

**CONFIDENTIAL**



**Water Authority of the Cayman Islands**

**Minutes of 285<sup>th</sup> Meeting held on 28<sup>th</sup> February 2018**

**Members Present:**

Chairman:	Mr K Gomez
Members:	Ms T Ebanks Mr J Gill Ms S Mitchell Ms A Owens Mr C Randall Mr M Rankine
Secretary:	Dr G Frederick-van Genderen
Apologies:	Mr H B Ebanks Ms L Ryan Ms R Sharma Mr A Wright

**Call to Order**

The Chairman welcomed members to the meeting and acknowledged apologies from Mr H B Ebanks, Ms L Ryan, Ms Sharma, and Mr A Wright. After ascertaining that there was a quorum, the meeting was declared open and called to order at 1:32pm.

**Confirmation of Minutes of the 284<sup>th</sup> Meeting held on 24 January 2018**

The Chairman asked for confirmation of the Minutes of the 284<sup>th</sup> Meeting held on 24<sup>th</sup> January 2018. Mr J Gill moved the motion to accept the Minutes as amended, Mr C Randall seconded the motion and the motion passed unanimously.

**Declaration of Conflicts of Interest**

No declarations were made.

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

The Secretary reported that during the period 01 January 2018 – 23 February 2018 the LVRO Plant produced on average 1,219 cubic metres per day, which is approximately 41% of its design water production capacity.

The Secretary reported that the Engineering Services Department (ESD) has determined that low flow media filtration is the recommended additional unit process to mitigate the fouling effects on the water production. This will allow the time between pre-filter cartridge change outs and membrane cleanings to be extended to something more manageable and cost effective allowing the LVRO Plant to return to water production using both trains long-term.

The approximate layout of potential equipment has been drafted to see how it might fit, a draft specification for the pre-treatment system has been developed, and a draft piping and instrumentation diagram (P&ID) of the process has been prepared.

The Secretary noted that at present the LVRO Plant could produce water using two trains and make approximately 2,700 cubic metres per day on average, if this production is required on an emergency basis, but this will be at the expense of reduced life expectancy of the pre-filter cartridges.

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

The Secretary reported that on 12 February 2018 Faith Hospital was finally connected to the piped water supply. Mr C Randall advised that he was aware that the Hospital was not fully utilising the piped water supply. The Secretary promised to recheck the status of the connection.

The Secretary reported that requests for new water service connections continue to trickle in. Since the New Works pipelaying crew returned to Cayman Brac in January 2018, 21 water service connections were installed. Currently, there remain 24 outstanding water service connections at various stages of the process throughout the water distribution system. The Authority's pipelaying crew will continue to alternate the pipeline installation with the installation of new water services.

*Cayman Brac RO Plants*

The Secretary reminded members that the order for the replacement feedwater pumps was placed on 12 January 2018. The latest information from the pump

manufacturer confirmed that these pumps should be shipped by late-March 2018.

**c) Supply of Sewer Cleaning Truck (Vac-Truck) - Update.**

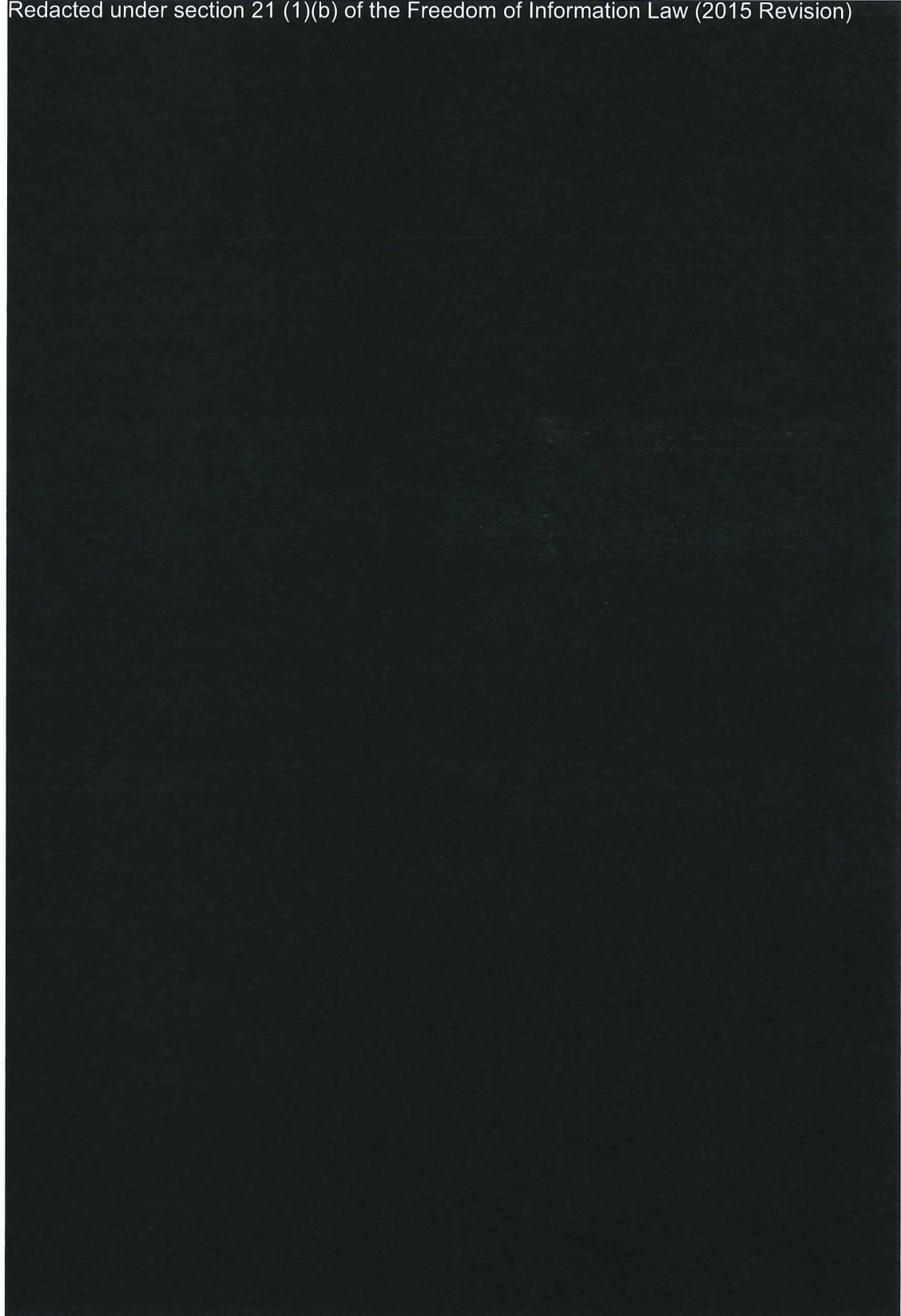
The Chairman reminded members that as reported at the January 2018 Board meeting, on 19 December 2017 the Central Tenders Committee (CTC) denied the Water Authority's request for permission to purchase a new combination sewer cleaning truck using Vac-Con, Inc as a single source supplier, as they were of the opinion that the Water Authority had not demonstrated that this proposed purchase would provide the best value for money, and that Vac-Con is the only acceptable manufacturer to meet the needs of the Water Authority.

Subsequently, the Authority started the public tender procurement process for the purchase of the combination sewer cleaner. The CTC opened the returned tenders around 12:46 PM on 07 February 2018 and a Tender Evaluation Report was prepared (copy provided to Board members).

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



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



- d) North Sound & Red Gate RO Plants Operating Contracts - Update.

The Secretary reminded members that as reported at the last Board meeting, the present operating agreements between Ocean Conversion (Cayman) Ltd (OCL) and the Water Authority for the North Sound Reverse Osmosis Plant and the Red Gate Reverse Osmosis Plant will terminate on 01 April 2018 and 01 July 2018 respectively.

The Secretary reported that at its meeting on 07 February 2018 the CTC accepted the Water Authority's request to allow the Water Authority to extend the current operating contract with OCL for the North Sound RO Plant by three months, i.e., up to 01 July 2018.

On 22 February 2018 the Deputy Director met with Mr Rick McTaggart, President and CEO of Consolidated Water Co Ltd and it was agreed to extend the operating contract for the North Sound SWRO Plant by three months, under the same terms and conditions of the existing agreement. The Secretary advised that the required amendment to the operating contract had been prepared and was respectfully before the Board for approval by resolution.

#### Resolution

*The Water Authority of the Cayman Islands hereby resolves to extend to 01 July 2018 the current Operating and Maintenance Contract with Ocean Conversion (Cayman) Ltd., under the same terms and conditions, for the North Sound Sea Water Reverse Osmosis Plant at the Red Gate Water Works site, Grand Cayman, Cayman Islands and that the Water Authority further resolves that Mr Kearney Gomez MBE, JP, Chairman and Mr James Gill, Board Member be authorised to sign the Amendment#5 to the Contract Documents on behalf of the Water Authority of the Cayman Islands.*

Members accepted, by way of the above resolution, Amendment #5 to extend the current North Sound RO Plant Operating Contract with OCL for 3 months and approved for the Chairman Mr Kearney Gomez, and Board Member Mr James Gill to sign the document on behalf of the Water Authority.

The Secretary reported that the Engineering Services Department is in the process of preparing tender documents for one new operating contract, for the two RO Plants combined, to commence on 01 July 2018.

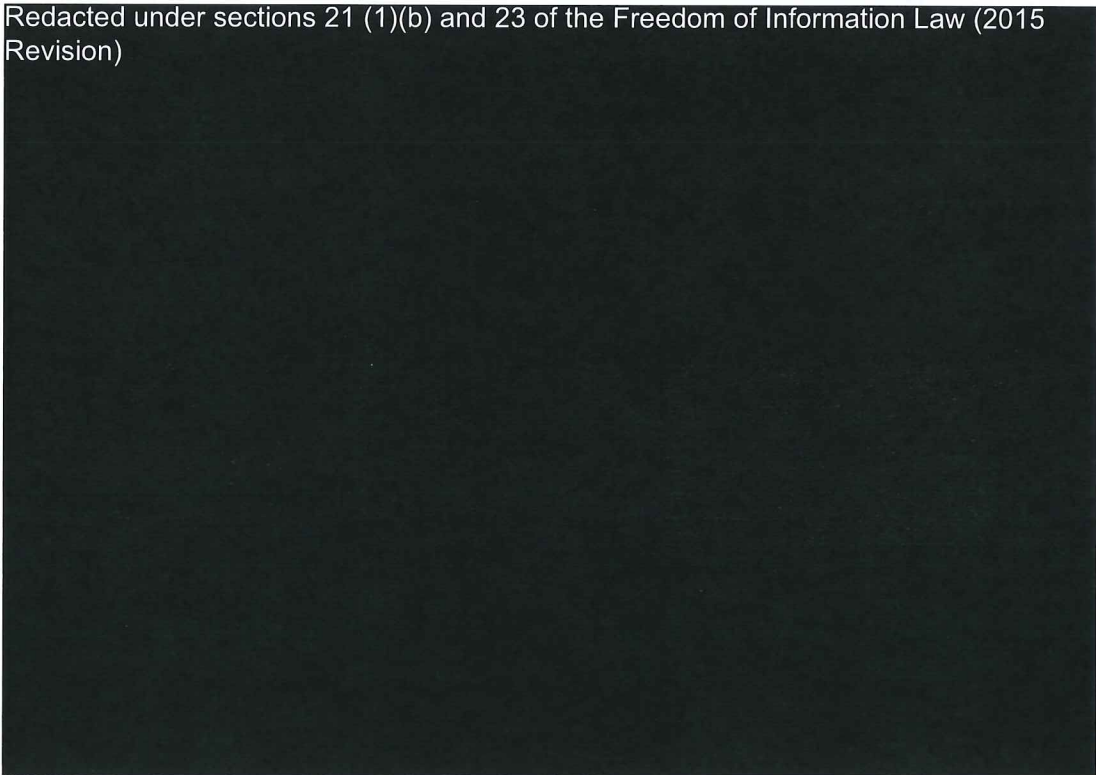
e) **Red Gate Water Works - Supply & Erection of Bolted Steel Tank for Water Storage 2017 - Update.**

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

The Chairman reported that at its meeting on 07 February 2018 the CTC accepted the Water Authority Board's recommendation to award the contract for the supply and erection of a 2.0 MG glass-fused-to-steel bolted tank to Florida Aquastore who submitted the most competitive tender for this contract in the amount of \* [REDACTED] which was 16.7% below the Engineer's Cost Estimate.



On 08 February 2018 a copy of the signed contract documents was sent to Florida Aquastore. The whole of the Works must be completed on or before 02 August 2018.

- f) Redacted under sections 21 (1)(b) and 23 of the Freedom of Information Law (2015 Revision)
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- g) **31 December 2016 & 31 December 2017 Audit of Consolidated & Divisional Statements, 2018-2019 Ownership Agreement - Update.**

*Annual Report 2015/2016*

The Secretary reported that the Ministry of Education, Youth, Sports, Agriculture, & Lands (EYSAL) advised on 21 February 2018 that this report would be tabled in the Legislative Assembly during the March 2018 sitting.

*31 December 2017 Audit – Consolidated, Divisional and Island Financial Statements for Water, Wastewater and Statutory*

The Secretary reported that KPMG arrived on site on 12 February 2018 to commence the audit field work, to date they are working with the Finance Department with no issues being brought to the Authority's attention. KPMG is expected to be on site for another 2-3 weeks.

*Annual Report 2016/2017*

The Secretary reported that this document will be finalised after the completion of the 18-month consolidated audit.

*Public Service Pension Board – Defined Benefits Pension Plan – 31 December 2017*

*Public Service Pension Board – Defined Post-Retirement Healthcare – 31 December 2017 - CINICO for Defined Benefits Pension Plan Employees*

*Public Service Pension Board – Defined Post-Retirement Healthcare – 31 December 2017 - Generali*

The Public Service Pensions Board, who is responsible for the above three reports, provided an email to all affected parties on 20 February 2018 indicating that the reports would not be ready for early/mid-February 2018 as originally planned and that entities were requested to estimate the amounts in the submitted financial statements. The Authority notified KPMG and will work diligently when the reports become available.

*Credit & Debit Card Standing Orders*

The Secretary reported that the second month has been completed where this standing order payment method was no longer accepted. It was noted that there have been very few comments/concerns/complaints voiced from customers and there was a significant increase in the online web payment method, jumping from 926 in January 2017 to 1,392 in January 2018, an increase of 50%.

*Salaries and Wages*

The Secretary advised that historically the Authority had 2 categories of employees, salaried and hourly, with hourly employees being paid based on timesheets and number of hours worked. Upon internal examination the decision to merge the two payment methods was considered prudent as it would treat all employees the same, streamline the payroll process and minimise the time that hourly employees spend filling out timesheets. The National Roads Authority (NRA) also moved their hourly paid staff to salaried staff.

The Authority is cognizant that this is a change to how employees are being paid and this information will be presented to effected employees on 02 March 2018 to ensure complete understanding and allow for any questions to be answered.

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

The Chairman reported that further to the January 2018 Board meeting, OfReg continued communication with the Authority on its regulatory role of the water and wastewater sector. Earlier in February 2018, in response to OfReg's questions about the monitoring of drinking water quality, the Authority provided feedback on its views on this issue.

During the week of 19 February 2018 the Authority received an invitation from OfReg to comment on its desired/proposed rate adjustment mechanism. This has been an issue for intensive and protracted discussion throughout the

period that the Authority, as the water utility regulator, and Cayman Water Company, negotiated the renewal of Cayman Water Company's licence. The Authority, with support of the Board and Government advocated the adoption of the RCAM used by the then Electricity Regulatory Authority (ERA), now OfReg, to licence CUC. The RCAM provides an equitable mechanism to reward the utility for its investments while protecting the customer from rates that are not related to the actual cost of providing water.

The Chairman reported that the Authority will provide a detailed response to OfReg in due course.

i) **Public Authority Law – Update.**

The Secretary reported that as agreed at the last Board meeting, the Authority wrote on 02 February 2018 to the Honourable Minister and copied to the Attorney General (AG) the issues documented by the Authority's lawyers regarding the Public Authority Law (PAL). The cover letter to the Honourable Minister O'Connor-Connolly was signed by the Chairman and the Secretary as agreed. No official response had been received however the Secretary was informally advised by the Honourable Minister that she had received the letter and was looking into the matter. The Secretary will follow-up with the Ministry and the AG. Ministry representative on the Board, Ms T Ebanks offered to assist with discussing the matter with the Honourable Minister.

j) **Miscellaneous Updates.**

a) *In-House Pipelaying Crews* – The Chairman reported that on 07 February 2018 the crew completed the installation of 146 metres (480 feet) of 80mm (3-inch) diameter pipe to a new development off Pedro Castle Road.

At the last Water Authority Board meeting it was agreed to waive the cost to extend the pipeline to provide service to Block 52C Parcel 86 in consideration of the property owner's personal circumstances. Work commenced on 08 February 2018 and nearly 70 metres (220 feet) of 100mm (4-inch) diameter pipe have been installed to date. This pipeline will be connected to the water main in Bodden Town Road on 04 March 2018 (a Sunday), as on regular week days traffic would make it difficult to complete this work which involves a road crossing.

The crew will soon commence the installation of approximately 300 metres (1,000 feet) of a 150mm (6-inch) diameter pipeline in Colby Drive (off Hirst Road) to connect a new 30-lot sub-division. Most of this work is an upgrade of the existing 80mm (3-inch) and 63mm (2-inch) pipes.

Other works carried out by this crew are noted in comments under Esterley Tibbetts Highway and Linford Pierson Highway below.

b) *Linford Pierson Highway Widening* – The Chairman reported that the last portion of the Water Authority's work on this phase of the Linford Pierson project comprises the connection of the existing 150mm (6-inch) pipeline from Agnes Way to the new 300mm (12-inch) water main in Linford Pierson



Highway. This work will be carried out after the NRA has constructed the proposed roundabout at this intersection, and traffic has been properly diverted, so that the Water Authority can safely carry out the remaining work.

- c) ***Esterley Tibbetts Highway Widening*** – The Chairman reported that as has been reported previously, the Authority's pipelaying crew cannot complete the last approximately 300 metres (1,000 feet) of 300mm (12-inch) water main along Esterley Tibbetts Highway until NRA/DECCO have completed the remaining road construction works up to the Butterfield Roundabout (e.g., relocation of CUC poles, fences, roughing-in of the road, installation of kerbs, etc).

On 30 January 2018 the Authority's pipelaying crew completed the transfer of all existing customers on the old pipeline section to the completed section of the new pipeline. The old pipeline has been abandoned and NRA/DECCO resumed the installation of streetlights, curbing etc.

- d) ***Water Supply Division*** – The Chairman reported that next week Operations-Water Supply will replace approximately 65 metres (220 feet) of 300mm (12-inch) diameter water main near the Butterfield Roundabout. This section has been prone to two large breaks over the last 6 months. Due to the heavy traffic, this work will be carried out at night, so that traffic can be re-routed away from the work area.

Preventative maintenance services are being carried out to two of the Water Authority's glass-fused-to-steel water storage tanks, one at the Lower Valley Water Works and one at the North Side Water Works, and are necessary to maximize the useful life of these tanks and to protect the Water Authority's investment. Both tanks have been emptied and cleaned. The services comprise the removal of the existing sealant from the interior and exterior tank side panels, the installation of new sealant, and the replacement of polyethylene plastic exterior bolt caps. This work is carried out by two Florida Aquastore representatives, assisted by Operations staff. Work started last week and will take approximately 8-10 weeks to complete.

- e) ***Wastewater Division*** – The Chairman reported that during the period 01 January 2018 – 25 February 2018, the design hydraulic capacity of the plant (2.5 mgd) was not exceeded once. The average daily wastewater inflow from West Bay Road during that period was 2.15 mgd (or approximately 86% of design capacity). This amount was approximately 10% more than the average influent measurement during the same period the previous year (1.96 mgd).

- f) ***West Bay Road New Force Main*** – The Chairman reported that as reported previously, Dart Group's proposal to construct an under-pass across West Bay Road resulted in parts of the Water Authority sewerage infrastructure to be re-located, including the relocation of PS 4 to north of the underpass.

During the week of 19 February 2018 DECCO completed the installation of the last section of 250mm (10-inch) HDPE force main into the manhole in

the West Shore Centre (including a 450mm (18-inch) nominal diameter PVC backdrop).

- g) *Sewer Force Main Installation* - The Chairman reported that the contractor Wharton-Smith, Inc has nearly completed the installation of approximately 245 metres (800 linear feet) of 150mm (6-inch) nominal diameter High Density Polyethylene (HDPE) pipe, using the traditional open-cut method, along Helen Drive from the pump station PS12 at the end of Watler's Drive. Once the pipeline has been installed work will commence on the valve vault of PS12 (replacing all pipes and fittings). It is anticipated that this contract will be completed within 2-3 weeks.
- h) *FOI updates* - The Chairman reported that one new request was received since the 24 January 2018 Board meeting as shown in the FOI Report provided to members.
- i) *Water Authority's 35<sup>th</sup> Anniversary* - The Chairman reported that the Water Authority continues with its 35<sup>th</sup> Anniversary activities one of which was participation in the 51<sup>st</sup> Agricultural Show on 14 February 2018. World Water Day is 22 March 2018; the theme is Water and Nature; an ad has been created that ties in with this theme, embracing the 35<sup>th</sup> Anniversary and the message that tap water is safe. The ad will be on the Authority's website and other social media. Members suggested that the Authority have a presence at the Cayman Brac Agriculture show to encourage customer sign up. Also it was suggested that there is a message from Honourable Minister on World Water Day.
- j) *Onsite Wastewater Treatment System Operation & Maintenance Challenges* - The Chairman reported that at the January 2018 Board meeting it was reported that the Authority had encountered substantial issues with the poor Operation and Maintenance of the new 90,000 gallon per day capacity wastewater treatment plant at Morritt's Tortuga Club (Morritt). As a result of intense communication from the Authority and a commitment by Morritt to improve the situation, substantial improvements were made. Morritt ensured that their staff responsible for O&M of the plant followed the training required by the Authority, they are complying with the record keeping as required by the Authority and made sufficient resources available. The Authority will continue to monitor the situation through inspection of records and collection of wastewater samples on a quarterly basis.

### Current Business

#### a) **Management Accounts January 2018.**

The Finance Department has not been able to prepare financial statements for January 2018 as opening numbers are not yet available. However, the sales are consistent with prior years, coming in at \* [REDACTED] versus \* [REDACTED] in

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

January 2017, expenses are not yet completed as the focus has been on the 31 December 2017 audit.

### Any Other Business

- a) Redacted under section 23 of the Freedom of Information Law (2015 Revision)
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- b) **Request for Waiver of the Requirement for a Deposit from Non-Profit Organisations (NPOs) Registered under the Non-Profit Organisations Law 2017.**

The above item was raised by a member the Board. There had been discussions under the previous Board regarding allowing a waiver of a deposit for NPOs. However as the NPO Law had not been brought into effect there was no clear process on how to ensure that the Water Authority was not exposing itself to additional liability.

After some discussion, members decided that new applications from Non-Profit Organisations that are registered under the Non-Profit Organisations Law 2017 will have the requirement for a deposit waived and also that the requirement for a Certificate of Good Standing would no longer be applicable. If the published Registry does not have the name of the NPO requesting the service then the NPO will have to provide proof from the General Registry that the organization has been properly registered.

### 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:

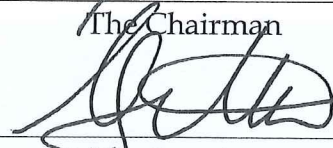
- a) High Impact Media – Cayman Islands Classic NCAA Basketball Tournament.
- b) Clifton Hunter High School – Cayman Airways Flight Club.
- c) DreamChasers Cayman – Jamaica Dance Umbrella Dance Festival in Kingston, Jamaica.
- d) Cayman Carnival Junior Batabano 2018.
- e) Cayman Brac Annual Agriculture Show Committee 2018.

There being no other business the Chairman thanked members and the meeting was adjourned at 2:51pm.

This is a true and accurate account of the proceedings.



The Chairman



The Secretary