

NI Water Ltd
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")
on Tuesday 28 July 2026 @ 11am
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
	Stephanie McCullagh	Director of Customer and Operations
	Gillian Shaw	General Counsel & Company Secretary
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
	Trevor Hutchinson	Head of Health and Safety (<i>Item 4</i>)
	Paddy Brow	Head of Public Private Partnerships (PPP) (<i>Item 6,7 &8</i>)
	Steve Blockwell	Head of Investment Management (<i>Item 8</i>)
	Patrick Cassidy	Head of Management Accounts (<i>Item 10.1</i>)
	Caroline McGale	Financial Controller (<i>Item 11.1</i>)
	Rod Neill	Head of Operational Resilience & Business Services
	Ian Prescho	Head of Operational Procurement

Chair's Update

The Chair provided an update on:

- recent shareholder engagement, including discussions regarding the Assurance Statement and a review of its format by DfI and NI Water.
- a meeting with the Chair and NI Water Chief Executive with the DAERA Permanent Secretary and NIEA CEO concerning PC28.
- Noted that the DfI Board Observer assignment ended in June 2026, that his report would be formally submitted to the Minister and the final report shared with NI Water.
- the positive engagement at Leadership Meeting held on 23 July.

The Chair noted thanks to the Director of Customer and Operations and team for the effective management of the recent warm weather event.

1. Apologies & Declaration of Conflict of Interest

1.1 Apologies

None

1.2 Declarations of Conflict of Interests

There were no declarations of conflicts of interest.

2. Minutes and Actions from Previous Meeting

2.1 Update on Minutes of Meeting Held on 12 May 2026

The Board was advised that the minutes had been updated in line with the publication scheme. The Board noted the update.

2.2 Minutes of Meeting Held on 23 June 2026

The minutes of the Meeting held on 23 June 2026 were approved subject to a minor agreed change.

2.3 Actions Arising from Meeting Held on 23 June 2026

The Board reviewed the action log and noted:

- Action 1 remains open pending further engagement with the Department and DoF.
- Action 2 has progressed and can be closed with further updates to come back to Board in due course.
- Actions 3 and 4 are addressed within the Board papers.

2.3.1 NIW Electricity Costs - Update

The Board was updated on the NIW electricity cost position for the period up to the end of May 2026. The Board noted the current underlying cost pressures affecting electricity expenditure and the higher power consumption influenced by operational incidents and demand pressures experienced during the year.

3. Committee Updates

3.1 Audit Committee Update

- The minutes of the Audit Committee meeting held on 15 June 2026 were taken as read.
- The Chair of the Audit Committee provided an update on current matters and meetings including annual report and accounts. Internal and external auditors reports.

3.2 Risk Committee Update

The Chair of the Risk Committee provided a verbal update on the matters on the most recent meeting of the Committee held on 27 July 2026. It was noted that:

- An update was received on the development of the risk management framework.
- The NIW risk appetite and governance arrangements were discussed.

- PC28 risk scenarios were reviewed, particularly the impact of funding outcomes on risk exposure and RAG ratings.

4. Health and Safety Update

4.1 Health, Safety and Training Report

- The Board noted engagement with HSENI in respect of the Improvement Notice which remains on track to comply by 10 August 2026.
- One RIDDOR-reportable incident occurred during the reporting period. The details of the contractor incident were set out in the report.

5. Main Board Report

CEO's Report the CEO provided a verbal update and highlighted the following matters:

- **Shareholder Investment** the 2026/27 shareholder investment position was noted, including confirmation of a £335m CDEL allocation against NI Water's £412m Operating Plan and Budget requirement and previous planning assumption of c.£360m. The Board noted that NI Water completed Q1 within the Permanent Secretary's RDEL allocation of £37.3m, with actual expenditure of £37.2m. It was further noted that the broader financial reporting assumption remained based on £149m RDEL and £361m CDEL. The Board observed that income was broadly in line with budget; however operating cost pressures were emerging, principally in relation to power, staff and regulatory costs. The Board noted that these pressures had contributed to operating profit and net profit being below budget and agreed that continued monitoring of RDEL performance and related cost pressures would be required through the year.
- **High Demand Incidents** -the third high-demand water incident had occurred during periods of hot weather in June and early July. Mitigation measures were noted and no customers have been impacted to date. The significant contribution of the Director of Customer and Operations and the incident management teams during the incident period were noted.
- **Stakeholder Engagement** significant activity that had taken place
- **Wastewater Reform** - Wastewater continues to be considered through the funding and governance workstreams.
- **Corporate Risk** - the Risk Management Review meeting took place in June, with no changes made to the corporate risk ratings. Ongoing engagement continues with DfI.

People & Learning

- **Pay and Reward**
 - An update was provided to Board.
- **Employee Wellbeing and Engagement**
 - Summer Live Well Roadshow was positively received
 - The Board was advised of a new appointment to the role of Head of Culture, Learning and Engagement.
- **Customer** Customer metrics and interruption-to-supply performance continue to remain strong.
- **Operations Leakage and Demand Pressures** - reported leakage remains elevated due to impact of hot weather high demand events. Works ongoing to identify and repair.
- **CBC3 Programme** Progress is being made on the CBC programme implementation and Echo continue to target an end of August go live date. It was highlighted that this date is challenging considering the volume of work that remains to be completed.

- **Future Corporate Systems (FCS)**- Negotiations continue with Fujitsu regarding programme costs for Future Corporate Systems with the Director of Transformation now engaged in those discussions.
- **Water Quality** drinking water quality compliance remains strong.
- **Wastewater Compliance** overall wastewater compliance performance remains challenging. Board were advised that Kinnegar WwTW is failing.
- **Bathing Water** –DAERA has commenced a Bathing Waters Policy review consultation.
- **Partnership Agreement** it was noted that NI Water met DfI in July to discuss the Partnership Agreement which remains under review.
- **Assurance Statement** – NI Water Assurance Statement was approved on 26 May 2026 by Board. NI Water continue to work with the Department to assess the format of the Assurance Statement and risk matrix going forward.
- **Finance** The Board noted the financial performance for the period ended 30 June 2026, including that NI Water completed Q1 within the RDEL allocation. Income was broadly in line with budget, with operating profit and net profit below budget. Capital expenditure was below budget year-to-date, with the programme for delivery during the year meeting budget restrictions. The Board noted the ongoing monitoring of power costs, Road Drainage receipts, CDEL funding and capital delivery.

6. PPP Exceptions Report

- The Board received and noted the PPP Exceptions Board Report, including updates on the Omega and Alpha PPP contracts, Omega handback and transition planning, sludge disposal contingency arrangements, unannounced sampling requirements
- PPP Asset handback
 - Planning for the 2032 asset handback will commence well in advance
 - The Board acknowledged the scale and complexity of the handback programme which will increase NIW's operational responsibility by approximately 6%, including people, assets and IT systems.
 - Paddy Brow has been appointed as NIW Representative on both PPP projects to update governance.

7. LWWP Update

The Board noted that:

- LWWP was established to support flood protection, environmental improvement and economic growth.
- a lack of funding has resulted in a number of projects effectively having been paused and NIAO review highlighted that pausing LWWP leaves key flood risks unaddressed.
- communications on the LWWP programme should continue, including public information on projects that can no longer proceed due to funding constraints.
- The Board requested that the relevant implications, risks and funding position continue to be appropriately monitored and reported through the relevant governance channels.

8. Kinnegar WwTW Capacity Update

- Board were informed that Kinnegar was designed to serve approximately 108,000 PE and is currently serving approximately 170,000 PE. Process analysis has confirmed the works are failing and are effectively non-compliant, with investment remaining paused pending funding availability.

- The Board noted the potential need to revise status as closed and the implications of catchment closure for new developments.
- Board to be kept informed of regulatory engagement, risk mitigation actions and any material developments.
- Board were advised of concerns regarding health concerns arising from the beach at SeaPark in Hollywood. Whilst not bathing water status or NI Water owned or maintained, the Board requested NI Water reach out to the Council and NIEA again regarding the need for signage/action at this location.

9. ACE2 Update

The Board noted the update provided on ACE2, including the recurring benefits delivered to date under the ACE2 PC21 programme, the forecast position for 2026/27, and the update on PC28 Transformation Programme planning. The Board noted that the programme demonstrates NI Water's commitment to innovation and the development of sustainable energy solutions.

10. Specific Items

10.1 Funding and Governance Update

- The Board noted the update on NI Water's funding and governance position, including the interim 2026/27 RDEL planning envelope issued by DfI, the indicative CDEL allocation and the continuing uncertainty regarding full-year budget allocations and monitoring round timing.
- The Board noted the contents of the paper and agreed that further updates would be provided as required, given the ongoing and changing nature of the funding, regulatory and governance issues outlined.

10.2 Update on Peer Recognition Scheme

Board noted the positive impact of the recognition programme and welcomed the visible recognition being provided to colleagues and the alignment between the scheme and wider culture and engagement initiatives. The Board noted that a recognition event will be held in October and agreed Senior leadership endorsement of the initiative would be useful

11. Approvals

11.1 Refinancing Capital Loan Note 2027

- Approved the refinancing recommendation based on the information provided in the paper. Paper is to come back to Board when consideration is given to the MPMNI guidance regarding repayment of the Loan and discussions with DfI.

11.2 Revised CBC3 (C1110 Contract) Business Case Addendum No.2 to DfI)

- Approved based on the information provided in the paper.

11.3MC4 - Retender of Managed Services for Mobile Work Management & Corporate Asset Register Systems

- Approved based on the recommendation, information provided in the paper and subject to DfI approval.

11.4 Extraordinary extension of C1007 - Fleet Service Repair and Maintenance

- Approved a maximum 15-month extension of Contract C1007 recommendation based on the information provided in the paper.

11.5 T140 - Mechanical Installation, Repair and Maintenance (MIRM) Contract

- Approved based on the information provided in the paper.

12 Forward look

12.2 Board Forward Look: August - October 2026

12.2.1 Site Visit to Castor Bay

A site visit to Castor Bay is scheduled for the September Board meeting, with arrangements to be coordinated separately.

12.3 Board Forward Planner (through March 2028)

The forward look was noted.

13 Any Other Business

13.2 Updated Companies House Filings

The Board noted the governance actions required following recent Board changes. It was noted that written resolutions would be circulated to progress the necessary governance approvals for appointments, delegations and Companies House filings.