be based on performance.
- Focus on procurement efficiency and effectiveness.

Further updates will be provided to Board, including key approval steps seeking permission to procure and to award contracts.

8. For Information: Declarations of Conflicts of Interest

An update was provided to the Board on NI Water's approach to managing conflicts of interest, highlighting lessons from recent investigations, and setting out actions to strengthen awareness, training, and consistent implementation across the organisation.

9. Forward Look

- Chair and Co-Sec to consider additional interim meetings going forward.
- The next meeting of the Board is scheduled on 23rd June 2026

10. Any other Business

No further matters were raised for discussion
