

CONFIDENTIAL



Water Authority of the Cayman Islands

Minutes of 276th Meeting held on 14th of December 2016

Members Present:

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

Christmas Luncheon

The Chairman welcomed Board members and 5 of the Authority's senior management team to the Board's Christmas Luncheon. After lunch, the Chairman thanked the staff for joining the Board and wished them all well for the holidays and the New Year. He requested that the Customer Service Manager remain for her presentation on the trucked water policy in Cayman Brac as that agenda item would be brought forward from Any Other Business.

Call to Order

The Chairman welcomed members and called the meeting to order at 12:36pm after ascertaining that there was a quorum. He acknowledged apologies from Mr O Watler.

The Secretary then offered a special prayer for guidance and subsequently the Chairman declared the meeting open.

Confirmation of Minutes of the 275th Meeting held on 16th November 2016

The Chairman asked for confirmation of the Minutes of the 275th Meeting held on 16th November 2016. Mr H B Ebanks moved the motion to accept the Minutes as amended, Ms T Mortimer seconded the motion and the motion passed unanimously.

Declaration of Conflicts of Interest

The Chairman noted that he had had some involvement in the Boy Scouts previously. No other conflicts were declared.

Any Other Business

(a) Trucked Water Delivery Policy Cayman Brac.

The Chairman decided to bring forward the presentation on the Authority's trucked water delivery policy in Cayman Brac on the agenda from **Any Other Business, item (a)**. The Secretary advised that Customer Service Manager, Mrs Joanna Welcome-Martinez would provide a PowerPoint presentation to explain the policy.

The Customer Service Manager summarised the trucked water policy that was implemented in January 2014. The policy provides guidance regarding the minimum size of orders, explains when a delivery fee is charged, and the requirements for an account to be established as well as who may be authorised to place orders on the accounts. The presentation provided a summary of the main reasons for the policy, customer service; liability issues; financial security; requirements of the utility software; delivery auditing; and, user history data.

During the presentation it was noted that the majority of customers have not had problems with the policy. However, during the course of 2016 there had been four specific out of the ordinary circumstances that had caused angst to these customers where they were dissatisfied with the process to order trucked water for delivery to the location that they desired. These matters had been escalated by the customers to the Ministerial and Board level. All of the circumstances were eventually resolved within the current policy.

The Customer Service Manager answered a number of questions presented by the members in relation to the process for requesting a delivery of water, after which she left the meeting.

Members further discussed the presentation inclusive of the pros and cons of the current policy. Concern was expressed that the policy was onerous and difficult for some Brac customers. The Secretary reassured members that every effort is made to accommodate unusual situations. Nevertheless the Authority

needs to ensure that it has the property owner's permission to enter their premises, deliver water and bill water to their account.

After much discussion a majority of members agreed that the policy should remain in place, however, members requested that the Authority's management review the various scenarios in the past that have created angst for customers. Subsequently, the Authority's management was requested to prepare a set of FAQs for these types of circumstance and the accompanying resolution. Customers/potential customers should be encouraged to pre-empt potential problems by being proactive. Staff in the Brac should ensure that customers/potential customers are advised of options when dealing with some of these situations and if they are unsure the situation should quickly be escalated to the Authority's Customer Service Manager for guidance and action.

Matters Arising

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

The Chairman reported that on 16 November 2016 water production resumed, however the pre-filters had to be changed after five days due to deposits. The plant has been operating by isolating the three wells to determine which of the wells is providing the best feed water. The plant is currently operating however it appears that all of the wells have issues which are consistently impacting the pre-filters. The next plan of action is being reviewed. Between 08 November and 09 December 2016 the LV RO Plant produced on average 1,321 cubic metres per day, which is approximately 44% of its design water production capacity.

The Chairman reported that on 15 November 2016 Wendel Construction Ltd commenced the construction of a chemical storage building at the Lower Valley Water Works, which comprises the construction of a concrete slab with steel cover, to allow the safe storage of chemicals used at the Lower Valley RO Plant. It is anticipated that this contract will be completed by the 23rd of December 2016.

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

The Chairman reported that on 05 December 2016 the pipelaying crew returned to Cayman Brac. Initially emphasis will be on installing new water service connections. Thereafter this crew will resume installing the main pipeline (200mm (8-inch diameter)) on Phase 2 of this project.

The Chairman reported that the asphalt plant in Cayman Brac is operational and PWD had already paved various side roads, inclusive of roads which had been affected by the Authority's pipelaying. Members were advised by Mr C

Randall that some of the side roads being paved are where the Authority still has connections to make. Members noted that it would be unfortunate if the recently paved roads have to be cut for new connections. The Secretary reminded members that this concern was expressed to the District Commissioner at the October 2016 meeting of the Board in Cayman Brac. The General Services Manager in Cayman Brac had agreed the extent of some of the road reinstatement works with the PWD Works Manager, but in early 2017 the Deputy Director will arrange a meeting with the PWD Works Manager to ensure that expectations are clear and that there are no issues that may need to be resolved.

Extension of Waiver of Connection Fees in Cayman Brac

The 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 31 December 2016. There were 33 new connections made during the last 6-month period and to date, the total number of piped water customers is 275. Members agreed to extend the period for the waiver of connection fees in the area of the on-going Phases of the Cayman Brac Piped Water Expansion Project (currently up to the West End Primary School and in the next phase up to Faith Hospital and beyond) until 30 June 2017.

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

The Chairman reported that on 22 September 2016 the Water Authority advised the contractor, Island Builders that it considered the Works, although not fully complete, to be ready for taking over. Once the Water Authority has installed all pipework and commissioned the pump station, the contractor must apply for final Certificate of Occupancy, as part of his contract. (Temporary) electrical service to the new pump station has been provided.

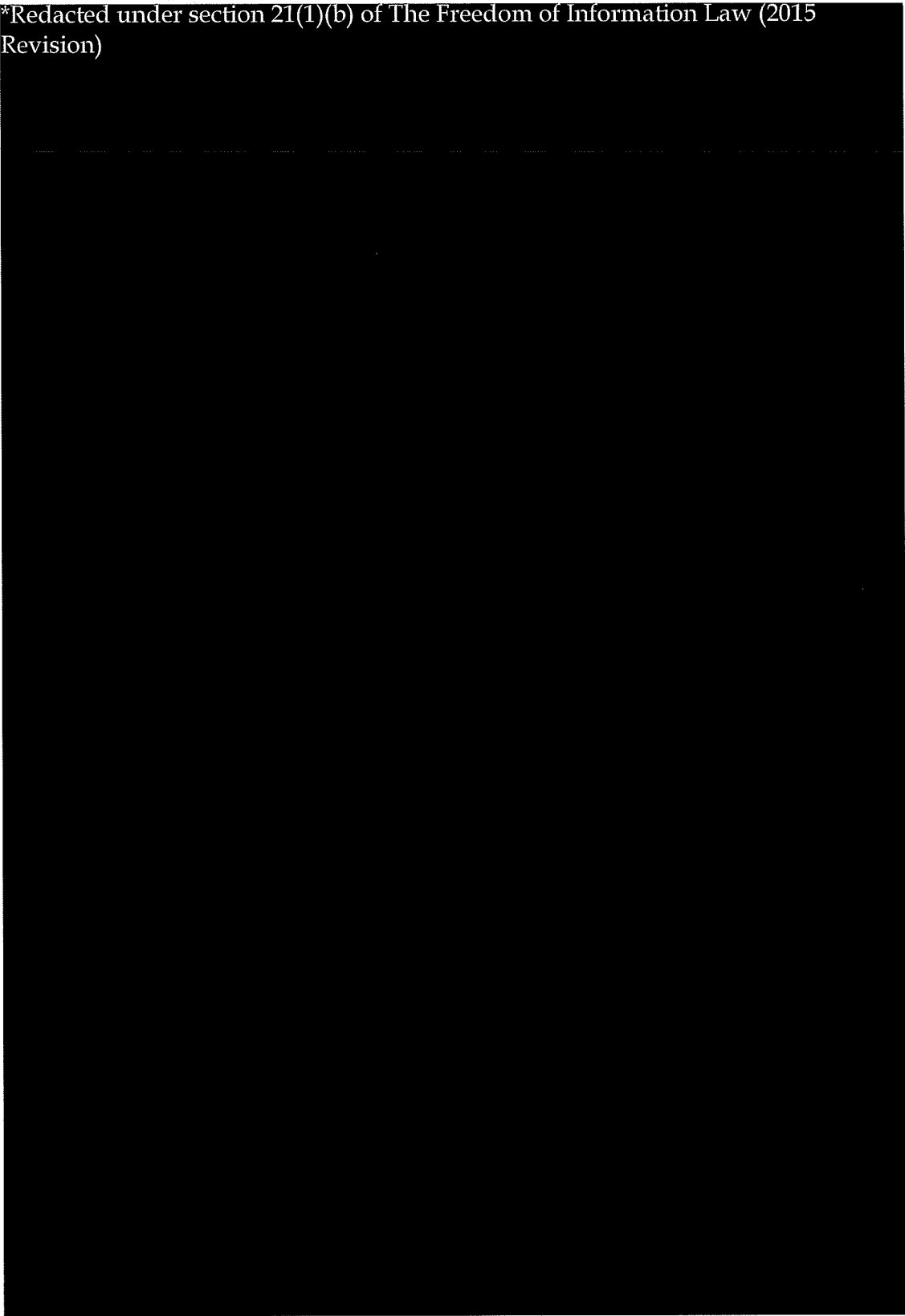
The Chairman reported that before their return to Cayman Brac, the pipelaying crew completed the installation of the pipework inside the pump station, except for the electromagnetic flow meter. As reported previously the correct flowmeter is expected to arrive on island after Christmas. It is therefore anticipated that the new water distribution pump station will be commissioned in early-to-mid January 2017.

d) Esterley Tibbetts Sewer Force & Effluent Mains Project - Update.

The Chairman reported that on 18 November 2016 the contractor Wharton-Smith, Inc successfully completed the specified pressure tests on the HDPE pipelines. The installation portion contract has now been completed, nearly four months before the contractual deadline of 10 March 2017. Some of the

contractor's resources (staff and pumping equipment) remain on island to carry out some additional work in early 2017.

- e) *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)

f) Cayman Water Company (CWC) Negotiations Update.

The Chairman reported that CWC had not yet provided any response to the Draft Licence which was provided to them on 24 October 2016. It is understood that the Draft Licence had been reviewed by CWC's lawyers and this matter was expected to be brought to CWC's Board on 16 November 2016. The Secretary reported that she emailed Mr Frederick McTaggart for an update on 09 December 2016 but to date he had not responded. She will follow up this week.

As reported at the previous meetings the Authority has been asked by the Hon Minister to meet with Caucus for a presentation on the extension of the current licence (15th extension, which expired on 30 June 2016). The date for this meeting has not been confirmed as yet.

The Chairman noted that as the Water Authority Board's proposal in June 2016 was to grant an extension until 31 December 2016 or a date determined by the Honourable Minister of PLAHI, it is up to the Ministry to proceed with the interim extension to the CWC licence. Additional time is now required in order for CWC to be operating legally. Mr M Jacques noted that he would remind the Minister. The extension of time will allow for the new licence to be finalised between the parties and the completed licence handed over to the Utility Regulation & Competition Office (URCO) when the water sector legislation comes into effect.

g) The Utility Regulation and Competition Office Bill (URCO) - Update.

The Chairman reported that since the last Board meeting there has been no further communication on this. Mr M Jacques informed the Board that the water sector consolidated legislation was completed, approved by Cabinet and that he would email it to the Water Authority. The Secretary noted her concerns that the drafts had not been shared with the Water Authority at an earlier stage as it was expected that the legislation would be complex.

h) Miscellaneous Updates.

- a) *In-House Pipelaying Crews* - The Chairman reported that since mid-October 2016 the in-house pipelaying crew was fully employed with the installation of the new water main along the Linford Pierson Highway.
- b) *Linford Pierson Highway Widening* - The Chairman reported that the 300mm water main pipelaying for Phase 1 along the southernmost edge of the widened Linford Pierson Highway (between the 1st Assembly Of God Church and Halifax Road) was completed on 09 December 2016. The works comprised nearly 900m (3,000 linear ft) of pipe. This pipeline section was commissioned on 12 December 2016. The next section, between Halifax Road and Agnes Way will be carried out in early 2017.
- c) *Esterley Tibbetts Highway Widening* - The Chairman reported that DECCO is proceeding with the construction of the full width of the road sub-base and base, which will allow the relocation of the water main in the eastern side of the widened road corridor, i.e., in the shoulder of the southbound carriageway.

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

M Jacques noted that he would follow up on this matter.

- d) *Water Supply Division* - The Chairman reported that the Operations-WS crews were busy connecting new sub-divisions, installing new water service connections, carrying out reinstatement of hot mix areas throughout the water distribution system affected by leak repairs and/or service connections. Operations-WS continues to be involved with activities related to the fuel spill at Shedden Road (former Rubis gas station). Operations-WS will resume work on the central Bodden Town water main replacement early in 2017.
- e) *Wastewater Division* - The Chairman reported that during the month of November 2016, the design hydraulic capacity of the plant (2.5 mgd) was exceeded on 10 days. The average daily wastewater inflow from West Bay Road was 2.44 mgd (or approximately 97% of design capacity). This amount was 10.6% less than the average influent measurement during the same period last year (2.72 mgd).
- f) *West Bay Road New Force Main* - The Chairman reported that DECCO commenced work on 10 November 2016 to install the new 12" diameter HDPE force main between Burger King and Royal Palms but this work has not been completed. The Engineering Services Department had extensive communication with DECCO Ltd and APEC regarding the design for the new, relocated pumping station. The design was approved in principle in October 2016, but the method statement for the actual construction of this pumping station had not yet been approved.

DECCO has indicated that the underpass construction will start in late January 2017 (foundation for the western side). The eastern foundation will

start as soon the diversion of the existing sewer main (including the relocation of the existing pump station PS4) has been completed.

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

- h) *Fuel spill at former Rubis Service Station Shedden Road* - The Chairman reported that developments since the November 2016 Board meeting were:

- The Department of Environmental Health agreed to accept the remediated soil that was excavated from the contaminated area at the service station for disposal at the George Town landfill (approximately 3,000 cubic yards). Part of this soil was remediated at Canal Point Rd and part was remediated at the Shedden Road site. Comprehensive testing of the soil confirmed that the residual contamination was within acceptable limits for disposal at the landfill.
- The Authority is making preparations to replace approximately 150 to 200 ft of the water main in Shedden Road; this is the section of the trench of the main line in Shedden Road where free fuel product has been detected. The replacement is scheduled for the first part of January 2017.

- i) *Compensation Review* - The Chairman reported that this project commenced on 23 November 2016 as planned.

- j) *Laboratory Audit* - The Chairman reported that the Laboratory underwent its annual internal audit on 07-08 December 2016. Per American Association for Laboratory Accreditation's (A2LA) requirements, an internal audit has to be conducted each year. The audit was carried out by Dr Jennifer Clancy, an independent auditor. The audit determined 8 deficiencies, which per A2LA requirements, need to be addressed within 30 days. The current accreditation is valid through November 2017.

- k) *FOI updates* - The Chairman reported that no new requests were received since the last Water Authority Board meeting. The Information Commissioner's Office (ICO) recently released a report looking into the FOI information that appears on all of government websites. The Water Authority is one of two websites that were rated # 1, sharing this prestige with the Cayman Islands National Archive. The Water Authority has retained this standing from the last review in 2011. The Secretary noted that this achievement was reached due to the work of the Authority's FOI Manager, Mrs Wendy Whittaker and Corporate Communications Office, Ms Hannah Reid. Members congratulated the staff for this achievement.

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

Current Business

- a) **Management Accounts November 2016.**

The Board has been provided with the management accounts for the period ending 30 November 2016.

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

In summary, the Authority continues to show strong sales and net income and is in a position to complete the 6-month fiscal period above that of the first 6-months of 2015/2016. The financial records will later reflect pending year-end adjustments such as Pension, Post-retirement Health, Bad Debt Expense and the possible introduction of Phase II of the Post-Retirement Health care recognition. The cash balances are sufficient to continue with the Cayman Brac extension project, the Cayman Brac Bluff site development as well as daily operational and administrative costs.

- b) **Request for Bill Adjustment re Customer Account**

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

The Chairman reported that on 21 November 2016 the Authority received a letter from * requesting that consideration be given to reducing the company's 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 the customer was issued a bill for the meter reading period 23 August 2016 - 04 October 2016 in the amount of \$395.35. Before the bill was issued to the customer, a Fail Audit inspection was ordered on 03 October 2016. This Fail Audit inspection was completed on 04 October 2016 at which time the Meter Reader noted: [REDACTED]

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

[REDACTED] The customer further acknowledged that their plumber investigated the leak. The plumber noted that there was also a leak before the meter which was Water Authority's responsibility.

The customer was notified of the possible leak via email by a Customer Service Representative (CSR) on 05 October 2016. Receipt of email was confirmed on the same day by customer. A CSR issued a service order on 11 October 2016 to investigate the possible leak on the Authority's side of the meter.

During the site visit on 12 October 2016, the Meter Reader noted: "*leak found on customer and WAC side. Meter [REDACTED] on site and explained the leak is on his side as well.*" A letter with the findings of the complaint investigation was mailed to the customer on 12 October 2016.

The information regarding the identified leaks was reiterated to the customer by a CSR on 25 October 2016. The bill for the meter reading period 04 October - 25 October 2016 is \$1,446.42.

In summary, the Meter Reader identified movement on the meter indicative of a possible leak on 04 October 2016 after normal business hours during a site visit for fail audit. The customer was notified of a possible leak on the customer's side as per our fail audit procedure.

The customer then hired a plumber to investigate; however their own leak was overlooked. Without addressing the customer's leak, the plumber identified a second leak on the Authority's side of the meter. This finding was reported to a CSR on 05 October 2016.

While the CSR did not pass the information on to the Operations-WS division immediately, this was not relevant to the customer's failure to address their leak that was communicated on 05 October 2016. A leak on the Authority's side of the meter does not affect the customer's meter reading. Therefore, there was no impact on the customer's bill due to the length of time the Authority took to repair its leak. As all plumbing downstream of the meter is the customer's responsibility, the bill is payable. 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 customer was advised of the leak on their side in a timely manner. The Authority's delay in addressing the leak on the Authority's side of the meter had no impact on the customer's leak.

c) **Request for Bill Adjustment re Customer Account** *

The Chairman reported that this request is being withdrawn for further review by the Authority's Customer Service Manager.

*Redacted under section 23 of The Freedom of Information Law

d) **Request for Account to be created for** *

The Chairman reported that on 13 December 2016, *
*, contacted the Authority regarding the organisation's dilemma in getting a water connection to their almost completed *

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

By way of background, * was formally established in the early nineties as a not-for-profit organisation and since that time, some of its members and directors had passed on plus formal records appear to be non-existent.

A few years ago, *

* Since then, through the generous assistance of private organisations as well as the Cayman Islands Government, the Association has been able to construct a first class building

* of the hard and diligent work of many, they are almost at the stage of completion and would like to formally open the building in February 2017, in *

*
*

The Secretary respectfully sought the Board's decision on the request from the Chief Commissioner on behalf of the Scouts Association. Members decided to temporarily allow the account for a period of 6 months to be opened in the

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

*
* This is done without precedence and prejudice due to the extenuating circumstances faced by the non-profit association and with the understanding that * will provide a personal guarantee. Additionally, members agreed to waive the requirement for a security deposit on the water accounts providing that the association becomes registered under the legislation that regulates charities that recently passed in the Legislative Assembly.

Any Other Business

a) Trucked Water Delivery Policy Cayman Brac.

The Chairman noted that this item had been dealt with at the beginning of the meeting.

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

[Redacted content]

c) **American Water Summit 2016.**

The Chairman reported that the Secretary will provide an update at the January 2017 meeting.

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:

To be ratified:

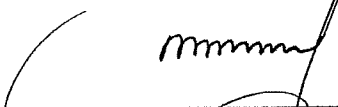
- a) GCM – Ministry of PLAHI – Staff Christmas Luncheon.
- b) GCM – Ministry of DATT – Staff Christmas Party.
- c) GCM – CI Government Facilities Management Department – Staff Christmas Luncheon.
- d) GCM – CI Government Public Works Department – Staff Christmas Social.
- e) CYB – Annual Christmas Reception with HE The Governor for the Sister Islands Civil/Public Servants and Pensioners.
- f) CYB – Ministry DATT Annual Christmas Staff Luncheon Party.
- g) CYB – Annual Public Works Holiday Staff Luncheon.
- h) CYB - Customs Department – Annual Staff Christmas Function.
- i) HSA GCM – Staff Appreciation Function.

For consideration at SAS meeting:

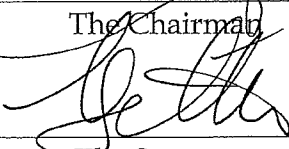
- j) Lighthouse School – Fourth Annual Walk for Autism Awareness Day.
- k) Savannah Primary School – Teachers Dinner.

There being no other business the Chairman thanked members and the meeting was adjourned at 2:00pm. The Chairman and members all exchanged best wishes for the Christmas holidays and the New Year.

This is a true and accurate account of the proceedings.



The Chairman



The Secretary