

CONFIDENTIAL



Water Authority of the Cayman Islands

Minutes of 300th Meeting held on 19th June 2019

Members Present:

Chairman:	Mr K Gomez
Members:	Mr H B Ebanks Mr J Gill Ms A Owens Mr M Rankine Mr C Randall Mrs L Ryan Mr W Welcome (<i>Ministry's representative</i>) Mr A Wright
Secretary:	Dr G Frederick-van Genderen

300th Meeting Luncheon

Prior to the meeting the Water Authority Board celebrated the occasion of its 300th meeting with a luncheon. Joining the Water Authority Board for this special recognition was the Honourable Minister with responsibility for the Water Authority, Minister Juliana -Connor-Connolly, Ms Rhonda Webster, Personal Assistant to the Honourable Minister and Water Authority Heads of Departments. The Chairman gave a brief overview of the Authority's development and success. The food was then blessed by Mrs L Ryan and everyone enjoyed the luncheon fellowship.

Call to Order

The Chairman welcomed members to the meeting and after ascertaining that there was a quorum, the meeting was declared open and called to order at 1:49pm. The Chairman then asked Mrs L Ryan to open the meeting with prayer.

Confirmation of Minutes of the 299th Meeting held on 15th May 2019

The Chairman asked for confirmation of the Minutes of the 299th Meeting held on 15th May 2019. Mr C Randall moved the motion to accept the Minutes, Mr H B Ebanks seconded the motion and the motion passed unanimously by members able to vote.

Declaration of Conflicts of Interest

None.

Matters Arising**a) Lower Valley Reverse Osmosis Plant (LVRO) - Update.**

The Chairman reported that during the month of May 2019, running one RO train only, the plant produced on average 1,225 cubic metres per day, which is approximately 41% of its total design water production capacity.

As reported previously, the Lower Valley SWRO Plant has experienced issues with the feedwater. The pre-filters rapidly reached a high differential pressure. This caused a drop of the suction pressure to the high-pressure pumps which in turn could cause cavitation and subsequent failure of the costly high-pressure pumps. A decision was therefore made to operate the plant at half capacity (only one RO train at a time) in order to decrease the hydraulic loading on the pre-filters and thus decrease the fouling rate. This, and other operational modifications (e.g., dosing of feed water with sodium metabisulfite) has proven to be somewhat successful.

As previously noted, the Chairman advised that it appears that the issue with the feedwater has somewhat improved as the pre-filters are not fouling as rapidly as before. On 22 March 2019 three companies were asked to provide a quote to provide feed water well pumps that can provide higher discharge pressures than the existing ones, as these will allow the pre-filters to run longer before replacement. It is anticipated that by the end of this week all responses will have been received and that an evaluation report will be prepared soon thereafter. In the event that the dual media filtration option would still be deemed necessary, these larger pumps will still be required.

Additionally, the Chairman reported that the Engineer-Water Production is making preparations to carry out rehabilitation/acidification works on the feed water wells, which will remove the build-up of sediment and limestone in the borehole, and will reduce the well draw down, thus also increasing the pump discharge pressure.

b) Cayman Brac Infrastructure Upgrade & Expansion Project - Update.

The Chairman reported that the crew continued to experience equipment issues, i.e., no working trencher for the whole of May 2019. In the meantime, the crew carried out some temporary road reinstatement (using cold mix patch

compound), installed new water meters, and assisted Cayman Brac Operations with leak repairs.

The Chairman reported that the Vermeer mechanic was in Cayman Brac on 18 June 2019 to install the new track drive motor. The Vermeer trencher is now fully operational, and next week work will resume on the upgrade of the 150mm (6-inch) pipeline, to 200mm (8-inch), in Cross Road, between the West End Water Works and the intersection with West End Road, as well as the replacement/upgrade of pipework at the West End Water Works.

By the end of May 2019 there were 352 active pipeline customers on Cayman Brac. Currently there are 17 outstanding service connections at various stages of the process (trenching and service installed awaiting customer piping, out of service area, file awaiting documents, customer does not want to proceed at this time, etc.).

Redacted under section 21 (1)(b) of the Freedom of Information Law (2018 Revision)



c) **31 December 2018 Audit of Consolidated & Divisional Statements - Update**
31 December 2017 Audit – Consolidated, Divisional and Island Financial Statements for Water, Wastewater and Statutory

As previously reported, the Secretary advised that the Island statements for December 2017 will be submitted when the 2018 audit is wrapped up now possibly July/ August 2019 as the priority is completing the 2018 audit with the challenges as noted below.

Annual Report 2016/2017

The Secretary reported that the Ministry of Education, Youth, Sports, Agriculture and Lands (EYSAL) had confirmed that the annual report will be tabled in the Legislative Assembly at the next sitting. The Authority has been requested to send a soft copy of the document to the Ministry.

31 December 2018 Audit – Consolidated, Divisional and Island Financial Statements for Water, Wastewater and Statutory

The Secretary reminded members that as previously advised, the Authority followed the recommendation of the Office of the Auditor General and forewent

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BritCay Pension – Voluntary Reclassification

The Secretary reported that the Financial Controller has advised that the Authority continues to follow-up on the confirmations from BritCay regarding the presentation of the reports that would be provided to affected members of the Water Authority staff.

* Redacted under sections 16 (b) and 21 (1)(b) of The Freedom of Information Law (2018 Revision)

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Adjustment of Rates 2019

The Secretary advised that the Water Authority applied to the OAG for verification of the rate adjustment on 15 May 2019. On 05 June 2019, the OAG requested that the report be updated with the now available final USPPI instead of using the provisional number. The report was revised and submitted to the OAG on 07 June 2019. The revised USPPI resulted in a minor adjustment in the rate adjustment by 0.03% making the increase 1.46%. On 11 June 2019, the Authority received the verification letter from the OAG and on 17 June 2019, the Authority sent the request to OfReg for reconfirmation and approval to implement the adjustment as provided for in the Water Authority Regulations on 01 July 2019. A copy of the revised report Adjustment of Water Authority Rates was prepared for and provided to the Board.

The Secretary respectfully sought members' reconfirmation of the revised report for the record. Upon receiving OfReg approval, the Authority will advise the Honourable Minister and customers in the usual process. The motion to accept the revised report dated 07 June 2019 was moved by Mr J Gill seconded by Mr A Wright and passed unanimously by all members present and able to vote.

Redacted under section 21 (1)(b) of the Freedom of Information Law (2018 Revision)

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- d) The Utility Regulation and Competition Office (OfReg) - Update.**
OfReg - Allocation of Royalties and payment of Statutory and Regulatory Fees.

The Chairman reported that further to the report at the last Board meeting, there has been no further communication from OfReg or Government on this matter.

e) **Miscellaneous Updates.**

- a) *In-House Pipelaying Crews* - The Chairman reported that during the week of 11 June 2019 the installation of a new 300mm (12-inch) pipeline (approx. 410 metres (1,350 ft long) along Maclendon Drive, between the intersection with Dorcy Drive (near Airport's Fosters Food Fair) and the intersection with Dorcy Drive (near the Refuel gas station), was completed (replacing the existing 100mm (4-inch) pipeline). During the week of 17 June 2019 week, the pipeline will be commissioned and the eight (8) water services will be connected, and the temporary pipeline will be removed.

During the week of 17 June 2019, the New Works crew mobilised to Olympic Way to install approximately 330 metres (1,100 feet) of 300mm (12-inch) pipe along the soon-to-be constructed Olympic Way Connector, between UCCI and Walker's Road (near Burger King). Work could not start earlier as NRA was installing road drainage wells up to the end of May.

In late March 2019 it had been agreed that the Authority would start its work after NRA had completed the preparatory work (i.e. everything except 6" crusher run and 2" hot mix). Unfortunately it is difficult for the Authority to commence work immediately as the base for the proposed road has not been completed (particularly in the area where the Authority intends to install its pipeline) and near the Walker's Road intersection (the starting point for the Authority's pipeline installation) where there is a CUC pole that needs to be moved to outside the road corridor. Therefore, the Authority has decided to start pipelaying from the UCCI side of the Olympic Way Connector.

On 03 June 2019 the Authority was advised that the NRA's schedule is for construction of the Olympic Way Connector to be completed by the end of August in time for the re-opening of schools. The Authority has advised the NRA that it is unlikely that work will be completed before the end of June (even assuming all goes well, i.e., no weather or equipment issues), but that the work should be completed by mid-July 2019.

- b) *Water Supply Division* - The Chairman reported that following the Vermeer mechanic's visit earlier this week, both Vermeer trenchers on Grand Cayman are now operational, work can finally commence on the upgrade of the pipeline in Butterfly Circle, off Hirst Road. This work is scheduled to commence on 02 July 2019. This project comprises the replacement of just over 900 metres (3,000 feet) of 80mm (3-inch) nominal diameter pipe with 150mm (6-inch) and 100mm (4-inch) nominal diameter pipe. It is still anticipated that this project will take approximately two months to complete. The original pipeline was installed more than 25 years ago, and this upgrade is necessary to better accommodate the anticipated development along this road, as well as replacing some sections that are prone to leaks. Members reminded the Secretary of the review to assess replacement of the oldest trencher.

- c) ***Red Gate RO Plant Building*** - The Chairman reported that Campbell Welding & Construction Services Ltd, the contractor who was awarded the contract for the roof refurbishment of the Red Gate RO Building, completed the works on 22 May 2019. The works comprised the replacement of the entire roof surface (approximately 2,400 square feet).
- d) ***Wastewater Division*** - The Chairman reported that during May 2019, the design hydraulic capacity of the wastewater treatment plant (2.5 mgd) was exceeded for only one day. The average daily wastewater inflow from West Bay Road during that period was 2.30 mgd (or approximately 92% of design capacity). This amount was 4% less than the average influent measurement during the same period the previous year (2.39 mgd).
- e) ***FOI updates*** - The Chairman reported that no new FOI questions were received since the May 2019 Board meeting as shown in the FOI Report provided to members.
- f) ***Rubis - Environmental remediation projects*** - The Chairman reported that on 17 May 2019 the Water Authority issued Rubis a Conditional No Further Action letter for the remediation of the fuel spill at the former Shedden Road Service Station.

At the onset of the project the Authority requested that the site be remediated in accordance with its 2016 Draft Water Authority Remediation Criteria for Petroleum Release Sites. In the course of the project, site specific remediation targets were established and agreed upon and these were achieved. As a result, the Authority agreed to the No Further Action for the property on which the service station was located.

The No Further Action is conditional as it has a provision for remediation of contaminated soil that was removed from the site and for residual contamination in the FLOW utility trench. During the project, Rubis removed contaminated soil from the site to other locations for remediation. The Authority continues to work with Rubis and Department of Environmental Health on disposal of this soil at the George Town Landfill, provided the soil meets environmental standards. In addition, the FLOW utility trench close to the service station was impacted by hydrocarbons. This does not pose an environmental or public health risk due to the specific geology of the area, however, in the event FLOW conducts any excavation works in the area, the contaminated material will need to be removed and remediated. Rubis has agreed to its specific responsibilities for removal and treatment of the impacted material should FLOW conduct any work on the trench.

- g) ***OfReg - Fuel Standards Committee*** - The Chairman reported that the Water Authority is a member of the Fuel Standards Committee of OfReg. The Committee is tasked with the development of fuel standards for the Cayman Islands. The committee had its last meeting in early June 2018 until meetings resumed in June 2019.

Current Business

a) Request for Bill Adjustment re Customer Account# [REDACTED]

* Redacted under section 23 of the Freedom of Information Law (2018 Revision)

The Secretary reported that on 01 May 2019 the Authority received a letter from [REDACTED] requesting that consideration be given to adjusting her water bill. A copy of the correspondence and the report from Customer Service was provided to members.

A review of the account was undertaken and the Authority's findings are that the initial meter reading for the billing cycle for May 2019 on 07 May 2019 was higher than normal thus triggering a Fail Audit inspection. This Fail Audit inspection was completed on 13 May 2019 at which time the meter reader noted: "*no movement no leaks found*". Subsequently, the customer received a bill in the amount of \$1,653.15 for the period 09 April - 13 May 2019 (34 days). The daily average cost for this bill was \$48.62. The daily average consumption during this period was 7.7 cubic metres with a total of 262.6 cubic metres.

The customer submitted a letter to the Board on 04 June 2019 requesting that the bill for May 2019 be waived or discounted due to no contact being received from the Authority. The customer requested that the Utility Services Auditor conduct an audit of her property and this was completed on 06 June 2019. The Utility Services Auditor inspected the exterior and interior of the home including three bathrooms. There were no leaks or movements identified during this visit.

The customer was informed of the option to have her meter removed and tested. This option has been reserved by the customer pending review by the Board.

In summary, the Secretary noted that although the bill for May 2019 was irregular and higher than normal, there were no leaks or movements on the meter dial identified during the meter reading, Fail Audit, and Utility Services Auditor inspections. The Authority does not restrict the amount of water a customer can consume therefore if there is no evidence of a leak, it is considered legitimate consumption. Customers are contacted immediately only upon discovery of a possible leak. The customer was reminded that all consumption and plumbing downstream of the meter is the responsibility of the customer. Having the meter tested was an option provided to the customer but she preferred to have the matter go to the Board first to avoid paying the meter testing fee. A Special Payment Arrangement was offered to settle the account balance.

The Secretary respectfully sought the Board's decision on the request from the customer. Members agreed that the customer should be advised that they reviewed the request and decided not to discount or waive the bill as the Authority's records show that the bill is valid and payable. Members also noted that the customer had chosen not to have the meter tested. The customer should be reminded of the Authority's policies regarding usage of water after it passes

through a customer's meter as well as the Fail Audit policy. Members agreed that a Special Payment Plan Agreement be offered (for an extended period convenient to the customer) with the usual discounting of late fees (providing payments are made regularly according to the agreement).

b) **Request for Bill Adjustment re Customer Account# [REDACTED]**

The Secretary reported that on 31 May 2019 the Authority received a letter from [REDACTED] requesting that consideration be given to adjusting her water bill. A copy of the correspondence and the report from Customer Service provided to members.

A review of the account was undertaken and the Authority's findings are that the initial meter reading for the billing cycle for January 2019 on 23 January 2019 was higher than normal thus triggering a Fail Audit inspection. This Fail Audit inspection was completed on 26 January 2019 at which time the meter reader noted: *"Reading is correct. No leak detected"*.

Subsequently, the customer received a bill in the amount of \$2,058.06 for the period 17 December 2018 - 26 January 2019 (40 days). The daily average cost for this bill was \$51.45. The daily average consumption during this period was 7.9 cubic metres with a total of 317.2 cubic metres.

The initial meter reading for the billing cycle for February 2019 on 27 February 2019 was higher than normal thus triggering a Fail Audit inspection. This Fail Audit inspection was completed on 01 March 2019 at which time the meter reader noted: *"Meter has movement. Possible leak on customer's side. Notice was left for customer and valve was turned off"*. The customer was advised of these findings in person by a Customer Service Representative on 04 March 2019.

Subsequently, the customer received a bill in the amount of \$2,395.19 for the period 26 January - 01 March 2019 (34 days). The daily average cost for this bill was \$70.45. The daily average consumption during this period was 10.8 cubic metres with a total of 367.8 cubic metres.

On 04 March 2019, the customer requested that the Utility Services Auditor conduct an audit of the property. The customer also requested that the meter be removed for testing. The meter at this property was removed and replaced by a meter reader for accuracy testing as requested on 05 March 2019. The Utility Services Auditor visited the property on 14 March 2019 at which time there was movement identified on the meter indicative of a possible leak. This was communicated to the customer on site and the customer acknowledged that a plumber had been requested to make repairs.

The customer requested a Special Payment Arrangement on 18 April 2019 to settle the account balance of \$2,431.12 over a period of three months. A longer

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term was offered; however, the customer's wishes were approved by the Customer Relations Supervisor.

The customer was informed of the meter testing results on 29 April 2019. As per the results, the meter met the test criteria at all flow rates. The meter was found to be functioning properly therefore the Authority made no adjustments to the customer's account.

Subsequently, the customer submitted a letter to the Board on 31 May 2019 requesting that the bills issued from January 2019 to present be adjusted (discounted) due to financial hardships.

In summary, signs of a possible leak at the property were identified on 28 February 2019 and 14 March 2019. This was communicated to the customer on both occasions and acknowledged. The customer was advised that all consumption and plumbing downstream of the meter is the responsibility of the customer. The bill is valid and payable. The Secretary respectfully sought the Board's decision on the request from the customer. Members agreed that the customer should be advised that they reviewed the request and decided not to discount or waive the bill as the Authority's records show that the bill is valid and payable. The meter was tested as per the customer's request and found to be functioning properly therefore no adjustments are required. The customer confirmed that the high bills were due to a leak which was repaired when found. All plumbing downstream of the meter is the customer's responsibility. Members agreed the Special Payment Plan Agreement can be for an extended period convenient to the customer with the usual discounting of late fees (providing payments are made regularly according to the agreement).

c) **Request for Waiver of Requirement for all Property Owners to Sign on Customer Account# [REDACTED]**

The Secretary reported that on 17 May 2019 the Authority received a letter from [REDACTED] requesting that consideration be given to waiving of the requirement for all property owners to sign on a customer account. A copy of the correspondence and the report from Customer Service was provided to members.

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A review of the account was undertaken and based on [REDACTED] letter and documents, the Authority's findings are that the property, 11 Magpie Close (11B/178), is owned by three persons - [REDACTED]. The customer stated that [REDACTED], has refused to sign the Authority's application form due to an internal family dispute.

[REDACTED]

In summary, the customer submitted a letter to the Board on 17 May 2019 requesting an exception to the requirement where all property owners are required to sign a Customer Service Application Form to open an account with the Authority. According to Water Authority policy, all registered property owners are required to sign the Customer Service Application Form to open an account.

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In this current case, due to an evident contentious family dispute, an exception is not recommended. However, should the Board wish to grant an exception, consideration should be given to ensuring other special requirements are put in place, i.e. higher security deposit, personal guarantee, time limit etc. The Secretary respectfully sought the Board's decision on the request from the customer. Members agreed that the customer should be advised that they reviewed the request and decided not to waive the requirement for all property owners to sign on the customer account. Members understood and fully sympathised with the customer's unfortunate situation however in the circumstances, the customer will need to resolve the family situation and acquire the necessary signatures for the Authority to be able to re-open the account or create a new account on the same property.

Any Other Business

a) Standards in Public Life.

The Chairman shared a letter he received from the Honourable Premier dated 30 May 2019 regarding The Standards in Public Life Law, 2014 and The Standards in Public Life (Amendment) Law, 2016. Members discussed the information provided and agreed to submit their comments and for the Chairman to respond as requested to the Honourable Premier's letter.

b) Global Water Summit 2019.

The Secretary advised that she will report on the conference at the August 2019 Board meeting.

c) **Director's Leave.**

The Secretary advised that she would be on leave during the period 05-26 July 2019. She also noted that she would need to be on leave during the period 19 August 2019 to 06 September 2019.

Donation Requests

The Secretary advises that the Sponsorship Assessment Sub-committee will meet after the Board meeting to deal with the following requests for assistance:

1. George Town Primary School PTA.
2. Cayman Islands Conference of Seventh-Day Adventist.
3. Cayman National Cultural Foundation - Carifesta.
4. FC International - 2019 Summer Football Camp.
5. CI Seafarers Association - 2020 Annual Calendar.

There being no other business the Chairman thanked members and wished everyone a great summer break as there will be no meetings in July 2019. The meeting was adjourned at 3:10pm.

This is a true and accurate account of the proceedings.



The Chairman

The Secretary