

CONFIDENTIAL



Water Authority of the Cayman Islands

Minutes of 271st Meeting held on 15th of June 2016

Members Present:

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

Call to Order

Mr J Gill welcomed members and advised that the Chairman was unable to attend the meeting and had asked that he act as Chair providing there were no objections. Members had no objections to Mr J Gill as Acting Chairman and he then proceeded to call the meeting to order at 1:30pm after ascertaining that there was a quorum. He acknowledged apologies from Mr J L Hurlston, Ms R Sharma, Mr M Jacques and Ms A Owens. The Acting Chairman then declared the meeting open.

Confirmation of Minutes of the 270th Meeting held on 18th May 2016

The Chairman asked for confirmation of the Minutes of the 270th Meeting held on 18th May 2016. Mr A Wright moved the motion to accept the Minutes as amended, Mr H B Ebanks seconded the motion and the motion passed unanimously.

Declaration of Conflicts of Interest

Mr A Wright noted that he would have a conflict with Donation Requests items c, d, and f on the agenda for the Sponsorship Assessment Sub-committee.

Matters Arising

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

The Acting Chairman reported that all three feed water abstraction wells were treated to remove the iron reducing bacteria and the plant resumed water production on 14 June 2016.

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

The Acting Chairman reported that the Water Authority wrote to US Sewer & Drain on 08 June 2016 advising them that it considers the contract complete, and thus bringing this project to an end. As previously decided, this letter included an invoice for the amount the Water Authority is out of pocket due to expenses incurred for the remedial work near Cost-U-Less [REDACTED]. The Office of the Auditor General (OAG) was preliminarily briefed during the June 2016 audit planning meeting on 19 May 2016. As previously indicated, an executive summary of the project will be prepared.

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

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

The Acting Chairman reported that progress to date on the current phase of this project (up to Faith hospital) continued to be less than anticipated due to continuing mechanical issues with the trencher. Most of the replacement parts have arrived on islands, and it is anticipated that the much needed repair will be carried out during the week of 15 June 2016. Members noted that the trencher is now over 11 years old and written off, it is likely time for the Authority to replace it with a new one. The Secretary noted that the Authority would assess the situation and advise members at the August 2016 meeting. By the end of May 2016 approximately 3,260 feet of 200mm pipe had been installed.

The Authority awaits District Administration PWD's proposal for the reinstatement of roads affected by the pipelaying in Cayman Brac, neither has there been confirmation that the specialised equipment (i.e., milling machine) has been ordered by PWD.

In late May 2016 Water Authority staff used GPS equipment to confirm that the final dimensions of the cleared area of the Bluff Site, were approximately 400 feet x 350 feet. Final payment was made to Scott's Development.

Extension of Waiver of Connection Fees in Cayman Brac

The Acting Chairman noted that the Secretary was respectfully requesting members' consideration regarding the extension of the waiver for connection fees in the main and side roads in the area of the last (up to the West End Primary School) and next (up to Faith Hospital) Phases of the Cayman Brac Piped Water Expansion Project. The current approval expires on 30 June 2016. There were 51 new connections (of which 44 are active) made during the last 6-month period and to date, the total number of piped water customers is 259 (of which 222 are active). Members agreed to extend the period for the waiver of connection fees in the main and side roads in the areas as requested until 31 December 2016.

Cayman Brac Sports Complex RO Plant

The Acting Chairman reported that on 14 June 2016 senior staff of the Water Authority met with the Chief Officer and Deputy Chief Officer of the Ministry of District Administration, Transport and Tourism (DATT) and the Deputy Chief Officer of the Ministry of PLAHI to discuss the water supply for the Cayman Brac Sport & Hurricane Shelter Project. Members were provided with a brief note on the subject with recommendations.

The Authority was advised that Cabinet had adopted a policy to install a dedicated Reverse Osmosis (RO) plant at the complex. Over the last couple of months the Authority has been approached by several entities for advice on the design of this plant. At yesterday's meeting the Water Authority advised both Ministries that as an alternative to a dedicated RO plant for the complex, the supply of water by the Authority should be considered as explained in the briefing note:

- Although the Authority has no information on the projected capital expenditure for the RO plant, it is envisioned that this will be substantial. The Authority capital expenditure for the 60,000 gpd RO plant at the West End Water Works was [REDACTED]. The plant at the complex has not been sized yet, but it is expected that it will be smaller. Considering that Government is using external resources for all aspects of plant design and because a hydrogeological investigation needs to be carried out, the Authority assumes that the capital cost will be substantial and may even exceed the [REDACTED] spent by the Authority on the containerised RO plant in Cayman Brac.
- With the approval of the Board, the Authority can make a commitment to truck the water to the complex until the plant at the Bluff site is operational and pipelines have been extended to the complex. Water will be needed for the initial filling of the pool (220,000 gallons) approximately 1 year from now and afterwards up to 15,000 gallons will be needed per week to top off the pool. Senior management proposes that the Board considers purchasing a water truck to meet these identified needs. This truck is in addition to the truck that is already in the 2016/2017 budget to replace an aging existing truck, also the Authority would have to hire an additional operator for this truck. Capital cost for the truck is [REDACTED] which is substantially lower than the anticipated capital cost for the RO plant.

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

- DATT Ministry indicated that once the pipeline reaches the facility, the RO plant will be decommissioned. The Authority's preliminary timeline for the plant at the Bluff site to become operational is 2 years and for the pipeline to reach the complex is 5 years.
- The Authority advises against the proliferation of RO plants as that affects the economies of scale of the Authority's operations. Over the next 12-15 years the Authority plans to invest in excess of CI\$30 million on the Cayman Brac Water Supply Extension Project, which comprises the construction of a new water production, storage and pumping facility on the Bluff and the provision of a piped water distribution system throughout the entire island of Cayman Brac. The Authority encourages Government to support the Authority's position and to reconsider its position on the installation of a dedicated RO plant for the Cayman Brac complex.

In view of the above, the Acting Chairman advised that the Authority's management respectfully recommended the Board consider adopting the following resolution:

"In consideration of the anticipated water needs for the Cayman Brac Sport & Hurricane Shelter Project, and until such time the complex can be supplied by the pipeline, the Authority commits to supply water to the complex by allocating additional funds in the 2016/2017 budget to purchase an additional water truck for Cayman Brac and to hire an additional operator."

Members discussed the situation and subsequently Mr A Wright moved and Ms T Mortimer seconded the above motion. The motion passed unanimously.

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

The Acting Chairman advised that on 25 May 2016 Ocean Conversion (Cayman) Ltd (OCL) completed the rebuild of the train 2 high pressure pump. Both trains are now operational and the North Sound plant is now operating at full production capacity.

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

The Acting Chairman reported that to date progress on the Contract for the Construction of a New Water Distribution Pump Station at the Red Gate Water Works was acceptable. The contractor, Island Builders Co Ltd, recently completed the reinforced roof slab. Some of the required equipment (primarily electrical) arrived on island. Currently the contractor is approximately 3 weeks behind their schedule as submitted on 12 February 2016. However it is still anticipated that this contract will be completed before the end of July 2016.

The Acting Chairman reported that the four water distribution pumps required for this new pump station arrived on island in late May 2016. Most of the pipework (ductile iron pipes, valves, and miscellaneous fittings) arrived on island. Pump control valves and miscellaneous items have been ordered and

should all be on island before the contractor completes the construction of the Red Gate Water Distribution Pump Station.

The pump control panel has been fabricated, and will be shipped from Wisconsin this week. It is expected to be on island by the end of June 2016.

f) 30 June 2016 Audit of Consolidated and Divisional Statements - Update.

30 June 2016 Audit – Consolidated, Divisional and Island Financial Statements for Water, Wastewater and Statutory

The Acting Chairman reported the Audit Planning Meeting was held on 19 May 2016 with representatives from KPMG, OAG and the Water Authority. KPMG has commenced the IT systems testing, the inventory count is scheduled for 30 June 2016 and the auditors are expected to be on site in late August. Barring no unforeseen circumstances, the Finance Team is well prepared and does not expect any problem meeting the submission date of 31 August 2016.

Annual Report 2014/2015

The Acting Chairman reported that the delivery of copies of the approved 2014/2015 Annual Report to the Ministry has been delayed due to printing difficulties.

Public Service Pension Board (PSPB) – Actuary Audit done by Mercer for the period ending 30 June 2016

The Acting Chairman advised that the Authority expects that the IAS report will be made available for the 30 June 2016 audit.

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)



Post-retirement Health Benefits (PRHB)

As discussed at previous Board meetings, the Authority has several staff members that were CIG employees prior to being transferred to the Water Authority as well as employees that were employed directly by the Water Authority prior to mid-October 1998 and enrolled in the Public Service Pension Plan (Defined Benefit). At retirement these employees expected to become Public Service Pensioners with the associated benefits, i.e., inclusive PRHB. Taking into consideration this obligation as well as the responsibility to other staff members the Authority discussed this at the audit planning meeting with OAG and KPMG and confirmed that it was prudent to commission an actuary engagement to determine the amount of the possible liability.

On 24 May 2016 the Authority initiated communication with the PSPB to facilitate an actuary review on behalf of the Water Authority for PRHB's for the staff members that were transferred from CIG at the Authority's inception.

The strategy considered by the Authority is to first quantify the liability for the members of staff who transferred to the Authority (which may be the same staff members who are participants in the Defined Benefit Pension Plan) and upon completion of that to examine and analyse other categories of staff to explore options for their PRHB's.

In tandem with the Actuary evaluation the Authority has sought a proposal from our existing health care providers (Generali) to see what they are able to offer as a post-retirement health package for all employees.

Land Valuation Exercise – Requested by Land & Survey Department

The Acting Chairman reported that the Financial Controller and the Authority's Senior Engineering Manager accompanied Mr Steve Abbott from BCQS to view the five properties on Grand Cayman (RG, EE, LV, NS and WWTP). The tour lasted about 2 hours; no further queries in regards to this valuation have been received.

Request for Proposals from Class A Banks

The Acting Chairman reported that the evaluation process is underway, however the evaluation report has not been finalised and is therefore not yet ready for presentation to the Board.

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

g) Cayman Water Company (CWC) Negotiations Update.

The Acting Chairman reported that the Water Authority had completed a revised draft of parts A, B and C (i.e. the main parts) of the licence and this had been sent to CWC for their review. The clean version of the revised draft licence takes into consideration most of what had been discussed at the meetings. CWC was asked to provide their comments in writing, in addition to suggested wording for the various Schedules to the Licence. The next meeting with CWC is scheduled for 24 June 2016. The Water Authority will write to its own lawyers this week asking them to provide comments on certain specific parts of the licence (e.g., unilateral modifications clause, insurances, revocation etc.).

As noted at the last meeting the Authority and CWC are committed to completing this process with a mutually agreed draft licence by September/October 2016. As a result it will be necessary to extend the interim license for an additional period. The Authority's recommendation is for a 6-month period.

The Acting Chairman advised that the Secretary was respectfully requesting that the Board consider recommending to Government that Government grants CWC an amendment to their licence to process Seawater to Water for sale and to distribute and sell Water by means of pipes for an additional 6 months, that is, until 31 December 2016 or a date determined by the Honourable Minister of PLAHI. This extension is required to ensure that CWC is operating within the stated law.

After discussions the following resolution to approve the amendment to the Licence for an interim extension of CWC licence to produce potable water from seawater was moved by Mr A Wright, seconded by Mr C Randall and passed unanimously:

Resolution – Approval of Amendment to Licence for Interim Extension of CWC Licence To Produce Potable Water From Seawater

It is hereby resolved that the Water Authority recommends to Government that an Amendment to the Licence dated 11 July 1990 To Produce Potable Water From Seawater be granted to Cayman Water Company Limited (CWC) by the Government under the Water Production (Production and Supply) Law 1979 (1996 Revision) to allow for an extension until 31 December 2016 or a date determined by the Honourable Minister of Planning, Lands, Agriculture, Housing & Infrastructure. The Water Authority further authorises Mr John Lemuel Hurlston CVO MBE JP, Chairman and Mr James Gill, Board Member to sign the Amendment of the Licence on behalf of the Authority.

h) SAGCs Dividend Payment Policy Proposed.

The Acting Chairman reported that there was no further update on the proposal.

Mr HB Ebanks left the meeting at this point as he had another commitment.

i) Miscellaneous Updates.

a) In-House Pipelaying Crews – The Acting Chairman reported that the New Works pipelaying crew had returned to full strength with the employment of a new labourer on 08 June 2016.

On 10 June 2016 this crew completed the replacement of the third section of 6-inch diameter pipeline in Mahogany Way, between Almond Avenue and Siberia Avenue. Once this last section has been pressure tested, disinfected and flushed, customers will be connected to this new main. It is anticipated that this will be completed by the end of this month.

b) Water Supply Division – The Acting Chairman reported that work on Phase II of the project to replace the 12-inch water main along Bodden Town Road, which comprises the area between Gun Square Road and Manse Road, will likely resume in late-June 2016, after the Lower Valley RO Plant has been operating reliably for 1-2 weeks (to avoid having to interrupt this project again). It is anticipated that actual pipelaying will take approximately two weeks to complete, followed by connecting the customers to the new water mains (after the pipeline has been tested, disinfected and flushed).

On 07 June 2016 Island Paving (IPL) advised that the rainy weather had delayed the starting date for the road reinstatement in Bodden Town, and that this work would not be completed until 02 July 2016. IPL was reminded that the Authority had agreed to pay the overtime cost for working on the

weekends with the objective to have this road reinstated earlier, but that the (CI\$ 4k+) extra cost did not appear to be justified for a mere one week earlier completion date. On 10 June 2016 Island Paving responded that they now intend to start the reinstatement work in Bodden Town on 05 July 2016 instead of working during the weekends.

- c) *Wastewater Division* - The Acting Chairman reported that during the month of May 2016, the design hydraulic capacity of the plant (2.5 mgd) was not exceeded. The average daily influent was 2.09 mgd (or approximately 84% of design capacity). This daily average influent was 25.8% less than the average influent measurement during the same period last year (2.82 mgd).
- d) *Wastewater Treatment Plant - External Painting of Buildings* - The Acting Chairman reported that on 02 June 2016 the final payment was made to Paint Pros, the contractor who successfully completed the contract for the external repainting of the various buildings at the Water Authority's Wastewater Treatment Plant.
- e) *Gasoline spill at George Town Dock* - The Acting Chairman reported that further to reports at previous Board meetings regarding the legal aspects of the gasoline spill at the George Town Dock, a directions hearing was held in Summary Court on 17 May 2016. In the meantime both the Authority and Rubis indicated that they were agreeable to a settlement. In the interest of cost, resources and time the Authority agreed to pursue the settlement with Rubis. The matter was settled on 26 May 2016 under the following conditions:
- Water Authority to formally withdraw its notices to Rubis - this was done on 27 May 2016;
 - Rubis takes responsibility to remediate the truckload of gasoline contaminated sand that they held at their compound to Water Authority standards. Note this was the truck load of sand that was used to soak up the spilled fuel at the Port Authority;
 - Rubis will not be held responsible for clean-up and remediation of the area at the Tri Island Aggregate compound where the fuel contaminated sand was stored. The Authority will, per original notice, hold Tri Island Aggregate and the Port Authority responsible for this clean-up and remediation.
 - Both Rubis and the Authority acknowledge that the settlement shall not be represented or construed as an admission of wrongdoing on the part of the other party.
- f) *Smith Road Villas - Failing onsite wastewater treatment system* - The Acting Chairman reported that further to reports on the Notice of Violation regarding the failing wastewater treatment plant at Smith Road Villas, the plant has been refurbished and is operational again. The Authority also required a technical review of the collection system; this had not yet been submitted.
- g) *Fuel spill at Shedden Road* - The Acting Chairman reported that further to the report at the previous Board meeting regarding the fuel spill at the

Rubis Shedden Road Service Station and adjacent former site of Jacko's garage; Arcadis, the international consultant who was hired by Rubis, had carried out a further site assessment and will present an action plan for remediation later this week. The Authority will continue its regulatory oversight of the remediation of the affected area.

- h) Fuel spill at Owen Roberts International Airport* - The Acting Chairman reported that further to the report at the March 2016 Board meeting regarding the spill of aviation fuel at the Rubis terminal at Owen Roberts Airport, the Authority received lab results of the soil sampling it carried out in March. These samples were collected from the surface, after Rubis had removed the top 12" of fuel impacted soil. The results were below the standards that the Authority has adopted for fuel impacted soils. Rubis removed about 20 cubic yards of fuel impacted soil from the site, which they will remediate to the standard as set by the Department of Environmental Health for acceptance of the soil at the George Town Landfill.

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

- j) FOI updates* - The Acting Chairman reported that no new requests have been received since the last Water Authority Board meeting as shown in the FOI Report dated 01 June 2016 and provided to members.
- k) Compensation Review* - The Acting Chairman reported that proposals to carry out the review are expected to be submitted to the Chief HR Manager today.
- l) Public Utilities Commission (PUC)* - The Chairman reported that on 23 May 2016 the Authority received a copy of draft Office of Competition & Regulation Bill which was noted to be a work in progress. The Water Authority expects that the PLAHI Ministry's Strategic Advisor, Mr JP Morgan will meet with the Water Authority to review the information and provide feedback next week.

The Chairman reported that on 31 May 2016, the Chief Officer of the Ministry of PLAHI sent a memorandum to the Chairpersons of the ERA, ICTA and the Water Authority providing an update on the merger of standalone agencies into a public utilities commission to be named the Office of Competition and Regulation. A copy of the memo was made available to members.

Current Business

- a) Management Accounts May 2016.*

The Acting Chairman reported that the Board has been provided with the management accounts for the period ending 31 May 2016. The highlight of this

period continues to be the settlement of the FCIB and CIG loan balances, which are clearly reflected on the balance sheet in regards to comparative loan and cash balances.

The first eleven months of the financial year show a very strong net income, a full 15.9% higher than prior year, coming in at *

* Revenue is below that of last year, consumption is up, however the associated EAF continues to reflect the lower fuel prices and contributes to the decrease in sales. The decrease in fuel prices also explains the significant decrease in operating expenses, most notable the continuation of lower Water Purchases/Production costs, displaying a decrease of 16.2% or * over prior year. As expected, loan interest continues its decrease with settlement of existing debt and no new borrowings.

Administrative expenses are slightly above that of prior year for the same eleven month period, coming in at * as compared to 2014/2015 of *

In summary, the Authority continues to show a strong sales and net income stream and is in position to finish this year above that of prior year and budget. The financial records have yet to reflect pending year-end adjustments such as Bad Debt Expense, Pension Liability, audit fees and potential professional fees (in connection with the CWC negotiations, fuel/oil leaks, etc), which will predictably lower the reported net income. Another consideration that will inevitably affect the "bottom line" is the potential identification and recording of PSHB, as this number is expected to be significant, especially in the first year.

The Authority, even with the pending year-end expenses expects to finish this financial year in a strong position. It should be noted that cash reserves for future projects and the ability to continue with the CYB extension project, complete the Wastewater CCTV Project and meet day-to-day operational and administrative expenses will be directly influenced by the pending implementation of the Dividend Calculation as discussed above. Should this calculation be applied as presented the Authority would need to modify the existing budget (Ownership Agreement) approved in January 2016 to reflect this change.

Another point to consider in reflection of the financial performance is the possibility of setting aside an estimate for the PSHB liability, even if the official report has yet to be finalised. This would be a high level professional estimate; however it is expected to be a significant/material amount that will directly impact the net income of the Authority.

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

b) Esterley Tibbetts Sewer & Effluent Force Mains Project.

The Acting Chairman reported that the Water Authority met with Dart representatives regarding the realignment and widening of the Esterley Tibbetts Highway (ETH) between the new roundabout northwest of the Lawrence Blvd (Camana Bay) roundabout and where it is tied back into the existing ETH near Lakeside condos. Members were provided with a copy of a memorandum from the Deputy Director outlining the situation regarding this project and pending roadworks that will impact the Authority's work programme.

The Acting Chairman reported that the Authority started the preparation of the tender documents for the installation of two parallel HDPE pipelines, each approximately 3,000 feet in length along the realigned and widened Esterley Tibbetts Highway. This project was not included in the 2016/2017 budget as the Authority was not advised of the urgent timeline. As only a very tight window of opportunity is available to ensure that this project can be finalised within the provided timeframe, preparations were made prior to this matter being brought to the Board's attention for approval.

The Acting Chairman advised that on 24 May 2016 the Central Tenders Committee (CTC) provided a Tender # for this contract. Advertisements inviting interested contractors were placed in the Caymanian Compass on 03 June and 10 June 2016. Although the advertisement indicated that tender documents would be available on 14 June 2016, the tender documents cannot be issued until the Water Authority Board has approved the inclusion of this project in the 2016/2017 Budget. The estimated cost for this project is CI\$1.5 million.

In view of the above, the Acting Chairman advised that the Authority's management respectfully recommended the Board consider adopting the following resolution:

"In view of the unexpected acceleration of the timeline required for the installation of required future infrastructure of two parallel HDPE pipelines (12-inch and 16-inch), each approximately 3,000 feet in length along the realigned and widened Esterley Tibbetts Highway between the new roundabout northwest of the Lawrence Blvd Camana Bay roundabout and where it is tied back into the existing ETH near lakeside condos, the Authority agrees to allocate additional funds in the 2016/2017 budget of CI\$1.5 million to provide for the installation of the aforesaid infrastructure."

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

After discussions the above resolution to approve the allocation of additional funds in the 2016/2017 budget of * [REDACTED] to provide for the installation of the two parallel HDPE pipelines in the Esterley Tibbetts Highway was moved by Mr A Wright, seconded by Mr C Randall and passed unanimously

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

The Acting Chairman reported that on 03 June 2016 the Authority received a letter dated 30 May 2016 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.

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

A review of the account was undertaken and the Authority's findings are that the customer was issued a bill on 30 November 2015 in the amount of \$390.62 for the period 16 October - 23 November 2015. A Fail Audit Check was conducted on 23 November 2015 for this billing cycle and it was concluded by the meter reader that "*meter ok, no leaks or movements found.*" For the period 23 November - 10 December 2015, the December bill was issued in the amount of \$273.34.

On 26 January 2016, the customer visited the Authority and requested to have the meter removed for testing. The customer verbally acknowledged that a leak had been found but was of the opinion that that leak could not have caused the disputed amount of consumption. The January 2016 bill for the period 10 December - 20 January 2016 resulted in the amount of \$871.12. A Fail Audit Check was conducted on 20 January 2016 for this billing cycle and it was concluded by the meter reader that "*meter has slight movement possible leak on customer side.*"

The customer's meter was removed on 03 February 2016 for testing and replaced with a new meter. At the time of removal, the meter reader did not make note of any anomalies (leaks, movements, etc).

Testing was initially attempted on 03 March 2016 at the independent facility however the person performing the test stated that "*test could not be performed due to leak observed through the register window area.*" The Authority requested that the facility proceed with the test anyway and this was done on 22 April 2016. During this test, it was determined that the meter was outside ISO 4064 accuracy limits at transitional flow rate, the meter over registered consumption at the transitional flow rate by 2.69%.

As per the Authority's policy, the customer's bills for November 2015, December 2015, and January 2016 were reduced by 2.69% and the meter testing fee refunded. Total adjustments made to the account were \$91.29 including the testing fee was made on 03 May 2016.

The customer states in the letter to the Board that the amount of adjustment "*cannot compensate*" for the charges placed on the account when "*the meter was not functioning the way it should be and that it was even leaking around the glass.*" During a follow up conversation, the customer stated their belief that the three

disputed bills should be averaged due to the compounding effect of the over registering and leaking glass on the equipment.

With the new meter installed, over the four months the customer has had an average monthly bill of \$136.96. In summary, the meter was proven to be over registering consumption and the account was adjusted in accordance with the meter testing guidelines. The leak at the register window area is miniscule however consideration may be given to this at the Board's discretion. As the meter reader did not note any anomalies (leaks, movements, etc) when the meter was removed and replaced, it cannot be determined when this damage to the meter was caused. Additionally, it took nearly twelve weeks to complete the testing of the meter due to the testing facility in Puerto Rico ceasing operations. The meter then had to be shipped from Puerto Rico to the new testing facility in Ocala, Florida, USA. The Secretary respectfully sought the Board's decision on the request from the customer.

Members reviewed the requested and decided to discount the bill for the 3 months in question by 50% prior to the application of the previous discount of \$91.29. The meter was tested as requested by the customer and found to be over-registering at the transitional flow rate by 2.69%. The bill was adjusted and reduced by 2.69% and the meter testing fee refunded in accordance with the Authority's meter testing guidelines. The leakage in the glass cover over the dial is miniscule and would not have impacted the water consumption with any significance.

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

The Acting Chairman reported that on 18 May 2016 the Authority received an email from [REDACTED] requesting that consideration be given to reducing his water bill. A copy of the correspondence and the report from Customer Service has been provided to members.

A review of the account was undertaken and the Authority's findings are that on 16 April 2016 the Customer received a report from their tenant that their water supply was off at approximately 9:15am. Upon investigation, it was discovered that a vehicle had veered off the road and broke the pipe on the customer's side of the meter. This caused water to leak from the meter on the customer's side. The customer filed a report with the Royal Cayman Islands Police Service (RCIPS) at 9:51am to detail the damages.

The customer's April 2016 bill was in the amount of \$351.26 for the period 17 March – 02 May 2016. A Fail Audit Check was conducted on 02 May 2016 for this billing cycle and it was concluded by the meter reader that "meter ok, no leaks or movements found". The bill was paid in full on 17 May 2016. In the letter to the Board, the customer acknowledges that any consumption downstream of the meter is the customer's responsibility. However, given the circumstances

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

that led to this usage, the customer requests that they Board acknowledge that the damage was out of their control and calculate an average bill for April 2016.

In summary, while the higher than normal bill for April 2016 was caused due to a broken pipe downstream of the meter due to circumstances beyond the control of the customer, he still remains responsible for the bill. 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. All plumbing downstream of the meter is the customer's responsibility. The accident that damaged the customer's pipe downstream of the meter was beyond the control of the Authority as well as the customer. The customer would need to seek remedy from the owner of the vehicle if that was possible.

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

The Chairman reported that on 07 June 2016 the Authority received a letter dated 02 June 2016 from [REDACTED] requesting that consideration be given to reducing her water bill. A copy of the correspondence and the report from Customer Service has been provided to members.

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

A review of the account was undertaken and the Authority's findings are that the November 2015 bill issued for the period 15 October – 28 November 2015 showed an amount of \$493.92. A Fail Audit Check was conducted on 23 November 2015 for this billing cycle and it was concluded by the meter reader that "*no movement. no leaks found*". The customer advises that she inspected the rental property on 07 December 2015 upon receipt of bill and "*found no visible leaks, the water pipes to the toilets were even turned off*". The customer states that the tenant was off island from 13 November 2015 – 13 January 2016.

On 11 December 2015, the customer requested that the meter be removed for testing. This was done on 22 December 2015 and at the time of removal the meter reader did not make note of any anomalies (leaks, movements, etc).

Testing was initially attempted on 03 March 2016 at the independent facility however the person performing the test stated that "*test could not be performed due to leak observed through the register window area*". The Authority requested that the facility proceed with the test anyway and this was done on 22 April 2016. During this test, it was determined that the meter was outside ISO 4064 accuracy limits at low and transitional flow rates. The meter under-registered consumption at the low and transitional flow rates.

The customer states in the letter to the Board that it is her belief that the leaking register window area might have contributed to the high bill. The meter was

proven to be under registering consumption according to the accuracy limit therefore no adjustment was made to the disputed bill in accordance with the meter testing guidelines.

The leak at the register window area is miniscule however consideration may be given to this at the Board's discretion. As the meter reader did not note any anomalies (leaks, movements, etc) when the meter was removed and replaced, it cannot be determined when this damage to the meter was caused. Additionally, it took nearly twelve weeks to complete the testing of the meter due to the testing facility in Puerto Rico ceasing operations. The meter then had to be shipped from Puerto Rico to the new testing facility in Ocala, Florida, USA.

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 requested by the customer and found to be significantly under-registering at the low and transitional flow rates. No adjustment to the bill was required in accordance with the Authority's meter testing guidelines as the meter was under-registering. The leakage in the glass cover over the dial is miniscule and would not have impacted the water consumption with any significance. The Authority can offer a payment plan with waiver of late penalties as usual.

Any Other Business

a) 2016 Scholarship.

The Acting Chairman advised that the Authority will submit this via round robin as the report has not been reviewed by the Interview Panel.

b) Director's Leave.

The Acting Chairman advised that the Secretary would be on annual leave during the period 01 July 2015 through to 29 July 2016; however she will be back on island as of 25 July 2016.

Donation Requests

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

a) Cayman Islands Imperial Beauties - LeJae McLean - World Imperial Beauties Pageant in Orlando.

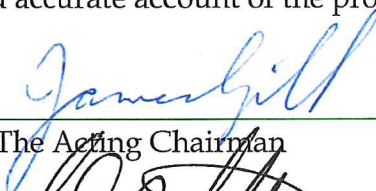
b) Michelle T & Friends - Jamaica 54th Independence Gala.

c) Lions Club of Grand Cayman - White Cane Week Appeal.

- d) Lions Club of Grand Cayman – PACCE 5th Annual Delano Hislop Memorial 15 Mile Walk/Run.
- e) George Town Primary School PTA – Donor Wall of Honour.
- f) Liana DaCosta – Miss Teen Cayman Islands Pageant 2016.

There being no other business the Acting Chairman thanked members and the meeting was adjourned at 3:40pm.

This is a true and accurate account of the proceedings.



The Acting Chairman



The Secretary

