

CONFIDENTIAL



Water Authority of the Cayman Islands

Minutes of 297th Meeting held on 20th March 2019

Members Present:

Chairman:	Mr K Gomez
Members:	Mr H B Ebanks Mr J Gill Ms A Owens Mr M Rankine Mr C Randall Mrs L Ryan Mr A Wright
Secretary:	Dr G Frederick-van Genderen
Apologies:	Ms C Cacho (<i>Ministry's ex-officio member</i>)

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 1:33pm. The Chairman noted apologies for Ms C Cacho who is the Acting Chief Officer for the Ministry of Education, Youth, Sports, Lands and Agriculture. The Chairman then asked Mrs L Ryan to open the meeting with prayer.

Confirmation of Minutes of the 296th Meeting held on 12th February 2019

The Chairman asked for confirmation of the Minutes of the 296th Meeting held on 12th February 2019. Mr J Gill moved the motion to accept the Minutes as amended, Mr A

Wright seconded the motion and the motion passed unanimously by members able to vote.

Declaration of Conflicts of Interest

None.

Matters Arising

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

The Chairman reported that during the month of February 2019, running one RO train only, the plant produced on average 1,173 cubic metres per day, which is approximately 39% of its total design water production capacity. The plant was down for two days for membrane cleaning. If these two days are not included, the average production would have been 1,263 cubic metres per day, or 42% of its design water production capacity).

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

The Chairman reported that in early February 2019 the pipelaying crew resumed work in the side roads east of the Faith hospital (i.e., Ocean Villa Drive). By the end of February 2019, they had installed more than 380 metres (1,250 feet) of 100mm (4-inch) diameter pipe.

In early April 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. Additionally, various pipelines on the West End Water Works (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

As reported previously, the Exploratory Well Drilling at the Cayman Brac Bluff site and on Little Cayman is critical for the design of the abstraction and disposal wells for the future Reverse Osmosis (RO) plant at the Brac Bluff Water Works as well as the future containerised RO plant in Little Cayman.

It is anticipated that later this month the slightly modified tender documents for the Exploratory Drilling Contract at the Cayman Brac Bluff site and on Little Cayman will be sent to the two US-based well drillers who expressed an interest in carrying out this work. Once their responses have been received, with the expectation of reasonable bid amounts, the local well drillers will be asked to provide a bid based on the same modified documents.

c)

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)



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

As indicated in previous meetings, the Secretary advised 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 (April 2019).

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

28 February 2019 Reporting Deadline

The Secretary advised that the Financial Controller confirmed that the reporting deadlines for both the Office of the Auditor General (OAG) as well as the Ministry were met, with all 31 December 2018 information provided to the relevant parties. The draft 31 December 2018 Trial Balance (TB), Financial

Statements and Annual report were provided to the OAG and KPMG in compliance with the Public Management and Finance Law (PMFL). Supplemental information, inclusive of a summary letter, draft Financial Statements, copy of the detailed TB, copies of the 2018 and 2019 budget together with the consolidated package was provided to the Treasury Department on 28 February 2019 as well.

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

A large black rectangular redaction box covering the majority of the page content.

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

A large black rectangular redaction box covering the majority of the page content.

BritCay Pension – Voluntary Reclassification

The Secretary reported that the Financial Controller advised that the BritCay representative confirmed that this project was complete. The Authority understands that the BritCay representative is waiting on feedback from his

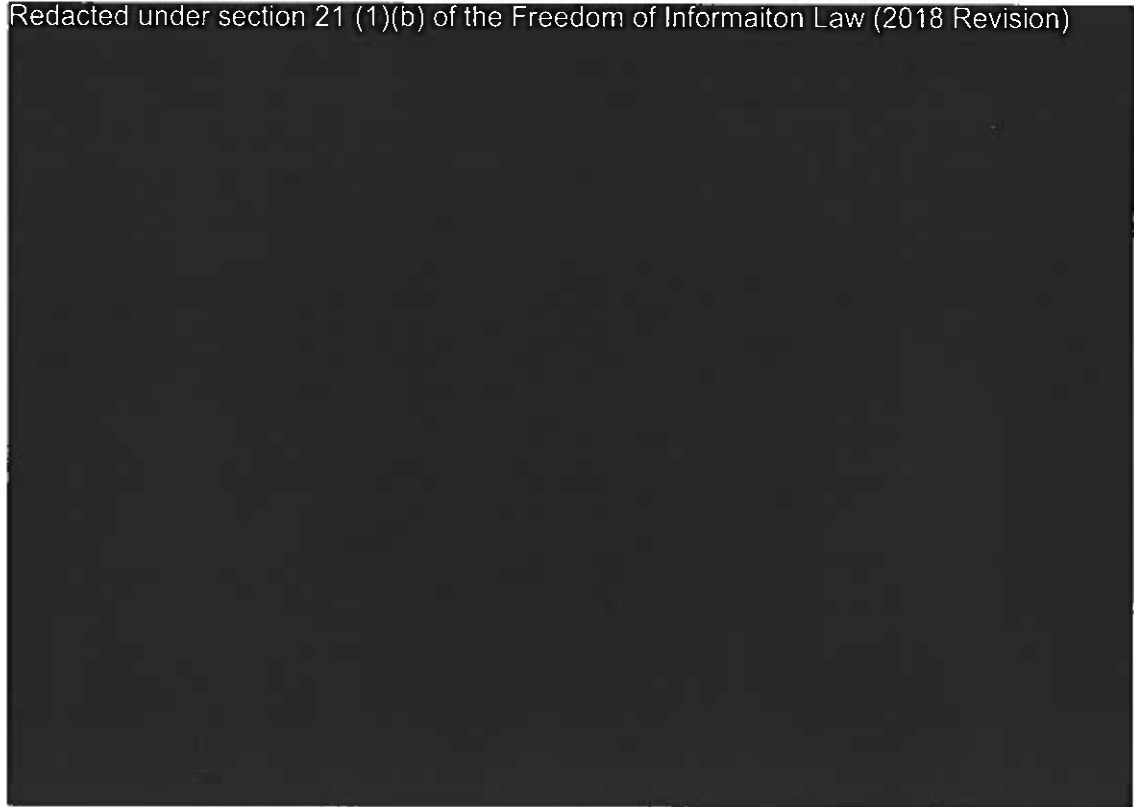
colleague regarding the presentation of the reports that would be provided to affected members of the Water Authority staff.

Redacted under section 16 and 21 (1) (b) of the Freedom of Information Law (2018 Revision)

e)

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

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



f) **Request for Bill Adjustment re Customer Account#** [Redacted]

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

The Chairman reported that as requested the Authority reviewed the situation with regards the status of manholes on the customer's property [Redacted] and a report regarding same was provided to members. The report provides historical background that led to the current situation on the site. Notices to install the manholes and sewer pipelines were provided to property owners as required by the Water Authority Law. The Chairman noted that sewers and associated manholes were installed on the customer's property to be [Redacted]



The Chairman reported that there are 4 manholes located on the property with one of those being on the boundary with an adjacent property. These are [Redacted] Of these, manhole [Redacted] is [Redacted] is practically straddling the boundary with [Redacted] The location of these 2 manholes should not interrupt usage of the property. Manhole [Redacted] has been covered over and is no longer visible with the same situation for manhole [Redacted]

Unfortunately, over the years most of the properties in this area have been added to, in such a manner and without conforming to Planning Regulations (i.e., no

setbacks, non-compliance with Building Code etc.), that there is presently no access to the manholes for maintenance, repair or replacement. The Chairman reported that on properties [REDACTED] and [REDACTED], with manholes [REDACTED] and [REDACTED] respectively, buildings have been constructed against the property boundary and over the manholes.

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

The Chairman noted that there is no practical way to remove the manholes and/or sewer pipelines from property [REDACTED] as well as the surrounding properties and still provide wastewater service to this and the adjacent properties because the area is inaccessible to the heavy equipment needed to perform the work. Unfortunately, disconnecting the adjacent properties from the wastewater collection system is also not an option as there is no space available on, or access to, any of these properties to install an on-site treatment system (i.e., septic tank) and disposal well.

The customer's main complaint appears to be that the presence of the manholes and the sewer pipelines on the property hampers her ability to utilise her land as she wishes. It was suggested that members may wish to consider committing to realign the sewer line along the property boundary when the property is being developed in the future. This will ensure that (i) the property owner can develop her property as she wishes, and (ii) all underground works (manholes, pipelines) will be situated within the specified setback (Front, Rear and Side) area, and will be accessible for maintenance and repair by the Water Authority. The stipulations being that any development must be in strict accordance with Planning requirements, and that all substandard buildings on this property are removed prior to the Water Authority carrying out any work, as these buildings prohibit the realignment work to be carried out.

The Chairman advised that the Secretary was respectfully seeking member's guidance regarding the customer's request. Members discussed the situation and subsequently decided not to waive the requirement for payment of sewerage bills as there was no basis on which to waive them. Members also instructed that the customer be advised that the Authority would commit to realign the sewer line along the property boundary when the property is being developed in the future. The stipulations being that any development must be in strict accordance with Planning requirements, and that all substandard buildings on this property are removed prior to the Water Authority carrying out any work as these buildings prohibit the realignment work being actioned. Members also discussed potential liability issues for the Authority due to some manholes being inaccessible as they have structures built on top of them being used for accommodation. The Authority will thoroughly review this situation within the [REDACTED] ensure that the property owners are informed of the Authority's position.

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

g) Miscellaneous Updates.

- a) ***In-House Pipelaying Crews*** - The Chairman reported that New Works Pipelaying crew completed the installation of the 300mm (12-inch) pipe between the Shedden Road-Dorcy Drive intersection (near Kirk Motors) and Maclendon Drive.

Work will soon start on the installation of a 300mm (12-inch) water main in Maclendon Drive, up to the intersection with Dorcy Drive (near Airport Post Office). This will ensure that there are two, independent, water mains from the Authority's main water distribution pumping station to the water distribution system. This redundancy will improve service reliability.

- b) ***Water Supply Division*** - The Chairman reported that in early March 2019 Operations-WS completed the replacement of the 150mm (6-inch) diameter pipeline in Melmac Avenue.

The Chairman reported that several Operations-WS staff are working alongside Florida Aquastore staff carrying out the preventative maintenance and minor repairs at Red Gate Reservoir #2. Once this work has been completed, they will move to the North Side Water Works to assist with the preventative maintenance and minor repairs on North Side Reservoir #1.

The Operations' Vermeer trencher is expected to be operational by the end of this week or early next week as the replacement parts arrived on 18 March 2019. Operation -WS will then commence work on the previously mentioned upgrade of the pipeline in Butterfly Circle, off Hirst Road.

- c) ***North Side Water Works*** - The Chairman advised that as reported previously, the contract for the clearance of vegetation at the Authority's North Side Water Works off Botanic Road was awarded to Icon Heavy Equipment, who submitted the most competitive proposal. [REDACTED] The clearing of the site was completed on 10 March 2019.

The Engineering Services Department will soon carry out a level survey of the cleared area to determine the amount of fill required. The contract to fill and compact the site will be advertised thereafter.

- d) ***Wastewater Division*** - The Chairman reported that during February 2019, the design hydraulic capacity of the wastewater treatment plant (2.5 mgd) was exceeded for three days. The average daily wastewater inflow from West Bay Road during that period was 2.32 mgd (or approximately 93% of design capacity). This amount was 11.5% higher than the average influent measurement during the same period the previous year (2.08 mgd).

On 28 February 2019 the repair of the severely leaking 200mm (8-inch) diameter sewer pipeline in Lawrence Boulevard was completed. The entire section was replaced with a 200mm (8-inch) HDPE pipe which was installed using pipe bursting.

- e) ***FOI updates*** - The Chairman reported that one FOI question was received since the February 2019 Board meeting as seen in the FOI Report provided to members.

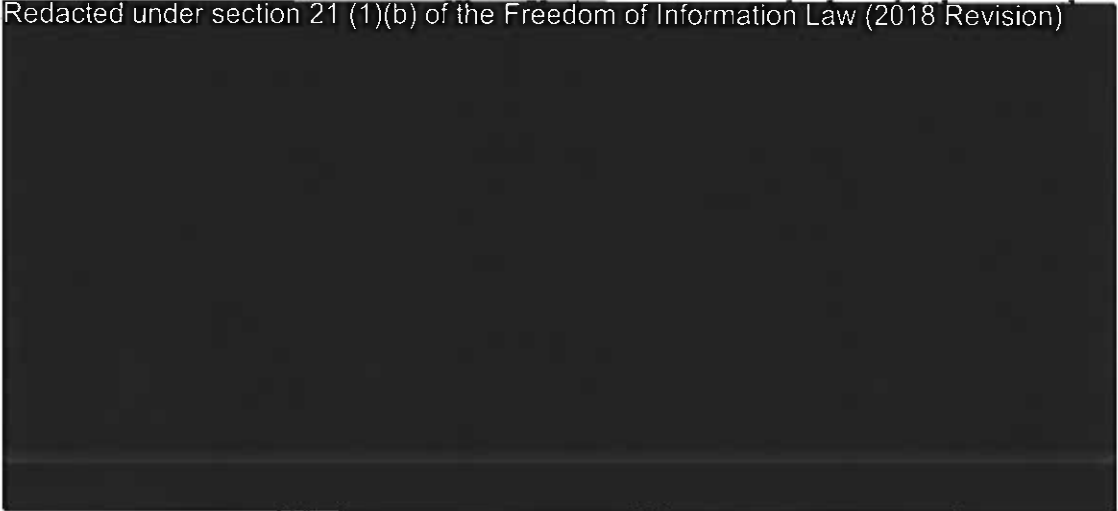
- f) [REDACTED]

* 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)



g) 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)

h) *Development Plan Review* – The Chairman reported that the National Development Plan Review consists of three components:

- The National Planning Framework which sets out the long-term vision, goals and objectives for Grand Cayman. The timeline is late 2018 - early 2019.
- Area Plans which provide more detailed planning policies and guidance for particular areas in Grand Cayman; the first area plan that will be developed is for the Seven Mile Beach Tourism Corridor Area Plan. The timeline starts in the third quarter of 2019, ongoing through 2021.
- Zoning Map, Regulations and General Plan which is a graphical representation of land uses and the legislative version of the Development Plan. The timeline is ongoing.

The Authority submitted its extensive comments on the Draft National Planning Framework in time for the 28 February 2019 closing date. The Authority's comments included 6 general comments and 20 specific comments and span a wide area of issues in the Framework that are relevant to the Authority. Members were provided with a copy of the Authority's submission to Planning on the Draft National Planning Framework.

Current Business

a) Management Accounts January 2019.

The Chairman reported that the January 2019 statement of Comprehensive Income had been provided to members. A full set of Management accounts, inclusive of a Statement of Financial Position (Balance Sheet) will be available when the 2018 accounts are officially closed.

The first month of 2019 shows a significant increase in operating revenue, up 11.3% from the same month in 2018. By deduction water purchases and production are also higher (12.9%) than in 2018. Members will note that there was a significant reduction in repairs and maintenance, due to the fact that work on the Cayman Brac RO plant in 2018 was not repeated in 2019. Loan interest continues to decrease as the last remaining loan will be settled in the 2nd quarter of 2019. Administrative expenses are down slightly in 2019, primarily due to the purchase of computer switches in 2018 that was not done in 2019.

While one-month is not a solid comparative it is noted that the revenue of the Authority continues to be strong and with continued prudent spending the financial position of the Authority continues to be stable.

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

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

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

The Chairman reported that on 14 December 2018 the Authority received a letter dated 15 November 2018 from [REDACTED] requesting that consideration be given to reduce 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 28 June 2018 the meter reading for the billing cycle was higher than normal thus triggering a Fail Audit inspection. This Fail Audit inspection was completed on 30 June 2018 at which time the meter reader noted: "*reading is correct; no leak detected*". The customer subsequently received a bill in the amount of \$2,723.38 for the period 30 May - 30 June 2018 (31 days). The daily average cost for this bill was \$87.85. The daily average consumption during this period was 14.11 cubic metres with a total of 437.4 cubic metres.

For the 31 July 2018 billing date, the customer's meter was inaccessible (meter box was covered with debris) and thus the bill was estimated. The customer received an estimated bill in the amount of \$85.44 for the period 30 June - 31 July 2018 (31 days).

On 30 August 2018 the meter was read for the August billing cycle, the reading was higher than normal thus triggering another Fail Audit inspection. This Fail Audit inspection was completed on 31 August 2018 at which time the meter reader noted: "*reading is correct; no leak detected*". Subsequently, the customer received a bill in the amount of \$1,789.53 for the period 31 July - 31 August 2018 (31 days). The daily average cost for this bill was \$57.73. The daily average consumption during this period was 8.97 cubic metres with a total of 278.1 cubic metres.

On 14 September 2018, the customer requested that the meter be removed for testing. This request was completed on the same day. The results were received and communicated to the customer in which it was reported that "*the meter met the test criteria at all flow rates*". The meter was "*found to be functioning properly*" thus no adjustments were made to the customer's account.

On 14 December 2018 the customer submitted a letter to the Water Authority Board querying the two abnormal monthly bills and noting that no leaks had been identified.

On 21 January 2019 the customer's account was disconnected for non-payment with a balance of \$4,521.49. The customer requested that the service remain disconnected until it is needed. On 12 February 2019 the customer accepted a Special Payment Arrangement for 36 monthly instalments of \$125.00. As at 15 March 2019, all payments have been received as required and the account is in good standing.

In summary, through multiple service orders for fail audits, it was confirmed that there were no leaks during visits by the Authority's staff. The meter testing results showed that the meter was functioning properly thus it is not likely that customer's usage was due to the meter over-registering. The Chairman reminded members that all consumption and plumbing downstream of the meter is the responsibility of the customer. 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 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.

c) **Request for Bill Adjustment re Customer Account# [REDACTED]**

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

The Chairman reported that on 21 December 2018 the Authority received a letter from * [REDACTED] requesting that her water bill be waived. 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 30 November 2018 the customer received a bill in the amount of \$2,081.33 for the period 10 October - 29 November 2018 (50 days). The daily average cost for this bill was \$41.63. The daily average consumption during this period was 6.39 cubic metres with a total of 319.5 cubic metres.

The original reading taken on 09 November 2018 showed 10.9 cubic metres of water was consumed since the last reading (30 days). However, the tenant requested an off reading on 28 November 2018 which caused the billing period to be extended by 20 days. The meter reader noted that no leaks or movements were identified during this visit. During this 20-day period, the meter reading taken showed that 308.6 cubic metres of water was consumed.

On 21 December 2018 the customer submitted a letter to the Board explaining that the bill was caused by a broken pipe within the "old irrigation system". The customer explained that she had turned the main valve off and was able to get assistance from a neighbour for repairs.

The customer accepted a Special Payment Arrangement for 12 monthly instalments of \$164.28 on 21 December 2018. As at 15 March 2019, all payments have been received as required and the account is in good standing.

In summary, the customer admits that she had a leak however she still wishes the Board to consider waiving her bill. The Chairman reminded members that all consumption and plumbing downstream of the meter is the responsibility of

the customer. 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 customer confirmed that the high bill was due to a leak which was repaired when found. 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).

d) **Request for Bill Adjustment re Customer Account# [REDACTED]**

The Chairman reported that on 19 November 2018 the Authority received a letter from [REDACTED] on behalf of [REDACTED] requesting that the Board consider waiving all or part of their 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 2018 on 24 October 2018 was higher than normal thus triggering a Fail Audit inspection. This Fail Audit inspection was completed on 31 October 2018 at which time the meter reader noted: "*no movement found on meter*".

Due to the high consumption, irrespective of no movement or leaks being found, the customer was informed on 24 October 2018. It was noticed by the meter reader on this same day that "*some work done around the box*".

The customer received a bill in the amount of \$3,472.80 for the period 27 September - 31 October 2018 (34 days). The daily average cost for this bill was \$102.14. The daily average consumption during this period was 15.57 cubic metres with a total of 529.4 cubic metres.

The customer submitted a letter to the Board on 19 November 2018 explaining that the bill was due to a leak which was fixed "*right away*" by them. The customer is requesting to have the bill fully or partially waived to assist their [REDACTED]

The customer accepted a Special Payment Arrangement for 12 monthly instalments of \$250.00 on 22 November 2018. As at 15 March 2019, all payments have been received as required and the account is in good standing.

In summary, the customer admits that he had a leak however he still wishes the Board to consider waiving or discounting the bill. The Chairman reminded members that all consumption and plumbing downstream of the meter is the responsibility of the customer. The Secretary respectfully sought the Board's decision on the request from the customer. Members agreed that the customer

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

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 customer confirmed that the high bill was due to a leak which was repaired when found. 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).

Any Other Business

- a) Redacted under section 18, 21 (1) (a) (ii) and (b) of the Freedom of Information Law (2018 Revision)



- b) **Global Water Summit 2019.**

The Secretary advised that she has been invited as a member of the Global Water Leaders Group to attend the Global Water Summit 2019 in London 08-10 April 2019. The organisation will cover the cost of registration and the Secretary is awaiting confirmation regarding assistance with hotel accommodation. Members had no objection to the Secretary's attendance.

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

- c) **Request for Waiver of Requirement for or Reduced Deposit in lieu of a Personal Guarantee - [REDACTED]**

The Secretary advised that she had received an email request just before the meeting from [REDACTED] regarding the deposit for a

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

new water account they wish to open. * [REDACTED] and require the water connection for irrigation purposes only. * [REDACTED] was advised that in lieu of a personal guarantee from an officer listed on the register a down payment security of CI\$7,000.00 was required. Via the email received today, 20 March 2019, * [REDACTED] requested consideration to significantly reduce or waive the down payment security deposit. * [REDACTED] pointed out that it has numerous accounts with the Water Authority that are in good standing. Members considered the customer's request and decided not to waive the requirement for or to reduce the deposit required in lieu of a personal guarantee for the customer.

Donation Requests

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

1. Rotary Central Cayman Islands Ltd - Science Fair 2019.
2. First Baptist Christian School -5th Annual South Sound Stride 5K Run/Walk.
3. Wind of Hope - 5th Annual Walk Run.
4. Island Games Association of the Cayman Islands - International Island Games XV111 2019 June Travel Gibraltar.
5. Cayman Islands Volleyball Federation - NORCECA 2019.
6. Pirates Week Cayman Islands Festival 2019 - "Matey (Festival Friends) Annual Children's Fun Day.

There being no other business the Chairman thanked members. The meeting was adjourned at 3:24pm.

This is a true and accurate account of the proceedings.



The Chairman



The Secretary