

**CONFIDENTIAL**



**Water Authority of the Cayman Islands**

**Minutes of 282<sup>nd</sup> Meeting held on 21<sup>st</sup> June 2017**

**Members Present:**

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

**Call to Order**

The Chairman welcomed members and offered a special prayer for guidance. After ascertaining that there was a quorum, the meeting was declared open and called to order at 1:44pm. The Chairman acknowledged apologies from Ms A Owens, Mr H B Ebanks, Mr M Jacques, and Mr O Watler.

**Confirmation of Minutes of the 281<sup>st</sup> Meeting held on 17<sup>th</sup> May 2017**

The Chairman asked for confirmation of the Minutes of the 281<sup>st</sup> Meeting held on 17<sup>th</sup> May 2017. Mr C Randall moved the motion to accept the Minutes as amended, Mr A Wright seconded the motion and the motion passed unanimously.

**Declaration of Conflicts of Interest**

None were declared.

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

The Chairman reported that during the month of May 2017 the LVRO Plant produced on average 1,182 cubic metres per day, which is nearly 40% of its design water production capacity. The Engineering Services Department (ESD) temporarily stopped working on the pilot test to pretreat the feed water before it goes to the pre-filters to control/limit biofouling of the pre-filters, as the situation with the feed water wells has changed noticeably and somewhat inexplicably for the better. The LV plant (albeit on one train only) now runs much longer between pre-filter change-outs, using feed water from Well#2. The plan is to change to the other RO train, using Well#1. If that is successful, an attempt will be made to run both RO trains using both Well#1 and Well#2.

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

The Chairman reported that on 12 May 2017 the Amendments to the Contract Documents for the North Sound Reverse Osmosis Plant and the Red Gate Reverse Osmosis Plant detailing the modifications to the terms and conditions of the existing operating contracts were signed and sealed by Ocean Conversion Cayman Ltd (OCL). Both operating contracts have been extended for an additional twelve month period to 01 April 2018 and 1 July 2018 respectively.

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

The Chairman reported that as of 21<sup>st</sup> June 2017 pipelaying had progressed to just west of Cayman Brac Museum, Stake Bay. Approximately 900m (3,000 feet) of 200mm (8-inch) diameter pipe remains outstanding on this phase of the project (up to Faith Hospital). Approximately 80% of the total main pipeline length of this phase of the Cayman Brac Project has now been completed. It is anticipated that piped water should be available to Faith Hospital by late July 2017.

The Chairman noted that applications for new water service connections continue to be made. There are currently 21 outstanding water service connections up to the Cayman Brac Museum, Stake Bay. Additionally, 4 applications have already been received from customers situated past the Museum. The Authority also installed meter boxes and completed the trenching for 9 customers but is waiting for these customers to install their pipe work before the water meters can be installed.

Members briefly discussed progress on the pipeline installation in the Brac and noted that the new trencher has made a significant difference improving the speed of the works. Members however suggested that the Water Authority consider/explore pros and cons of additional resources (human and equipment) to accelerate the project in the next budget period.

#### *Cayman Brac RO Plants*

The Chairman reminded members that in September 2016, the Board agreed for the Water Authority to allocate additional funds required to carry out the refurbishments at the Cayman Brac RO Plant, as some of the equipment at the old RO plant has come to the end of its useful life, e.g., the high pressure pump, the ERI energy recovery units and the control system. AQC Consulting (Idaho) LLC., the company contracted to design, install and commission the RO plant upgrade, will soon ship the various parts for the RO plant upgrade. Installation and commissioning is scheduled to start around mid-August, and will take approximately one month to complete.

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

The Chairman reported that the final commissioning of this pump station was initially started on 15 March 2017, but had not yet been completed due to some outstanding issues with the suction pipework. However the pipework to the existing pump station must be temporarily modified to ensure the operation of that pump station is not negatively affected by the work on the suction pipework to the new pump station. This work was delayed due to the unavailability of key Operations-Water Supply personnel (attending an AWWA conference). This work is now planned to commence later during the week of 19 June 2017, with the final commissioning of the new pump station to be scheduled in mid-July 2017.

**e) 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 the divisional statements are complete and ready for final Board sign off. Copies were made available for members review. Members were respectfully requested to approve that the Chairman, Director and Financial Controller sign on behalf of the Authority. Members gave their unanimous approval for the documents to be signed accordingly.

*Annual Report 2015/2016*

The Chairman reported that there is nothing new to report.



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

The Chairman reported that all MERCER reports have been received, the last one on 30 May 2017 (Defined Benefit Pension) which has been incorporated into the 31 December 2016 financial statements. A draft of the document was available to members.

The Chairman advised that the draft document had been through manager review at KPMG but was still subject to Partner and QAR (Quality control) review. The Financial Controller respectfully requested that the Board approve the draft financial statements and, provided that there are no material modifications after Partner and QAR review that the Chairman, Director and Financial Controller are able to sign off on the statements. Members gave their unanimous approval for the documents to be signed accordingly.

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

The Chairman reported that these will be done pending the sign off of the 31 December 2016 consolidated statements.

*Public Service Pension Board – Defined Benefits Pension Plan – 31 December 2016*

The Chairman advised that this report was received on 30 May 2017, KPMG has submitted additional questions to the PSPB on its content, however the information has been incorporated into the 31 December 2016 consolidated financial statements as no changes are expected.

*Public Service Pension Board – Defined Post-Retirement Healthcare – 31 December 2016 - Defined Benefits Pension Plan Employees*

The Chairman advised that the Audit of the report was completed and the information incorporated into the Consolidated Financial Statements.

*Public Service Pension Board – Defined Post-Retirement Healthcare – 31 December 2016 - Generali*

The Chairman advised that the Audit of the report was completed and the information incorporated into the Consolidated Financial Statements.

*Voluntary Pension – Consideration for Reclassification*

The Chairman reported that on 19 May 2017 the Authority, together with Britcay held a meeting with staff who are affected by the proposed changes. The information was well received and all members of staff who attended the meeting agreed to the proposed re-classification. The Finance Department is preparing the historical reclassification information for presentation to Britcay. This project is quite large and expected to take some time, a firmer timeline for completion will be available at the August 2017 Board meeting.

*Contribution to Cayman Islands Government (CIG)*

The Chairman reminded members of previous discussions regarding the Authority's contribution to Government for the current fiscal period. Members

agreed that the Water Authority should proceed to make the payment to the CIG as no arrangements were made by the previous Administration to pay the funds to the National Roads Authority (NRA) with regards to work being done on the Esterley Tibbetts Highway expansion to the Butterfield Roundabout.

*Signatories for 18-20 September 2017*

The Chairman advised that both the Financial Controller and the Assistant Financial Controller will be off island from 18-20 September 2017. This scheduling conflict is extremely rare as the importance of either one being present in the office is recognised and understood. This situation happened as a result of pre-scheduled vacation conflicting with a CPA training course to be attended to by the Financial Controller.

The Chairman noted that the Finance Department will pro-actively work to avoid any need for signatures during those 3-days; however the case may come up where an emergency signature is required. Members were reminded that the current signing parameters define for 1 "A" and 1 "B" to sign (A signatories are the Director and Deputy Director, "B" signatories are the Financial Controller and Assistant Financial Controller). The Bank is able to provide temporary modifications to the current signing protocol under instructions from the Board. The Board was respectfully requested to consider this provision for the 3-day period as noted above. Members gave instructions for the Water Authority to make arrangements with the Authority's Bank to allow the current signing protocol requiring one "A" and one "B" signatory to be temporarily modified to allow two "A" signatories to sign during the 3-day period of 18-20 September 2017.

*Credit & Debit Card Standing Orders*

The Chairman reported that the Customer Service and Finance Department are coordinating the process to advise all affected parties of the change in policy.

*Bank of Butterfield (BOB) – Request for Information*

The Chairman reported that on 15 June 2017 the Financial Controller received a request from the Bank of Butterfield (BOB) in regards to Know Your Customer (KYC) due diligence related to the Authority. Although all information had been provided in regards to the organisation and its signing authorities, additional information was requested from the Board. Originally the request was for both a "Related Party Individual Form" as well as a certified copy of the passport for all Board members. The Authority inquired with BOB further, as this was a first time information request and unique to BOB. The Information Security & Documentation Department at BOB provided subsequent instructions stating that, "Given the number of individuals that are required to provide passports, we are happy to accept the completed 3<sup>rd</sup> party declaration only for Board members that do not have signing authority. We will still require passports and 3<sup>rd</sup> party declarations for the account signatories."

Regarding the account signatories – the Authority has already provided this information to the bank.

Regarding 3<sup>rd</sup> party Declarations, it appears that the bank requires these of all active Board members, however given the possible reconfiguration of the Board when appointments expire in August 2017 the Authority requested that BOB hold off on this request until new Board members are confirmed. The Secretary will advise members of any further requirements of BOB.

#### *Adjustment of Rates 2017*

The Chairman reminded members that the water rate adjustment mechanism provided for in the Water Authority (Amendment) Regulations 2012 that came into effect on 01 November 2012 has a review date of 15 May of each year. This Automatic Annual Rate Adjustment mechanism is based on inflation indices, the CICPI and USPPPI. At that same meeting Cabinet stipulated that the Automatic Annual Rate Adjustment mechanism be replaced with the Rate Cap Adjustment Mechanism (RCAM) as soon as practically possible.

The Chairman reported that subsequent events had resulted in the creation of a multisector regulator (Office of Regulation & Competition, referred to as OfReg) which merges the regulation of the electricity, telecoms, fuel, and water sector service providers. It is anticipated that in due course OfReg and the Authority will finalise the details of RCAM and an Administrative Determination will be issued to that effect.

The Chairman reported that the Authority has reviewed the options with regards to the 2017 rate adjustment and calculated that in accordance with the current formula in the Water Authority Regulations, the Water Authority would be entitled to increase its Base Prices (i.e., sewerage charges, septage charges and water charges) by 1.01%, effective 01 July 2017. A copy of the report Adjustment of Water Authority Rates was prepared for and provided to the Board. This document details the calculations.

The Chairman advised that in view of several factors, the Authority's management respectfully suggested that the Water Authority Board consider foregoing the rate adjustment calculated in accordance with the current Water Authority Regulations (i.e., a 1.01% increase, effective 01 August 2017) considering that a rate adjustment mechanism based on RCAM may be made effective very soon by OfReg. Alternatively, members may wish to consider proceeding with the application of the adjustment as per the current regulations.

The Secretary respectfully sought members' guidance on the rate adjustment matter. Members agreed to defer the calculated 1.01% adjustment to rates for 01 July 2017 as the Authority anticipates implementation of RCAM in due course now that the OfReg is in place as the economic regulator of the water sector.



Members requested that some soft publicity be done regarding the Water Authority Board's decision to not adjust its rates.

**f) The Utility Regulation and Competition Office (OfReg) – Update.**

The Chairman reported that further to the last Board meeting, the commencement order for the legislation that makes the Utility Regulation and Competition Office (OfReg) the economic regulator of the water and wastewater sector was published on 22 May 2017.

The Chairman reported that on 05 and 07 June 2017 the Authority's senior staff met with OfReg for an in-depth review of the draft licence for Cayman Water Company as prepared by the Authority. Representing OfReg were Mr Charles Farrington, OfReg's consultant for the water and wastewater sector, and Mr Louis Boucher, OfReg's Acting Executive Director of Utilities.

As discussed at the previous Board meeting, the communication with OfReg also addressed the options for regulatory fees (i.e. OfReg's cost to regulate the water and wastewater sector) and statutory fees (i.e. the Authority's cost for its statutory function to protect groundwater). Currently the Authority and OfReg are working out an arrangement to apportion the royalties that Cayman Water Company pays under their current licence to the Authority between regulatory fees for OfReg and statutory fees for the Authority. The Secretary advised that currently the proposed proportion of fees for regulatory and statutory was \$0.132/m<sup>3</sup> and \$0.436/m<sup>3</sup>, respectively. There may be some minor adjustments in due course as these matters are finalised with OfReg. There would be no increase to the customer, just the manner in which the royalty is apportioned.

The Chairman reported that as requested by the Board at its last meeting, the Authority reminded Dart to provide an update and clarification on the status of various water plants that they operate or plan to operate so that various outstanding regulatory issues could smoothly transfer from the Authority to OfReg. To date Dart has not responded. Now that the regulation of the water and wastewater sector is formally with OfReg, the Authority will not pursue further communication with Dart on this issue. The Authority will provide OfReg with the relevant information and associated emails on Dart and on other operators, so that OfReg has the background on the various entities that the Authority has historically dealt with as regulator of the water and wastewater sector.

*Acknowledgement - Office of Regulation and Competition (OfReg)*

As the tenure of this current Board draws to a close in August 2017, the Chairman stated for the record that the Board acknowledges with grateful thanks and appreciation the efforts of the senior management team of the Authority in facilitating the smooth planning for the transitioning of the Authority's regulatory duties to OfReg. This has consumed considerable time

and resources of the management team during the period and especially the last year.

*Acknowledgement - License of Cayman Water Company*

The Board also noted that the lengthy negotiations with Cayman Water Company regrettably remained unfinished and the duty to proceed is in the process of being transferred from the Authority to OfReg as the new Regulator. The Authority updated its detailed time-line of events and negotiations spanning the entire period and which formed the basis for updating the Ministry periodically on the progress. This time-line record has been shared with OfReg for their information and reference.

The Secretary expressed her thanks on behalf of the Authority's senior management team and herself to the Board for their continued support and guidance throughout the process of establishing OfReg as well as the negotiation process with Cayman Water Company.

**g) The Public Authorities Law 2017 - update.**

The Chairman reported that the Public Authorities Law (PAL) commenced 01 June 2017. Various concerns had been raised with Cabinet by several Statutory Authorities and Government Companies (SAGCs) regarding the legislation and potential conflicts with their enabling legislation and functions.

Several SAGCs are reviewing the PAL to determine and highlight these conflicts with the intention of bringing them to the attention of the Attorney General in due course for guidance. Some of the issues relate various definitions, process of appointing Boards, and staff benefits.

**h) Miscellaneous Updates**

**a) In-House Pipelaying Crews** - The Chairman reported that during the period 23 May - 31 May 2017 the Authority's in-house pipelaying crew installed 73 metres (240 feet) of 100mm (4-inch) pipe in Melody Lane (replacing a 32mm (1-inch) pipeline). This work was necessary to ensure adequate water supply to the new houses being built in the area.

In late March 2017, the Authority received a water service request for Block \* [REDACTED] off Frenchman's Drive, Breakers (near Frank Sound Road Intersection). As the Lands & Survey drawings showed La Conte Drive as being a Public Road, but in fact it was non-existent (basically overgrown bush), the Authority contacted the National Roads Authority (NRA) to enquire whether NRA had plans to construct this road. The NRA initially indicated that this work would be commenced on 04 April 2017, and eventually confirmed that all work was completed on 24 April. Unfortunately, when the Authority's in-house pipelaying crew moved its equipment to the site on 29 May 2017 it was apparent that the road needed quite a bit of additional work (e.g., filling-in of low lying areas

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



(up to 450mm (18 inches deep)). The NRA has confirmed that this will be completed by the end of the week of 21 June 2017.

- b) *Linford Pierson Highway Widening* – The Chairman reported that there was nothing new to report, as the NRA is concentrating its efforts on preparing the new roundabout near Agnes Way. The road section between Halifax Road and Agnes Way has not yet been marked.
- c) *Esterley Tibbetts Highway Widening* – The Chairman reported that the Authority's pipelaying crew abandoned the site in mid-May 2017 because it could not proceed any further as the NRA/DECCO has not yet completed the road construction works between the end of the installed pipe and the Butterfield Roundabout (e.g., relocation of CUC poles, fences, roughing-in of the road, installation of kerbs, etc). It appears that the NRA may have to rethink the alignment of the southernmost portion of the widened Esterley Tibbetts Highway due to issues with one landowner.

On 04 April 2017 invitations were sent to four companies asking them to provide a quotation for the construction of a below-ground meter vault in the verge along the Esterley Tibbetts Highway. This meter vault is required to be constructed near the boundary with the Cayman Water Company's franchise area and will house the water meters that will measure any water sold to, or obtained from, Cayman Water Company. On 21 April 2017 this contract was awarded to the lowest tenderer, Lalev Construction Ltd, in the amount of CI\$10,100. Construction was successfully completed by 30 May 2017.

- d) *Water Supply Division* – The Chairman reported that Island Paving has advised that they will reinstate the remaining area which was affected by the installation of the new 300mm (12-inch) water main along Bodden Town Road, i.e., between Coe Wood Beach and Manse Road, on Friday, 23 June, Saturday, 24 June, and Monday, 26 June, 2017.
- e) *Water Storage Tanks - GCM* - The Chairman reported that during the period 22-24 May 2017, Florida Aquastore & Utility Construction, Inc. representatives carried out an exterior and interior visual inspection of two 2-million US gallon (7,570 cubic metres) water storage tanks (one at Lower Valley Water Works and one at Red Gate Water Works). The purpose of the tank inspection was to establish the current condition of the tanks, determine any deficiencies in the tanks' coating, appurtenances, concrete floor, aluminum dome assembly, and bolt seam sealer (the panel edge coating). Additionally new sacrificial zinc anodes were installed in each tank.

Both tanks were found to be in good condition and nothing was found to be out of the norm for either tank given their respective age, location, and application. However in order for these tanks to continue to perform well for many years to come some preventative maintenance was recommended, as the RO water has caused the degradation of the interior bond sealant resulting in the exposure of some of the interior sheet edges. In order to maximize the life of the water storage tanks and avoid unnecessary

exposure of the sheet edges to the aggressive environment it was recommended that the interior and exterior sheet edges are re-caulked.

However as this work is expected to take several weeks (3-6 weeks) for each tank, it was decided to postpone this preventative maintenance until after the end of the current hurricane season (i.e, to start in early January 2018).

- f) **Wastewater Division** - The Chairman reported that during the month of May 2017, the design hydraulic capacity of the plant (2.5 mgd) was not exceeded on any day. The average daily wastewater inflow from West Bay Road was 2.01 mgd (or approximately 80% of design capacity). This amount was 3.9% less than the average influent measurement during the same period the previous year (2.09 mgd).

- g) **West Bay Road New Force Main** - The Chairman reported that the construction of the new wastewater pump station #4 along West Bay Road, just south of Burger King, by DECCO, was nearly completed. Construction started on 03 February 2017, and progress has been very slow due to the conditions encountered.

A 600mm (24") thick (temporary) plug was poured on 19 May 2017. An additional concrete collar (for ballast against flotation) was poured on 26 May 2017. DECCO has not yet started dewatering the structure and the Water Authority is awaiting DECCO's plans for remedying the water ingress issues on the joint.

DECCO has already installed the sheet piles in anticipation of the installation of the 450mm (18") gravity sewer pipe and additional manhole to divert the wastewater from the existing gravity sewer into the new pump station.

- h) **Rubis Airport Terminal** - The Chairman reported that the aviation fuel terminal at Owen Roberts Airport has been demolished to facilitate the expansion and redevelopment of the Airport Terminal. In 2012 Rubis took over the aviation fuel terminal when they acquired the fuel business from Chevron-Texaco. The site will be redeveloped as a parking lot for the Cayman Islands Airports Authority. Rubis, the Airports Authority and the Water Authority agreed that an environmental assessment would be carried out upon completion of the decommissioning of the facility.

AMEC Foster Wheeler Environment and Infrastructure, Inc (AMEC), an international environmental consultant that has done previous work at this facility was hired by Rubis to carry out the assessment. Before they started the work, their workplan was reviewed and approved by the Water Authority. The assessment consisted of the installation of monitoring wells and collection of groundwater and soil samples at possible hot spots. Site investigations were carried out in March and May 2017 and two reports were prepared for Rubis, the Water Authority and the Airports Authority. Free fuel product has been detected in a limited area that was associated with the filter vessel area. In discussion with the parties involved it was agreed that AMEC will execute an active remediation of the site that consists of excavating the impacted area, recovery of free fuel product and

remediation of impacted soil and groundwater. The Water Authority will have regulatory oversight to ensure that its remediation standards are achieved.

Although free fuel product has been found at this facility, the situation is less complex and less challenging than the situation at the former Rubis service station at Shedden Road that the Board has been briefed on over the last year: the impacted area is smaller, there is no development close to the impacted area and there are no wells to abstract groundwater. Also, as the site has been vacated by Rubis, the equipment used for the remediation is not constrained by other development.

- i) **Wastewater Training** - The Chairman reported that during the week of 17-21 July 2017, Mr Ron Trygar, a certified trainer specialised in onsite wastewater treatment systems of the University of Florida Training, Research and Education for Environmental Occupations will provide training to the Authority's Development Control staff. This training will strengthen the Authority's Onsite Wastewater Management Programme: staff will receive specific and detailed training on onsite wastewater treatment systems, which they in turn can use to train service providers from the private sector who deal with onsite wastewater treatment systems. Service providers and the Authority's staff who work in the wastewater department will also be invited to attend specific sessions during the training week.

Development Control staff has worked diligently with the trainer to develop a training programme that is tailored to the Authority's needs.

- j) **FOI updates** - The Chairman reported that no new requests had been received since the last Water Authority Board meeting.
- k) **Cogsdale User-group Conference** - The Chairman reported that the first Caribbean Cogsdale User-group Conference held on 02 June 2017 was a success with Cogsdale expressing interest in holding another conference next year at the Water Authority. Ten Water Authority employees were able to participate with excellent reviews.

### Current Business

- a) **Management Accounts May 2017.**

The Board was provided with the management accounts for the period ending 31 May 2017. Consistent with what was reported in April 2017, the finalisation of the 31 December 2016 financial statements is taking longer than expected and hence the Finance Department does not have official "opening numbers" as at 01 January 2017. Even though official opening numbers are not available the Finance Department will continue to prepare the statements using comparative numbers, whilst a manual exercise it is useful information to have comparatives for the same months as in the prior year.



The balance sheet continues to reflect good cash balances, outstanding loan balances continue to decrease and the Retirement and Pension obligations are recognised. Now that the 31 December 2016 financial statements are nearing final completion it is expected that by the next meeting opening numbers will be used, which will reflect the \* [REDACTED] Health Care benefit - Generali.

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

Revenue continues to be strong compared to prior year, showing an increase of 5.2%. It is the Authority's expectation that operating expenses will be up over last year, most notable with the increase in depreciation (North Sound Plant and Vehicles). Loan interest will continue to decrease, reflective of early debt settlement and no new borrowings, this trend will continue until the loan interest is zero. Administrative expenses were consistent with the prior year, continuing to show a slight decrease over the first 5-months by \* [REDACTED] (3.8%).

In summary, the Authority is in a strong financial position after the first 5-months of the fiscal period, with sufficient cash flows to continue with the CYB extension project, the CYB Site development and daily operational and administrative costs.

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

\* [REDACTED]

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

The Chairman reported that on 20 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 on 24 September 2016 a Fail Audit Inspection for the above account was triggered by a higher than normal water bill. The Meter Reader reported that no movements or leaks were detected and that he left a notice of the visit at the meter box. No further contact was attempted regarding the Fail Audit inspection with the customer because the Meter Reader did not find any problems with the meter.

Subsequently, the customer received a bill in the amount of \$916.90 for the period 17 August - 24 September 2017 (38 days). On 10 October 2016 the customer requested for the Utility Services Auditor to conduct an audit at their property.

The audit was completed on 10 October 2016 at which time the Utility Services Auditor noted the meter had been checked and no movements or leaks were observed. The customer requested that the meter be removed and tested as she was in dispute of the bill for September 2016. This was done on 12 October 2016 the customer was informed that this process would take 4-6 weeks.

On 09 November 2016 the customer was informed that the meter was found to be functioning properly as it met the test criteria at all flow rates. A Special Payment Arrangement was requested by the customer and approved by the Customer Service Manager for twelve (12) instalments. The customer submitted a letter disputing the bill for September 2016 on 20 February 2017. In the letter, the customer states that a private plumber did not find any leaks within the apartment or in the water line running from the road to the apartment. The customer alleges that the meter over-registered her consumption and this can be caused by air in the line or low flow of water.

The letter from the customer was overlooked by the Authority internally until the customer followed up on 31 May 2017. The Authority apologised to the customer for the delay in getting the Board's decision on this request. Additionally, Meter Readers have been clearly instructed to leave the door hangers on the customer's door not their meter box.

In summary, there were no leaks detected at the property during the Fail Audit inspection 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 escalation to the Board, 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. The Special Payment Arrangement remained in place with penalties being waived providing the payment plan is maintained.

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 upon the customer's request and found to be functioning correctly within all parameters. All plumbing downstream of the meter is the customer's responsibility. Members agreed that the Special Payment Plan Agreement remain in place with the usual discounting of late fees (providing payments are made regularly according to the agreement).

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

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

\* The Chairman reported that on 06 June 2017 the Authority received a letter from \* 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 on 17 March 2017 a leak was reported at the customer's location. Operations-WS attended the call out and reported that there was a leak on the customer's side of the meter. The Secretary requested that Operations-WS and Customer Service review the Authority's procedures in these circumstances as the customer made the initial contact and was not informed until 3 days later that he had a leak on his side.

The customer was informed the next business day, 20 March 2017. A site by the Assistant Operations Manager that same day reconfirmed that the *"meter had movement which indicated possible leak on customers side"*. A follow-up visit on 30 March 2017 indicated that the customer's leak had been repaired however there was still water around the customer's meter box. Subsequently a leak was found on the service line from the water main on the Authority's side of the meter. All identifiable leaks at the meter box, for both customer and the Authority, were repaired on or before 30 March 2017. The customer's received a bill in the amount of \$266.38 for the period 16 February – 30 March 2017 (43 days). The meter box was also raised at this location for a charge of \$90.

On 28 April 2017 the customer's meter was read showing consumption of 142.4 cubic meters of water since the last reading on 30 March 2017 (29 days). The April bill received by the customer was in the amount of \$886.05 for the period 30 March – 01 May 2017 (32 days). This substantial higher than normal usage triggered a Fail Audit inspection. This Fail Audit inspection was completed on 01 May 2017 at which time the Meter Reader noted *"No movement no leaks found"*.

After several queries and investigations, the customer was advised by a Customer Service Representative that the leak repaired on 30 March 2017 by the Water Authority (on the Water Authority's side) would not have affected the account. The customer was advised that if he was not satisfied he could have the meter tested or submit a complaint to the Board. The customer paid the bill in full on 06 June 2017 and also submitted a letter to the Board disputing the bill for April 2017.

In his letter, the customer questions the validity of the bill and proposes the idea that the reading could have *"adjusted"* (changed) when the meter was relocated and raised by the Operations-WS team. The customer further suggests that the meter could have been affected when the pipe broke and leaked in to the meter box. Neither of these suggestions is valid as a leak on the Authority's side means less water is going towards the customer's meter and it would require significant impact to or dismantling of the meter to change the readings during the relocation of the meter and meter box.



The customer states that a "technician" told him that the "meter reading indicated it was at the end of its life and would soon need to be replaced". This property is serviced by a 1-inch (25mm) meter and has registered 2,864 cubic meters of water as at 20 May 2017. It is uncertain to whom the customer refers to as a "technician" but no Customer Service Representative indicated to him that the meter was "at the end of its life". This information is not accurate as the Authority's policy is to change out 20mm (3/4-inch) water meters after consumption of 1,800 cubic metres, 25mm (1-inch) meters after a consumption of 5,000 cubic metres.

In summary, there is no evidence to support the customer's claim that the meter dial was adjusted/changed during the relocation/rising of the meter box or the leak near the meter box. The sole tool used by Water Authority to measure water consumption by a customer is the meter. Additionally, the customer chose not to have the meter tested. As all plumbing downstream of the meter is the customer's responsibility, the bill is payable and has been paid in full. The Secretary respectfully sought the Board's decision on the request from the customer.

Members agreed that the customer should be advised that they reconsidered the customer's request and decided not to discount or waive the bill as the Authority's records show that the bill is valid and payable. The leak on the Water Authority's side of the meter was repaired by the Water Authority and the meter box was elevated to which the customer agreed. The relocation of the meter box and meter to another location does not entail any level of extreme impact on the meter that would result in any changes to proper operation of the meter. It is not possible for a leak on the Water Authority's side of the meter to increase the customer's consumption. Additionally, the customer should be advised that the Authority's policy regarding change out of 1-inch (25mm) meters is after a consumption of 5,000 cubic metres. All plumbing downstream of the meter is the customer's responsibility.

#### **Any Other Business**

a) **2017/2018 Scholarship Award.**

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



The Chairman provided an overview of the recommended candidate from the Secretary's notes as follows:

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



**b) Transfer of Plumbers licensing from the Water Authority's Plumbers Examination Board to the Planning Department.**

The Chairman reported that in 2013-2014 the Ministry of PLAHI supported the transfer of the licencing of plumbers from the Authority's Plumbers Examination Board to the Planning Department, however enabling legislation and regulations were not established at the time, so this function remained with the Authority. With the recent legislative changes that made OfReg the regulator of the water and wastewater sector, section 70 (1) (n) of the Water Authority Law (2011 Revision), which provides the Authority the mandate to licence plumbers, was repealed.

The Authority has been in communication with the relevant Ministries and the Department of Planning to work out the transition of this function to Planning. In the course of July the Authority and Planning will meet to discuss the Authority's plan to transition the licensing of plumbers to the Planning Department. As plumbers are licensed for the calendar year, the Authority has proposed that the Planning Department takes on the licensing effective 01 January 2018.

Members requested that the Plumber's Examination Board be thanked for their service to the Water Authority and the Cayman Islands over the years.

c) **Global Water Summit.**

The Chairman reported that the Secretary advised that she was pleased to attend and participate in the above Summit in Madrid, Spain 23-26 April 2017 as a Global Water Leader from the Caribbean. The theme for the event was "**Intelligent Synergies**". The Chairman reported that on 23 April 2017 the Secretary attended a pre-Summit presentation by FATHOM. An overview of the Phoenix-based company, that provides a cloud-based, geospatial platform encompassing the needs of a water utility from end to end, was presented by the Chairman and CEO of the company, Trevor Hill. Also speaking was the CEO of the Public Utilities Board in Singapore, considered one of the most advanced water and wastewater utilities in the world.

This year 2017, the conference focused on the digital revolution and how utility business models are evolving because of this. Access to data is empowering the customer and the developing world, disrupting the traditional dynamics of the water industry. Meanwhile, the age of the 'smart' and 'livable' city has made water an intimate bedfellow with other environmental services such as waste and energy. The summit sessions sought to explore how intelligent synergies blending finance and technology can deliver solutions for both industries and utilities, from Latin America to China.

Questions being asked of the world of water draw comparisons with the way Uber, Airbnb and Amazon have revolutionised transportation, accommodation and commerce; these are industries all based on fixed assets, can similar revolutions occur in the water sector? Crossing boundaries and finding synergies; is sludge management a water business, an energy business or a waste business?

The sessions during the 24-25 April 2017 were varied with presentations, panel and roundtable discussions on desalination and the increasing trend to bring in private financing, greater need for monitoring and control of projects and optimising life cycle costs. Presentations on developing digital strategies in utilities, case studies on what worked and what did not. Topics such as data silos and data integration, IoT, scalability and security of digital platforms, data analytic insights and the role of water digitisation in defined areas were of significant interest. The Chairman noted that this exposure is timely as the Authority is considering its next steps in developing a digital strategy. The innovation strand included presentations from leading utilities of the world where the focus was on the development of an innovative culture within and across utilities.



The Chairman reported that the Secretary was invited to attend a special Water Tariff Workshop that focused on building and maintaining robust water tariffs. However, this workshop was more geared to utilities in less advanced societies.

The CEO Forum consisted of CEOs that provide wide ranging types of technology to various sectors of the water industry such as GE, Hach, Xylem, Evoqua Water Technologies, Abengoa and GS Inima Environment. This was an interesting plenary where the discussions and questions were on whether the digital revolution will bring dramatic change to the water sector or merely incremental changes. Is the future going to be about providing assets, technologies or services?

The Chairman noted that the Secretary attended a second specialised workshop on Water Access and Sanitation that was again specific for the Global Water Leaders. The workshop afforded an opportunity to assess a new model for water access and sanitation developed by the Global Water Leaders Group with members of the World Economic Forum's Global Agenda Council for Water. The workshop facilitators sought input and feedback on the workability of the model presented for water access and potential ideas for pilot projects.

The Chairman reported that on 26 April 2017, the Secretary participated in a field visit to the Centro de Control de Majadahonda, Canal de Isabel II Gestión that manages the supply of drinking water and wastewater sanitation in the city of Madrid through its Control Centre. The Centre controls, on a daily basis, an average of 1.36 million cubic meters of drinking water and monitors, in real time, the hydraulic status of the distribution and collection networks, the quality of the water, the groundwater abstractions and other parameters.

This impressive Centre receives all the information - 65,000 data per minute - allowing it to manage its infrastructures through 90,000 control elements in its installations, connected through 1,741 remote stations and 57 remote controls, capable of remote control of the most isolated infrastructures. Approximately 11,680 manoeuvres are carried out annually from the Control Centre and 155,000 warnings are recorded. It is operated 24 hours a day, 365 days a year, by a team of 60 people.

The visit also included the accredited laboratory where the quality of the water in the distribution system and from the sewage treatment plants is analysed. This was a very impressive facility and even more so that all of the control systems are duplicated at another location for redundancy. The Chairman noted that the Secretary thanked the Board for supporting her participation.

**d) Director's Leave.**

The Chairman reported that the Secretary is expected to be on leave during the period 26 June through 24 July, returning to work 25 July 2017. She will be back on island on 21 July 2017.

**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) Cayman Islands Seafarers Association – 2018 Annual Calendar.
- b) New Testament Church of God Pre-School – 2017 Student(s) Special Awards for School Leaving Ceremony.
- c) Stake Bay Baptist Church Youth – Word of Life Youth Camp in NYC.
- d) Island Games Association of the Cayman Islands – International Island Games XVII.

There being no other business the Chairman thanked members and the meeting was adjourned at 3:30pm.

This is a true and accurate account of the proceedings.

  
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The Chairman  
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The Secretary