

CONFIDENTIAL



Water Authority of the Cayman Islands

Minutes of 315th Meeting held on 20th January 2020

Members Present:

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

Call to Order

The Chairman welcomed members to the meeting and after ascertaining that there was a quorum, the Chairman declared the meeting open and called to order at 2:07pm. The Chairman noted apologies for Mrs L Ryan, Mr W Welcome, and Mr M Rankine.

Confirmation of Minutes of the 313th Meeting held on 18th November 2020

The Chairman asked for confirmation of the Minutes of the 313th Meeting held on 18th November 2020. Mr A Wright moved the motion to accept the Minutes as amended, Mr HB Ebanks seconded the motion and the motion passed unanimously by members able to vote.

Declaration of Conflicts of Interest

Mr A Wright declared a conflict of interest with one of the requests for donations.

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

The Chairman reported that during the month of December 2020, the LVRO Plant produced, running one RO train only, on average 1,313 cubic metres per day, or approximately 44% of the plant's design water production capacity.

Well #1 continues to perform fine with the larger well pump, although some decrease in the suction pressure from Well #1 has been experienced, which will need to be investigated further. Prefilter fouling appears to be mainly due to particulate fouling rather than biological fouling. Prefilters were replaced on 31 December 2020. No membrane cleaning was carried out in December 2020.

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

The Chairman reported that the New Works pipelaying crew completed the installation of 110 metres (350 feet) of 80mm (3-inch) pipe in Pearl Avenue before the Christmas break. This section has passed the pressure test and has been disinfected. Once flushed, it will be operational.

In early January 2021 the New Works pipelaying crew started and completed the installation of 200 metres (650 feet) of 100mm (4-inch) pipe along Coastal Way. Earlier this week this crew commenced pipelaying (100mm (4-inch pipe) along Wellington Park Drive (total length approximately 300 metres (1,000 feet). This work is expected to be completed by early February 2021.

The Chairman reported that there are 379 active piped water accounts with 25 accounts waiting to be connected as of the end of this year.

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

**c) 31 December 2019 Audit of Consolidated & Divisional Statements - Update**

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

Annual Report 2018

The Secretary reported that the Ministry of Education Youth, Sports, Agriculture and Lands (EYSAL) advises that the 2018 Annual Report will be laid on the table in the House of Parliament during the first sitting of 2021.

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

The Secretary reported that the Chief Financial Officer (CFO) was very pleased to report that with the support of all parties involved, all outstanding financial statements have been prepared and signed off for the 2019 fiscal period.

Annual Report 2019

The Secretary reported that the CFO provided the final 2019 Annual Report to the Ministry on 05 January 2021 and it is expected to be laid on the table in the House of Parliament during the first sitting of 2021.

31 December 2020 Audit – Consolidated, Divisional and Island Financial Statements for Water, Wastewater and Statutory

The Secretary reported that the CFO has advised that the interim audit work was completed by KPMG on the 18 December 2020. The Authority is now in the process of working on the 31 December 2020 audit working papers in preparation for KPMG's return in late February/early March 2021. The deadline is 28 February 2021 for submission of the draft 31 December 2020 financial statements to the Office of the Auditor General (OAG) and KPMG. At this point, nothing has come to the attention of the CFO that may hinder meeting the deadline.

Annual Report 2020

The Secretary reported that the CFO and Corporate Communications Manager will be meeting weekly from the week of 26 January 2021 to work on the 2020 Annual Report and the first draft is expected to be submitted on 28 February 2021 along with the draft 31 December 2020 financial statements.

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COVID-19 Actions and Impact -Update

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

- *Office Reopening*

The Secretary reported that there were no changes to what was reported at the December 2020 Board meeting.

- *COVID-19 Sewerage Discount Policy*

The Secretary reported that to date the Water Authority has received requests from 27 different sewerage customers, one of which was not deemed eligible under the policy as the request was made for a Residential Account. The table summarises the status of this policy to date:

Month	Requests processed	Requests approved	Total Discount
April 2020	24	18	CI\$20,115.17
May 2020	19	17	CI\$22,097.60
June 2020	12	11	CI\$14,020.05
July 2020	8	8	CI\$15,504.13
August 2020	5	5	CI\$16,073.72
September 2020	5	5	CI\$13,973.15
October 2020	5	5	CI\$14,110.48
November 2020	3	3	CI\$12,040.65
December 2020	3	3	CI\$12,061.09
Total to date			CI\$139,996.09

The Secretary reminded members that requests processed are those requests that provided the required documentation. Requests approved are those requests that met the criteria for a sewerage discount (i.e., the water consumption was less than the historical (annual average) water consumption for 2019).

Members were respectfully asked whether they wish to extend the temporary relief for commercial customers along the West Bay Road tourist strip for an additional 3 months (January, February, March). After some discussion regarding the likely delayed return of the tourism industry, members able to vote agreed to extend for an additional 3 months (January, February, and March) the temporary relief for commercial customers along the West Bay Road tourist strip.

- *Accounts Receivable and Online Payments*

The Secretary reported that the CFO had summarised the changes in the online, web, drop box and front-line payments for the period 01 March 2020 – 31 December 2020 (10-months) in comparisons to the same period for 2019. The percentage changes are indicated in the table below:

Online Payments	Web Payments	Drop Box	Front Line
32% higher	57% higher	52% higher	45% lower

The Finance and Customer Service departments are optimistic that current payment trends will continue and that numbers will continue to reflect the efficiency of the available payment methods.

Procurement Law

The Secretary reported that the CFO, in tandem with the 2020 audit support will report on the number of invoices that are more than \$10,000. It is expected that this information will be a key component of the 2020 audit.

Cogsdale and GP Upgrades

The Secretary reported that the Authority's IT Department continues to work with Cogsdale to set up Cogsdale Customer Web 3 as explained in last month's Board meeting.

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d)

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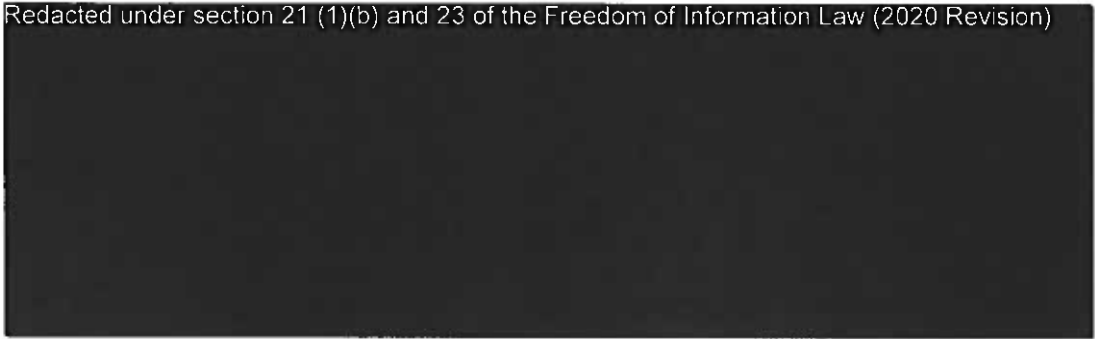


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f) **Miscellaneous Updates.**

- a) ***In-House Pipelaying Crews*** - The Chairman reported that in the final week before the Christmas break, the New Works pipelaying crew completed the installation of an approximately 90 metres (300 feet) long pipeline extension of 100mm (4-inch) pipe along Caskwell Drive (Newlands) to connect a new development. In early January 2021, this pipeline was tested, and then connected to the development. This pipeline and the pipeline on the development were then disinfected. Operations-WS will install service lines to the lots within this development.

The New Works crew is currently working along Canal Point Drive to locate an existing 150mm (6-inch) sewer force main and the valves at the tie-in to Southampton/Somerset Gardens development. This pipeline will need to be extended to the new One Canal Point development. Unfortunately, after more than one week the Authority continues to have challenges locating the sewer force main as the road has changed significantly and, in some areas, has been raised by up to 1.5 metres (5 feet), making safe excavation difficult.

- b) ***Water Supply Division*** - The Chairman reported that in December 2020 Operations-WS completed the pipeline upgrade in Commercial Avenue, off North Sound Road (comprising the installation of approximately 210 metres (700 feet) 100mm (4-inch) PVC), in anticipation of the NRA's planned paving this road in early 2021.

On 04 January 2021 Operation-WS commenced the relaying of approximately 100 metres (300 feet) of 150mm (6-inch) water main in Belford Drive (Belford Estates) and approximately 150 metres (500) feet of 100mm (4-inch) main along Wilde Street from Belford Drive to Nashe Street and 50 metres (160 feet) of 100mm (4-inch) along Sitwell road from the intersection of Belford Drive to the intersection of Hardy Street. This work is expected to be completed by the end of January 2021.

As a result of the extensive paving work planned by the NRA in 2021, the Water Authority will have to reassess its priorities in respect of pipeline upgrade work. For example, the Water Authority had plans to upgrade the water infrastructure in Anthony Drive, in 2022. However, in view of the NRA's planned resurfacing of Anthony Drive in mid-March 2021, a significant portion of this work (from the intersection with Smith Road up to the Oak Mill Street intersection) will be brought forward to early February 2021, so this work can be completed before the NRA's scheduled starting date of mid-March. This work will be started as

soon as the pipeline upgrade work in Belford Estates has been completed. The remainder of Anthony Drive (i.e., beyond Oak Mill Street intersection) will remain scheduled for 2022.

Likewise, work on the pipeline upgrade in Dorcy Drive (between Airport Post Office and Portland Road) will be started immediately thereafter, so that this work will be completed before the NRA's scheduled paving starting date of mid-May 2021. This work will be carried out at night due to traffic restrictions during the day.

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- d) **North Side Pump House** - The Chairman reported that the replacement Automatic Transfer Switch (ATS) for the North Side Pump House, which was ordered through Corporate Electric, arrived on island last week. It will be installed during the week of 26 January 2021. 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.

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- f) **Wastewater Division** - The Chairman reported that during the month of December 2020, the design hydraulic capacity of the wastewater treatment plant (2.5 mgd) was not exceeded on any day. The average daily wastewater inflow from West Bay Road during that period was 2.22 mgd (or approximately 89% of design capacity). This amount was 3.7% more than the average influent measurement during the same period the previous year (2.14 mgd).

The project to replace approximately 45 metres (150 feet) of 100mm (4-inch) gravity sewer in Whitehall Gardens is scheduled for later in this month of January 2021.

- g) **Airport Connector Road** - The Chairman reported that last week Apec forwarded a new drawing for review, but it appears that some of the issues are still outstanding, such as:
1. Potential connection point, i.e., how and where will the 500mm (20-inch) nominal diameter HDPE pipe (from Esterley Tibbetts Highway) be connected to the proposed 750mm (30-inch) HDPE sewer force main. Resolution of these logistical issues will determine the success of the change-over.
 2. Concerns about the ultimate width of the relocated MRCU Dyke road. A 12-foot wide road is not considered adequate to carry out any future repairs/maintenance on the 750mm (30-inch) nominal diameter sewer force main, and/or to connect the 500mm (20-inch) sewer force main.

3. Various other practical considerations, including time frame for construction, must still be discussed.

After a more thorough review, a response will be sent to Dart and Apec later this week.

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- i) *FOI updates* - The Chairman reported that no new FOI questions were received since the December 2020 Board meeting.
- j) *Transformer Oil Spill at CUC premises* - The Chairman reported that further to the report about the spill of transformer oil by Siemens at CUC's premises at the previous Board meetings, the consultant had not been able to initiate sampling before the Christmas break. It is expected that site investigations will commence in the next few weeks.

Current Business

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

The Secretary reported that the focus of the Finance Department remains with the preparation of the 31 December 2020 audit working papers; however, a draft of the 30 November 2020 was been prepared with the caveat that numbers may shift as the Authority works through the year-end procedures.

The Secretary was pleased to report that the draft 30 November 2020 financial statements show performance that is consistent with 2019. This is no small victory as many establishments in Cayman and worldwide were not able to meet 2020 targets and experienced financial hardships. For the most part, the

Authority has been shielded from any negative performance due to COVID-19 and is expected to exceed targets and prior year performance in 2020.

Operating Revenue is slightly down from 2019, however the entire decrease is attributable to the EAF generated revenue, which is consistent with the decrease in Water Purchases / production as noted in operating expenses.

Operational and Administrative expenses are within expectation, expected increases are shown in personnel costs reflecting the COLA adjustment and also the rise in Health Insurance premiums.


The final performance of the Authority for the 2020 fiscal period will hinge largely on the outcome of the 2020 actuary reports that will reflect the Health and Pension obligations.

When analysing the financial performance members were reminded to take into consideration the estimated Post-Retirement Health and Pension Obligations. These numbers are subject to revision upon receipt of the 31 December 2020 Actuary Reports.

In summary, the Authority continues to be in a strong financial position that reflects prudent management and effective payment methods.

b)

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Any Other Business

a)

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- b) **CWWA 30th Annual Conference & Exhibition.**
The Secretary advised that the conference is scheduled for 03-08 October 2021. In considering the status of the COVID-19 pandemic globally and the uncertainty regarding the ability of travelling without significant restrictions, the Local Organising Committee has agreed with the CWWA Executive that the conference should move to a virtual platform. There is likely to be some local elements that can take place in-person.

Donation Requests

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

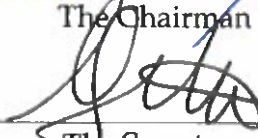
- a) *Ratify* CIG Portfolio of Legal Affairs - Christmas Luncheon.
- b) CI Chamber of Commerce - Earth Day Clean-Up 2021.
- c) The Department of Counselling Services - Honouring Women's Month 2021.

There being no other business the Chairman thanked members and the meeting was adjourned at 3:26pm.

This is a true and accurate account of the proceedings.



The Chairman



The Secretary

