

CONFIDENTIAL



Water Authority of the Cayman Islands

Minutes of 210th Meeting held on 23rd of December 2010

Members Present:

Chairman:	Mr J L Hurlston
Members:	Mr J Banks Mr T Hydes Mrs P McGaw-Lumsden Ms A Owens Mr W Scott Mr M Smith Mr O Watler
Secretary:	Dr G Frederick-van Genderen
Apologies:	Mr C McLaughlin Ms R Sharma Mrs I Simms
Guest:	Mr T van Zanten

Call to Order

The Chairman, Mr J L Hurlston introduced himself, welcomed members and called the meeting to order at 10:28am after ascertaining that there was a quorum. The Chairman opened the meeting with prayer and indicated his intention to continue this tradition during his tenure as Chairman. Apologies on behalf of Mr C McLaughlin, Ms R Sharma, and Mrs I Simms were given by the Chairman.

The Chairman gave a brief synopsis of his working experience and activities as a civil servant and now as a private businessman. He explained that he is a non-political person and aims to see the Board make decisions in the best interest of the country and in keeping with the Government's policies. He also explained that he believes in giving back to the community through service in the Church as a well as serving on Boards such as the Water Authority. The Chairman said he looked forward to working with all Board members and that as a team he believed they would be successful. The Chairman advised that email communication was the most practical

method of communication and encouraged members to obtain an address if presently they had none.

Minutes of the 207th Meeting held on the 18th of August 2010

The Chairman advised that minutes for the meetings held on 11 August 2010, 18 August 2010 and on 17 November 2010 would be available at the next meeting.

The Chairman asked for confirmation of the Minutes of the 207th Meeting held on 18 August 2010.

Mrs P McGaw-Lumsden moved the motion to accept the Minutes, Mr W Scott seconded the motion and the motion passed unanimously.

Minutes of the Extraordinary Meeting held on 06th of October 2010

The Chairman asked for confirmation of the Minutes of the Extraordinary Meeting held on 06 October 2010.

Mrs P McGaw-Lumsden moved the motion to accept the Minutes, Mr W Scott seconded the motion and the motion passed unanimously.

Declaration of Conflicts of Interest

None were declared.

Matters Arising

a) Divestment of Water Authority Sewerage Assets – Report on Proposals.

The Chairman reported that the Authority had prepared a preliminary draft report for discussion and review of the proposals. Members were reminded that in September 2010 Cabinet appointed a Wastewater Technical Committee (WWTC) to make evaluate and make a decision on the successful company that will takeover the Authority's wastewater operations. The Chairman reported that the WWTC was scheduled to meet in the afternoon of 23 December 2010 to review the preliminary report and proposals. Mr T Hydes confirmed that the meeting this afternoon would not include all members of the committee as two more persons were appointed the same morning. These persons would not have been notified of the meeting. Mr T Hydes advised that it was likely that the WWTC would need to meet again next week to review and make a decision.

The Chairman noted that as the Water Authority Board has the legal responsibilities for the assets of the Authority, it would be necessary for the Board to ratify the decision/recommendation of the WWTC. Members agreed that they would have to ratify the WWTC's decision and send the

recommendation to the Central Tenders Committee (CTC). The Chairman requested that any changes from the timeline to award the contract agreed with the Ministry should be brought to the attention of the Ministry as soon as possible.

The Chairman reminded all members that the preliminary report on the RFP proposals they were about to see was a highly confidential document and that he expected all related discussions as well as the contents of the document to remain within the Boardroom. The Secretary advised that the documents would be collected after the discussion as they would be used by the WWTC in the afternoon.

Members were each handed a copy of the preliminary report entitled "Preliminary RFP Evaluation Report for Wastewater Services on Grand Cayman" and allowed sometime to look through the report. The Chairman asked the Secretary to bring in Mr T van Zanten to guide the Board through the report.

Mr T van Zanten joined the meeting at this point and was invited by the Chairman to guide the members through the report. Mr T van Zanten gave an overview of the timeline and the process up to the opening of the proposals by the CTC.

The purpose of this preliminary report is to provide members of both the Board and the WWTC an overview of the three distinct proposals submitted, thereby facilitating the process. The Secretary noted that there are no recommendations or conclusions in the report as the WWTC would be making the decision on the proposals which would then have to be ratified by the Board before the recommendation is sent to the CTC.

Mr T van Zanten then spoke to the contents of the report which is a summary of the facts from the three proposals received. Questions from the Chairman and members were responded to by both Mr T van Zanten and the Secretary.

After the discussion, all copies of the document were collected by the Secretary. The Chairman thanked Mr T van Zanten for his guidance on the report and subsequently excused him from the meeting. The Chairman again advised Board members that the information in the report was highly confidential and that no conclusions should be drawn from it but rather await the outcome of the WWTC's review and recommendation. The Chairman also reminded members that upon receiving the WWTC's recommendation the Board would need to meet to review and accept the recommendation as a matter of priority.

Current Business

None

Donation Requests**a) Junior Achievement.**

Members agreed to sponsor the Junior Achievement programme in the amount of \$500. The motion was moved by Mrs P McGaw-Lumsden, seconded by Ms A Owens and passed unanimously.

b) CI Seafarer's Association - Scholarship Fund.

Members decided not to sponsor this programme.

c) Red Bay Primary School - Year 3 Educational Trip to Cuba.

Members agreed to sponsor the Red Bay Primary School - Year 3 Educational Trip to Cuba in the amount of \$600 to support the cost of one child's participation. The motion was moved by Ms A Owens, seconded by Mrs P McGaw-Lumsden and passed unanimously.

d) UCCI International Conference on Caribbean Leadership, Governance and Empowerment Sponsorship Request.

Members agreed to sponsor the UCCI in the amount of \$1,000 (Silver Sponsor Level) to support their upcoming International Conference on Caribbean Leadership, Governance and Empowerment. The motion was moved by Mr W Scott, seconded by Mr J Banks and passed unanimously.

e) Cayman Islands Flag Football Association Sponsorship Request.

Members agreed to sponsor the Cayman Islands Flag Football Association in the amount of \$750 to support their fundraiser. The motion was moved by Mrs P McGaw-Lumsden, seconded by Ms A Owens and passed unanimously.

Any Other Business**2011/2012 Ownership Agreement**

Ms A Owens spoke regarding the Authority's 2011/2012 Ownership Agreement and reminded the Secretary and members that the Authority should strive to provide the required information for submission to the Budget Management Unit within the timelines. The Secretary acknowledged and indicated that the Authority would do its best to ensure it meets the deadlines. However, the Secretary noted that the senior management team will also be heavily involved with the divestment of the wastewater operations as well as the Cayman Water Company negotiations.

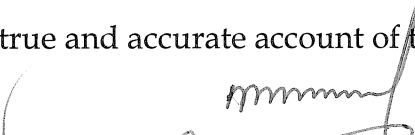
Cayman Water Company Licence

The Chairman reminded Mr T Hydes that the Cayman Water Company would require another extension as it was unlikely that the negotiations

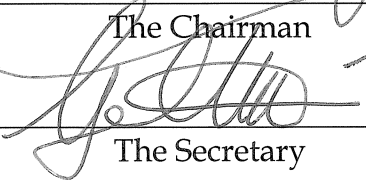
would conclude before the end of the last extension to 04 January 2011. Mr T Hydes said that he would deal with this when he was back in office next week and had an opportunity to discuss with the Honourable Minister. Additionally it was noted that any extension would not include adjustment of rates and that the request would be made for a three month extension.

There being no other business the Chairman adjourned the meeting at 12:05pm.

This is a true and accurate account of the proceedings.



The Chairman



The Secretary