

CONFIDENTIAL



Water Authority of the Cayman Islands

Minutes of 273<sup>rd</sup> Meeting held on 21<sup>st</sup> of September 2016

**Members Present:**

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

**Call to Order**

The Chairman welcomed members and called the meeting to order at 1:33pm after ascertaining that there was a quorum. He acknowledged apologies from Mr O Watler and Mr M Jacques. The Chairman proceeded to offer a prayer for guidance and inspiration and subsequently declared the meeting open.

**Confirmation of Minutes of the 272<sup>nd</sup> Meeting held on 17<sup>th</sup> August 2016**

The Chairman asked for confirmation of the Minutes of the 272<sup>nd</sup> Meeting held on 17<sup>th</sup> August 2016. Mr J Gill moved the motion to accept the Minutes as amended, Ms R Sharma seconded the motion and the motion passed unanimously.

**Declaration of Conflicts of Interest**

The Chairman noted that he would have a conflict with Donation Requests, item c on the agenda for the Sponsorship Assessment Sub-committee (SAS) however he is not a member of the SAS.

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

The Chairman noted that the submersible well pumps were removed from the feed water wells, washed and disinfected. The Authority is waiting on materials ordered to scrub the feed water abstraction well casings. This work is scheduled to take place in mid-October 2016. Following this second disinfection treatment, the Lower Valley RO Plant will be started up again (now scheduled for early November).

During the overhaul of the site it was determined that the chemical storage for the plant was inadequate and unsafe. The recommendation is to construct a properly designed chemical storage building. On 16 September 2016 the returned tenders for the construction of a chemical storage building were opened. This contract comprises the construction of a concrete slab with steel cover, to allow the safe storage of chemicals used at the Lower Valley RO Plant. The six returned tenders varied significantly, but Wendel Construction Ltd's tender was the lowest received, in the amount of \$30,935.00. An evaluation report was prepared and provided to members. Members agreed with the Authority's recommendation to accept Wendel Construction Ltd's tender in the amount of \$30,935.

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

The Chairman reported that there is nothing new to report on this project. No formal request had been made by US Sewer & Drain for a meeting to discuss their claim, as indicated at the last Board meeting. An executive summary of this project was provided to members. Members indicated that if they had any questions or clarifications request these would be dealt with at the October 2016 Board meeting.

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

The Chairman reported that progress to date on the current phase of this project (up to Faith Hospital) had picked up since the repairs to the trencher were completed in mid-July 2016. By the end of August 2016 approximately 4,800 feet of 200mm pipe had been installed (up to Heights Road). It is anticipated that nearly half of the total length of the main pipeline to Faith Hospital will be installed before the pipelaying crew temporarily stops

working in Cayman Brac by the end of this week in order to facilitate the pipework installation at the new Red Gate Pump Station. Assuming no further lengthy downtime due to mechanical issues, piped water will be available to Faith Hospital during the first quarter of 2017.

The Chairman advised that indications are that the specialised equipment (i.e., milling machine) has arrived on Cayman Brac as the PWD is currently paving some of the side roads in Cayman Brac (which were previously unpaved). The Deputy Director will arrange a meeting with the PWD Works Manager to agree on the extent of the first few sections of affected road to be reinstated.

*West End Water Works 530m<sup>3</sup>/day RO Plant*

The Chairman reported that the LG NanoH<sub>2</sub>O membranes in the old RO plant have reached the end of their useful life, and the quality of the product water has deteriorated. Replacement membranes were ordered in July 2016 and have arrived on Cayman Brac. Additional replacement instrumentation was ordered and should be on island within the next few weeks.

The membrane change-out is tentatively scheduled to occur in mid-October 2016. A previous Ocean Conversion employee and now of ACQ (since its formation in 2012), a consultant working with LG NanoH<sub>2</sub>O, will assist the Cayman Brac staff with the change-out (at no charge to the Authority). He is very familiar with the old plant as he was involved with its installation in 1991.

The Chairman reported that some of the equipment at the old RO plant is in need of replacement/upgrade as it has come to the end of useful life, e.g., the high pressure pump, the ERI energy recovery units and the control system. The Authority budgeted for some of these replacement/upgrades but based on recent operational issues and observations it was determined to be prudent to upgrade the energy recovery units and other critical equipment. On 12 August 2016 ACQ submitted their proposal for this suggested upgrade in the amount of US\$122,500 (around CI\$100,000) of which CI\$20,000 (e.g., control system upgrade, refurbishment of high pressure pump) was budgeted for. A report explaining the refurbishment work required was prepared and provided to members. The Chairman advised that the Secretary respectfully sought members' approval to allocate the additional (CI\$80,000) funds. After discussion, members unanimously agreed to accept the Authority's recommendation to proceed with the upgrades and allocate the additional funds.

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

The Chairman reported that the contractor Island Builders Co Ltd had nearly completed the construction of the Red Gate Water Distribution Pump Station. During the week of 21 September 2016, the contractor and the Water Authority will carry out a mutual inspection in order to identify outstanding items. The

Water Authority will issue a Certificate of Substantial Completion so that the Water Authority can take over of the Works and carry out the remainder of the work required to commission the pump station.

The installation of the pumps and all pipework will therefore commence 26 September 2016 and will be carried out by the Authority's Cayman Brac pipelaying crew. This crew will return to Grand Cayman later on 22 September 2016. It is anticipated that the installation of all pipework will take at least 4 weeks to complete.

e) **Esterley Tibbetts Sewer Force & Effluent Mains Project – Update.**

The Chairman reported that the contract for the installation of two parallel HDPE pipelines, each approximately 3,000 feet in length along the realigned and widened Esterley Tibbetts Highway (between the new roundabout located northwest of the existing Lawrence Blvd/Camana Bay roundabout and just north of Lakeside Condos) was awarded to Wharton-Smith, Inc. The signed contract documents were forwarded to the contractor on 26 August 2016. The entire contract must be completed no later than 10 March 2017. A pre-construction meeting was held on 08 September 2016 and the contractor indicated that he hopes to have his equipment and materials on island by mid-October 2016, and that actual work will start soon thereafter.

f) **Vermeer Trencher Replacement – Cayman Brac – Update.**

The Chairman reported that following from the Board's recommendation to purchase a new trencher in the May 2016 meeting, the Authority prepared a report for the Board's consideration. Members were provided with a copy of this report. For background, in late 2013 the Water Authority mobilised a full-time pipelaying crew in Cayman Brac to extend the water distribution system there, using one of the two 2005 Vermeer T-755 Commander II trenchers that had been purchased in early 2006. These trenchers are now fully depreciated. In order to keep consistent progress with the expansion of the Cayman Brac Water Distribution System, a new track trencher should be purchased to limit down-time due to mechanical issues (which occurs more frequently with the now 10 year old trencher). This Cayman Brac Water Distribution System Extension Project is expected to take at least another 10 years to complete.

The intention is to move the current trencher back to Grand Cayman so it can be used by the Authority's operations department to connect new developments to the public water supply without having to rely on the other track trencher used by the other (Grand Cayman-based) in-house pipelaying crew.

The Chairman noted that additional information regarding the recommended trencher and procurement process are detailed in the report provided to members. The Chairman advised that the Secretary respectfully sought members' consideration to allocate the necessary funds and accept the Vermeer

proposal for the supply of a T755III Commander trencher in the amount of US\$598,172 and recommend that the said trencher be purchased from a single source supplier for the reasons provided in the report. The Chairman pointed out that the Authority's acceptance of the Vermeer proposal is still subject to approval by the Central Tenders Committee as, per the requirements of the Financial Regulations (2013 Revision), the purchase must be publicly tendered, unless only one supplier can provide the services, or where an exceptional circumstance occurs, but in any event such supplier is still subject to an overriding requirement to ensure value for money. Members discussed the Authority's management's recommendation and subsequently Ms A Owens moved the motion to approve for the Water Authority to seek approval from Central Tenders Committee (CTC) for the Authority to accept the proposal from Vermeer Southeast Sales & Service Inc of Florida as a single source supplier for the supply of a Vermeer T755111 Commander trencher in the amount of US\$598,172 as well as the allocation of the additional funds. The motion was seconded by Mr A Wright and approved unanimously. Members requested that when the trencher arrives that the Authority ensures PR opportunities are utilised.

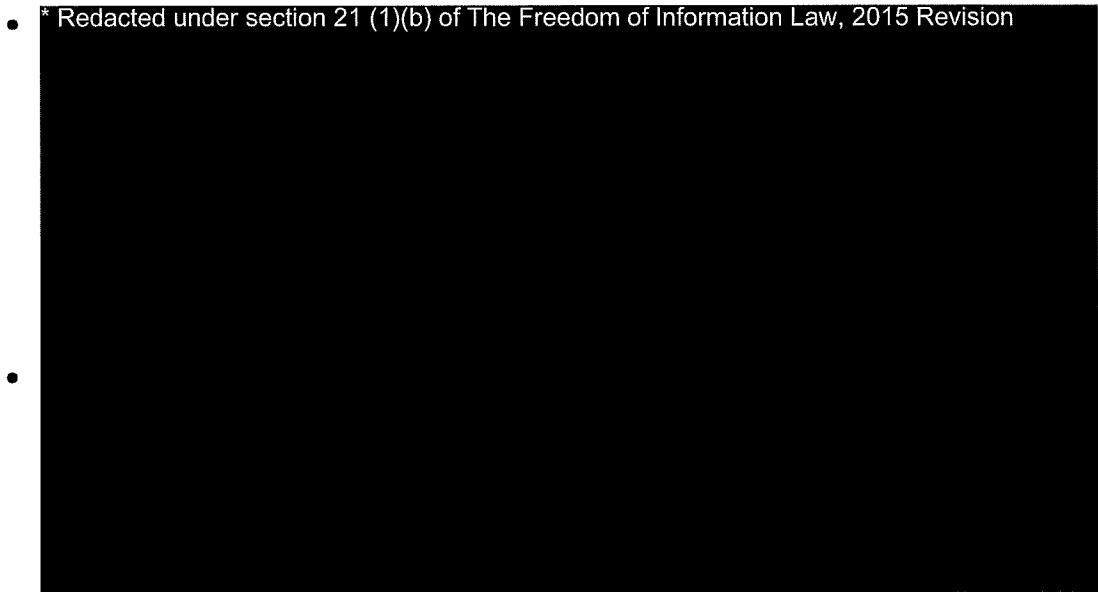
**g) 30 June 2016 Audit of Consolidated and Divisional Statements - Update.**

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

The Chairman reported the 31<sup>st</sup> August 2016 deadline for submission of the draft Trial Balance and Draft Financial Statements was met by the Authority and confirmed from the Office of the Auditor General (OAG). KPMG started their fieldwork in early September and to date the audit is progressing well.

KPMG and the Authority are working together to discuss and finalise several large outstanding items, most of which stem from the implementation of the new "Construction in Progress" (CIP) Policies as well as adoption of several management letter points. For example:

- \* 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



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The Chairman reported that a consolidation workbook that linked the Authority's accounts to those of the CIG was provided and reviewed between the Treasury Department and the Authority. The Financial Controller is working with Treasury to confirm and resolve some discrepancies. The Financial Controller will ensure that the above noted items, which will significantly impact the Net Income of the Authority, are identified, to ensure transparency and explanation on why the Net Income for 30 June 2016, as presented on 31 August 2016 will be materially different than final numbers.

In conjunction with the 30 June 2016 audit and consistent with prior year requests members were respectfully asked to complete their "Notice of Interests" and return to the Secretary as soon as possible.

#### *Non-Revenue Water (NRW) Calculations*

The Chairman reported that the Deputy Director prepared a report regarding the NRW calculations for the fiscal period 2015/2016, a copy of was available for members' review. In summary, the report noted that the Board approved an Infrastructure Leakage Index (ILI) of 3.0 as a benchmarking leakage performance indicator for the Water Authority at the 213<sup>th</sup> Board Meeting held on 16 March 2011. The calculation for the current fiscal period (2015/2016)

shows an ILI of 3.02. This number is slightly higher than the approved maximum of 3.0 but is an improvement of 0.83 of the index for the previous fiscal period (2014/2015) which was 3.85. The Authority acknowledges the increase over the last 4 fiscal periods of 2.4% (from 2.95 to 3.02) and that the water distribution system although improved from the last two fiscal periods, has not achieved the level it should for the control of real leakage losses. Strategies proposed to address this are continuing, most notably:

- 1) Installation of bulk (electromagnetic) meters within specific zones to compare the water flowing through those areas as compared to water sales (Ongoing);
- 2) Continued replacement of all water meters with accumulated registered consumption in excess of 1,800 cubic meters to ensure accurate water meter reads (Ongoing);
- 3) Engage the service of a specialised contractor in 2017 to carry out leak detection and pinpointing using a tracer type process (Pending); and,
- 4) Physically remove from the water supply network any service that has been inactive for one year or longer (Ongoing).

*Annual Report 2014/2015*

The Chairman reported that it is expected that the 2014/2015 Annual Report will be presented at the next sitting of the Legislative Assembly.

*Annual Report 2015/2016*

The Chairman reported that the Authority is preparing the preliminary draft 2015/2016 Annual Report in the format requested by the Government by 30 September 2016.

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

The Chairman advised that on 30 August 2016 the PSPB informed all affected parties that the IAS 19 would not be ready for 31 August 2016 and therefore all entities should finalise their financial statements using best estimates. The Authority did not include any estimate for the pension, making a decision to wait upon the final report prior to making any entries. To date the report has not been received. On 19 September 2016 the Authority requested supporting information that was sent to Mercer and also a list of obligations by employee. This information was requested for both the Pension and Health obligations.

The Chairman reported that to date there was no clarification regarding the letter from the PSPB dated 27 June 2016 that indicated that prescribed employer contribution rates were established at 28.3% of defined pensionable earnings for Defined Benefit Contributions effective 01 July 2016. The Water Authority continues to pay 7.26% until further clarification is received from the PSPB.

*Accounts Receivable Trial Balance – Identification of Potential Write-Offs*

The Chairman reported that additional information regarding the Henderson Holdings account will be provided at the October 2016 meeting.

*Post-retirement Health Benefits (PRHB)*

Further to previous Board updates, The Chairman reported that the Authority's Chief HR Manager is working on the report regarding a proposal received from our existing health care providers (Generali) for a post-retirement health package for all employees. Unfortunately, due to other pressing issues this report was delayed and is now expected to be completed in time for the October 2016 meeting. Pending the Board's decision on the way forward, an actuarial review of the plan (if approved) will be necessary.

*Request for Proposals from Class A Banks*

The Chairman reported that due to an unforeseen accident that kept the Financial Controller out of the office for several weeks the banks were not contacted nor were appointments set up. The focus right now is on the audit, however priority will be given to the demonstrations as the finance department and Authority as a whole, together with the Board is keen to explore available options.

*Indigent Assistance Fund* –The Chairman advised that the Authority's Customer Service Department had submitted three accounts to Sponsorship Assistance Subcommittee (SAS) for consideration for the application of this fund.

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

The Chairman reported that on 20 August 2016 CWC provided their comments on the draft which they received on 03 June 2016. The Authority and Cayman Water Company met on 31 August 2016 for further discussions on the draft licence. The Authority accepted several practical changes that CWC had suggested, but the Authority did not change its view on the issues where both sides have fundamental differences. Going forward the Authority will finalise the current draft and submit for legal review to Mourant by the end of this week or early next week. After that the draft will go to CWC for their legal review and when their comments are received the Board will be provided with the draft and be asked how to deal with issues that may not have been resolved.

To the Authority's knowledge Cabinet has not yet taken a decision on further extension of CWC's current licence; the last extension expired on 30<sup>th</sup> June 2016. The Authority was asked to provide further information on the negotiations to the Ministry, which was submitted on 29 August 2016. A copy of this update was provided for members' information.

The Water Authority's Corporate Communications Officer has been contacted by the Business Development Engineer at CWC regarding partnering with



CWC on an educational outreach to schools in the Authority's service areas. CWC started the programme in the West Bay schools. The focus is on how water is produced treated and distributed in the Cayman Islands. The Board had no issue with this partnership but requested that the Authority strongly promote all that it has been doing with schools over the years, i.e. school tours, internships, career talks, etc.

i) **Miscellaneous Updates.**

a) *In-House Pipelaying Crews* - The Chairman reported that on 19 July 2016 the in-house pipelaying crew commenced work on replacing undersized pipes (1.5 and 2-inch diameter) in Tropical Gardens Road, Croton Lane and Carnation Lane. In total 1,660 feet of 3-inch pipe were installed. These new pipes were disinfected, flushed and commissioned, and all customers connected to the new pipelines.

During the week of 19 September 2016 this crew started installation of a 3-inch pipeline in Eiffel Drive (off Frenchmen's Drive, near Breakers). Thereafter they will move to East End to install a 6-inch pipeline in one of the side roads at Farm Road.

b) *Esterley Tibbetts Highway Widening* - The Chairman reported that the Authority wrote to National Roads Authority (NRA) several times to get clarification regarding the extent of the road base construction: DECCO's contract with NRA does not include constructing the full road base width (short by approximately 10-12 feet), and consequently the Authority will not be able to install the pipeline under the future slow lane and/or bike lane if the road base is not widened. If the Water Authority would install a pipeline along the initially constructed easternmost edge of the road base, this pipeline would ultimately (when the road has been widened to accommodate 3 traffic lanes) be situated in the middle of the three southbound lanes, which is unacceptable.

The Authority requested the NRA to reconsider its decision and construct the road base over its entire (ultimate) width of 100 feet and close to its ultimate elevation, so that the Authority can install the 12-inch water main along the easternmost edge of the full road base, so that in the future it will be situated under the slow southbound lane and/or bike lane. The

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



On 19 September 2016 the project manager, Mr Mark Scotland sent an email to the Deputy Director requesting a meeting to discuss the construction of the shoulder along the south section of the Esterley Tibbetts Highway and how it would facilitate the installation of the WA mains. The Deputy

Director will meet with Mr Scotland during the week of 26 September 2016 and hopefully this will be resolved satisfactorily.

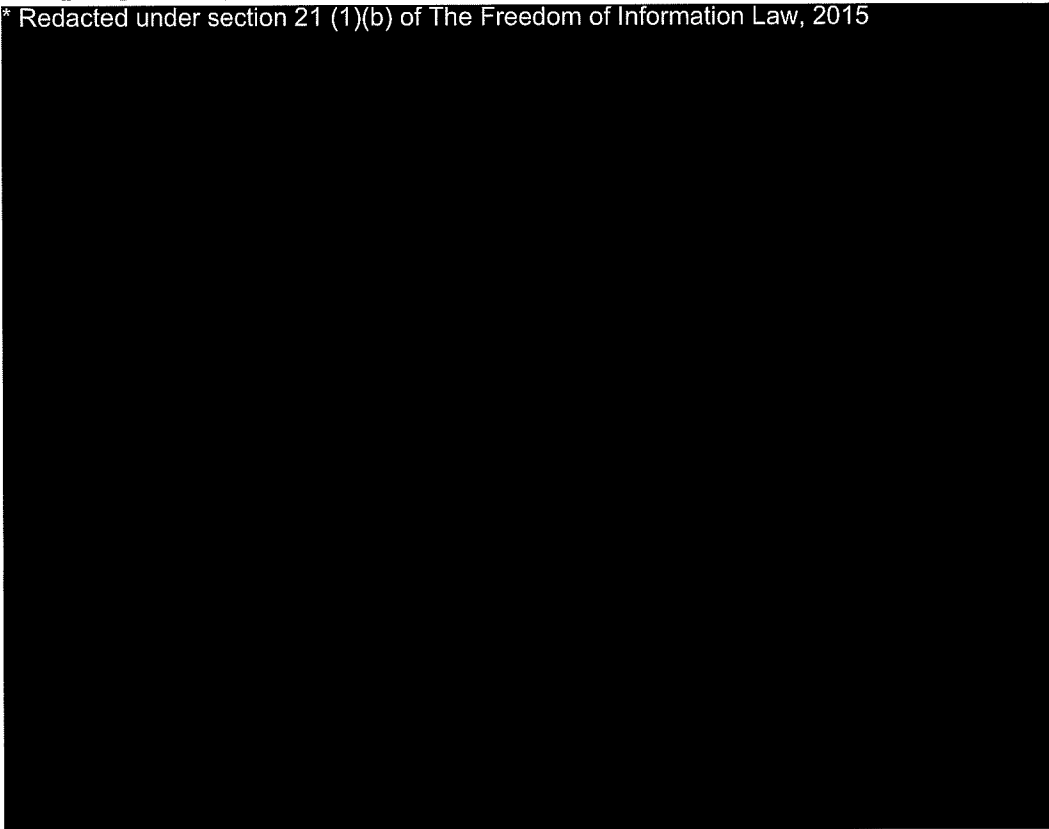
- c) ***Linford Pierson Highway Widening*** - The Chairman reported that the NRA is progressing well along Linford Pierson Highway. Mr Scotland confirmed that the NRA will have completed the road base for the full road width between First Assembly Of God Church and Halifax Road by mid-October 2016. The Authority therefore plans to install the 12-inch main along the southernmost edge of the widened road starting mid-October. Work will commence at the First Assembly Of God Church and the Authority will try to complete all its pipelaying up to Halifax Road before the Christmas break, so as not to delay the NRA's schedule. The next section, between Halifax Road and Agnes Way will be carried out in early 2017.
- d) ***Water Supply Division*** - The Chairman reported that during the week of 12 September 2016 Operations WS started the installation of a 6-inch water main in Westwood Drive (Prospect), replacing an existing 3-inch pipe. The upgrade is required to connect the first phase of a new 122-lot Mangrove Bay sub-division. Total length is approximate 600 feet. Pipelaying has now been completed and this pipeline is presently being disinfected. This pipeline is expected to be commissioned by 23 September 2016, after which the water infrastructure (phase 1, comprising 28 lots) of the Mangrove Bay sub-division will be disinfected and flushed.
- e) ***Wastewater Division*** - The Chairman reported that during the month of August 2016, the design hydraulic capacity of the plant (2.5 mgd) was exceeded for four days. The average daily wastewater inflow from West Bay Road was 2.22 mgd (or approximately 89% of design capacity). This amount was 9.4% less than the average influent measurement during the same period last year (2.45 mgd).
- f) ***Fuel spill at former Rubis Service Station Shedden Road*** - The Chairman reported that since the August 2016 Board meeting:
- The excavation of the fuel impacted area at the former service station has been completed. About half of the excavated soil material has been moved to Canal Point Drive for treatment in a Land Treatment Unit (LTU) and for the time being the other half is secured at Shedden Road. The Authority accepted the plan to operate the LTU at Canal Point Drive, as it would not result in unacceptable contamination of water and soil. However, when the contaminated soil was moved to the site at Canal Point Drive, complaints about odour and concerns about impacts were made by several occupants of nearby offices. This resulted in the Planning Department shutting down the operation as they had no Planning permission. Rubis organised an information meeting with all concerned and Rubis have applied for Planning permission. The application for the LTU will go to the Central Planning Authority (CPA) in November 2016.
  - The Authority remains concerned about possible contamination of its piped water supply system as a result of presence of fuel in the

subsurface and prepared a report on the impacts on the public water supply. Ongoing sampling has consistently shown low levels of benzene in the water supply of Willow House (part of the Cricket Square development). Benzene levels do not exceed the World Health Organization Drinking Water Guideline Values, but the presence of benzene is of concern to the Authority as it is a known carcinogen. Water tests for the presence of benzene and other gasoline related substances (toluene, ethylbenzene, xylenes and methyl-tertiary-butyl ether) from other service connections in the area were all below the analytical method detection limit.

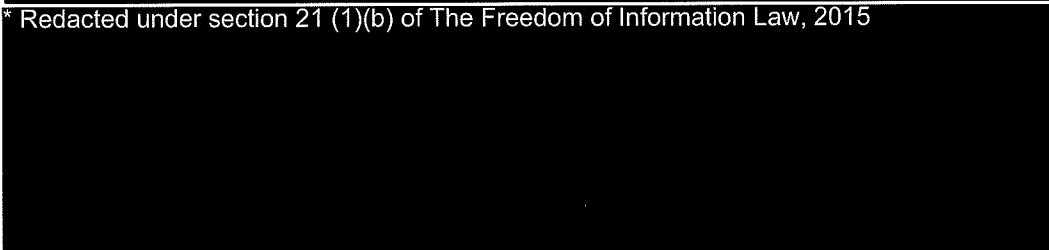
- The Authority is in ongoing discussions with Rubis, Arcadis, Cricket Square and the Chief Petroleum Inspector to address the impacts of the spill on its piped water supply system. Discussions focus on replacing the water service to Willow House and determining impacts on the water main in Shedden Road.

As the remediation progresses the Authority will continue its regulatory oversight of the remediation of the affected area and conduct further sampling of the piped water supply system.

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



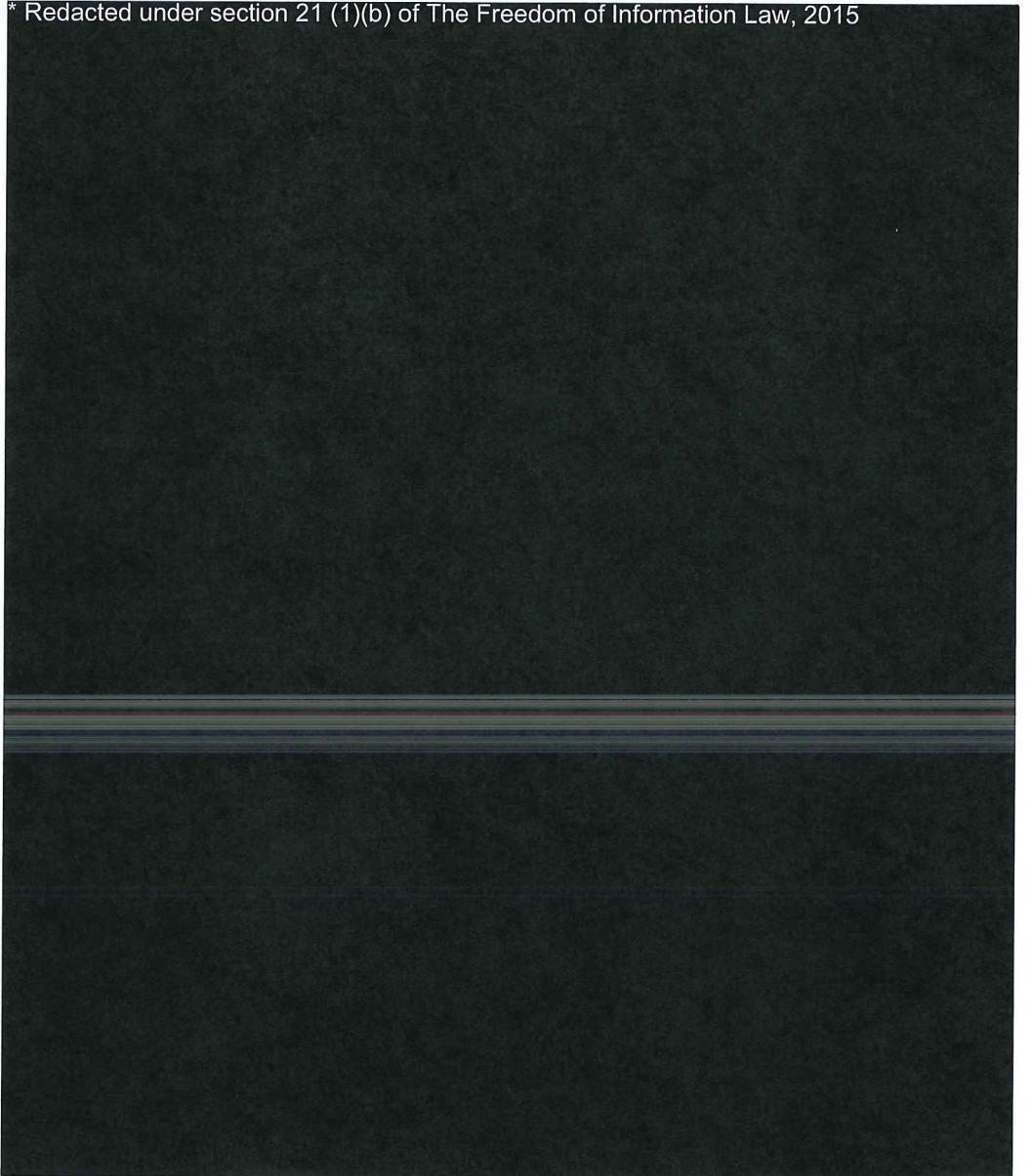
h) \* Redacted under section 21 (1)(b) of The Freedom of Information Law, 2015



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j) *The Utility Regulation and Competition Office Bill (URCO)* - The Chairman reported that the Utility Regulation and Competition Office Bill will be tabled in the next meeting of the Legislative Assembly. This bill establishes Utility Regulation and Competition Office, which will regulate:

- Electricity markets, including the generation, transmission, distribution and supply or electricity;

- Fuels markets;
- Information and Communications Technology markets, including broadcast and content services;
- Production, distribution and supply of potable and non-potable water as a utility service; and
- Provision of wastewater services as a utility Service.

The Chairman noted that the bill currently under consideration sets up the overall regulatory framework for URCO. The sector bills for the water and wastewater sector will be worked out later on. The Authority's senior management is reviewing the bill and will prepare formal comments and feedback for the Ministry's consideration.

The Chairman advised that the Cabinet has directed via a memorandum from the Chief Officer (CO) of PLAHI that the Water Authority (as well as the ICTA and the ERA) contribute the sum of CI\$15,000 to retain Mr J Morgan, who has been employed on a temporary basis to set up the regulatory office and the accompanying legislative structure. A copy of the memorandum and additional explanation from the CO was provided to members. Members discussed the Cabinet's request and noted that they did not object to providing the funds.

- k) ***Geology Week*** - The Chairman noted that the annual Geology Week, which will take place for the fourth year is scheduled from 17-21 October 2016. Dr Brian Jones, a well-known and respected geology professor of the University of Alberta, Canada will be in Cayman for the week to educate teachers on the geology of the Cayman Islands and to present geology lessons at public and private schools. The programme has been well received over the years and it is an excellent way for Dr Jones to share his extensive knowledge and to inspire teachers and students in geology.
- l) ***Water Authority Summer Internship Programme*** - The Chairman reported that the Authority hosted 18 student interns across all departments over the summer. The Secretary noted that feedback from participants in the programme was very positive.
- m) ***World Water Week*** - The Chairman noted that the Authority's Corporate Communications Officer participated as a volunteer Junior Rapporteur in World Water Week in Stockholm at end of August, first part of September 2016. She gained great insight into water industry and has compiled a report of future corporate communicate projects for review by the Secretary.
- n) ***Website Feedback Survey*** - The Chairman reported that a website feedback survey is scheduled for launch 26 September 2016 to get information from customers/public as to what they would like to see on the Authority's website. Persons participating will be eligible for a prize. The Secretary encouraged members to log on and provide feedback although they would not be eligible for the prize.
- o) ***FOI updates*** - The Chairman reported that no new requests had been received since the last Water Authority Board meeting.

p) *National Conservation Law* – The Chairman reported that on 02 September 2016 the Water Authority received notice from the National Conservation Council that part 7 of the National Conservation Law (NCL) had come into effect on 07 August 2016. A copy of the communication is included in the Board package.

Part 7 of the NCL makes it a legal requirement for any entity to comply with the provisions of the NCL. Specifically section 41(3) of the Law which states: *“every entity shall, in accordance with any guidance notes issued by the Council, consult with the Council and take into account any views of the Council before taking any action including the grant of any permit or licence and the making of any decision or the giving of any undertaking or approval that would or would be likely to have an adverse effect on the environment generally or on any natural resource”*. For clarification, under the Law, the term entity means *“any body of the government and includes the Cabinet, any ministry, portfolio, statutory authority, government company or any other body which exercises a public function”*. The guidance notes that were provided along with the notice include a list of items, of which several apply to the Authority’s role under the Water Authority Law to protect and manage groundwater, most notably are:

- The discharge of pathogens, dissolved or suspended minerals or solids, waste materials or other substances at levels that may be harmful to wildlife or the ecological or aesthetic value of the area;
- Subdivision, clearing, filling, or excavation on land of one acre or more;
- Storm water drainage and management schemes;
- Waste management activities, solid and liquid, including new facilities, expansion, enhancement or change of system at existing facilities;
- Excavation and extractive operations, including – marine dredging; quarries; extraction of minerals; deep drillings (including geothermal drilling); extraction of petroleum, natural gas or ores; an installation for the disposal of controlled waste(s) from mines and quarries
- Groundwater or seawater abstraction;
- Water generating facilities, including desalination plants;
- Discharge, emission or disposal of effluents or other materials;
- Decommissioning or decontamination of industrial installations;
- Discharge or modification of permissions and conditions attached to permissions.

The Chairman reported that the notice from the National Conservation Council informed the Authority that the Department of the Environment is preparing a short presentation for Government departments and affected agencies. This presentation has not been made yet to the Water Authority. The practical and bureaucratic mechanism envisioned by the National Conservation Council to effectuate the consultations with the Council is not

clear yet to the Authority, and therefore at this stage no such consultation has taken place yet.

### Current Business

a) **Management Accounts August 2016.**

The Chairman reported that the Board had been provided with the draft management accounts for the period ending 31 August 2016. As mentioned at the August 2016 Board meeting, the Authority is focusing on the current audit and the pending adjustments (PRHB, PSPL, Asset Impairments etc.) and as the 30 June 2016 financial period is not yet closed opening numbers for preparation of the Balance Sheet and Cash flow are not available. As members will note that whilst it appears that sales are reducing, this is in fact due to the lower fuel prices than in the same period as last year, this is consistent as well with the drop in Water Production costs. The Authority continues to be in a strong financial position with sufficient cash reserves to fund all projects.

b) **Request for Waiver of Personal Guarantee re Customer Account# [REDACTED]**

The Chairman reported that on 19 September 2016 the Authority received an email from [REDACTED] (the "customer") requesting that consideration be given to waiving the requirement for Directors of a company to provide a personal guarantee for the opening of a sewerage account. A copy of the correspondence and the report from Customer Service was provided to members.

A review was undertaken and the Authority's findings are that the customer is seeking to open a sewerage account on this property. The customer is further seeking to gain approval from the Board to waive the policy requirement for Directors of a company to provide a personal guarantee. The customer's legal

Previously, the Board recently made two separate decisions to accept a deposit six times that of the normal rate in lieu of a personal guarantee from the director(s). In these circumstances the deposit was calculated based on sewage fixture units (SFUs) and is a fixed monthly charge.

If the Board chooses to waive the requirement of a personal guarantee, a minimum deposit of \$732.78 (or 6 times the final calculation of the SFUs) from the customer is recommended instead of the calculated deposit of \$122.13. It is also further recommended that a new audit of the property be conducted to

\* Redacted under section 23 of The Freedom of Information Law, 2015

ensure the SFUs are properly calculated. 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, without prejudice, to allow waiver of the Authority's policy requirement for a personal guarantee from the company Directors providing a deposit of no less than \$732.78 is provided.

c) **Request for Waiver of Personal Guarantee re Customer Account#** \*

The Chairman reported that on 19 September 2016 the Authority received an email from \* on behalf \* (the "customer") requesting that consideration be given to waiving the requirement for Directors of a company to provide a personal guarantee for the opening of a sewerage account. A copy of the correspondence and the report from Customer Service was provided to members.

A review was undertaken and the Authority's findings are that the customer is seeking to open a sewerage account on this property. The customer is further seeking to gain approval from the Board to waive the policy requirement for Directors of a company to provide a personal guarantee. The customer's legal

Previously, the Board recently made two separate decisions to accept a deposit six times that of the normal rate in lieu of a personal guarantee from the director(s). In these circumstances the deposit was calculated based on sewage fixture units (SFUs) and is a fixed monthly charge.

If the Board chooses to waive the requirement of a personal guarantee, a minimum deposit of \$74,416.98 (or 6 times the final calculation of the SFUs) from the customer is recommended instead of the calculated deposit of \$12,402.83. It is also further recommended that a new audit of the property be conducted to ensure the SFUs are properly calculated. 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, without prejudice, to allow waiver of the Authority's policy requirement for a personal guarantee from the company Directors providing a deposit of no less than \$74,416.98 is provided.

Members also requested that the Authority's management submit a draft policy for approval by the Board to allow the Director to consider Waiver of Personal Guarantee requests for new/reactivated water and sewerage accounts in the future within specific criteria.

\* Redacted under section 23 of The Freedom of Information Law, 2015



**Any Other Business**

a)

\* Redacted under section 23 of The Freedom of Information Law, 2015



b)

\* Redacted under section 23 of The Freedom of Information Law, 2015

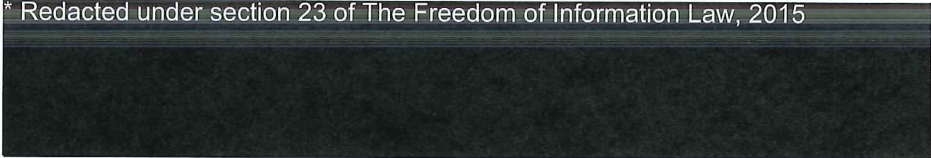



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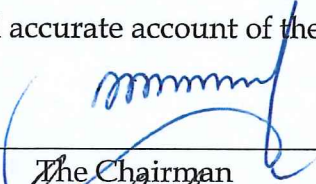
**Donation Requests**

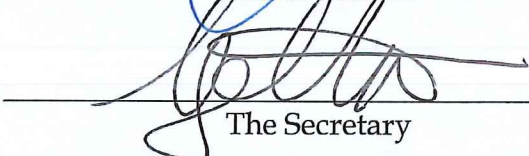
The Chairman advised that the Sponsorship Assessment Sub-committee will meet after the Board meeting to deal with the following requests for assistance:

- a) Radio Cayman & Breeze FM – 10<sup>th</sup> Annual Breeze Fusion Walk/Run.
- b) Pirates Week Festival – Cayman Islands National Festival.
- c) UCCI – STEM Carib Conference 2016 “Create Your Future”.
- d) MercuryMan Race 5<sup>th</sup> Anniversary Race (Tower Marketing).
- e) \* Redacted under section 23 of The Freedom of Information Law, 2015
- f) 
- g) 

There being no other business the Chairman thanked members and the meeting was adjourned at 2:50pm.

This is a true and accurate account of the proceedings.

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

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