

CONFIDENTIAL



Water Authority of the Cayman Islands

Minutes of 267<sup>th</sup> Meeting held on 03<sup>rd</sup> of February 2016

**Members Present:**

Chairman:	Mr J L Hurlston
Members:	Mr H B Ebanks Mr J Gill Ms T Mortimer Mr O Watler
Secretary:	Dr G Frederick-van Genderen
Apologies:	Mr M Jacques Ms A Owens Mr C Randall Ms R Sharma Mr A Wright

**Call to Order**

The Chairman welcomed members and called the meeting to order at 1:00pm after ascertaining that there was a quorum. He acknowledged apologies from Ms A Owens, Ms R Sharma, Mr C Randall, Mr M Jacques, and Mr A Wright and then proceeded to offer a special prayer and subsequently declared the meeting open. The Chairman also thanked members for being available at short notice to meet earlier in order to allow him to attend another commitment.

**Confirmation of Minutes of the 266<sup>th</sup> Meeting held on 20<sup>th</sup> January 2016**

The Chairman asked for confirmation of the Minutes of the 266<sup>th</sup> Meeting held on 20<sup>th</sup> January 2016. Mr O Watler moved the motion to accept the Minutes as amended, Mr J Gill seconded the motion and the motion passed unanimously.

### Declaration of Conflicts of Interest

None were declared.

### Matters Arising

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

The Chairman reported that as previously reported it is expected that the installation of the external feedwater pipework at the Lower Valley RO Plant will commence around mid to late February 2016. In anticipation of this work the Authority will remove any existing pipework and other obstructions this week.

b) **West Bay Beach Sewerage System Pipeline Rehabilitation Project (2013) - Update.**

The Chairman reported that in a letter dated 21 January 2016 US Sewer & Drain indicated that they completed the re-televising and evaluation of the four remaining lines and it is their opinion that these lines are NOT suitable candidates for rehabilitation by lining. They therefore consider the West Bay Beach Sewer Rehabilitation Project completed as '*We have done all that can be done in the fulfilment of our agreement*'. The Water Authority responded on 22 January 2016 this it does not consider the contract finished, for various reasons, such as:

- The Authority does not agree that these four lines are NOT suitable candidates for rehabilitation.
- There are other pipeline sections that require lining under this contract. The Water Authority considers these still part of the contract:
- Pipeline section M3012 - M3013 (Marbel Drive) must be lined in its entirety.
- The blockage in the 10 inch sewer line (M1001-M1002, behind Cost-U-Less,) is caused by a collapsed liner, and must be remedied.

A meeting has been arranged for 16 February 2016 to discuss this project. Attending this meeting will be representatives of the Water Authority, US Sewer & Drain, Wharton-Smith, Inc, and the bonding company.

c) **Cayman Brac Infrastructure Upgrade & Expansion Project - Update.**

The Chairman reported that pipelaying on this phase of the project (up to Faith hospital) commenced 26 January 2016. On 04 February 2016 the Deputy Director will go to Cayman Brac to discuss the clearing of the Bluff site with Scott's Development. Additionally he will meet with the District Commissioner to discuss the reinstatement of roads affected by the pipelaying, to be carried out by the Public Works Department. At this meeting, the scope of works and estimate of costs will be discussed. It is understood that PWD are awaiting

some specialised equipment for the road re-instatement project (i.e., milling machine) which is expected to arrive within a few weeks.

*West End Water Works*

The Chairman reported that on 26 January 2016 a contract to construct a small (8' x 6') CMU building on a concrete slab and two separate reinforced concrete slabs at the Water Authority's West End Water Works was awarded to McLean Construction Ltd, the only contractor that had responded to the invitation to bid. His lump sum amount was CI\$19,660.00.

The building is required to safely store the mechanic's tools and air compressor and will be situated immediately adjacent to the truck service area. The concrete slabs are required to provide a foundation for two small secure chemical storage areas.

**d) North Sound RO Plant (NSRO) - Update.**

The Chairman advised that there was nothing new to report.

**e) West Bay Beach Sewerage System (WBBSS) Force Sewer Main Installation Project - Update.**

The Chairman reported that work on the sewer force main replacement contract started in mid-January 2016. To date nearly the entire HDPE pipe has been fused in sections of more than 400 feet long. Trench excavation started on 01 February 2016. A Public Service Announcement has been issued advising that on 07 February 2016 the Esterley Tibbetts Highway will be closed between the Butterfield Roundabout and Lawrence Boulevard to facilitate the installation of the sewer force main.

Progress to date has been very satisfactory and it is expected that the whole of the works will be completed before the contractual deadline of 09 May 2016.

**f) Water Distribution Pump Station Project 2016 - Red Gate Water Works - Update.**

The Chairman reported that Central Tenders Committee would meet on 03 February 2016 to discuss and make a decision on the Tender Evaluation Report submitted.

**g) 30 June 2015 Audit of Consolidated and Divisional Statements - Update.**

*30 June 2015 Audit of Consolidated and Divisional Financial Statements for Water, Wastewater and Statutory*

*Island Financial Statements*

The Chairman reported that there was no further update on this.

*Annual Report 2014/2015*

The Chairman reported that there was no further update on this.

**h) Cayman Water Company (CWC) Negotiations Update.**

The Chairman reported that since the last Board meeting held in January 2016, no additional meetings had been held. The next meeting is scheduled for 15 February 2016.

**i) Public Utilities Commission (PUC) - Update.**

The Chairman reported that subsequent to the presentation on 20 January 2016 at the last Board meeting, senior management of the Authority had a meeting with the Ministry's Strategic Advisor and the Ministry's Senior Policy Officer on 29 January 2016. The Authority provided its feedback on the *Discussion Draft - Drafting Instructions for Laws related to the Water Sector*, prepared by the Strategic Advisor. The feedback aimed to get clarification of the proposed roles of the Public Utilities Commission and the Authority in the water and wastewater sector and proposed legislative changes. A follow up meeting will be held in February 2016.

**j) Miscellaneous Updates.**

- a) In-House Pipelaying Crews** - The Chairman reported that the New Works pipelaying crew continues work on the replacement of nearly 4,000 feet of 6-inch diameter pipeline in Mahogany Way. The first section, between Shamrock Road and Orange Drive, has been completed. It is anticipated that this entire project will take at least another two months to complete.
- b) Water Supply Division** - The Chairman reported that regarding Phase II of the project to replace the 12-inch water main along Bodden Town Road, Operations WS had almost completed the process of connecting residences and businesses to temporary service lines to minimise interruptions in service while the pipeline project is underway. Actual pipelaying will commence during the week of 03 February 2016. Portions of Bodden Town Road will be restricted to the motoring public during normal working hours. Local access will be maintained throughout, but through-traffic will be diverted around the work area via Anton Bodden Drive.
- c) Wastewater Division** - The Chairman reported that during the month of January 2016, the design hydraulic capacity of the plant (2.5 mgd) was exceeded for 17 days. The average daily influent was 2.48 mgd (or approximately 99% of design capacity). This daily average influent was 9.0% less than the average influent measurement during the same period last year (2.73 mgd).
- d) Red Gate Admin Building Parking Lot Expansion** - The Chairman reported that Island Paving had not yet confirmed a date for seal coating the entire area of paving installed under this contract, and re-painting the pavement markings. It is anticipated that the contractor CMEC will replace 16 tyre stops that are either broken or cracked, after Island Paving has completed the seal coat application.

- e) *Gasoline spill at George Town Dock* - The Chairman reported that on 21 January 2016 the Water Authority was notified by the Petroleum Inspectorate that a gasoline spill had occurred at the George Town Dock on 09 January 2016. The spill was contained and cleaned up by Port Authority staff and Rubis the same night that it happened. The spill was estimated to be 947 Imperial gallons (1,136 US Gallons). Water Authority and Chief Petroleum Inspector staff met with Port Authority staff on 22 January 2016, and it was determined that a truck load of sand and fuel containment materials were used to absorb the spilled gasoline. The location where the spill occurred had no environmental impact due to the quick response.

However, the fuel contaminated sand and absorbent materials were transported to the site of Tri-Island Aggregate on Barnes Drive in George Town. Upon inspection of this site it became clear that the contaminated sand and absorbent material were stored on the ground and that no measures were taken to protect the ground and groundwater from contamination. This is a concern for the Authority. The Authority and the Petroleum Inspectorate are following up with the Port Authority, Rubis and Tri-Island Aggregate to determine the root cause of the spill and to ensure that the contaminated sand and absorbent materials are properly processed and disposed.

During the inspection of the Tri-Island Aggregate site several 55 gallon drums with waste oil were found on the property. These drums were in poor condition and some oil had leaked into the ground. The Authority is following up with Tri-Island Aggregate on the proper processing and disposal of the waste oil and the removal of oil impacted soil. The poor storage of waste oil at this site is not an isolated case; there are many other locations where similar situations are found.

- f) *Smith Road Villas - Failing onsite wastewater treatment system* - The Chairman noted that Smith Road Villas is a Strata that was built in 2002-2003; it comprises of approximately 100 two and three bedroom houses. At the Planning stage the Authority required an onsite wastewater collection and treatment system (27,000 gal capacity), which was installed in 2002. In the course of late 2015 it came to the Authority's attention that the system had been neglected and that it was in disrepair. Photos were available for members to view. The Strata was served a Notice of Violation that required them to remove the vegetation which had overgrown the system and to provide a rehabilitation plan. The Strata is working with the Authority and the rehabilitation plan was approved on 01 February 2016.

Based on the timeline provided in the plan, the Authority has given the Strata a deadline of 07 March 2016 to complete the rehabilitation of the system. Entech, one of the wastewater service providers, will carry out the rehabilitation of the system. The Authority will continue to monitor the rehabilitation.

- g) *Cayman Grease Management* - The Chairman reported that in mid-December 2015 the Authority was notified by the Department of

Environmental Health (DEH) of the poor storage and handling practices of Cayman Grease Management. This business collects used cooking oil from restaurants and consolidates it for shipping to the USA where it is processed into biodiesel. The property where the operations take place is leased and is located off Seymour Drive in George Town.

The Chairman reported that the Authority found numerous small containers of cooking oil stored on the property and that a significant amount of oil had leaked onto and into the ground. The Authority served a Notice of Violation that requires the operator to clean up the spill and to improve specific operational practices to protect groundwater from further spills. DEH served an Abatement Notice. The person who runs the business has been in contact with the Authority and pledged his cooperation to comply with the Authority's requirements. On 01 February 2016 the Authority extended, upon request of the operator, the deadline for compliance to 15 February 2016. The Authority will continue to monitor the clean-up of the site.

In the course of the Authority's review of this case, it became clear that Cayman Grease Management had been granted a Trade and Business Licence to run this operation at a property in East End; however the business was never established in East End. The Authority wrote to the Trade and Business Licensing Department (T&B) to ask them whether the Authority and DEH were consulted on specific environmental concerns for this business when the T&B licence was applied for. T&B have replied that they are investigating the matter. From the Authority's point of view this specific case supports the approach that T&B, before it grants licences, should conduct consultations with DEH and the Authority to ensure that proper environmental safeguards are put in place at businesses that impact the environment.

- h) *FOI updates* - The Chairman reported that no requests had been received since the FOI Report dated 07 December 2015 and provided to members.
- i) *Public Authorities Bill (PAB) Consultation Process* - The Chairman reported that Mr P Gough has indicated that meetings will take place later this month.

### Current Business

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

\* Redacted under section 23 of The Freedom of Information Law (2015 Revision)

The Chairman reported that on 08 January 2016 the Authority received a letter from [REDACTED] requesting that consideration be given to reducing 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 there is a long history with regards to this customer's situation going back to the late 1990's that included several failed payment agreements. However, the more recent situation is that 14 May 2014, due to non-payment on account# 71784-502822, the amount of \$4,390.67 was transferred to active account# 69800-509462 of the customer. Prior to the transfer, the customer had been able to keep the account reasonably current. On 30 May 2014, penalties accrued on account# 71784-502822 in the amount of \$3,257.61 were reversed.

On 10 July 2014 a payment of \$2,953.28 was incorrectly posted to the customer's account# 69800-509462 and was subsequently reversed. The account was disconnected on 13 April 2015 with a balance of \$3,104.42 as the customer was not able to keep up with the payments. On 22 January 2016 the total penalties accrued on the account since the transfer in May 2014 is \$918.29.

The customer explained in her letter of 08 January 2016 letter that there are several personal circumstances why she is unable to pay the account balance at this time. These include, mentally ill daughter, infant daughter; 6-year old grand-daughter from her son who was lost at sea in 2010; unable to work due to fibromyalgia; mother diagnosed with cancer; and, father retired with no income. Plus, she is struggling with mortgage payments.

The Customer Service Supervisor met with the customer and was advised that the Needs Assessment Unit of Department of Children & Family Services are willing to assist her for all future expenses on the water account but cannot pay for past due bills before assistance is granted. The customer is requesting that all fees and balance incurred on account be waived so that she may be reconnected with water supply. The last payment received on the account before disconnection was 17 February 2015. Since account disconnection in April 2015 (9 months), there have been no payments made on account. There had been several attempts to collect the outstanding debt on account 71784-502822 dating as far back as 1997 that included legal intervention. However, all payment agreements were not maintained as agreed upon.

The Chairman noted that the Authority had suggested that members may wish to consider waiving the total penalties accrued on accounts 71784-50282 and 69800-509462 in the amount of \$918.29 leaving a balance of \$2,866.30. The Secretary respectfully sought the Board's decision on the request from the customer.

\* Redacted under section 21 (1)(b) of The Freedom of Information Law (2015 Revision)



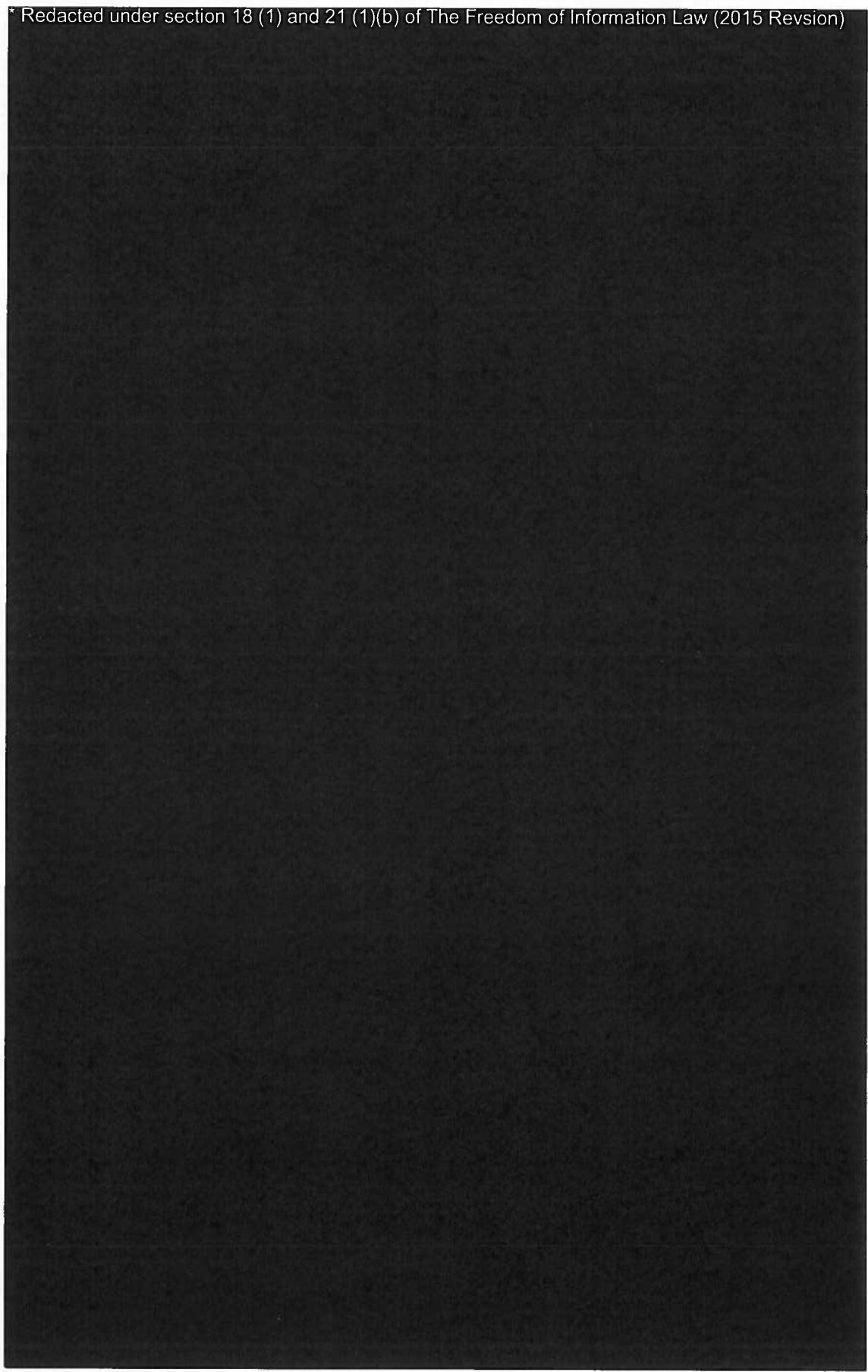
b)

\* Redacted under section 18 (1) and 21 (1)(b) of The Freedom of Information Law (2015 Revision)





\* Redacted under section 18 (1) and 21 (1)(b) of The Freedom of Information Law (2015 Revision)



\* Redacted under section 18 (1) and 21 (1)(b) of The Freedom of Information Law (2015 Revision)



The Chairman and members thanked the Secretary for the documents provided. The Secretary thanked members and noted that she must also give full credit to the Financial Controller and her staff as well as the Deputy Director. Members requested that their appreciation be passed on to the Financial Controller and her staff as well as the Deputy Director and Department Heads.

c) \* Redacted under section 21 (1)(b) of The Freedom of Information Law (2015 Revision)



\* Redacted under section 21 (1)(b) of The Freedom of Information Law (2015 Revision)

**Any Other Business**

There was no other business.

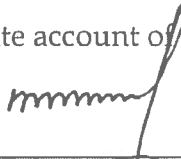
**Donation Requests**

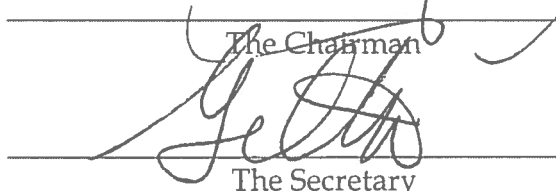
The Chairman advised that the Sponsorship Assessment Sub-committee would meet after the Board meeting to deal with the following requests for assistance:

- a) FC International - 2016 Summer Football Camps.
- b) The Breast Cancer Foundation - Gala Dinner 2016.
- c) Clifton Hunter High School - Cayman Airways Flight Club.
- d) Cayman Brac Annual Agricultural Show Committee - 2016 Annual Cayman Brac Agriculture Show.
- e) Home School Association (Edna M. Moyle Primary School) - Year 6 Students School Trip June 2016.

Members were reminded that the next meeting will be held on 16 March 2016 unless it was necessary to call for an Extraordinary Meeting. There being no other business the Chairman thanked members and the meeting was adjourned at 2:35pm.

This is a true and accurate account of the proceedings.

  
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The Chairman

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

