

NI Water Ltd  
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")  
on Tuesday 27<sup>th</sup> January 2026 @ 11.00am  
Dunsilly Room, Antrim Training Centre

**Present:**

Jo Aston	Chair
Maurice Bullick	Non Executive Director
Danny McSorley	Non Executive Director
Paddy Larkin	Non Executive Director (left at 1.30pm)
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
Trevor Hutchinson	Head of Health and Safety ( <b>Item 3</b> )
Paddy Brow	Head of Living with Water Programme ( <b>Item 6</b> )
Ian Presho	Head of Operational Procurement ( <b>Item 10.5 &amp; 10.6</b> )
Frank Kirkland	Dfl Observer
Evelyn McCappin	Admin

**Apologies:** Aisling McHugh, Interim Company Secretary

The Chair welcomed the Dfl Board Observer to the Board meeting and introduced the NI Water Board members and Executive Team.

### 1. Conflicts of Interest

The Chair had been made aware of three potential perceived conflicts of interest in relation to Item 10.6 – Approval of Legal Services Framework.

- Director of Finance, Regulation and Commercial has declared a potential perceived conflict of interest in that the bidder nominated for Lot 1 has provided services to his family in the past. In line with NI Waters Conflict of Interest policy, the interest has been declared, captured and considered.
- Two Non-Executive Director's (P Larkin & M Bullick) declared potential perceived conflicts of interest in relation to this paper in that the bidders to be appointed to the framework provide legal services to the organisation they work in.
- It was agreed that the Director of Finance, Regulation and Commercial would leave the room when the agenda item was discussed. It was further agreed that the two NED

Board members remain for discussion of the item, but that approval would be restricted to those with no potential perceived conflict of interest.

## **2. Minutes and Actions from Previous Meeting**

- Draft minutes of the previous meeting on 18<sup>th</sup> December 2025 were approved.
- Three actions were dealt with in the current agenda and the remaining three actions open with an acceptable timeframe for completion.

### **2.2.1 Consideration of the recommendations of the PwC Report and associated actions**

- The update paper on actions was noted and a detailed discussion followed.
- It was agreed that Recommendation 1 fell to DFI as Chair of the ORG and Chair of the WSSG. It was noted that NI Water would support DFI officials in progressing this recommendation.
- The Board welcomed the actions outlined in the papers regarding the other recommendations and examined how NI Water was discharging the other three recommendations as part of its usual processes and governance frameworks. It was suggested officials continue to share with DFI the approach taken to cost baselining, particularly at outset of each Price Review period, ensuring efficiencies are built into the process and independently reviewed by the UR and reporter. The Board noted that the Customer Winter Campaign may have been perceived as an area of discretionary spend when in fact it was not. There was agreement that the business should continue to focus on ensuring that VfM is achieved.

### **2.2.2 NCSC Cyber Governance for Boards**

- It was agreed that Board members would complete the Cyber training by the end of February and confirm by email on completion.

## **3. Health and Safety Report**

- 1 NI Water RIDDOR reportable and 2 NI Water minor injuries / ill health – members spent time discussing the root causes and further preventative measures put in place.
- There were no Contractor RIDDOR incidents reported.
- Work Programme ongoing with steady progress made on compliance and improvement targets.
- C&OD Internal Training Compliance was around 93% and overall (internal & external) remained at 82%. It was noted that the trend was of significant improvement over past 5 months.

## **4. Main Board Report**

The Chair noted the Strategic Performance Indicators and members acknowledged that targets were not being met, specifically on leakage reduction, wastewater compliance and reduction in pollution incidents, noting the correlation to NI Water's aging infrastructure and current levels of investment.

The CEO highlighted the following matters:

- NIW received additional £0.3m RDEL and £4.1m CDEL following the December Monitoring Round, taking the overall allocations to £151.6m RDEL and £366.1m CDEL. Detailed funding discussions and pressures to be covered under Item 5.1.
- **PC28 Planning** – The UR’s approach document for the preparation of PC28 Business Plan was formally published, overtly stating that the plan should not be adjusted with regards to government funding availability. Dfl’s Social and Environmental Guidance was yet to be issued.
- **North Coast Odour Control Plant** – Following the fire at the odour control plant on 23 December, there had been significant property damage and operational interruptions in terms of sludge processing. Staff members and contractors urgently dealt with the clean-up while ensuring environmental compliance. Insurers were informed and loss adjusters investigating. NI Water will also complete an after action review.
- **Water Senior Stakeholder Group** – Dfl planning a meeting in Feb 2026; Board welcomed as opportunity to discuss and agree way forward on current strategic issues.
- **NI Executive Draft 3 Year Budget** – Noted that allocations were only set out at Departmental level with no notable increases. There was no detail on funding levels available to NI Water.
- **Wastewater Reform** – There had been increased engagement with NIEA with the aim of formally confirming the dates they plan to introduce additional wastewater compliance monitoring criteria. NI Water highlighted the urgency for these as the deadline for the submission of the PC28 Outline Capital Submission is at the start of April 2026.

#### People:

- **Frontline & NIWA** – update was provided regarding Pay and Reward. Pay uplifts and associated arrears for 2024/25 and 2025/26 have been successfully processed for eligible staff. Approval from Dfl and DoF was received on 12 January 2026 in relation to the pay remit addendum covering the amended terms and conditions for frontline employees.
- **Non-Frontline** – one day of industrial action took place on 31 December 2025 with 79 employees participating. Robust contingency plans were in place. The strike action was monitored by an incident team on the day, and no operational impact was reported. Work to rule action has followed since 1 January 2026. Contingency planning meetings ongoing.

#### Operational Review:

- Strong performance in customer experience, supply interruptions and drinking water quality.
- Targets not achieved regarding reducing leakage, reduction in pollution incidents and wastewater compliance.
- Notably, Kinnegar WwTW failed on the annual average Total Nitrogen parameter which impacted the overall %PE compliance metric. Based on the asset’s condition, concerns were also expressed about NIW’s ability to achieve compliance in 2026.

**Financial Performance** - It was noted that whilst billed income and total income remained strong, Northern Ireland had the 3<sup>rd</sup> wettest autumn on record which would have a detrimental impact on some of the running costs.

**Nominated Outputs** - Members expressed their ongoing concerns that NI Water's forecast is to miss all but one PC21 targets due to the gap between funding allocations and the Final Determination requirements.

**Governance** - The half-year Executive Committee risk horizon scanning workshop took place in December 2025 to ensure corporate risks reflect current and emerging threats. Outcomes from the session will shape the corporate and emerging risk profile for 2026/27, which will be presented to the Risk Committee in April 2026 and support risk disclosures in the Annual Integrated Report and Accounts for Board approval in June 2026.

The Board also discussed the imminent appointment of a new DfI Permanent Secretary and ways in which NI Water could offer support during their onboarding process.

## 5. Specific Items

### 5.1 Funding and Governance Update

- The CEO provided a general overview of the current position in relation to 25/26 funding and noted that the organisation continued work to take steps to meet the Minister's request to deliver services within the RDEL and CDEL allocations.
- The RDEL gap to budget further improved by £3.2m since the December update and by £18.8m since the opening forecast. These figures reflect any additional allocations in the December Monitoring Round.
- NI Water continues to assess the crystallisation of weather-related risk, which was taken out of the forecast budget and transferred to DfI.
- Board members noted the ongoing focus of the Executive Team to take costs out by pausing/cancelling activities where possible; however, this approach increased the risk of lower resilience across the organisation's assets and people.
- A number of letters on UR's position regarding underfunding had been received and were discussed, including live investigations against NIW. The legality of the unilateral removal of the MOU and CWA by the UR was questioned as they were part of the PC21 FD contract which NI Water had accepted. The uncertainty created by the potential removal of SORPI was also raised and the resulting increased risk of prosecutions and fines for NIW.

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

- It was noted that the Board and Executive continue to seek ways to comply with the Minister's request for an Operating Plan & Budget for 2026/27 with a RDEL allocation of c£149m. Options had been assessed, to include areas requiring a change in policy and changes to budget classification of costs considered to be volatile in nature.
- In relation to Capital DEL, NI Water were preparing two alternative scenarios – a baseline plan and one that could sustainably accelerate enhancement investment but excluding major capital projects at this stage.

- The Board discussed the draft plan and indicative funding requirements, and set parameters for the Director of Finance, Regulation and Commercial to further engage with DfI Shareholder Unit.
- It was requested that the impact on corporate risks section be strengthened to include risks around long-term organisational viability and prosecution.
- Members noted that the paper was very comprehensive and technical, and suggested that the addition of a 'Fast Read' would be beneficial. Furthermore, the section on LWWP was to be a stand-alone appendix given the Minister's request for a profile of expenditure for the related major capital work projects which cannot be progressed with current levels of capital funding.

## **6. LWWP Update**

An overview on the LWWP Update paper was welcomed and the team were congratulated on receiving the CIWEM national innovation award in December 2025. It was noted that current and future WwTW compliance was an ongoing issue. Further consideration on the future and prioritisation of the projects would be given as part of the upcoming PC28 Board workshops. Concern was expressed about the delay in delivery of related major projects as a result of funding constraints and the consequential impact for PC28.

## **7. PPP Exceptions Report**

- The paper was noted and taken as read.

## **8. Communications Quarterly Update**

- The paper was noted and taken as read.

## **9. ACE2 Update**

- The paper was noted and taken as read.

## **10. Approvals**

### **10.1 Payment of Dividend**

- Approved based on the information provided within the paper and noting the payment of dividend is a technical matter which has no impact on NI Water's ability to invest in either operational or capital expenditure.

### **10.2 Approval – 2026/27 Tariff Submission**

- Having considered the matter in detail, Members approved based on the recommendation of the Executive Committee outlined within the paper accepting that the higher tariff charge reduced the demand on the already limited DEL allocations.

### **10.3 T100 Sludge Press Maintenance and supply and delivery of filter cloths and spare parts**

- Approved based on the information provided within the paper.

### **10.4 Contract Value Uplift for C1183 – Supply and Delivery of Sirofloc Magnetite**

- Approved based on the information provided within the paper. Dfl approval is also required.

### **10.5 Approval – Award of contract re T146 Collection and Transportation of Water and Wastewater Samples**

- Approved based on the information provided within the paper.

***Director of Finance, Regulation and Commercial left the meeting at this point.***

### **10.6 Approval – Award of the Legal Services Contract**

- Potential perceived conflicts of interest were notified as per Item 1. The controls applied were that a full declaration was captured, the Non-Executive Board members remaining were not involved in the decision making, the evaluation was carried out by an independent panel, and there was no contact between these members and any of the evaluators.
- Approved based on the information provided within the paper and detailed discussion with Head of Operational Procurement.

***Director of Finance, Regulation and Commercial returned to the meeting.***

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

The Chair of the Audit Committee provided a verbal update on the last meeting on 12 January 2026. There were eight Internal Audit assurance reports completed since the last meeting, six marked “satisfactory”. Other matters considered included the approval of the Internal Audit Charter, no changes to financial reporting standards and an update on Corporate Governance.

The Chair of the Audit Committee highlighted an issue of concern regarding the expiry of NI Water’s Loan Note in 2027 and the work required to be undertaken with Dfl for its replacement. The NI Water team have been working with the shareholder team in Dfl over the past two years. Dfl will need to finalise their thinking on preferred options and associated implementation.

The matter was also noted by the External Auditor. Therefore, Members agreed it would be escalated for Board’s attention and regular updates would be provided at meetings going forward.

## **12. Forward Look**

Monday, 23 March was noted as a possible PC28 Business Planning session and strategy recap. Members to hold the date in their diaries.

## **13. AOB**

- Director of Customer and Operations gave an update on the operational response to Storm Chandra with no customer disruptions to that point.
- The Chair informed the Board that she will be out of the country for the next meeting but will endeavour to join the February meeting remotely and the Senior Independent Director will Chair that meeting.

Approved