

CONFIDENTIAL



Water Authority of the Cayman Islands

Minutes of 316th Meeting held on 24th February 2021

Members Present:

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

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 2:06pm. The Chairman advised members that Mr C Randall had been ill and in hospital and asked members to keep him in their thoughts and prayers. Members also expressed condolences to Mrs L Ryan on the recent passing of her sister. The Chairman noted apologies for Mr C Randall, Mr A Wright, Mr W Welcome, and Mr M Rankine. The Chairman then asked Mrs L Ryan to open the meeting with prayer.

Confirmation of Minutes of the 316th Meeting held on 20th January 2021

The Chairman asked for confirmation of the Minutes of the 316th Meeting held on 20th January 2021. Mr J Gill 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

None.

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

The Chairman reported that during the month of January 2021, the LVRO Plant running one RO train only, produced on average 1,303 cubic metres per day, or approximately 43% of the plant's design water production capacity.

Planned plant shut-downs to accommodate membrane cleaning occurred on 07 January (downtime: 7 hours); to replace 12 membranes on 15-16 January (downtime: 8 hours); and, to inspect well pump #1 on 22 January (downtime: 2 hours).

The replacement of 25% of the SWRO membranes for train #2 is planned for March 2021, as the Senior Plant Operator was on leave for most of February 2021.

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

The Chairman reported that the New Works pipelaying crew completed the installation of 230 metres (750 feet) of 100mm (4-inch) pipe along Coastal Way. This section has passed the pressure test and has been disinfected. Once flushed, it will be operational. The crew also completed the installation of 300 metres (1,000 feet) of 80mm (3-inch) pipe along Wellington Park Drive as well as installed six water meters.

Redacted under section 21 (1) (b) of the Freedom of Information Act (2021 Revision)

**c) 31 December 2018, 2019 and 2020 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

Annual Report 2019

The Secretary reports that the Chief Financial Officer (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 final Trial Balance, Draft 2020 Annual report and Draft 2020 Consolidated financial statements were provided to KPMG and the Office of the Auditor General (OAG), well in advance of the 28 February 2021 legally prescribed deadline. In communication with KPMG, they have confirmed that the remaining field work will commence on 01 March 2021.

Members are requested to provide a “Notice of Interest” in conjunction with the 2020 audit. The format is similar to that of prior years with the inclusion of a line item that requests the submission to include anything that may have changed since the Standards in Public Life submission in July 2020. Copies are available from the Secretary and Members were asked to complete the forms and return (either hard or soft copies) to the Director’s Executive Secretary.

Annual Report 2020

The Secretary reported that the first draft of the 2020 Annual Report had been uploaded to the KPMG Secure File Transfer site and will be finalised with the objective to have the 2020 Consolidated Financial Statements and 2020 Annual Report completed and signed off by the 30 April 2021 deadline.

Procurement Law

The Secretary reported that the CFO is reviewing the draft report on the number of invoices that are more than \$10,000.

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 reports that there are no changes to what was reported at the January 2021 Board meeting.

- *COVID-19 Sewerage Discount Policy*

The Secretary reported that to date the Water Authority had 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 below 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	10	10	CI\$16,657.77
August 2020	9	9	CI\$16,551.75
September 2020	8	7	CI\$15,973.55
October 2020	8	8	CI\$16,533.06
November 2020	6	6	CI\$14,960.76
December 2020	6	5	CI\$13,027.95
January 2021	3	3	CI\$10,399.37
Total to date			CI\$160,337.04

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).

- *Accounts Receivable and Online Payments*

The Secretary reported that over the last year the CFO had summarised the changes in the online, web, drop box and front-line payments for the period 01 March 2020 – 31 December 2021 (10-months) in comparisons to the same period for 2019 and also for January 2021 in comparison to January 2020. The percentage changes are indicated in the table below:

	Online Payments	Web Payments	Drop Box	Front Line
MAR – DEC 2020	32% higher	57% higher	52% higher	45% lower
JAN 2021	43% Higher	30% Higher	12% Lower	36% Lower

Management expects that the significant changes as seen over the last 11-months will begin to diminish as the comparison will soon be for a year ago when the push for online payments began as the office closed to the public. The Finance Department will continue to monitor the number of online payments for the next couple of months.

Cogsdale and GP Upgrades

The Secretary reported that the Authority's IT Department in tandem with Cogsdale has set up the test environment for Cogsdale Customer Web 3, the Customer Service Team will begin the testing on 24 February 2021. Some improvements for customers will include customer self-creation of user account, online form completion with upload option of documents, tenant online access, and enhanced payment functionality for repeat payments.

Government Asset Valuation

The Secretary reported that the Authority received an email on 12 January 2021 from Uche Obi, Chief Valuations Officer from the Lands and Survey Department requesting information on the assets of the Authority and any changes in the last 5-years. The Finance department responded on 26 January 2021 that no new properties were acquired in the last 5 years but that three larger improvements had been completed and may impact asset valuation amounts. The Authority confirmed that information will be provided as required and will work with the Lands and Survey department as requested.

The Water Authority's Senior Management team (Director, Deputy Director and CFO) will meet with the Lands and Survey Department on 25 February 2021 and will report back to the Board at the March 2021 meeting.

Pre-Election Economic and Financial Update (PREFU)

With the election date being moved to 14 April 2021 the Authority was tasked to provide the PREFU on 19 February 2021 rather than 05 March 2021 as originally scheduled. The Authority's Senior Management Team met on 12 February 2021 in anticipation of this deadline and the high-level discussion was helpful for completion of the document.

The document was provided by the deadline on 19 February 2021, feedback was provided to the CFO on 23 February 2021 and will be addressed by the end of the week of 24 February 2021.

d)

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The Secretary noted that overall, it may take a month or so to get into a regular routine in regards to the allocation of funds, but once the mechanisms are agreed and in place then it is expected to be smooth going forward.

e)

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f) **Miscellaneous Updates.**

a) ***In-House Pipelaying Crews*** - The Chairman reported that the New Works crew is currently working along Canal Point Drive to extend an existing 150mm (6-inch) sewer force main. Unfortunately, it took more than several weeks to locate the sewer force main as the road had changed significantly and, in some areas, had been raised by up to 1.5 metres (5 feet), making safe excavation very challenging. The pipeline was extended to the new One Canal Point development. A total length of 120 metres (400 feet) of 150mm (6-inch) pipe was installed. During the week of 22 February 2021, the valve for the Canal One development will be installed, and the existing (now 23-year-old) valve at the Southampton/Somerset Gardens development will be replaced.

b) ***Water Supply Division*** - The Chairman reported that on 29 January 2021 Operation-WS completed the replacement of several pipelines in Belford Estates, comprising 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.

Preparation work for the upgrade of approximately 600 metres (2000 feet) of 150mm (6-inch) water mains along Anthony Drive from the intersection with Andy Drive to the intersection with Smith Road started on 01 February 2021. Pipelaying started on 22 February 2021.

Operations-WS completed the connection of the water main into the Frank Hall Homes development in Savannah, as well as the Mystique Development off Spinnaker Road. Pipelines were disinfected and flushed, and the water service lines were installed.

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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, was installed on 03 February 2021, and has been tested under load.
- e) **North Side RO Plant** - The Chairman reported that on 08 February 2021 Ocean Conversion (Cayman) Ltd. confirmed that they placed an order for a new degassifier at the North Side RO plant. It is anticipated that once the new degassifier is installed, OCL will be able to reduce the H₂S levels to the contract specifications when the plant is running at full capacity.
- f) Redacted under section 21 (1) (b) of the Freedom of Information Act (2021 Revision)

- g) **Wastewater Division** - The Chairman reported that during the month of January 2021, the design hydraulic capacity of the wastewater treatment plant (2.5 mgd) was exceeded on three days. 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 1.8% less than the average influent measurement during the same period the previous year (2.26 mgd).

The project to replace approximately 45 metres (150 feet) of 100mm (4-inch) gravity sewer in Whitehall Gardens was delayed due to some staff being on leave, but is now scheduled for early March 2021.

Several replacement parts were ordered for the wastewater treatment plant (e.g., membrane diffusers, cyclone for the headworks) and will be installed upon arrival. A new SBR blower (a replacement blower for one of the original Roots blowers that is not operating as it should) was purchased and delivery is awaited. Expected delivery is early March 2021.

- h) **Airport Connector Road** - The Chairman reported that since mid-December 2020 there have been very limited communications with Dart and Apec regarding the ACR, and none since 02 February 2021. An in-person meeting will be arranged between Water Authority, Dart and Apec and SanPik (the pipelaying contractor) shortly to discuss this project. Some of the issues remain outstanding, such as:
1. Potential connection point, i.e., how and where will the 600mm (24-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. At least a 24-foot wide road is required to carry out any future repairs/maintenance on the 750mm (30-inch) nominal diameter sewer force main, and/or to connect the 600mm (24-inch) sewer force main.
3. Various other practical considerations, including time frame for construction (including delivery schedule for pipe etc.) must still be discussed.

On 16 February 2021 the Authority confirmed the order of a 750mm x 500mm (30-inch x 20-inch) cross and various other fittings to accommodate the connection of the proposed 750mm (30-inch) HDPE pipework to the existing pipework at the north-west corner of the wastewater treatment plant. It is anticipated that this order will be on island within six weeks.

i) Redacted under section 21 (1) (b) of the Freedom of Information Act (2021 Revision)



- j) **FOI updates** - The Chairman reported that no new FOI questions were received since the February 2021 Board meeting.
- k) **Siemens Transformer Oil Spill at CUC premises** - The Chairman reported that during the period 04-05 February 2021, Elevar excavated a series of test pits at CUC's premises where the spill had taken place to collect ground water and soil samples. The excavation showed signs of the transformer oil being present on the water table. Samples were sent to an environmental lab in the US for analysis. It will take about 2 weeks for results to become available and then Elevar will prepare a report on the investigation, which among other things, will include recommendations for further work and remediation of the site.
- l) **Environmental Impact Assessment for the Integrated Solid Waste Management System (ISWMS)** - The Chairman reported that during the week of 15 February 2021 the Environmental Assessment Board (EAB) reviewed a revised version of the draft Terms of Reference (TOR) for the proposed Environmental Impact

Assessment (EIA) of the Integrated Solid Waste Management System (ISWMS). The EAB operates under the National Conservation Law (NCL).

The ISWMS is a public private partnership between Dart (DECCO) and the Cayman Islands Government to develop a modern solid waste management facility for the Cayman Islands. The last review of the TOR took place in October 2019, but plans changed as the developer decided on an alternative location for the ISWMS.

Once the draft TOR is accepted by the EAB it will be published for a 21-day public consultation before it is finalised and then the EIA will be carried out.

m) Redacted under section 21 (1) (b) of the Freedom of Information Act (2021 Revision)



Current Business**a) Management Accounts January 2021.**

At this point members agreed to discuss Item b) under Current Business as Mr J Gill advised that he needed to leave the meeting to attend to another commitment. Members agreed and discussion on Item b) under Current Business was dealt with first.

Mr J Gill left the meeting before discussion on this Item a) under Current Business.

The Secretary reported that the CFO would like to respectfully ask members to consider the timing of the presentation of the management accounts. Traditionally the Board meeting is the third Wednesday of the month, which means that the date could be anywhere between 15-20 days after month end, a time frame in which the majority of the previous month's invoices are not yet reflected in the financial information, resulting in significant accruals for accurate presentation. The CFO acknowledges that more accurate financial information would be available should the Board accept the management accounts one-month after. For example, the November accounts presented in January, the December in February, etc. The Finance Department will continue to provide the accounts in a format as requested by members. Members able to vote agreed with the Chief Financial Officer's request to submit the monthly management accounts one month after instead of 15-20 days. Members acknowledged that, for example, January management accounts would be presented at the March Board meeting

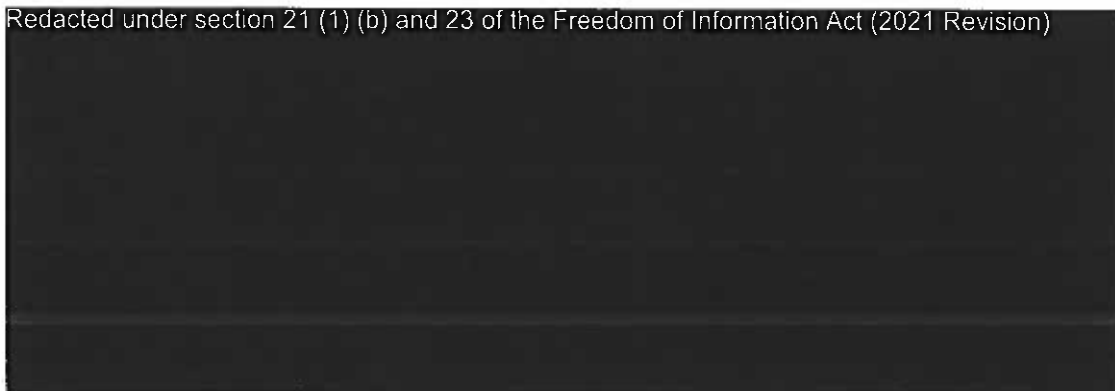
The Finance Department was able to provide the high-level financial position of the Authority for the 1-month ending 31 January 2021 showing reduced cumulative sales of 13%. The Secretary noted that this information will be further reviewed.

b) Redacted under section 21 (1) (b) of the Freedom of Information Act (2021 Revision)

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Any Other Business

- a) Redacted under section 21 (1) (b) and 23 of the Freedom of Information Act (2021 Revision)
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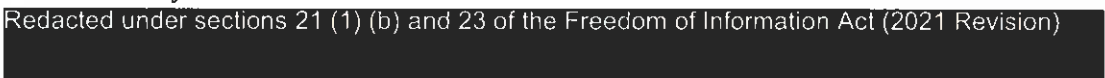
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Other Scholarship Updates

- The Memorandum of Agreement (MOA) between Water Authority and UCCI was signed and the request for payment via an Electronic Funds Transfer (EFT) was submitted to Finance. Payment should be finalised by 26 February 2021.


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- No scholarship applications have been received to-date.

b)

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Redacted under sections 21 (1) (b) and 23 of the Freedom of Information Act (2021 Revision)



c) **SAGC Board Sensitisation Training - Procurement Law & Public Authorities Law.**

The Secretary reminded members to let her know who will be attending one of the quarterly SAGC Board sensitisation training sessions on the Procurement Law and the Public Authorities Law that is being organised by the Office of the Deputy Governor. The available dates are:

- Tuesday, 02 March 2021
- Tuesday, 20 April 2021

The sessions will take place from 5:30 - 7:30 pm in the Government Administration Building's main conference room (GAB 1038). Attendance is limited to 20 people, and pre-registration is required.

Members advised that due to other commitments they would not be available for either of the dates provided.

d) **CWWA 30th Annual Conference & Exhibition**

The Secretary advised that planning for the conference continues to be on the basis utilising a virtual platform.

Donation Requests

The Secretary noted that there would not be a quorum for the Sponsorship Assessment Sub-committee to meet after the Board meeting and that requests would be dealt with via round-robin email:

- a) *Ratify* - Alex Panton Foundation - Symposium 2021.
- b) The New Self-Help Community Foundation - 19th Annual Talent Exposition of the Arts.
- c) Wind of Hope - 6th Annual Run/Walk.
- d) CI Cancer Society - Golf Tournament.
- e) National Trust Cayman Islands - Hatitude.
- f) Rotary Club of Grand Cayman Sunrise - Honduras Relief.

There being no other business the Chairman thanked members and the meeting was adjourned at 3:52pm.

This is a true and accurate account of the proceedings.



The Chairman



The Secretary