

CONFIDENTIAL



Water Authority of the Cayman Islands

Minutes of 311th Meeting held on 19th August 2020

Members Present:

Chairman:	Mr K Gomez - <i>in person</i>
Members:	Ms A Owens - <i>virtual</i> Mr C Randall - <i>virtual</i> Mrs L Ryan - <i>phone</i> Mr A Wright - <i>virtual</i>
Secretary:	Dr G Frederick-van Genderen - <i>in person</i>
Apologies:	Mr H B Ebanks Mr J Gill Mr M Rankine Mr W Welcome

Call to Order

The Chairman welcomed members to the Water Authority's Board meeting conducted with the majority of members connecting remotely due to the continuing COVID-19 pandemic. After ascertaining that there was a quorum, the Chairman declared the meeting open and called to order at 11:09am. The Secretary noted apologies for Mr H B Ebanks, Mr J Gill, Mr M Rankine, and Mr W Welcome. The Chairman then asked Mrs L Ryan to open the meeting with prayer.

Confirmation of Minutes of the 310th Meeting held on 15th July 2020

The Chairman asked for confirmation of the Minutes of the 310th Meeting held on 15th July 2020. Mr A Wright moved the motion to accept the Minutes as amended, Mr C

Randall 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 July 2020, the LVRO Plant produced, running one RO train only, on average 1,149 cubic metres per day, which is approximately 38% of its design water production capacity.

Monitoring of changes will continue as the new feed water well pumps are installed (the first one was installed on 17 August 2020 after delays in getting the crane booked).

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

The Chairman reported that on 03 August 2020 the New Works pipelaying crew resumed work on the extension of the Cayman Brac water distribution system along the north coast. It is anticipated that the pipeline installation for this phase (along Dennis Foster Rd from Scarlet Drive to Wellington Park (Cayman Brac High School)) will be completed early next week. The pipeline section will be commissioned (pressure tested, disinfected, flushed, and customers connected) before the end of this month. Mr C Randall asked the Secretary to pass on compliments to the New Works Crew in Cayman Brac for their efficient and significant progress since work restarted.

Barring unforeseen circumstances, the installation of the 200mm (8-inch) pipeline up to the intersection with Ashton Reid Drive is expected to be completed by the end of this calendar year.

Redacted under section 21 (1)(b) of the Freedom of Information Law (2020 Revision)

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

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

The Secretary reported that the Financial Controller had been in communication with the KPMG audit manager in late July 2020 and it was confirmed that ALL 2018 and 2019 statements (Divisionals and Islands) would be completed by mid/end of September 2020.

Annual Report 2018

The Secretary reported that the Financial Controller was in contact with KPMG in regards to their review of the 2018 Annual Report and it was reported back that the Office of the Auditor General (OAG) had a few comments in regards to comparisons with the approved Ownership Agreement. The Financial Controller completed her comments, and will revert back to KPMG and OAG.

31 December 2019 Audit – Consolidated, Divisional and Island Financial Statements for Water, Wastewater and Statutory

The Secretary reported that the Financial Controller had been in communication with the KPMG audit manager in late July 2020 and it was confirmed that ALL 2018 and 2019 statements (Divisionals and Islands) would be completed by mid/end of September 2020.

Annual Report 2019

The Secretary reported that the 2019 Annual Report is still in preparation and will be submitted to the auditors upon completion.

COVID-19 Actions and Impact -Update

The Secretary reported the Water Authority continues to provide all services and continues with the measures (promotion of appropriate hygiene practices, wearing of masks, physical distancing, etc.) required to keep the COVID-19 under control.

- *Office Reopening*

The Secretary reported that some staff continue to work in shifts and several are continuing to work remotely (due to medically high risk, childcare issues, etc.). The shift system helps to manage the number of staff in the office and work crews start an hour apart and are now working their full 8 hrs with 30-minute lunch break and 15-minute breaks. Admin staff may work reduced hours in the office but continue to work remotely from home.

The Secretary noted that email communications with customers continue to be high while the number of customers coming to the office to make payments remain low. However, the number of customers coming to meet with customer service representatives have increased due to the rising need for payment agreements. All COVID-19 practices continue to be maintained: social distancing, mandatory mask/face covering requirements for entry, customer line up outside to control maximum number of customers in lobby and hand sanitising.

Redacted under section 21 (1)(b) of the Freedom of Information Law (2020 Revision)

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The Secretary reported that the Water Authority's COVID-19 Coordinating Response Team ("COCORT") had been actively providing training for staff, carrying out a survey, and making recommendations on various aspects of the Authority's response.

- *Essential PPE*

The Secretary advises that all employees received the \$50 allowance in their July payroll and have been instructed to procure their own masks, ideally with the optimal amount of comfort (if that is possible) so that they can wear them as necessary and required. Management will continue to monitor and provide the Board with recommendations if/when another allowance is suggested.

- *COVID-19 Sewerage Discount Policy*

The Secretary reported that to date the Water Authority had received requests from 18 customers, one (1) of which was not deemed eligible under the policy as the request was made for a Residential Account.

Of the eligible 17 requests, all were processed for the April billing as they provided the required documentation and out of these, 13 were approved and 4 did not meet the criteria (i.e., water consumption was not less than the historical (annual average) water consumption for 2019) and hence did not qualify for the discount

*Redacted under sections 21 (1)(b) and 23 of the Freedom of Information (2020 revision)

. The total discount for the 13 approved customers for the April bill cycle was \$14,034.57.

Of the eligible 17 requests, 12 were processed for the May billing as they provided the required documentation and out of these 12, eleven were approved and one did not meet the criteria and hence did not qualify for the discount. The total discount for the 11 approved customers for the May bill cycle was \$15,565.91.

Of the eligible 17 requests, 5 were processed for the June billing as they provided the required documentation and all 5 were approved. The total discount for the 5 approved customers for the June bill cycle was \$8,448.95.

- *Accounts Receivable and Online Payments*

The Secretary reported that the Finance and Customer Service Departments are pleased with the continued trend whereby customers have transitioned to online payment methods over the last 5-months.

For the period 08 June – 31 July the customers carried out approximately 9.6k transactions, an average of about 240/day over 40 working day, consistent with the period in June. Imports and Web Based payment trends continue with an increase of 46% in number of transactions and 76% in dollar value.

The Secretary noted that both the Customer Service and Finance Departments are encouraged by the continued trend and are optimistic that it will continue.

The Secretary reported that training for the upgrade to the Cogsdale software that was planned prior to the lockdown has commenced.

- *Other COVID-19 Staffing Matters*

- **Recruitment & Staffing**

- The Secretary noted that active recruitment had resumed as the CIG has lifted some restrictions and the Authority resumed operations.

The following situations are current for key and much needed positions that will need work permits:

- Operations Engineer-WW – lack of response to overseas ads; recruitment to restart.
- Senior Operator-WWTP – the offer was made and accepted. The processing for the work permit has commenced.
- Civil Engineer – job offer accepted and the Water Authority is awaiting a decision from WORC.


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d) Redacted under section 21 (1)(b) of the Freedom of Information Law (2020 Revision)




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e)

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Statutory Fees

The Secretary advised that further to the report at the July 2020 Board meeting, Cabinet approved for the regulations to be sent to the legal drafters to format. The Water Authority is awaiting feedback from the Ministry on progress.

f) **Miscellaneous Updates.**

a) Redacted under to section 21 (1)(b) of the Freedom of Information Law (2020 Revision)



b) ***In-House Pipelaying Crews*** - The Chairman reported that last week the New Works pipelaying crew completed the installation of the 100mm (4-inch) pipeline to the Mental Health facility. The last two pipeline sections (920 metres (3,000 feet) of 200mm (10-inch) pipe and 300 metres (1,000 ft) of 100mm (4-inch) pipe have been tested and disinfected, and will be flushed during the week of 17 August 2020.

In late July 2020 the crew completed the installation of 150 metres (500 feet) of 300mm (12-inch) and 110 metres (350 feet) of 150mm (6-inch) pipe between the Alamo Roundabout at the Linford Pierson Highway to the Downtown Reach development.

c) ***Water Supply Division*** - The Chairman noted that as reported previously, the Authority commenced work on the pipeline upgrade, from 200mm (8-inch) to 300mm (12-inch), along Elgin Avenue (between Hospital Road and Shedden Road), on 22 June 2020. The new pipeline was commissioned (tested, disinfected, flushed and all affected customers along Elgin Avenue reconnected) on 25 July 2020.

The Operations crew started the replacement of 460 metres (1,500 feet) of 150mm (6-inch) pipe along Woodstock Road on 27 July 2020 and completed it on 12 August 2020.

The next project will be the replacement of approximately 150 metres (500 feet) of 150mm (6-inch) pipe along Belford Drive (Bodden Town).

National Roads Authority (NRA) has scheduled to pave/overlay North Sound Road, between Jacques Scott and the Butterfield Roundabout. They have agreed to pave the northbound (westernmost) lanes first, as the Authority's 200mm (8-inch) pipeline is situated in the southbound (easternmost) lane. In early September 2020 the crew will start work on this pipeline upgrade, to 300mm (12-inch), in North Sound Road, between the intersection with Shedden Road and the intersection with Portland Road. Total pipeline length is approximately 550 metres (1,750 feet).

- d) Redacted under section 21 (1) (a) (ii) and (b) of the Freedom of Information Law (2020 Revision)

- e) **North Side Pump House** - The Chairman noted that as reported previously, the Automatic Transfer Switch (ATS) for the North Side Pump House was found damaged. A replacement controller has been ordered through the local agent Corporate Electric. The part is anticipated for delivery at the end of August 2020. In the meantime, the power can only be manually transferred to the emergency generator, which may cause water pressure issues in the eastern districts in the event of a power failure.

- f) Redacted under section 21 (1) (a) (ii) and (b) of the Freedom of Information Law (2020 Revision)

- g) **Wastewater Division** - The Chairman reported that during the month of July 2020, the design hydraulic capacity of the wastewater treatment plant (2.5 mgd)

was exceeded on thirty (30) days. The average daily wastewater inflow from West Bay Road during that period was 2.83 mgd (or approximately 113% of design capacity). This amount was 3.3% more than the average influent measurement during the same period the previous year (2.74 mgd). This increase may be attributed to additional leaks within the wastewater collection system caused by the earthquake in late January 2020 as well as the onset of the rainy season.

Operations -Wastewater completed the following:

- The new service connection at Hoya Quay (Crystal Harbour) was completed on 05 August 2020.
- The new sewer force main at Cook Quay (Governor's Harbour) was connected to the public sewerage system on 04 August 2020.

Operations-Wastewater has scheduled the following at the wastewater collection system:


- The installation of 180 ft of 3" PVC force mains along Jacada Close (off Marbel Drive), has been rescheduled for week of 24 August 2020.
- During week of 17 August 2020 Operations-WWC will replace approximately 40metres (130 feet) of 100mm (4-inch) gravity sewer in Whitehall Gardens. A portion of this pipeline section had collapsed.
- The new blower (SBR Blower 3) at the Wastewater Treatment Plant has not yet been installed as we are still awaiting the arrival of correct belts and bushings in order to complete the installation.
- The rebuilt blower (SBR Blower 1) has been installed, but has not yet been commissioned as we are awaiting new belts. These belts are on island but have not yet been delivered by the courier (UPS).

Negotiations are underway with a contractor (Forbes Contracting) to construct a new concrete pad for the AC units at the Control Building. The AC units were temporarily relocated in late 2019 when new electrical conduits were installed between the Control Building and the SBR cluster, necessitating the removal of the AC units (as the excavation for the conduits would undermine the AC pad). Before the AC units are re-installed, an elevated pad will be constructed at the Control Building to ensure the AC units are above flood level (in the event of a hurricane).

- h) *Airport Connector Road* - The Chairman advised that as reported previously, the Water Authority received details from NRA for the Airport Connector Road on 30 June 2020. On 23 July 2020, after a review of the provided documentation, the Authority wrote to NRA with several comments, queries and concerns about the proposed design.

One of the Authority's main concerns is that as part of the proposed works the present MRCU canal will be filled-in. The Authority had previously (in May 2020) indicated that this canal is of high importance to the Water Authority as it will be vital during the construction of future phases of the Waste Water Treatment Plant (dewatering will require transferring some 10 - 20 million gallons per day of (screened) groundwater into the North Sound). The NRA

were informed that it is therefore imperative that the MRCU canal, and its connection to the North Sound, is maintained. On 28 July 2020 the NRA replied that they would review the Authority's comments etc. and will respond soon.

- i) Redacted under section 21 (1) (a) (ii) and (b) of the Freedom of Information Law (2020 Revision)
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- j) *FOI updates* - The Chairman reported that one new FOI question was received since the July 2020 Board meeting and is shown in the FOI report provided to members.

Current Business

- a) **Management Accounts June 2020.**

The Secretary reported that the comprehensive management accounts for the period ending 30 June 2020 had been prepared by the Finance Department for the Board's review.

As noted at the previous Board meeting the balance sheet has been updated to more accurately reflect the financial position and have moved the Land Lease Liability into its unique line item rather than being lumped into Loans Payable so that presentation clearly reflects that the Authority holds no loans as at 30 June 2020.

Redacted under to section 21 (1)(b) of the Freedom of Information Law (2020 Revision)



Sales continue to be strong, with water showing an increase of 2.7% over last year and Sewerage Fees up 2.0% over prior year. Connection fees and agency fees are lower than 2018 as the Water Authority was substantially shut down mid-March - June 2020. Both Operational and Administrative expenses are

within expectation with the most notable change being in overall staff costs as the Authority due to the 5% COLA effective 01 January 2020. Lower energy costs are reflected in water purchases/production.

The Financial Controller requested that Board Members note that while the Total Comprehensive income for the year has dropped to [REDACTED] the overall performance of the Authority sits at [REDACTED]. The Authority is showing a conservative estimate on the potential change in value of the Health and Pension obligations that will be reflected on the 31 December 2020 Financial Statements to reflect the current uncertainty in the Health Insurance Industry (and associated huge increase in premiums), combined with the market volatility in regards to COVID19. In summary, the Authority continues to be in a strong financial position that reflects prudent management and effective payment methods.

*Redacted under to section 21 (1)(b) of the Freedom of Information Law (2020 Revision)

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

The Chairman reported that on 19 July 2020 the Authority received emails from [REDACTED] requesting that consideration be given to adjusting her water bill. A copy of the correspondence and the report from Customer Service were provided to members.

*Redacted under section 21 (1)(b) and 23 of the Freedom of Information Law (2020 Revision)

A review of the account was undertaken and the Authority's findings were that the 30 June 2020 bill was for the amount of \$1,499.73 for the period 06 May 2020 – 01 July 2020 (56 days). The daily average cost for this bill was \$26.78. The daily average consumption during this period was 4.22 cubic meters with a total of 236.4 cubic meters. The longer than usual reading period is due to the Fail Audit check on 01 July 2020. During the Fail Audit check on 01 July 2020, the meter reader found that the meter did have movement and that there was a possible leak on the customer's end. This was communicated immediately to the customer 01 July 2020 11:06am.

On 17 July 2020, the customer called in to dispute June 2020 bill as she claimed to have relied on information presented to her in January 2020 "*that there were no leaks identified*". The customer service rep reminded the customer, that all plumbing downstream of the meter is the responsibility of the customer and that issues can only be reported when they are identified.

The customer states that she contacted Water Authority in January 2020, the Water Authority records do not show that she was contacted although a Fail Audit was carried out due to an increase in the customer's January 2020 bill. The Fail Audit found that "*no possible leaks were detected*" however the Authority's files do not indicate that this information was passed onto the customer.

On 19 July 2020 the customer confirmed that her plumber had resolved the leak which was a broken pipe outside of her house. A Special Payment Agreement of 6 months has been setup on the customer's account.

In summary, there is no record on file of the customer complaining of a high bill in January 2020, however a Fail Audit was conducted as a part of the Billing Process due to the higher than normal meter reading. The reading was confirmed to be correct; no leak was identified. Our files do not indicate this information was passed onto the customer.

On 01 July 2020, as soon as an issue of a possible leak was identified during the Fail Audit check, the customer was informed. The customer should be reminded that all consumption and plumbing downstream of the meter is the responsibility of the Customer. There were no errors on the part of the Authority therefore the bill is valid and payable however there is no explanation as to how the customer would have known about the Fail Audit that was done in January 2020. The customer has already established a 6-month payment agreement for the June bill. 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 to discount the June 2020 bill by 50%. This is in consideration that the customer contacted the Water Authority on 17 July 2020 to dispute the June 2020 bill because she said she had relied on information from the Water Authority in January 2020 that advised her of no leaks at that time. The Water Authority was unable to produce any record of the customer being informed of this in January 2020 and could provide no explanation as to how the customer would be aware of this information if it had not been conveyed to the customer in January 2020. For the benefit of the doubt and without setting precedent or without prejudice, members agreed to the 50% waiver of the June 2020 although the Authority's records show that the bill is valid and payable. The customer confirmed that the high June 2020 bill was due to a leak which was repaired when found. The customer should still be reminded that all plumbing downstream of the meter is the customer's responsibility. Members agreed that an extended Special Payment Plan Agreement should be offered for a period convenient to the customer with the usual discounting of late fees (providing payments are made regularly according to the agreement).

Any Other Business

a) **Staff Matters.**

CIFEC Internship and Lighthouse School Work Experience

The Secretary reported that the CIFEC Internship, which typically runs from October to April in the school year was prematurely ended on 16 March 2020 due to the COVID-19 pandemic.

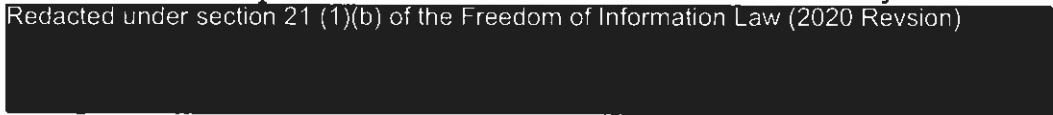
The Water Authority accommodated six students for the 2019-2020 school year in the following areas:

- Engineering Services (2)
- Building & Equipment (Automotive) (2)
- Customer Service (1)
- Information Systems (1)

The Authority also accommodated a student from the Lighthouse School for a seven-week work experience placement in the Customer Service Department. The student attended work for three half days a week from 22 January 2020 to 05 March 2020.

All the students represented themselves and their school extremely well. Each

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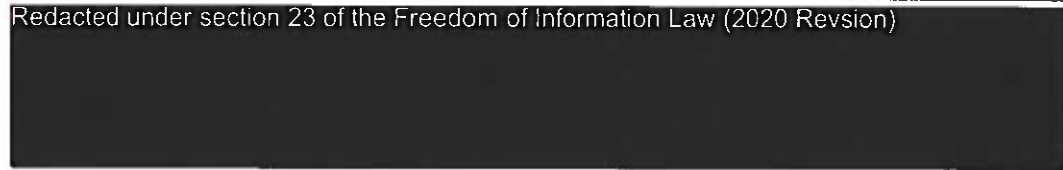
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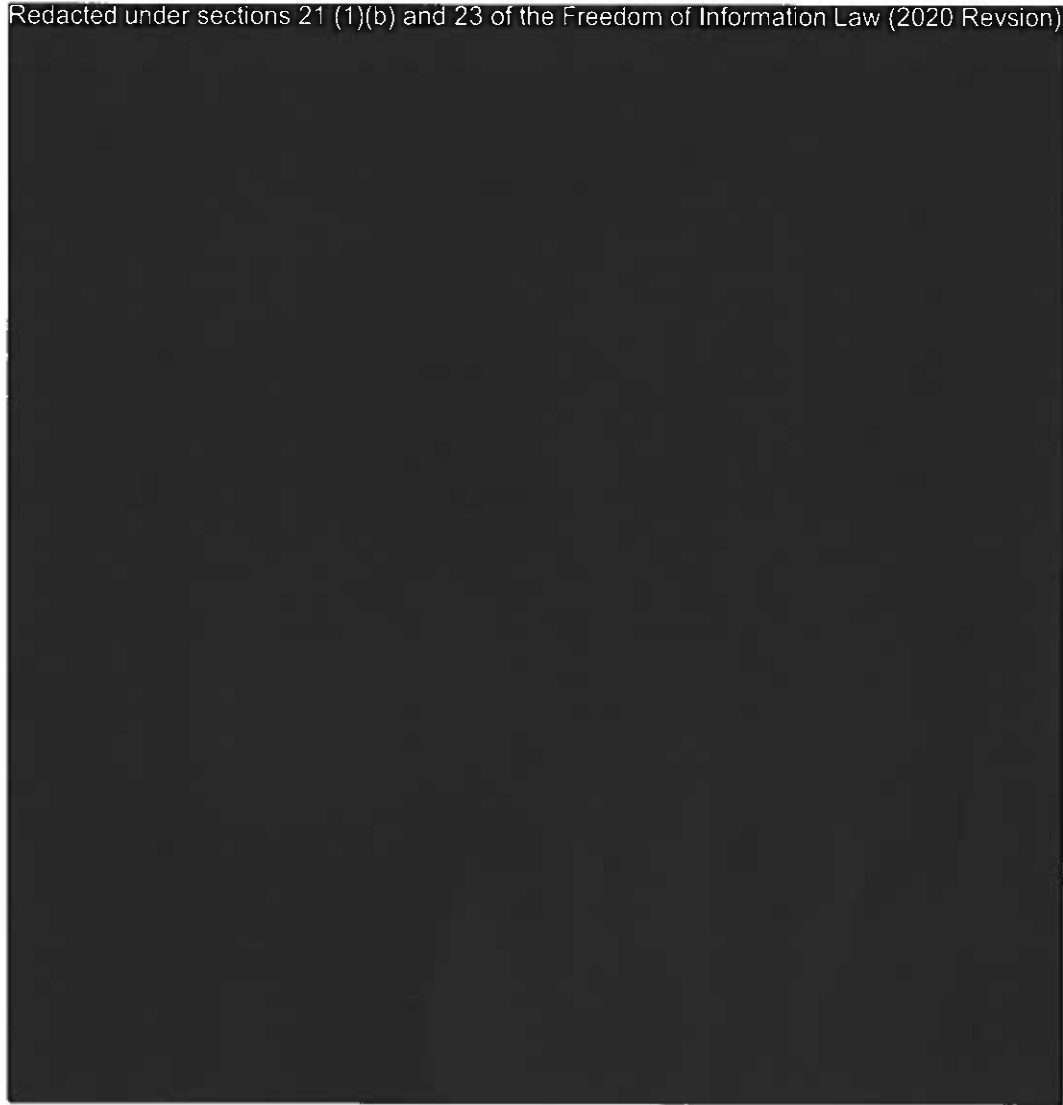
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b) Redacted under sections 21 (1)(b) and 23 of the Freedom of Information Law (2020 Revision)



c) Redacted under section 23 of the Freedom of Information Law (2020 Revision)



Donation Requests

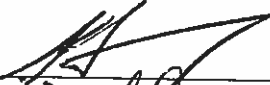
The Secretary advises that the Sponsorship Assessment Sub-committee will meet after the Board meeting to deal with the following requests for assistance:

- a) *Ratify* - FC International - Annual Youth Football Camp 2020.
- b) Cayman Islands Marketing Professionals Association (CIMPA) - 2020 CIMPA Scholarship.


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There being no other business the Chairman thanked members and the meeting was adjourned at 12:47pm.

This is a true and accurate account of the proceedings.



The Chairman



The Secretary