

**CONFIDENTIAL**



**Water Authority of the Cayman Islands**

**Minutes of 278<sup>th</sup> Meeting held on 22<sup>nd</sup> of February 2017**

**Members Present:**

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

**Call to Order**

The Chairman welcomed members and then called the meeting to order at 1:40pm noting that Mr H B Ebanks would be joining the meeting shortly to complete a quorum. He acknowledged apologies from Ms T Mortimer, Ms A Owens, Mr C Randall, Ms R Sharma, and Mr O Watler. The Chairman then offered a special prayer for guidance and subsequently the meeting was declared open.

**Confirmation of Minutes of the 277<sup>th</sup> Meeting held on 18<sup>th</sup> January 2017**

The Chairman asked for confirmation of the Minutes of the 277<sup>th</sup> Meeting held on 18<sup>th</sup> January 2017. Mr A Wright moved the motion to accept the Minutes as amended, Mr J Gill seconded the motion and the motion passed unanimously.

**Declaration of Conflicts of Interest**

Mr A Wright noted that he is a member of the Lions Club of Grand Cayman in relation to an item in the request for donations.

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

The Chairman reported that on 04 February 2017 the RO plant was re-started to accommodate the replacement, by the Operations-WS division, of the 300mm (12-inch) water main along Bodden Town Road, between Gun Square Road and Manse Road.

During the period 04 February and 20 February 2017 the LV RO Plant produced on average 1,192 cubic metres per day, which is approximately 40% of its design water production capacity.

Regarding the issues with the feed water abstraction wells, samples will be taken from the three wells and sent to an overseas laboratory for more detailed analysis. The results will assist in determining the most suitable back-washable filter to be installed before the pre-filters.

**b) North Sound and Red Gate RO Plants - Update.**

The Chairman reminded members that the present operating agreements for the North Sound Reverse Osmosis Plant (NSROP) and the Red Gate Reverse Osmosis Plant (RGROP) will expire on 01 April 2017 and 01 July 2017 respectively.

On 16 January 2017 Ocean Conversion Ltd submitted various proposals (RGROP only for 12 months, NSROP only for 12 months, both plants for 12 months), and an additional proposal to extend the operation and maintenance contracts of both plants for 24 months.

The Chairman reported that the Engineering Services Department is currently analysing the various proposals. A full report is expected very soon and will be presented to members by round robin.

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

The Chairman reported that the pipelaying crew is scheduled to return to Cayman Brac on 06 March 2017 after completion of the work at Red Gate Water Distribution Pump Station.

The new Vermeer T755 III Commander track trencher, which will replace the existing 10-year old trencher, arrived on Cayman Brac on 27 January 2017. Due to prior commitments of the Vermeer representative, the start-up training (to

Water Authority's heavy equipment operator, superintendent and mechanics) cannot be scheduled until the week of 13 March 2017. The Chairman noted that the Authority will arrange for public notification when the trencher is commissioned.

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

The Chairman reported that the pipelaying crew, which has been stationed in Cayman Brac for the last few years, completed the installation of the pipework as well as the fibreglass grating within the building. This week the interior pipework will be pressure tested. During the week of 20 February 2017 this crew will install the 400mm (16-inch) pipework that will connect the pump station pipework to the water distribution system.

Due to prior commitments of the pump control panel designer, the commissioning of the pump station cannot be scheduled until 08 March 2017. It is anticipated that the actual commissioning, including troubleshooting, will take approximately one week to complete.

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

The Chairman advised that there was nothing new to report.

**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*

*30 June 2016 - Supplemental Financial Statements (Divisions and Islands)*

The Chairman reported that these statements are still with KPMG as they complete their audit. As previously reported the information is all with KPMG and there is nothing outstanding from the Authority. The Financial Controller will continue to follow-up.

*Annual Report 2015/2016*

The Chairman reported that the new format for the Annual Report was completed and sent to both OAG and KPMG for their review. This review is necessary as the financial statements are attached to the report and hence KPMG and OAG are keen to verify its contents. Once feedback is received from the OAG and KPMG, the Annual Report will be forwarded to the Ministry, completing this part of the 30 June 2016 audit. Copies were made available for members to review. Members accepted the Annual Report noting that the Secretary would make editorial corrections where necessary.

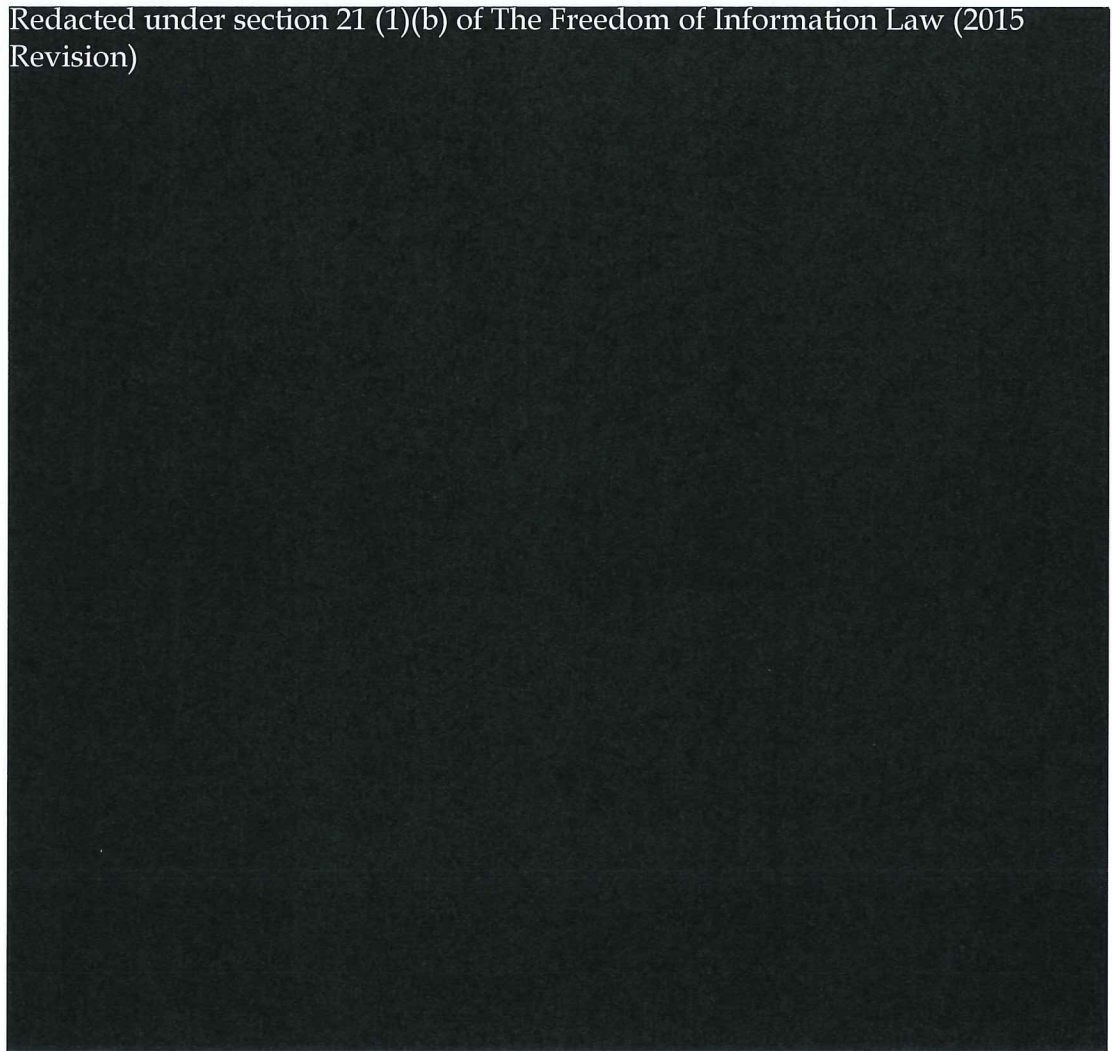
*31 December 2016 Audit – Consolidated, Divisional and Island Financial Statements for Water, Wastewater and Statutory*

The Chairman reported that based on the experience that the Water Authority had preparing the 31 December 2016 financial records, it is apparent that at least 6-8 weeks is needed to finalise the information. The majority of the audit



working papers can be prepared immediately after year-end (Bank Recs, Inventory, Prepaids etc.), but there are some sections that inevitably need more time, for example expenses are not usually received until 4-5 weeks after year end, unbilled revenue can only be calculated once the January billing cycle is complete and the Bad Debt calculation needs to be done mid-February to allow time for customers to pay. The Authority will allow for this during the 31 December 2017 audit, as it is difficult for KPMG to audit when the information comes in pieces.

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



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

The Chairman reported that since the last Board meeting there were no further developments regarding the renewal of the Cayman Water Company licence, i.e. CWC has not submitted any further feedback to the Authority. Prior to the last Board meeting CWC had indicated that they wanted to review the proposed legislation to regulate the water sector by the Utility Regulation and Competition Office ("OfReg") and it is the Authority's understanding that in anticipation of the new legislation CWC expects to negotiate further with the OfReg upon commencement of the new legislation.

Also the Authority has not had any further communication from the Ministry on the extension of CWC's licence, which expired on 30<sup>th</sup> June 2016. Regarding the presentation to Caucus that was requested by the Minister in August 2016, no date had been provided by the Ministry and further, Mr M Jacques confirmed that there would not be any more presentations to Caucus due to the approaching general elections.

**h) The Utility Regulation and Competition Office Bill (URCO) – Update.**

The Chairman reported that further to the information provided at the 18<sup>th</sup> January 2017 Board meeting, the following had taken place in respect of the proposed legislation to transfer the economic utility regulatory functions from the Authority to the Utility Regulation and Competition Office ("OfReg"). The information was provided in chronological order for ease of following the various events.

*16 January 2017*

- The Chairman reported that Secretary met with the Honourable Minister and conveyed that the proposed Water and Wastewater Services Bill, which brings the Authority's and OfReg's functions, duties and operations under one law is not practical and unworkable. The Honourable Minister agreed that the proposed legislation needed to be revisited and asked the Authority to prepare alternative draft legislation in short order (2 days).
- The Utility Regulation and Competition Office ("OfReg") officially commenced operations. Mr JP Morgan, the Ministry's Strategic Advisor who advised the Ministry on establishing OfReg and supporting legislation was appointed as the CEO of OfReg.

*18 January 2017*

- The Chairman reported that the Water Authority presented the "*Position Paper of the Water Authority in Respect of the Proposed Amendments to the Water Laws*" to the Honourable Minister, Chief Officer, CEO OfReg and Senior Policy Advisor. Mourant, who assisted the Authority with the preparation of the position paper, was also present at the meeting. The paper reiterated the conclusion that the proposed Water and Wastewater Services Bill, which tries to define the operation of both the Authority and OfReg in a single piece of legislation, was unclear, impractical and unworkable.
- The paper outlined a number of specific observations and concerns to support its conclusion and suggested that the Water Authority Law (1996 Revision) be used as the basis for amending the Water Authority Law. The reason to suggest the 1996 revision was that it was the legislation in place prior to the 2011 amendments to make the Authority the utility regulator of the water sector. The paper further recommended the creation of a separate sector specific bill to identify the roles and

responsibilities of OfReg for the water sector. It was agreed at the meeting to proceed with the legislation as proposed by the Authority.

*19 January 2017*

- The Chairman reported that the Water Authority was informed by the CEO of OfReg that revised draft bills would not be ready by the end of business day for review by the Authority and that any recommended changes would have to be considered as Committee Stage amendments, given the tight time frame to have the bills ready for Cabinet approval on 24 January 2017. The Secretary advised the CEO that the Water Authority's team would be available to work over the weekend to review the revised legislation to meet the tight deadline to submit revised legislation to Cabinet in time for their meeting on 24 January 2017.

*20 January 2017*

- The Chairman reported that the Water Authority completed and submitted a marked up version of suggested amendments of the Water Authority Law to the Ministry.

*24 January 2017*

- The Chairman reported that the Water Authority received the Cabinet approved revised draft Bills from the Ministry's Senior Policy Advisor:
  - The Water Authority (Amendment) Bill, 2017
  - The Water (Production and Supply) (Amendment) Bill, 2017
  - The Water Sector Regulation Bill, 2017
  - The Wastewater Collection and Treatment (Amendment) Bill, 2017
- The Chairman reported that the proposed legislation follows the Authority's recommendation to create separate sector specific legislation for OfReg to regulate the water sector.

*31 January 2017*

- The Chairman reported that the Bills were published for the 21-day period to receive comments from the public.

*10 February 2017*

- The Chairman reported that following intense and detailed internal review of the proposed legislation by the Authority in close cooperation with Mourant, the Authority submitted its advice on the proposed legislation to the Honourable Minister. The advice consisted of a cover letter to clarify the reasons for the Authority's comments and for each of the four bills a list of specific comments to the bill and proposed amendments for each bill as received on 24 January 2017. In summary the comments are:

*Water (Production and Supply) (Amendment) Bill, 2017 and the Wastewater Collection and Treatment (Amendment) Bill, 2017*

- Minor rewording to clarify the Authority's responsibility under the Water Authority Law to advise Cabinet on the grant of a concession.

*Water Authority (Amendment) Bill, 2017 and Water Sector Regulation Bill, 2017*

- Proposed changes to the definitions in order to achieve consistency in the four Water Bills.
- Identification of statutory fees to clearly recognize the Authority's duty to provide statutory functions and the requirement for these to be adequately funded. This provides a transparent mechanism to show what portion of the current utility rates is apportioned to the Authority's statutory functions. Currently the costs for the Authority's statutory functions are covered by the Authority's revenue and from royalties.

*Water Sector Regulation Bill, 2017*

- Inclusion of Schedule 2 to include a provision for compulsory divestment in the bill.\*

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

*17 February 2017*

- The Chairman reported that Water Authority met with CEO OfReg and Senior Policy Advisor, Mourant was also present at the meeting. Consensus was reached on a number of issues brought up by the CEO, OfReg; the main issue was the Authority's proposed Schedule for a compulsory divestment procedure in Water Sector Regulation Bill. It was felt that this would be a significant new element for the Honourable Minister to present at Committee stage. It was agreed not to include the Schedule, but to ensure that the power to do so was contained in the Bill. The Bill has a provision for Cabinet to make regulations and this would therefore be done for the divestment procedure after the Bill becomes law.
- At the end of the business day the final versions of the agreed amendments to each bill were submitted to the Honourable Minister. Members are provided with a copy of the letter to the Honourable Minister including the updated versions of the Authority's comments on each bill and the proposed amendment of each bill.

i) **The Public Authorities Bill 2016.**



The Chairman reported that on 10 February 2017, the Deputy Governor (DG) responded to joint communication in relation to Statutory Authorities & Government Companies' (SAGCs) concerns regarding the Public Authorities Bill 2016.

The point was made to the Government that the legislation should ensure there is consistency and coherence in the stated functions of the SAGCs. The DG indicated that Cabinet agree to remove text in clause 15(P) *"to comply with all instructions issued by Cabinet"* and replace it with *"to comply with general and lawful directions issued in writing by Cabinet regarding performance of its duties and functions."*

Regarding concerns over regulatory objectivity and independence, the DG advised that Cabinet agreed that the Bill be amended by inserting the following clause after clause 3 Purpose of Law:

*"3A. (1) The purpose of this Law is to provide uniform regulation of the management of public authorities in order to make the public authorities more efficient and to make such management consistent with that of other entities.*

*(2) Nothing in this Law shall be construed as affecting the principal functions of any public authority and will not affect the independent regulatory decision making process with regard to issuing or suspending licenses and any other regulatory decisions."*

Regarding indemnity to Board and staff members in Part 3, Clause 22 and Part 8, Clause 53 of the bill; the DG advised that Cabinet agreed to amend Clause 22 by inserting a new sub clause 22 (2) *"Nether a board or board member shall be liable in damages for anything done or omitted in the discharge of their regulatory functions or duties unless it is shown that the act or omission was in bad faith."* There was no feedback regarding a similar amendment to Clause 53 as it pertains to staff of the SAGCs. The word "negligent" as in Clause 53 is likely to lower the threshold for decisions to be challenged in the courts.

Regarding publication of minutes of Board meetings in Part 3, Clauses 18 and 19 of the bill, the DG advised that Cabinet had agreed to amend the Bill by inserting new clause 18(4) *"Minutes provided by the public authority under subsection (2) shall not contain any information which is exempt under the Freedom of Information Law (2015 Revision) and redact any information which is deemed commercially sensitive or any information relating to personal or medical information."*

The point had been raised regarding the percentage (40%) of civil servants on Boards in Part 3, Clause 8 (6) (a). The DG advised that as the Bill does not state a maximum number, Cabinet preferred to leave this section as is.

The Chairman noted that the Authority fully supports the Cayman Islands Government's desire to improve governance issues and financial performances amongst SAGCs; however other points raised by the Authority on other aspects of the bill that require refinement were not addressed.



j) **Miscellaneous Updates.**

- a) *In-House Pipelaying Crews* – The Chairman reported that during the week of 06 February 2017 the in-house pipelaying crew commenced the relocation of the 300mm (12-inch) water main in Esterley Tibbetts Highway.
- b) *Linford Pierson Highway Widening* – The Chairman reported that the next section, between Halifax Road and Agnes Way will be carried out in early 2017 after NRA has completed the new roundabout and the remaining sections of the widened road.
- c) *Esterley Tibbetts Highway Widening* – The Chairman reported that on 15 February 2017 the Authority's in-house pipelaying crew started work on the relocation of the 300mm (12-inch) water main along the eastern side of the widened road corridor of the Esterley Tibbetts Highway, i.e., in the shoulder of the southbound carriageway, between the MRCU dyke road and the Butterfield Roundabout.

The total length of pipe to be relocated is approximately 1,400m (4,500ft), and it is anticipated that this work will be completed by the end of April 2017.

- d) *Water Supply Division* – The Chairman reported that work on Phase II of the project to replace the 300mm (12-inch) water main along Bodden Town Road, which comprises the area between Gun Square Road and Manse Road resumed on 30 January 2017. The pipelaying portion was completed on 17 February 2017. The new pipeline will be commissioned on 22 February 2017, after which customers will be connected to this new pipeline.
- e) *Wastewater Division* – The Chairman reported that during the month of January 2017, the design hydraulic capacity of the plant (2.5 mgd) was exceeded on three days. The average daily wastewater inflow from West Bay Road was 2.05 mgd (or approximately 82% of design capacity). This amount was 17.6% less than the average influent measurement during the same period the previous year (2.48 mgd).
- f) *West Bay Road New Force Main* – The Chairman reported that on 03 February 2017, the excavation for the pump station commenced. To date DECCO Ltd has installed three of the five reinforced concrete wet well sections. The construction uses the caisson method, whereby an excavation is created by removing material from within and below the concrete sections, thus allowing the stacked sections to be lowered slowly. The new pumping station will be approximately 25 feet deep.
- g) *Fuel spill at former Rubis Service Station Shedden Road* – The Chairman reported that developments since the December 2016 Board meeting are:
  - Since the update at the last Board meeting there are no major developments. Arcadis installed additional monitoring wells and has continued further groundwater monitoring. The overall trend is that residual levels of fuel related contamination in groundwater are decreasing due to the fact that the fuel source has been removed. The

water supply line from the Authority's main in Shedden Road including the meter vault and the pipeline on the customer side to Willow House has been replaced. The Authority is in the process of conducting tests to verify that the replaced water supply provides safe drinking water to Willow House. In the meantime the construction of the new office at the site continues and the construction process is not impacted by the remediation.

- h) Fuel spill at Rubis Savannah Service Station* – The Chairman reported that further to the report at the last Board meeting about the fuel spill at the Savannah Rubis Service station, Rubis has determined that the spill was caused by a leak in the fill line that is located on top of one of the underground storage tanks. The defective part has been replaced and following comprehensive testing of all fuel equipment at the station under the supervision of the Petroleum Inspectorate, all equipment has been found to be in order. On 17 February 2017 the Petroleum Inspectorate agreed that Rubis could use the fuel system at the station again and sell fuel to the public, the Water Authority agreed with this decision.

As reported at the previous Board meeting, the underground storage tanks are contained in a concrete/blockwork vault. Arcadis installed several monitoring wells outside of the vault and initial inspection of these wells indicated that none of the wells contained free fuel product. However the testing of groundwater from the monitoring wells indicated that there is some level of dissolved product in the groundwater. Arcadis/Rubis will prepare an environmental assessment report and action plan for the Authority to review.

In mid-January 2017 the Authority and Rubis/Arcadis also conducted testing of the piped water supply at the service station and several nearby properties. This testing was based on the experience at the Shedden Road spill where it was determined that significant fuel spills may impact the piped water supply system. The initial results were inconclusive therefore the Authority has conducted repeat sampling of a number of service connections in close proximity to the service station and a number of sample taps at remote locations for comparison. The results of the repeat testing have not been received yet.

- i) FOI updates* – The Chairman reported that no new requests have been received since the last Water Authority Board meeting.

### Current Business

- a) Management Accounts January 2017.*

The Chairman noted that the Board was provided with the management accounts for the period ending 31 January 2017.

The Chairman reminded members that the Authority has chosen to divide the 18-month budget period in a 6-month (01 July – 31 Dec 16) and a 12-month (calendar 2017), which makes showing comparatives a slight challenge. This will be rectified by the Finance Department for the next reporting period to ensure that the information presented is useful to users of the Financial Statements.

As the accounting records for the period ending 31 December 2016 are not yet closed, opening numbers unavailable. The Authority is only able to show the Statement of Comprehensive income for the 31 days ending 31 January 2017. Without comparatives it is difficult to analyse the data; however the net income is a strong reflection of the position of the Authority.

In summary, the Authority will provide comparative figures going forward so that data can be easily analysed and monitored. At this time the Authority is generating revenue and is in a sound financial position.

b) Request for Waiver of Policy re Account Name re \*

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

The Chairman reported that on 07 February 2017 the Authority received a letter from \* requesting that consideration be given to waiving the policy regarding the opening of an account in the property owner's name only. 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 \* submitted a letter of request to open an account on behalf of his father – \* – who is the owner of the property. The customer stated that his father is "95 years & 10 months" and is in "no health or is he able to sign any paper or letter to give authority to me...and he needs water."

\* advised when he came to the office that the water in the well at the property is very salty and there is no water in the cistern due to lack of rain. He also made a commitment to "be responsible for whatever cost that is incurred." Due to the dire situation expressed by the elderly property owner, a decision was made to accept and process the application pending the Board's decision.

The Chairman noted that Authority's policy states that all registered property owners are required to sign the Customer Service Application Form in order to open an account. However exceptions have been made by the Board when there are unusual circumstances. For example, in March 2016, the Board made the decision to allow an account to be opened by three persons of the seven who owned a property due to extenuating circumstances including the health and unknown whereabouts of the other owners. \*



In this case, \* submitted an application for service on his disabled father's property and also provided a guarantee that he \* will be responsible for all costs incurred on the account. The Secretary respectfully sought the Board's decision on the request from the customer.

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

Members agreed that the customer should be advised that they reviewed the request and in consideration of the extenuating personal circumstances of the family decided to allow the account to be opened in the name of \* son of the property owner \*. This is also dependent on a similar letter from \* accepting responsibility for the costs as mentioned in \* letter accepting responsibility for the bill.

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

\*

The Chairman reported that on 29 December 2016 the Authority received a letter from \* requesting that consideration be given to reducing her water bill. A copy of the correspondence and the report from Customer Service was provided to members.

A review of the account was undertaken and the Authority's findings are that the initial meter reading for the billing cycle for October 2016 was higher than normal thus triggering a Fail Audit inspection. This Fail Audit inspection was completed on 21 October 2016 at which time the Meter Reader noted "*reading is correct no leak detected*". The October 2016 bill was sent to the customer in the amount of \$1,881.37 for the period 17 September – 21 October 2016 (34 days).

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

The customer requested for the Utility Services Auditor to conduct an audit at their property. The audit was completed on 04 November 2016 at which time the Utility Services Auditor made the following notes: "*After arriving on site, I spoke to \* and then the helper \* which we did of water checks for water leaks I also checked the meter and no movements were found I then suggested to \* that she has the options of having her meter changed and tested she then said that she had spoken to Latanya to have it done i then said ok please call her back and let her know that this is the option that you would like to do as soon as possible*".

The customer requested that her meter be removed for testing on 09 November 2016. The meter was removed and a new meter installed on 11 November 2016. The customer was verbally notified that the task had been completed on 12 November 2016. Customer Service advised the customer that the meter had been removed via a letter mailed on 22 November 2016.

The November 2016 bill was for the period 21 October – 11 November 2016 (22 days) in the amount of \$157.04. This equates to approximately 1.24 cubic metres of water per day. The customer's average daily consumption for January – August 2016 was 0.5325 cubic metres.

The meter testing results and cover letter were mailed to the customer on 13 December 2016. The customer was verbally informed on 28 December 2016 that the results of the meter testing concluded that *"the meter met the test criteria at all flow rates and the meter was found to be functioning properly"*.

The customer has had a history of broken pipes and leaks at this location. However, in this instance none were identified during visits by the Authority's staff. The customer states that a "plumber" was sent to her home, however, it is important to note that the Utility Services Auditor is not a plumber and it was never stated by Customer Service staff that a plumber would be sent from the Authority.

The customer indicates that she is unhappy with how she was treated and that she deserves "to be refunded". Customer Service assisted the customer in several ways during this dispute through a Fail Audit, Property Audit, and meter testing. Customer Service also sent letters confirming the removal of the meter for testing (22 November 2016) and the test results (13 December 2016). While the results were not verbally communicated to the Customer until eight business days later (28 December 2016), this did not change the outcome of the meter testing nor did it adversely affect her.

The customer states that she "received a bill in the amount \$157.04" after the old meter was removed and replaced. The customer is concerned that her bill was lower after the meter was replaced.

For background, this customer was previously disconnected on 05 March 2009 for non-payment with a balance of \$1,981.37. This continued to accrue penalties until 10 March 2010 when the final balance in our previous billing software was \$2,345.60. As of 07 February 2017, \$524.09 is still owed on this balance.

The customer previously had an illegal connection at this property circa 2012 in which the matter was escalated to the courts. The matter was dismissed as the judge accepted the argument that the customer was not aware nor had participated in the illegal connection. The service at this property was removed on 08 January 2013 and reinstalled on 05 March 2015.

In summary, there were no leaks detected at the property during the Fail Audit inspection by a Meter Reader and the Audit by the Utility Services Auditor. The meter was sent for third party testing and it was concluded that the meter was found to be functioning properly and these test results should be enforced. While an apology was given to the Customer for delayed verbal communication, this did not affect the testing results or the customer's account.

The sole tool used by Water Authority to measure water consumption by a customer is the meter. The meter was tested and found to be in good working order. 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. The meter was tested as requested by the customer and found to be in good working order. All plumbing downstream of the meter is the customer's responsibility. Members agreed that a Special Payment Plan Agreement be offered with the usual discounting of late fees (providing payments are made regularly according to the agreement).

d) **Request for Bill Adjustment re Customer Account** \*

\* [REDACTED]  
The Chairman reported that on 19 November 2016 the Authority received a letter from \* [REDACTED] requesting that consideration be given to reducing his 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 billing cycle for November 2016 was higher than normal thus triggering a Fail Audit inspection. This Fail Audit inspection was completed on 16 November at which time the Meter Reader noted: *"possible leak movement on meter and turn valve off in meter box"*.

The customer was contacted on 21 November 2016 and informed of the possible leak by a Customer Service Representative.

The November 2016 bill was for the period 12 October – 16 November 2016 (35 days) in the amount of \$3,323.26. On 09 January 2017, the customer requested, through the property manager, for the Utility Services Auditor to conduct an audit at their property.

The audit was completed on 10 January 2017 at which time the Utility Services Auditor made the following notes *"After arriving on site I did the outside checks and found no leaks or movements, but while do my checks I noticed that there was two coconut trees that seems to being watered and also the water is on at all of the hose bibs, and to my understanding that they have had problems with the kids turning on the water etc. the following date which was on the 13.01.17 I returned at 2:45pm with \* [REDACTED] to do the inside checks, well yes we did but two of the bathroom toilets after flushing just kept on running and which \* [REDACTED] had verified this as well I explained these findings to him and told him that these did not met the criteria for this complaints. those factors needed to be taken care of locks needed to be in place of the hose Bibs."*

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



The service order was returned to Metering/Customer Service on 16 January 2016 and the information was relayed to the customer who proceeded to submit a letter on 19 January 2017 disputing the bill for November 2016.

The customer maintains that the house was vacant "since the start of October" and the reading taken on 12 October 2016 was "over a week after the residence had been vacant". He does acknowledge that two of the toilets in the residence have a tendency to run after flushing if the handle is not pulled back up. The customer further acknowledges that the coconut trees in the front yard are watered by turning on the water bib. The customer relies on a timer to automatically shut the water off as the timer "won't allow the water to run for more than 120 minutes before it would cut off". He explained that the hose is turned on "for about half an hour a few times a week".

In summary, a possible leak was identified at the property by a Meter Reader during the November 2016 meter reading period and the customer was notified. Further, an audit by the Utility Services Auditor in January 2017 identified two possible causes for water leakage – leaking toilets and running exterior hose bibs. The customer acknowledges these issues.

The sole tool used by Water Authority to measure water consumption by a customer is the meter. As all plumbing downstream of the meter is the customer's responsibility, the bill is payable. A Special Payment Arrangement should be offered to the customer, if necessary. 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. The Authority brought the existence of a possible leak to the customer's attention as part of the Fail Audit inspection. Also, an audit by the Authority's Utility Services Auditor identified two possible causes for water leakage to the customer. All plumbing downstream of the meter is the customer's responsibility. Members agreed that a Special Payment Plan Agreement be offered with the usual discounting of late fees (providing payments are made regularly according to the agreement).

e) **Request for Waiver of Policy re Account Name for** \*

\*

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

The Chairman reported that on 27 January 2017 the Authority received a letter from \* requesting that consideration be given to waiving the policy regarding the opening of an account in all property owners' names. 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 has advised that she intends to apply for water service on the

property \* [REDACTED] According to the customer, the property is owned by 11 persons some of whom reside overseas.

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

The customer has requested that the account be temporarily opened solely in her name as she is "the person who will be responsible for payment of all expenses pertaining to this service".

The customer has not indicated any extenuating circumstances as to why any of the other property owners would not be able to sign an application except for residing overseas.

In summary, according to the Water Authority's policy, all registered property owners are required to sign the Customer Service Application Form to open an account. In March 2016, the Board made the decision to allow an account to be opened by three persons of the seven who owned the property due to extenuating circumstances including the health and unknown whereabouts of the other owners \* [REDACTED]

In this case, the customer may be in the position to arrange for each property owner to sign an application form, have it notarised, and submitted via email for processing; with the understanding that the original documents will be submitted within three (3) months. 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 in consideration, that not all family members are on island, that the customer could open the account however she needs to make arrangements for each owner to sign an application form, have it notarised (or witnessed by a JP) and submitted via email for processing. This is with the understanding that the original documents will be submitted within three months.

f) **Request for Bill Adjustment re Customer Account** \* [REDACTED]

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

\* [REDACTED]  
The Chairman reported that on 16 February 2017 the Authority received a letter from \* [REDACTED] requesting that consideration be given to reducing her water bill. A copy of the correspondence and the report from Customer Service was provided to members.

A review of the account was undertaken and the Authority's findings are that the customer requested an off reading for her account at the time \* [REDACTED] stating that she believes their "bills do not reflect the current water usage". A Meter Reader completed the off reading on 05 April 2016 but no irregularities were noted. The reading taken for meter \* [REDACTED] was 447.6.

On 09 November 2016 a complaint was made by the customer believing that her account at the time \* did not have the correct meter installed and was actually supplying the neighbor. This issue was actually first brought to our attention by the neighboring customer \* on 08 November 2016.

On 10 November 2016 the Senior Meter Reader confirmed that the accounts for \* were incorrectly set up due to a transcribing error by the installing employee. The meter serial numbers recorded were switched for the two service orders thus causing the error. That is, the meter number recorded for customer \* was physically the meter number for her neighbour, \* A map was available for members to show the location of the properties.

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

The Customer Service Representative Supervisor and Senior Meter Reader conducted another site visit on 30 November 2016 to make notes of what was found in the field. It was reconfirmed that location number \* with meter serial number \* was supplying water for \* however it was labeled with information with \*

The customer was notified by the Customer Service Supervisor on 19 December 2016 of the findings and corrections made. She was advised that her true bill amount less payments received result in a net payable amount of \$5,237.53 for the period January 2015 to November 2016. The customer had indicated after receiving the letter from Water Authority dated 19 December 2016 that they would be disputing the matter to the Board for review. However, the letter was not received until 16 February 2017.

On 14 February 2017 the customer was contacted by the Debt Collection Officer in regards to the past due balance on the account. The Debt Collection Officer, as per the Authority's policy, requested that the full account balance of \$5,649.46 be paid to avoid disconnection of service. Subsequent bills for December 2016 and January 2017 were not paid until 16 February 2017.

In summary, the customer's grievance is that she was continuously misinformed by Water Authority through monthly bills due to the mix up of the meter numbers. This was further exacerbated by the fact that the Water Authority was called to the site in April 2016 and at that time did not identify the mistake.

Still, the disputed bill reflects the actual consumption by the customer less payments made over the period of January 2015 – November 2015. While the customer was initially billed for the neighbor's usage and vice versa, the matter was corrected as soon as the error was identified and both customers are now billed for actual usage.



The Water Authority erred twice in this situation. First, by making the mistake of switching the meter numbers on the work orders during installation of the meters and secondly, by not meticulously cross referencing all identifiers when the property was visited on 05 April 2016. 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 although the Water Authority initially made an error with the transcription of the meter number assigned to the neighbouring properties, the bill is valid and payable. Members agreed that an extended, Special Payment Plan Agreement be offered with the usual discounting of late fees (providing payments are made regularly according to the agreement). Members also requested that the letter to the customer again apologises for the error and the frustration caused to the customer.

**g) Application for a concession to produce water for Agricultural Use -**

\* [REDACTED]  
The Chairman reported that on 08 February 2017, \* [REDACTED] managing director of \* [REDACTED] submitted an application to the Ministry for the grant of a concession under the Water (Production and Supply) Law, 2011 ("WPSL") to produce water for agricultural use at the \* [REDACTED]. A copy of the application was submitted to the Water Authority the same day, along with an application for a groundwater abstraction licence and discharge permit for the reverse osmosis plant. These documents were available for members' review.

Under the current arrangement of the WPSL and the Water Authority Law, the Authority advises Cabinet on the grant of concessions to produce and supply water and therefore the Board's advice was sought on this matter.

The Chairman noted the following information provided in \* [REDACTED] letter to the Ministry:

- Abstraction rate is 8,000 gallon per day, fresh water production is 4,000 gallon of water per day.
- Location: \* [REDACTED]
- Feasibility of connecting to Water Authority mains is cost prohibitive.
- Purpose: production of fresh water for hydroponic farming, water use in hydroponic farming has a higher efficiency than soil-based farming.
- Water required for hydroponics has to be of high quality (nearly salt-free) and groundwater and surface water at this site has too much salt (sodium chloride) to be suitable for hydroponic farming.

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

- Reverse osmosis plant will be located in a Planning approved storage container.
- Source water is from a brackish pond on the property.
- Property is leased (copy of lease was provided with the application).

The Chairman advised that the Authority's Engineering and Water Resources & Quality Control Departments had reviewed the application and confirmed the following:

- The property is not located over the Lower Valley fresh water lens. The groundwater quality at this location is unsuitable for hydroponic farming due to relative high sodium chloride levels.
- The nearest water main is located in \* [REDACTED]  
\* [REDACTED] extension of the pipeline will have to be made through two properties where the right of way is poorly defined. A preliminary estimate is that an extension of approximately 2,750 linear feet of pipe is needed to the boundary of the property on which the farm is located, at an estimated cost of \$200,000. A map was provided to show the Board the location of the property and an outline of the required pipeline extension.

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

The Chairman reported that based on management's review of the information provided by the applicant, it is recommended that the Board supports this application and advises Cabinet that a concession be granted for duration as Cabinet sees fit. The Chairman noted that depending on how long the process takes with Cabinet, it is possible that the actual licence will be issued through OfReg.

Members discussed the application and subsequently agreed to recommend to Government that a concession be granted to \* [REDACTED] under the WPSL 2011 to produce via Reverse Osmosis Plant (production capacity of 4,000gals water per day) for agricultural use on \* [REDACTED]. This decision is in consideration that the Water Authority does not have service available in the area requested and to provide same, the estimated cost to the business would be CI\$200,000. The recommendation is that the duration of the concession is tied to the future availability of public piped water supply. Members also requested that future requests should include an analysis of the economic loss to the Water Authority based on possible sales.

#### Any Other Business

a) **Staff Matters.**

The Chairman advised that the Water Authority's Customer Service Supervisor, Mr Nickolas DaCosta had resigned his post in order to enter as a candidate in the upcoming general elections.



The Chairman also reported that the Laboratory Manager had completed an online Master's Degree in Leadership from Walden University and continues to provide excellent leadership of the Authority's internationally accredited Laboratory. Board members asked that the Secretary convey their congratulations to Ms Marcela Martinez-Ebanks on her achievement.

**b) Report on American Water Summit 2016.**

The Chairman reported that as a member of the Global Water Leaders Group the Secretary was invited to attend the American Water Summit 2015 held 05-07 December 2016 in Miami, Florida, USA. As part of the activities, the Secretary participated in a workshop specifically geared for the Global Water Leaders entitled "Big Data, Big Cities, Empowering the Digital Utility". The focus of the workshop was to ensure that the digital revolution empowers water utilities. New technologies from smart meters to on-line water quality sensors have the potential to either transform the productivity of the water utility sector, or overwhelm it with terabytes of data.

The first segment of the workshop was a panel discussion led by the Workshop Chairs. The panel consisted of business leaders from utilities, consultants, IT systems providers and public-private partnership initiatives. The discussions centered on the challenges to align the multitude of hardware, software and data management service providers currently battling across a series of niche markets into a coherent vision for the water utilities.

As the ease of access to innovations such as the internet of things (IOT) and machine learning, the lines between physical and digital systems begin to blur. Whilst all of the current and emerging technology promises water utilities long term gains in efficiency and productivity, the reality is very different. Reason for this is that few utilities are set up to handle the large volumes of data in a meaningful way, and few suppliers understand their utility customers' broader priorities and constraints. 'Big Data, Big Cities: Empowering the Digital Utility' aims to build the road map which takes us from where we are today, to where we need to be to ensure that the water utility sector enjoys all the benefits of the digital future. The consensus was that utilities have to manage their fear of releasing processes and embracing technology but on the other hand, they have to ensure that embracing technology and collecting mountains of digital data serves a purpose for the utility.

On the second day, the conference focused on catalysing collaboration to address new challenges facing utilities. With many utilities having to address the issues of ageing infrastructure, reduced financial support and expectations of better environmental stewardship, several presenters believe new solutions are needed. Presentation on issues such as the prolonged drought in California and the outrage surrounding the Flint lead contamination in the US were thought provoking.



The conference also provided roundtable discussion groups on trends and developments in water, wastewater and industrial water treatment, water re-use, produced water, P3s, private finance, project delivery, and more. On the third day of the conference, there was a panel discussion with CEOs from a varied group of US water utilities who discussed how they engaged innovative solutions which deliver state-of-the-art water infrastructure without the stigma of rate shock.

The workshop and Summit were very informative and presented an opportunity to network with leaders in the water industry in the USA. The Chairman reported that the Secretary met with representatives of various relevant technology firms and with her management team are actively reviewing the implementation of smart meters for the Authority. The Secretary thanks members for their continued support of her participation in the Global Water Leaders Group.


### **Donation Requests**

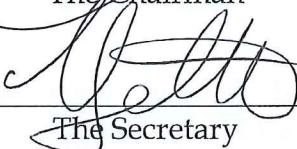
The Chairman advised that the Sponsorship Assessment Sub-committee will meet after the Board meeting to deal with the following requests for assistance:

- a) Ratify - CI Crisis Center - A Walk in Her Shoes (sponsor WAC male staff members).
- b) West End Primary School PTA Annual Talent Show.
- c) The Department of Counselling Services - Honouring Women Month Colour Me Purple 5K Walk/Run.
- d) Lions Club of Cayman Brac - Miss Teen Cayman Brac 2017.
- e) Berea Seventh-Day Adventist Church - Fourth Anniversary Celebration (raising funds for church building).
- f) First Baptist Christian School - 4th Annual South Sound Strike 5K Walk/Run.
- g) Edna M. Moyle Primary School (Home School Association) - Year 6 Student Trip to Havana, Cuba.
- h) Cayman Airways Flight Club - Clifton Hunter High School Chapter - Field Study Trip to Florida.
- i) United World College Cayman Islands - Summer Camp.
- j) Creek & Spot Bay Primary School CYB - Year 6 Trip to Orlando.
- k) 50<sup>th</sup> Anniversary Pre-Agriculture Show - Ministry of PLAHI.

There being no other business the Chairman thanked members and the meeting was adjourned at 2:45pm.

This is a true and accurate account of the proceedings.

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

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