

CONFIDENTIAL



Water Authority of the Cayman Islands

Minutes of 296th Meeting held on 20th February 2019

Members Present:

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

Call to Order

The Chairman welcomed members to the meeting and after ascertaining that there was a quorum, the meeting was declared open and called to order at 1:32pm. The Chairman then asked Mrs L Ryan to open the meeting with prayer.

Confirmation of Minutes of the 295th Meeting held on 30th January 2019

The Chairman asked for confirmation of the Minutes of the 295th Meeting held on 30th January 2019. Mr C Randall moved the motion to accept the Minutes, Mr J Gill seconded the motion and the motion passed unanimously by members able to vote. Mr A Wright joined the meeting at this point.

Declaration of Conflicts of Interest

None.

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

The Chairman reported that during the month of January 2019, running one RO train only, the plant produced on average 1,247 cubic metres per day, which is approximately 42% of its total design water production capacity.

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

The Chairman reported that pipelaying in Georgiana Drive (East) and Georgiana Drive (West) was finished earlier in February 2019 and this completes the upgrade/repair work of the pipeline in West End Road (West). In early February 2019 the pipelaying crew resumed work in the side roads east of Faith Hospital (i.e., Ocean Villa Drive).

Later in this month of February 2019, work will commence on the upgrade of the 150mm (6-inch) pipeline, to 200mm (8-inch) in Cross Road, between the West End Water Works and the intersection with West End Road. HDPE pipes and fittings, to be used for the temporary pipeline during the upgrade, arrived in Grand Cayman and were shipped to Cayman Brac. Additionally, various pipelines within the West End Water Works site (main distribution pipeline (from water distribution pump station to Cross Road, suction pipeline (from reservoirs to pump station) and treated water pipe (from post-treatment room to reservoirs) will be upgraded.

Brac Bluff Water Works

The Chairman reported that the Authority continues to consider its options as this work is critical for the design of the abstraction and disposal wells for the future Reverse Osmosis plant at the Cayman Brac Water Works and Little Cayman Water Works. The Authority directly contacted well drilling companies in Florida to determine their interest in this work. Only two positive responses, both companies with headquarters in Miami, FL were received. The Water Authority is also in the process of reaching out to companies in Jamaica and the Bahamas. To date only one Jamaican company has responded indicating that they do not use wireline core-drilling equipment.

The previously issued tender documents for the Exploratory Drilling Contract will be modified to reduce the unknown factors for these US-based well drillers as well as the two local companies (e.g., by removing temporary work permits, accommodation etc. from the contract), to increase the likelihood that they will be interested and submit a reasonable bid.

c) North Side RO Plant Operating Contract - Update.

The Chairman reported that a mandatory Pre-Tender Conference, with a tour of the SWRO plant, was held on 05 February 2019 to provide prospective Tenderers with adequate information to prepare their tender. All three interested companies attended this meeting. Unfortunately, on 06 February 2019 SUEZ advised that it had made the decision to not provide a tender for this project, leaving only two companies (Ocean Conversion Ltd., and ROCON Services (Bermuda) Ltd) to bid on this contract.

In response to the various questions asked at the Pre-Tender meeting a Tender Addendum was issued on 11 February 2019, providing clarifications and interpretations to the Tender Documents. The tender deadline is noon on 27 February 2019.

d) 31 December 2018 Audit of Consolidated & Divisional Statements - Update

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

The Secretary reported that the Island statements for December 2017 will be submitted when the 2018 audit is wrapped up in May/June 2019 as the priority now is the 2018 audit.

Annual Report 2016/2017

The Secretary reported that the Authority's expectation remains that the annual report will be tabled in the Legislative Assembly at the first sitting of this year (2019). Ms T Ebanks confirmed that she expects that the Annual Report will be tabled at that time.

31 December 2018 Audit – Consolidated, Divisional and Island Financial Statements for Water, Wastewater and Statutory

Audit Preparation

The Secretary advised that KPMG commenced work onsite from 04 February 2019 and is expected to be at the Authority for approximately 4-6 weeks.

Accounting Reporting Standards – IFRS 9 and 15

The Secretary reported that the Authority's Financial Controller continues to work with Grant Thornton on this project and it is expected that the new reporting standards will be included in the draft Financial Statements that will be provided to the Office of the Auditor General (OAG) and KPMG on or before 28 February 2019.

Actuarial Reports

The Secretary reported that to date there had not been any updates on these reports from PSPB, however the Authority is still optimistic that the draft reports will be received in time to incorporate into the 31 December 2018 draft financial statements that need to be provided to the OAG and KPMG on 28 February 2019.

If the reports are not ready then a professional estimate will be made and adjusted when the MERCER reports are received.

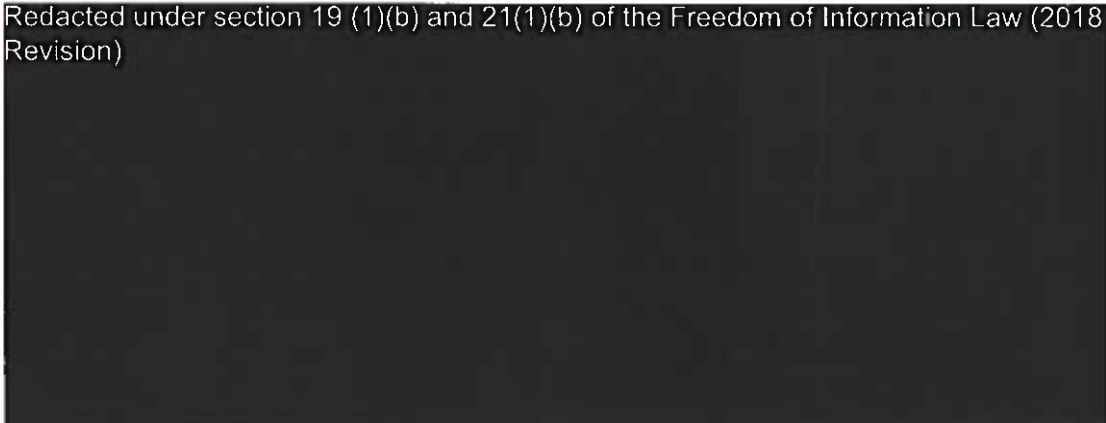
Re-valuation of Fixed Assets

The Secretary reported that the Financial Controller relayed this information to the Ministry's Chief Financial Officer, as of 20 February 2019 there has been no response.

Redacted under section 16 of the Freedom of Information Law (2018 Revision)



Redacted under section 19 (1)(b) and 21(1)(b) of the Freedom of Information Law (2018 Revision)



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

OfReg Consultation on Proposed Water Sector (Licence, Fee and Penalty) Regulations

The Secretary reported that there has been no response or feedback from OfReg on the Authority's input.

OfReg Consultation on Proposed Truth in Advertising Rules

The Secretary reported that the Authority will provide a response to this consultation by the deadline of 15 March 2019.

Redacted under section 21 (1)(b) of the Freedom of Information Law (2018 Revision)



Redacted under section 21 (1)(b) of the Freedom of Information Law (2018 Revision)



f) **Miscellaneous Updates.**

- a) ***In-House Pipelaying Crews*** ~ The Chairman reported that pipelaying on the remaining section of the 150mm (6-inch) pipeline in Owen Robert Drive, between Cayman Airways and Dorcy Drive, which was upgraded to 300mm (12-inch), was completed in late January 2019 and was commissioned on 31 January 2019.

On 21 January 2019 the Water Authority contacted the National Roads Authority (NRA) enquiring about their plans for the upgrade of the roads west of the Owen Roberts Drive/Dorcy Drive intersection to accommodate the increasing traffic flows from Owen Roberts International Airport. Unfortunately, as no response to the enquiry was received, the Authority decided to install a short section of 300mm (12-inch) pipe between the Shedden Road-Dorcy Drive intersection (near Kirk Motors) and Maclendon Drive, prior to NRA paving the easternmost portion of the Elgin Avenue -Shedden Road Extension.

On 17 February 2019 the connection to Shedden Road was made, and approximately one-third of the 300mm (12-inch) pipe between the Shedden Road and Maclendon Drive was installed. The remaining section will be done this coming weekend.

This pipelaying work is in anticipation of installing a 300mm (12-inch) water main in Maclendon Drive in the near future, rather than along Dorcy Drive (due to traffic concerns). This will ensure that there are two, independent, water mains from our main water distribution pumping station to the water distribution system: (i) Red Gate Road-North Sound Road-Shedden Road; and (ii) Red Gate Road-Breezy Way-Owen Roberts Drive-Shedden Road. This redundancy will improve service reliability.

On 04 February 2019 the pipelaying crew commenced the installation of a pipeline in a very narrow Public Road off Lyndhurst Avenue to provide water service to a house under construction. This pipeline was tested, disinfected, flushed and commissioned on 08 February 2019. A total of 135 metres (440 feet) of 80mm (3-inch) diameter PVC pipe was installed.

On 14 February 2019 the pipelaying crew capped and abandoned the northernmost section of the 100mm (4-inch) pipeline in Marina Drive and installed a washout at the end of the shortened pipeline. This portion of the road was vested to the Harbour House Marina property. This work was necessary as

Redacted under section 21 (1)(b) of the Freedom of Information Law (2018 Revision)

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Current Business

a) **Management Accounts January 2019.**

The Secretary reported that draft management accounts for the January 2019 period were not available as priority has been placed on the preparation and completion of the 2018 financial accounts.

The Secretary reported that the water sales for January 2019 were \$3.5 million, which was 11.3% higher than in January 2018. (\$2.9 million).

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

* Redacted under section 23 of the Freedom of Information Law (2018 Revision)

The Secretary reported that on 26 June 2018 the Authority received a letter from [REDACTED] informing the Water Authority that she was verbally promised by a previous Water Authority manager that she would not have to pay any sewerage charges as the Water Authority had placed manholes on her property in [REDACTED]. 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 14 March 2013 the customer opened and was connected to the sewerage line of Water Authority for the [REDACTED]. The SFUs calculated were 60 and the deposit of \$96.42 was paid. The customer's monthly sewerage bill is approximately \$96.42 and is up to date.

On 26 June 2018, the customer wrote that she had a verbal agreement from the Manager at the time that she would not be required to pay for service if a connection was made. A map provided by the Engineering department shows that two manholes [REDACTED] are installed on the customer's property.

Redacted under section 21 (1)(b) and 23 of the Freedom of Information Law (2018 Revision)

the Water Authority cannot be responsible for pipelines which are inaccessible to its crews.

- b) **Water Supply Division** – The Chairman advised that as reported earlier last year several leaks occurred on the 150mm (6-inch) diameter pipeline in Melmac Avenue. Last week Operations-WS started the replacement of this pipeline.

The previously mentioned upgrade of the pipeline in Butterfly Circle, off Hirst Road will be started as soon as the Melmac Avenue project has been completed.

- c) **North Side Water Works** – The Chairman noted that as reported previously, in anticipation of the construction of two (2) additional water storage tanks at the North Side Water Works, approximately 2.5 acres must be cleared at this site. Earlier efforts to obtain quotes in 2018 were not successful. On 01 February 2019 five companies/individuals were contacted directly, and were asked, if interested in this work, to provide a lump sum no later than noon on 15 February 2019. By the revised deadline of noon on 15 February 2019 four responses had been received.

The Engineering Services Department subsequently reviewed the various proposals, and the contract was awarded to Icon Heavy Equipment, who submitted the most competitive proposal in the amount of CI\$7,000.00. It is anticipated that clearing of the site will commence towards the end of next week, and will take approximately one week to complete. It was noted that the highest bid for this work was \$35,000.00.

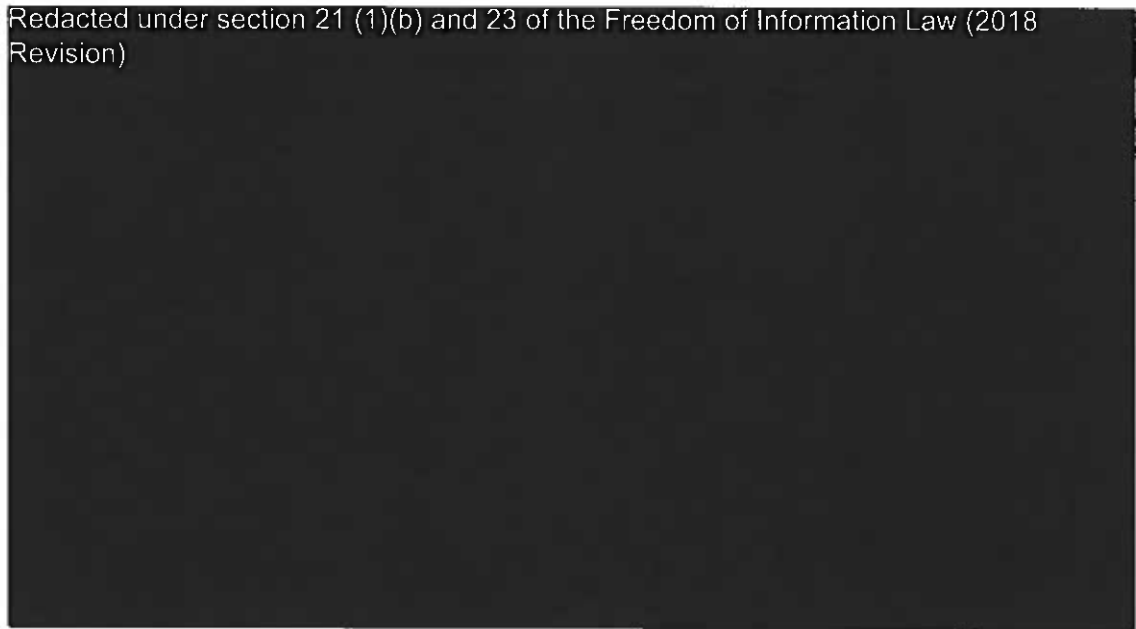
- d) **Wastewater Division** – The Chairman reported that during January 2019, the design hydraulic capacity of the wastewater treatment plant (2.5 mgd) was exceeded for seven days. The average daily wastewater inflow from West Bay Road during that period was 2.34 mgd (or approximately 94% of design capacity). This amount was 12.5% higher than the average influent measurement during the same period the previous year (2.08 mgd).

Work will soon commence with the repair of the severely leaking 200mm (8-inch) diameter sewer pipeline in Lawrence Boulevard. The entire section will be replaced with a 200mm (8-inch) HDPE pipe which will be installed using pipe bursting. In anticipation of this work, Industrial Services Equipment Ltd is presently installing a 250mm (10-inch) diameter well which will be used to accept, under pressure, the groundwater evacuated from the trench.

- e) **FOI updates** – The Chairman reported that no FOI questions were received since the January 2019 Board meeting.

- f) Redacted under section 21 (1)(b) of the Freedom of Information Law (2018 Revision)
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Redacted under section 21 (1)(b) and 23 of the Freedom of Information Law (2018 Revision)



The Secretary respectfully sought the Board's decision on the request from the customer. After discussion, members decided to defer a decision on this customer's request until a more detail evaluation of the current situation regarding the number and purpose of the Water Authority's manholes and other infrastructure was further documented and clarified in a report from the Authority's Engineering Services Department.

Any Other Business

a) EYSAL Board Member.

Ms T Ebanks advised members that this would be her last Water Authority Board meeting as she was going to work in another area of Government. Her last day in the Ministry will be 08 March 2019. The Acting Chief Officer will make the decision on whether she will attend herself or delegate to another member of the EYSAL Ministry staff. The Chairman and Board members thanked Ms T Ebanks for her service on the Board and wished her all the best in the new position.

Donation Requests


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

1. John Gray High School – Cayman Arts Festival.
2. Cayman Carnival Batabano – Junior Batabano.
3. Sister Islands Agriculture Show Committee – Annual Cayman Brac Agriculture Show 2019.
4. Cayman Islands Netball Association – International Series: European Tour.


5. Rotary Club of Cayman Brac – Bingo Fundraiser Night.
6. John Gray High School – Global Young Leadership Conference (GYLC).

There being no other business the Chairman thanked members. The meeting was adjourned at 3:00pm.

This is a true and accurate account of the proceedings.



The Chairman



The Secretary