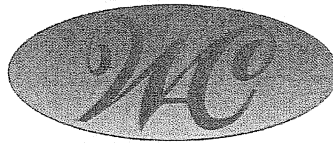


CONFIDENTIAL



Water Authority of the Cayman Islands

Minutes of 223<sup>rd</sup> Meeting held on 25<sup>th</sup> of January 2012

**Members Present:**

Chairman:	Mr J L Hurlston
Members:	Mr T Hydes Mrs P McGaw-Lumsden Ms A Owens Mr W Scott Ms R Sharma ( <i>Acting Chairman for part of meeting</i> ) Mr M Smith
Secretary:	Dr G Frederick-van Genderen
Apologies:	Mr J Banks Mr C McLaughlin Mrs I Simms Mr O Watler

**Call to Order**

The Secretary explained that the Chairman expected to be late and had suggested that Ms R Sharma act as Chairman until his arrival if members had no objections. Members voiced no objections and Ms R Sharma proceeded, as Acting Chairman, to welcome members and called the meeting to order at 1:44pm after ascertaining that there was a quorum. The Acting Chairman acknowledged apologies from the Chairman and Mr T Hydes that they would be late. The Acting Chairman noted apologies from Mr J Banks, Mrs I Simms, Mr O Watler and the absence of Mr C McLaughlin.

**Minutes of the 222<sup>nd</sup> Meeting held on 14<sup>th</sup> of December 2011**

The Chairman asked for confirmation of the Minutes of the 222<sup>nd</sup> Meeting held on 14 December 2011.

Members pointed out on page 12 under Agenda item (c), that the first sentence should be corrected to read "Members agreed to sponsor one team member's participation in the..."

Mrs P McGaw-Lumsden noted that on page 12 under Agenda item (h) in the first sentence of the second paragraph that it was incorrect to record KyStar Athletics as a "registered not-for-profit company". Ms A Owens confirmed that she specifically asked the question of the presenters and that Ms Cydonie Mothersill had confirmed to the Board that the company was registered as a "not-for-profit company". Mrs P McGaw-Lumsden gave an undertaking to verify the status of KyStar Athletics and report back to the Board at the next meeting as she believed the company is registered as an "ordinary company". No corrections were necessary to the Minutes until the status of KyStar Athletics is verified.

Ms A Owens moved the motion to accept the Minutes as corrected, Mrs P McGaw-Lumsden seconded the motion and the motion passed unanimously.

#### **Declaration of Conflicts of Interest**

None were declared.

#### **Matters Arising**

##### **a) Divestment of Water Authority Wastewater Assets - Update.**

The Acting Chairman reported that the Water Authority had not received any response to the Water Authority Board Chairman's letter to the Minister of District Administration, Works, Lands & Agriculture (DAWLA) dated 17 November 2011, nor had any direction been given regarding the divestment process. The meeting which was scheduled with the Honourable Minister for 19 December 2011 did not take place.

The Acting Chairman reported that on 04 January 2012 the Water Authority wrote a memo to the Ministry reminding that the expiry date of the proposals was 06 January 2012, and that the Authority needed to advise the two remaining companies on the way forward with the wastewater divestment project. As no response to this memo was received, a letter was sent on 06 January 2012 to both companies stating:

*"We regret to inform you that in November 2011 the Central Tenders Committee (CTC) advised that it could not support the recommendation made by the Government-appointed Waste Water Technical Committee, and returned the matter to the Water Authority Board.*

*In view of the considerable passage of time since the issue of the original RFP document (in October 2010), the Water Authority Board has recommended to Government that the entire divestment process be restarted.*

*We apologize for the delay in the review process and appreciate your patience. We thank you for your interest in our work and we trust that it will be extended once a decision has been made to proceed with the wastewater divestment process."*

There was a brief discussion on this matter and the Secretary advised that she expected to have some feedback from the Ministry soon.

**b) Public Piped Water Utility Lease Project - Update.**

The Acting Chairman reported that in early 2012 KPMG provided the separate draft financial statements to the Authority for the water and statutory divisions of the Water Authority. The Acting Chairman reported that management is currently reviewing the statements and will request Board approval once the review is complete. The main part of the Strategic Option Analysis (SOA) Report is dependent on the finalisation of the divisional financial statements and this part of the analysis will commence upon their receipt.

**c) Randyke Gardens - Emergency Repair of Wastewater Treatment Systems - Update.**

The Chairman joined the meeting at this point and thanked Ms R Sharma for acting on his behalf.

The Chairman reported that as reported at the last Board meeting the situation of the failing wastewater treatment systems at Randyke Gardens remained unresolved. The Strata was granted an extension to the deadline to complete all repairs to 15 December 2011. There was however no significant progress on 15 December 2011 and the Strata Chairman, Mr Mitchell Bodden was contacted. He emailed the Authority that things were difficult, there was no money and it was hard to get support from the Strata. In light of Government's commitment to assist with repairs, the Authority determined that it would be best to make it clear that the strata needed to get properly organised to take care of the systems and that the Authority would then carry out the repairs on behalf of Government. On 22 December 2011 the Authority emailed the Strata Chairman that the Authority would provide the assistance with repairs provided that by 10 January 2012 the Strata had:

1. Restored electrical supply (4 CUC services) to the 8 wastewater treatment systems;
2. Signed a service contract with one of the registered service providers;

3. Put a system in place for monthly collection of funds from strata members to pay for ongoing operation and maintenance and utility bills of the wastewater treatment systems once repairs are completed.

The letter further stated that should the strata not comply with these conditions, the Authority would ask the Attorney General to follow up for violation of the Water Authority Law.

The Chairman reported that the Strata Chairman claimed that he never received this letter or the Authority's two subsequent reminders for updates. The Strata Chairman sent an email on 17 January 2012 asking for a meeting with the Authority and the Department of Environmental Health. It was explained via email by the Secretary that the Strata needed to comply with the 3 conditions of the Authority's 20 December 2011 letter by 10 January 2012. The Strata Chairman responded that he never received the 20 December 2011 communication and reminders.

The Chairman reported that subsequently the Authority agreed that it would be best to issue a final deadline of 02 February 2012 for compliance with these 3 conditions. The notice was emailed and hand-delivered to the Strata Chairman and receipt was confirmed. In the mean time the contact information of the other Strata board members was provided, so that future communications can be sent to the entire Strata board to ensure receipt of information.

The Chairman reported that the notice was clear that the 02 February 2012 deadline was the final chance for the Strata to arrange its affairs so that the Authority can provide meaningful assistance with the repairs and that there is a mechanism in place where the Strata can take care of future maintenance. The failure of this system and discharge of approximately 15,000 gallons of untreated sewage onto the ground each day has been ongoing for a year now. The adjacent property to the east of Randyke Gardens is being developed now for low income housing, so it is imperative that the Authority ensures that untreated wastewater is no longer discharged onto the ground and into this property.

Members expressed concern that the Strata remained weak but were hopeful that the three requirements would be met by the Strata.

**d) Sterlin Estates - Failing Wastewater System -Update.**

The Chairman reported that the Sterlin Estates Strata had complied with the requirement of the Notice of Violation that the overflows of the wastewater treatment system are addressed and that the quotation for a replacement of the failing wastewater treatments system is brought to their AGM. The Authority did not require that the system be replaced; however it was made clear that frequent violations (meaning frequent overflows onto the ground)



will prompt a requirement for system replacement. A site inspection carried out during the week of 24 January 2012 indicated that there had been no recent overflows. As this is a system with a history of poor performance, the Authority will continue to monitor its performance.

e) **Fountain Courts – Failing Wastewater System - Update.**

The Chairman reported that the Notice of Violation for the effluent overflow of one of the two wastewater treatment systems at Fountain Courts was resolved. Entech, the service provider installed essential equipment in the decanters of both treatment systems. It appears that this equipment was part of the original design and installation but that it had been removed some time ago without replacement. The Chairman noted however that this may not be the long term solution to the issues with this system as there are many components that need to work properly and the service provider has limited experience with this system.

The Chairman reported that on 24 January 2012 a meeting was held at which the Authority, the Fountain Courts Strata and Entech were present. The timeline of the issues with the systems was discussed and the Authority agreed to test the effluent in the near future. It was made clear to the owners and service providers that regular service and proper records of the service provided are essential. The web-based database that the Authority has used for about 2 years is working well and provides the ideal tool to record service reports, so that owners, service providers and the Authority can review the status of the system. The owner and service provider also agreed to provide an update of any major changes to the system and a verification that all settings and systems components are as per manufacturer's specifications. The Chairman noted that it was further made clear that if frequent overflows of effluent onto the ground continue and efforts of the strata and the service provider do not resolve these, the Authority would require that the system be replaced.

f) **Miscellaneous Updates.**

a) ***In-House Pipelaying Crews*** – The Chairman reported that both pipelaying crews continued with the dismantling of the existing 1.25 million US gallon capacity fibreglass tank (Reservoir #1) at the Red Gate Water Works Site to create the necessary space for a new 1.8 million US gallon capacity glass-fused-to-steel bolted-steel storage tank. Work slowed between 20 December 2011 and 06 January 2012 as only a few staff was available. However the work progressed as expected and all panels will be removed during the week of 24 January 2012. It is anticipated that the remainder of this work (i.e., the removal of the steel columns and cutting/removal of part of the concrete base to accommodate the new bolted-steel tank) will be completed by the end of January 2012.

It is anticipated that during the first week of February 2012 one of the in-house pipelaying crews will commence work on the pipeline upgrade in Mangrove Avenue in Prospect.

Once the tank has been completely dismantled (included the concrete cutting) the other crew will continue with the installation of a 200mm pipeline in the new road to the Blue Iguana Reserve, subject to availability of the trencher (As reported earlier this trencher experienced mechanical problems and required repairs).

- b) *Water Supply Division* - The Chairman reported that the Water Authority did not receive a response from the Ministry to the request to be allowed to commence the pipeline upgrade work in Shedden Road. Work was therefore started on the replacement of the pipeline in Hospital Road.

During the week of 16 January 2012, Hospital Road was reduced to one-lane as the northbound lane (from the 4-way junction at Smith Road to Elgin Avenue) was closed to facilitate the installation of temporary service lines.

In response to representations made by local businesses and the motoring public, the Water Authority decided to carry out the actual pipelaying at night, between the hours of 10:30 PM and 6:00 AM, in order to minimise disruption to nearby businesses and motorists. During this time Hospital Road will be completely closed with access only available to residents and emergency vehicles. It is anticipated that this project will be completed by mid-February 2012.

- c) *Wastewater Division* - The Chairman reported that on 03 January 2012 the Water Authority wrote to CUC in response to their claim of \$487,283.78 for the electricity account at the Grand Cayman Wastewater Treatment Plant, resulting from a mistake with the billing multiplier for the period December 2004 through May 2011. The Authority advised CUC that they should assume responsibility for the mistake, and should therefore reconsider this request for payment. To date no response has been received.

- d) *Red Gate Administration Building-AC Replacement* - The Chairman reported that although initially four contractors had expressed an interest and obtained the tender documents for the Replacement of the existing Air-Conditioning System of the Authority's Administration Building, only one contractor (Andro) submitted a proposal by the deadline on 16 December 2011.

As their lump sum amount (\$208,000) was significantly in excess of the Budget amount (\$175,000), Andro explained that a significant amount of labour costs would be involved to increase the duct insulation, as the supply air temperature would have to be reduced to 50°F (instead of the current 56°F). Additionally based on a preliminary load analysis, a total of 40 tons of cooling capacity would be required (existing system has 30 tons capacity).

Following the discussions at a meeting with the Authority's engineers on 19 December 2011, Andro provided an alternate proposal on 13 January 2012. The revised proposal now includes two 17 ton condensing units with two 15 ton air-handling units for the Administration Building, and a stand-alone 5 ton condensing unit and air-conditioning unit for the Lobby Area only. This revised proposal does not require that the supply air temperature is lowered, thus avoiding the significant labour costs for the additional duct insulation.

The Chairman advised that the revised lump sum amount is \$165,000, which is slightly less than the amount allowed in the 2011/2012 Budget (note: all builders work (concrete pads, sheet rock) will need to be carried out by others, at an estimated cost of less than \$10,000). The revised proposal also takes into consideration that the shutdown of the existing system will occur over a long weekend. The Secretary explained the Authority would have to utilise the Discover Day (May) weekend as the new billing system go live was planned for during the Easter holidays. The Secretary also noted that staff working in the general administrative area (with the exception of the laboratory) of the main office may have to be released on the Friday prior to the weekend as the contractor will need four days to carry out the work. The Customer Service Representatives as well as the Cashiers will be able to work as the lobby area will be on the independent A/C system. The Authority will finalise the payment terms and contract details with Andro shortly.

- e) *Red Gate Water Works - Erection of New Bolted Steel Tank* - The Chairman noted that on 06 January 2012 the Water Authority confirmed acceptance of Florida Aquastore's tank drawings and design calculations. Florida Aquastore confirmed that the factory had been informed and that the lead time is approximately 5-6 weeks for the tank and 8-10 weeks for the dome roof. Therefore the tank will be shipped ahead of the dome (expected to be around 20 February 2012) so construction of the foundation and tank will not be delayed. The Secretary reminded members to look on their way out of Red Gate Road and they will see that the tank has disappeared.
- f) *FOI updates* - The Chairman reported that no new requests had been received as of 24 January 2012 as seen in the FOI report provided to members. The three questions from 2011 on the report have all been dealt with as shown in the report.
- g) *New Cogsdale Billing System* - The Chairman reported that the project implementation team in conjunction with a Cogsdale representative was in the process of carrying out a conversion of the Diamond data during the week of 24 January 2012. It is expected that this would resolve the last remaining issues. If all goes well, the team will be concentrating mainly on testing of processes and preparation of training.

The Chairman noted that with Cogsdale, the new services/benefits the Authority plans to bring to customers include web payments, web access

to account statements, web requests, e-billing (bills by email), new revamped and refined user friendly bill template (including bar code scanning at bill presentation) and improved service delivery times with the change to wireless work orders which will allow meter readers to receive instructions while in the field and respond by the click of a button. Go-live remained on target for the Easter weekend.

- h) Annual Report 2010/11* - The Chairman reported the report was sent to the Ministry on 09 December 2011. The Authority received signed copies back from the Ministry on 13 January 2012. The Authority is in the process of making 57 copies to provide to the Ministry for Cabinet presentation and then approval in the Legislative Assembly.

- g) Update on Negotiations of Cayman Water Company Licence (CWC) and confirmation of 2012 water retail rates.**

The Chairman reported that the CWC License extension will expire on 31 January 2012 and to date no proposals had been received from CWC regarding their rate of return expectations (as requested in the last official meeting in February 2011), nor had the negotiation meetings resumed.

The Chairman reported that a meeting was scheduled with the Honourable Minister on 19 December 2011 to discuss this matter, but due to other commitments the Minister could not attend.

The Chairman reminded members that Cayman Water Company operates under its 1990 licence as extended since July 2010 when the licence expired. Pending the successful outcome of the negotiations to renew the licence, Government has granted extensions to the 1990 licence. The 6<sup>th</sup> extension will end on 31 January 2012, CWC has asked for a further extension and Cabinet is considering granting the 7<sup>th</sup> extension for 6 months until 31 July 2012. As reported at previous Board meetings there is a stalemate in the negotiations, the Honourable Minister and the Authority have asked CWC repeatedly to provide their financial counterproposal, but nothing has been received yet.

In the mean time, CWC's retail water rates are adjusted annually in accordance with the provisions of the 1990 licence. The Chairman reminded members that when the Government and the Authority tried to press the issue in January 2011 that no further rate adjustment should be granted, CWC reminded Government and the Authority of a 1994 Grand Court decision that rate adjustments had to be carried out in accordance with the licence and that Government did not have the leeway to withhold the adjustment. CWC agreed to extend the 1990 licence beyond July 2010, and Government agreed to grant extensions, however CWC has not agreed to extend the licence without annual rate adjustments, so it is impossible for Government and the Authority to unilaterally withhold the annual adjustment as the rate adjustment mechanism of the licence still stands.

The Chairman explained that the CWC licence provides that the base water rates are adjusted in January each year. 45% of the base rate remains unchanged, 20% is adjusted for the annual change in the CICPI (Cayman Islands Consumer Price Index) and 35% is adjusted for the annual change in the USPPPI (United States Producer Consumer Price Index). The CICPI increased by 2.4% and the USPPPI changed by 9.5% (Sep 2010 – Sep 2011). As a result CWC's retail rates for 2012 increase by 4.5% over their 2011 rates. In 2012 the average single residential customer of CWC will pay \$105.29 for 19.1 cubic metres of water each month, whereas a Water Authority customer pays \$84.33 per month for the same volume, a difference of approximately 25% (19.1 cubic metres is approximately 5,000 gallon, this is the average use of single residential Water Authority customer). It should be noted that this is without the energy adjustment. The Authority's base rates have basically been frozen since 1995 with only a modest 3% increase in 2007, whereas CWC's base rates have been adjusted annually, resulting in the CWC base rates being 25% higher than the Authority's rates.

### Current Business

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

\* Redacted under  
Section 23 of The  
Freedom of Information  
Law, 2007

The Chairman reported that a letter was received from [REDACTED] regarding the above account on 03 January 2012. The complainant would like to have the Board review this case as he was not happy with the outcome of the meter testing. A copy of the letter, relevant documentation, and the report from Customer Service Department were provided to members.

The Chairman reports that a review of the account was undertaken and the Authority's findings were that on 30 September 2011 the customer received a bill that recorded usage of 55.4 cubic metres (\$338.25) for the billing period 09 August 2011 to 16 September 2011. On 28 October 2011 the customer requested that the meter be tested. The bill generated at the time of meter change out recorded usage of 164.9 cubic metres (\$1,027.15) for the billing period 16 September 2011 to 28 October 2011. The customer was informed on 07 November that the meter had been sent for testing. The customer was informed on 14 December 2011 that the meter testing result showed that the meter had passed. A payment agreement was offered, however the customer was not happy with test results and requested that the matter to go to the Board.

The Chairman advised that the customer was informed of the meter testing policy of the Authority however upon receiving the test results he did not

want to make any payment until the matter could be reviewed by the Board. As the meter was not found to be faulty, customer was advised that no adjustment to the bill was possible by the Customer Service Department accordingly the matter is referred. The Secretary respectfully sought the Board's decision on the request from the customer.

Members discussed the customer's situation and agreed that the customer should be advised that they reviewed the request and decided not to discount or waive the bill as the meter was tested and was not found to be faulty. A payment plan should be offered with a repayment time that is manageable by the customer, with the offer to waive late fees as usual.

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

\* Redacted under  
Section 23 of The  
Freedom of Information  
Law, 2007

The Chairman reported that a letter was received from [REDACTED] regarding the above account on 18 January 2012. The complainants wished to have the Board review this case as they were not pleased with the amount that their bill was discounted after the meter was identified as faulty on the transition (medium) flow. A copy of the letter, relevant documentation, and the report from Customer Service Department were provided to members.

A review of the account was undertaken and the Authority's findings were that on 30 September 2011 the customer received a bill that recorded usage of 67.5 cubic metres (\$413.90) for the billing period 08 August 2011 to 17 September 2011. The customer complained of a high bill on 06 October 2011. The meter was subsequently rechecked and the reading found to be correct; no leaks or issues were identified. On 24 October 2011 the customer requested that the meter be tested. The customer was informed on 07 November 2011 that meter was sent for testing and on 16 December 2011 they were advised of the results of the meter testing. The results indicated that the meter failed on the transition (medium) flow however passed on other two flows. The account was adjusted as per the Authority's Meter Testing Policy which was a reduction of 2.5% (reduced by \$10.35) for the period in question.

The Chairman noted that the customers were informed of the meter testing policy of the Authority; however upon receiving the test results and adjustment, they were not satisfied. As the bill was adjusted according to Board approved Meter Testing Policy, Customer Service Department could not make any further adjustments. The customer was requested to put his complaint in writing so that it could be brought to the Board's attention. The Secretary respectfully sought the Board's decision on the request from the customer.

Members discussed the customer's situation and agreed that the customer should be advised that they reviewed the request and decided not to discount or waive the bill as the customer was advised that the Authority's policy with

regards to the adjustment of bills when one of the tested ranges of the meter is reading outside the spec had been applied according to the policy. A payment plan should be offered with a repayment time that is manageable by the customer, with the offer to waive late fees as usual.

c) Request for Extension of Water Main to Property [REDACTED]

and [REDACTED].

The Chairman reported that the Authority had received a written request dated 11 January 2012 from [REDACTED] for the Board's consideration to reduce their financial contribution to extend the water main to service their property in a private subdivision. Copies of the letter and its attachments were provided to members.

The Chairman reported that the Authority reviewed the letter and advised that it is the Authority's policy that water meters must be installed just inside the property they serve. Currently the existing water meters for both properties (Parcels [REDACTED] and [REDACTED]) are situated near the south-east boundary of parcel [REDACTED]. Consequently, the water meter for the second property (in Parcel [REDACTED]) must also be relocated.

The Chairman explained that the Authority's records indicated that the water meter for [REDACTED] (Parcel [REDACTED]) was installed prior to 1999. The water meter for [REDACTED] was installed on 21 December 1999. However Parcel [REDACTED] was created on 25 September 2001. Therefore at the time of the meter installation it was for a second house on parcel [REDACTED] (still as per Water Authority policy). Once the new parcel had been created, the water meter for [REDACTED] should have been relocated (at the customer's expense) to just inside the new parcel (parcel [REDACTED]). Unfortunately that was never done as the Authority was not informed of the subdivision by the Planning Department.

On 06 December 2011 the Water Authority was first informed about a project off of South Sound Road Block [REDACTED], Parcel [REDACTED]. Following a meeting on site with the contractor on 07 December 2011, he was informed by e-mail that "the Water Authority's policy (in place since 2001) regarding the extension of water pipelines into private roads (which includes Private Rights of Way, such as the access road to this property) limits the available options, and can be summarized as follows: The Water Authority will extend the public water supply system within private roads at no cost to the owner(s) of the road, up to a maximum length of approximately 100 linear feet per single residential customer."

The pipeline extension to the boundary of the abovementioned property is approximately 350 linear feet. Please note that the pipeline must follow the registered Private Rights of Way, and must be at least 3-inches in diameter. The current cost estimate for this work is \$50.00 per linear foot. Your contribution for this pipeline extension would therefore be \$12,500.00 (comprising 250 feet @ \$50.00/ft)."



\* Redacted under  
Section 23 of The  
Freedom of Information  
Law, 2007

The Chairman reported that on 08 December 2011 [REDACTED] was advised that the original distance (from South Sound Road to the entrance of Parcel 240) had been an estimate only and that the actual distance, using the electronic Lands and Survey data, was 312 feet. He was subsequently informed that his contribution for this pipeline extension would therefore be \$10,600 (comprising 212 feet @ \$50.00/ft).

The Chairman reported that [REDACTED] was informed that the water meter for the second property (for [REDACTED] on Parcel [REDACTED]) would have to be relocated to just inside the boundary for that parcel and connected to the new pipeline. The Water Authority was prepared to do this at no cost (although typically the Authority charges to relocate a water meter).

The Chairman noted that [REDACTED] interpretation is that the Water Authority should install the pipeline from South Sound to parcel [REDACTED] at no cost as new customers receive an allowance of 100 feet. However this allowance only applies to new customers, and as mentioned earlier the Water Authority typically charges for relocating water meters. Additionally the distance to parcel [REDACTED] is 137 feet. Mr T Hydes joined the meeting at this point.

The distance across parcel [REDACTED] to parcel [REDACTED] is 174 feet and [REDACTED] suggests he should be liable for payment of only 74 feet (due to the 100 feet allowance for new customers).

However, should the Board accept [REDACTED] interpretation of the Water Authority's policy; his contribution should be \$5,550.00 (111 feet total length, comprising 37 feet across parcel 234 and 74 feet across parcel 241, @ \$50.00/ft).

Additionally it must be noted that for new subdivisions, the Authority requires that the developer installs the water infrastructure. Unfortunately as noted earlier, the Water Authority has no record of this sub-division being reviewed. The Secretary respectfully sought the Board's decision on the request from [REDACTED].

Members discussed the situation and subsequently by way of motion resolved to agree for the Authority to extend the water distribution system to accommodate the request of [REDACTED] and that they should contribute the amount if \$3,700 towards the cost. The motion was moved by Ms A Owens, seconded by Mr W Scott and passed unanimously.

**d) Request to open Butterfield Account for On-line Payments.**

The Chairman reported that the Authority's management was seeking Board approval to open up a bank account at Butterfield Bank (BB) to accept online payments. Currently BB provides a draft with a list of payments that customers have made online. This list is prone to mistakes and it is very time



consuming to research the differences, and in the mean time no payments can be processed. Hence there are times when payments have been made by customers and although their accounts are recorded correctly their payment cannot be posted as there is something wrong with another payment in the same batch.

By opening up an account, the Authority would have online access to the payments and would therefore increase the efficiency by being able to process and post payments on an individual account basis, and the entire batch would not be held up as a result of one erroneous payment. The Secretary advised that management respectfully requested permission to open a bank account at BB for on-line payments.

Members, by way of the following three resolutions, agreed for the Authority to open an account at BB to accept online payments:

**Resolution #1**

*"The Water Authority hereby resolves to accept the documents required to open a bank account with Butterfield Bank (Cayman) Limited in Cayman Islands Currency for the Water Authority and be it resolved that the authorised signatories are the Director, Dr Gelia Frederick van Genderen, Deputy Director, Tom van Zanten, Financial Controller, Ms Lori Bergman and Assistant Financial Controller, Mrs Trecia Hew".*

**Resolution #2**

*"The Water Authority hereby resolves to open a Merchant Account with Butterfield Bank to accept web based payments from the Authority's customers".*

**Resolution #3**

*"The Water Authority hereby resolves to authorise the Secretary, Dr Gelia Frederick van Genderen to sign on behalf of the Water Authority the Resolution Authorizing Banking Account, Loans and Related Matter, Butterfield Online Business Banking Application, and the Merchant Account Agreement provided by Butterfield Bank (Cayman) Limited".*

The motion to pass the resolutions necessary to allow the Water Authority to open a bank account at BB to accept online payments were moved by Ms A Owens, seconded by Mr T Hydes and passed unanimously.

**e) 2012/2013 Ownership Agreement.**

The Chairman reminded members that the Ownership Agreement for the 2012/2013 fiscal period between the Cabinet of the Cayman Islands Government and the Authority is required to be submitted by the Authority under the Public Management & Finance Law 2001. The purpose of the Ownership Agreement is to ensure that performance expectations for the year are clearly specified and agreed by both parties. The Chairman advised that

the Authority had prepared the 2012/2013 Ownership Agreement for review and approval by the Board however most members received the document the morning of the meeting. The Chair reported that the document re-introduced Wastewater operations into the daily operations of the Authority due to the uncertainty of when the divestment process would be completed. When the divestment is complete the Authority will likely need to revise projections and the 2012/2013 budget. The Chairman reported that the Authority is also preparing for the PPWULP however regular and preventative maintenance, critical repairs and improvements have to be carried out in the mean time on the water and wastewater infrastructure in order to ensure the Authority continues to operate responsibly and efficiently.

The Chairman reported that the financial data as presented in the 2012/2013 ownership agreement will have to be consistent with that presented to the Board in May 2012 as part of the Authority's comprehensive budget document. The Chairman noted that members were also provided with the income statement showing the revised numbers for 2011/2012 and the 2012/2013 budget numbers at the start of the meeting.

As discussed at the December 2011 meeting, the Chairman reported that inclusive in the revised budget figures is a 3.2% adjustment to salaries (impact of approximately \$100k for the remainder of 2012). At the December Board meeting members decided to see the revised budget numbers prior to making a decision on whether to grant employees this increase, as it was prudent to ensure that the increase would not compromise the financial integrity of the Authority, which it does not and hence proposed to provide to employees. Mrs P McGaw-Lumsden said that it should be clear that the 3.2% bore no relation to the Government adjustment provided to civil servants in December 2011. The Secretary noted that members could decide on a different effective date and/or a different amount to assist in making the distinction clear.

Ms A Owens indicated that she would prefer to have more time to review the documents and suggested that this be done at separate Board meeting. Members decided to defer further discussion on this Agenda item for another meeting in the next week or two.

### Donation Requests

The Chairman advised that the amount available for donations was \$2,600 (including the commitment to the Pines).

#### **a) Cayman Brac Annual Agriculture Show.**

Members agreed to donate 5 gift certificates for 1000gal each of trucked water in Cayman Brac for prizes at the Cayman Brac Annual Agriculture

Show. The motion was moved by Mr T Hydes, seconded by Ms A Owens and passed unanimously.

**b) Peter "Lightening" Lewis Boxing Match in Grand Cayman - March 2012.**

Members agreed to sponsor Peter "Lightening" Lewis for his Boxing Match to be held in Grand Cayman in March 2012 in the amount of \$500 (the Hook Package). The motion was moved by Mrs P McGaw-Lumsden, seconded by Mr W Scott and passed unanimously.

**c) Rhymiech Keyon Adolphus - Request for financial assistance to participate in 2012 Olympics.**

Members deferred a decision on this request pending receipt of more information. Mrs P McGaw-Lumsden committed to seek more information on this request for the next Board meeting.

**d) Crystal Byrd - Request for financial assistance for School Trip to Cuba.**

Members deferred a decision on this request pending receipt of more information. Mrs P McGaw-Lumsden committed to seek more information on this request for the next Board meeting.

**e) Ratification of Donation to Staff Christmas Party, District Commissioner's Office Cayman Brac.**

Members ratified the Honourable Minister's (DAWLA) request to donate 5 gift certificates for 1000gal each of trucked water in Cayman Brac for prizes at the Staff Christmas Party, District Commissioner's Office Cayman Brac. The motion was moved by Mrs P McGaw-Lumsden, seconded by Mr M Smith and passed by majority vote with Ms A Owens dissenting.

**Any Other Business**

**a) Employee slated for retirement.**

\* Redacted under Section 23 of The Freedom of Information Law, 2007



\* Redacted under Section 23 of The Freedom of Information Law, 2007

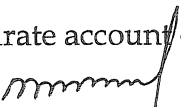



**b) KPMG National Infrastructure Strategy Seminar**

The Chairman reported that Board member Mr T Hydes and the Secretary participated in the above seminar during 19-20 January 2012 in Miami. The seminar focussed on planning the key elements needed to create a national infrastructure strategy as well as the unique issues and challenges faced by island countries in planning and implementing infrastructure. Presentations were made on the various options that governments can utilise in attracting funding for infrastructure projects. Governments are encouraged to develop national infrastructure plans and to promote same at various venues to encourage a wide range of investor interest. The Secretary will compile a report in conjunction with Mr T Hydes for the Ministry and the Board.

There being no other business the Chairman thanked members for their cooperation and adjourned the meeting at 3:34pm.

This is a true and accurate account of the proceedings.

  
\_\_\_\_\_  
The Chairman

  
\_\_\_\_\_  
The Secretary