

CONFIDENTIAL



Water Authority of the Cayman Islands

**Minutes of 323rd Meeting held on 26 January 2022
at the Water Authority of the Cayman Islands' Headquarters,
13G Red Gate Road**

Members Present:

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| Chairman: | Mr D Rankine |
| Members: | Mr N DaCosta- <i>virtual</i> Mr D Ebanks- <i>virtual</i> Mr G Ebanks Ms A Owens- <i>virtual</i> Mrs L Ryan- <i>phone</i> |
| Secretary: | Dr G Frederick-van Genderen |
| Apologies: | Mr H B Ebanks Mrs I Simms Mr W Welcome |

Call to Order

The Chairman welcomed all members and called the meeting to order at 1:33pm after ascertaining that there was a quorum. The Chairman noted apologies for Mr H B Ebanks, Ms I Simms, and Mr W Welcome. The Chairman extended Happy New Year greetings to everyone. Members expressed their sympathy to the Chairman on the passing of one of his siblings in December 2021. The Chairman then invited Mrs L Ryan to open the meeting with prayer.

Confirmation of Minutes of the 322nd Meeting held on 08 December 2021

After a few typos were offered as amendments, the Chairman asked for confirmation of the Minutes of the 322nd Meeting held on 08 December 2021. Mr G Ebanks then moved the motion to accept the Minutes as amended, Mr N DaCosta seconded the motion and the motion passed unanimously by members able to vote.

Declaration of Conflicts of Interest

No declarations of interest were made.

Matters Arising**a) Cayman Brac Infrastructure Upgrade & Expansion Project - Update.**

The Secretary reported that to date pipelaying in Cayman Brac had not been affected by COVID-19 related issues.

The Secretary reported that the New Works pipelaying crew continued with the installation of the 200mm (8-inch) water main along Bight Road, and to date nearly 950 metres (3,100 feet) of 200mm (8-inch) pipe have been installed along Bight Road. Pipelaying has now progressed to around 120 metres (400 feet) west of Surf Lane.

The New Works pipelaying crew assisted the Cayman Brac Operations with the preparations for a leak detection exercise in early January 2022. Following an increase in the water distribution pump hours in December 2021, a pipeline leak was suspected and in late December 2021 it was determined that the leak was likely situated somewhere along the north coast, between Cross Road and Faith Hospital. In early January 2022 the location was found to be a damaged pipeline near the West End Primary School. After the pipeline was replaced the amount of water being pumped into the water distribution system reduced by 30% (around 140 cubic metres per day (37,000 gpd)).

West End Water Works Pump House

The Secretary reported that the installation of the two new water distribution pumps received in late November 2021 will be scheduled once a new Engineer-Water Production is in place.

In 2021, the cumulative water sales in Cayman Brac were significantly (14.4%) higher than in 2020, comprising an increase in truck and pipeline water sales. This increase is most likely caused by an increase in staycations on Cayman Brac as a result of the COVID pandemic.

The Secretary noted that during the 1.5-month period 01 December 2021 – 15 January 2022, the main RO plant (Plant #1) produced on average 408 cubic metres per day (approximately 77% of the plant's design water production capacity). The containerised plant (Plant #2) was returned to service operational 09 December 2021 and produced on average 194 cubic metres per day

(approximately 84% of the plant's design water production capacity). As a result of the significant pipeline leak observed during December 2021 both plants were required to be operational to meet the overall water demand whilst ensuring that both reservoirs remained full.

The main RO plant (Plant #1) will be operational more or less continuously with the containerised plant remaining mostly offline, except when called upon to accommodate higher overall water demand, and during planned and unplanned shut-downs of Plant #1 (for membrane cleaning). Based on historical water demand data, however, it is imperative that the Bluff water works are completed within the next few years to increase overall water production capacity. The Secretary reminded members that the containerised plant will be moved to Little Cayman after the Brac Bluff Water Works is completed and the new RO plant is commissioned.

Brac Bluff Water Works

The Secretary reported that there have been no further developments.

b) 31 December 2020 & 31 December 2021 Audits of Consolidated & Divisional Statements - Update

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

Annual Report 2020

The Secretary reported that the Water Authority's Annual Report 2020 was tabled in Parliament during the December 2021 sitting and is now available to the public on the Water Authority's website.

31 December 2021 Audit - Consolidated, Divisional and Island Financial Statements for Water, Wastewater and Statutory

The Secretary advised that the Chief Financial Officer (CFO) reported that the Finance Department is in a good position with regards to audit working papers and will be ready for the final audit, cognizant of the deadlines as outlined in the Public Management & Finance Act, i.e., 28 February 2022 deadline for submission of draft financial statements and annual report as well as 30 April 2022 being the final sign off date. The CFO expects that KPMG will be on the premises in mid/late February.

Annual Report 2021

The Secretary reported that the Water Authority's Annual Report 2021 is being drafted and a solid draft will be made available to the OAG and KPMG by 28 February 2022.

c)

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Department Updates

The Chairman noted that as mentioned at the Board's December 2021 meeting, the format of the agenda had been adjusted to keep the Authority's Departments and Divisions on permanently.

a) **Finance**

COVID-19 Sewerage Discount Policy

The Secretary reported that following the decision at the 321st Board meeting held on 27 October 2021 not to renew the above policy, Water Authority issued a PSA to notify the public that no applications for a Sewerage Charges Discount would be accepted after 31 December 2021. No additional requests for a sewerage fee discount had been received by the deadline 31 December 2021.

The overall discount amount approved under the Sewerage Charges Discount Policy - COVID-19 Pandemic for commercial wastewater customers totalled CI\$265,971.30, as reported at the 322nd Board meeting on 08 December 2021.

COVID-19 Acquisition of Lateral Flow Test Kits (LFTs)

The Secretary reported that the Authority were the recipients of an additional 20,000 kits compliments of the Ministry of District Administration & Lands (DAL). The Water Authority currently has 37,200 LFT kits on premises and in stock, however given high usage Water Authority protocols, the Finance Department will closely monitor stock levels to ensure adequate supply will be on hand, cognizant of potential supply challenges.

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b) Engineering Services

1) *Engineering*

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Valve Exercise Programme - The Secretary reported that during 2021, out of a total of 2,679 valves and washouts located within the Grand Cayman water distribution system, a total of 2,528 valves and washouts were visited. Of the valves and washouts visited, 2,163 valves were exercised (representing 80% of the total) and 540 washouts were flushed (representing 76% of the total).

As a result of the NRA's extensive paving programme in 2021, more than 360 valves were found to have been covered over and need to be uncovered, preferably before the start of the next Hurricane Season. The Secretary noted that it may be necessary to outsource this work as the Authority's resources are limited and they will not be able to complete this work in addition to their

regular activities (e.g., installing/upgrading and repairing pipelines, connecting new subdivisions, and installing new service connections).

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2) *New Works Division*

The Secretary reported that in mid-December 2021 the New Works pipelaying crew installed approximately 100 metres (350 feet) of 80mm (3-inch) pipe across Hirst Rd and along a Private Right of Way to Block 27B Parcel 92, just north of Leonce Drive. This pipeline has now been commissioned (after testing, disinfecting and flushing was completed).

During the week of 17 January 2022, the New Works pipelaying crew commenced the installation of a 100mm (4-inch) pipeline along Cornwall Lane and Cranbrook Drive (off Birch Wood Road). This work, comprising approximately 120 metres (400 feet) of pipeline, is required to improve the piped water supply along Cornwall Lane and Cranbrook Drive, and to accommodate a proposed apartment complex at the end of Cranbrook Drive. By 21 January 2022, approximately half of the total length of pipeline had been installed.

3) *Water Distribution & Treatment Division*

The Secretary reported that in early January 2022 Operations-Water Supply completed the pipeline replacement work on Palm Dale Avenue, including its side roads (/Success Circle, Nevard Close, and Damascus Close) project. This project comprised the replacement of approximately 915 metres (3,000 feet) of 100mm (4-inch) water main along Palm Dale Avenue and approximately 370 metres (1,200 feet) of 80mm (3-inch) water main along Success Circle. The pipelines have been commissioned and all customer connections have been completed.

On 10 January 2022 Operations-Water Supply commenced the project to relay approximately 160 metres (500 feet) of 100mm (4-inch) pipe along Chaucer Drive (Midland Acres). This work was deemed necessary after multiple leaks were experienced along this section of water mains. This project is expected to be completed later this week.

Immediately thereafter, a new 100mm (4-inch) pipeline will be installed along Gardenia Drive (Midland Acres), between Goldsmith Street and the junction with Periwinkle Drive. This work comprises the installation of approximately

160 metres (500 feet) of pipeline, and is expected to be completed by 04 February 2022.

4) *Water Production Division*

The Secretary advised that there was nothing new to report.

5) *Wastewater Collection & Treatment Division*

The Secretary reported that during the 1.5-month period 30 November 2021 - 15 January 2022, the design hydraulic capacity of the wastewater treatment plant (2.5 mgd) was exceeded on nineteen days (or 41% of the time). The average daily wastewater inflow from West Bay Road during that period was 2.48 mgd (or approximately 99% of the design treatment capacity). This is 12.2% more than the average influent measurement during the same period the previous year (2.21 mgd).

A new Roots Blower for providing oxygen to the SBR basins has been received, and will be installed and tested either this week or next week, depending on availability of staff. Currently only 50% of the Wastewater Division is available due to COVID-19 related issues.

6) *Cayman Brac Water Works*

Updates under Current Business on the Agenda.

c) **Customer Service**

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Customer Campaigns

The Secretary reported that the campaign to have customers update their contact information and mailing/email addresses is underway via social media and radio. Customers are being encouraged to do business electronically as much as possible. Customers also being reminded that the January 2022 bill will be for a longer meter reading period due to the early reading in December 2021. This means January 2022 bills are likely to be higher.

The Secretary noted that a significant number of Customer Service frontline employees were out due to COVID-19 and the remaining Customer Service Representative had done very well managing the walk-in customers with support from the CSM and back office staff. Members asked that the Secretary include the Board's compliments when these persons are recognised.

d) **Human Resources**

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Scholarship Programme

The Secretary noted that D'Vonte Joseph (2020 Scholarship Recipient) returned safely to the University of Leeds in January 2022 to complete his second year, Master of Engineering (Chemical) degree programme.

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COVID-19

The Secretary reported that community spread of the COVID-19 coronavirus continues to have an impact on the Water Authority and its employees. However, the Authority has managed to remain open for business and to the public since it had to close its offices twice in October and November 2021.

Since the beginning of 2022 about 13% of Water Authority employees have been impacted by COVID-19, either by testing positive or being primary contacts of positive cases. Most persons who are primary contacts have continued working whilst conducting daily lateral flow test (LFT) monitoring in accordance with Water Authority and national public health policies. As of 25 January 2022, about 10% of employees were COVID-19 positive.

At present, at least 80% of Water Authority employees are vaccinated.

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FOI updates - No new FOI questions were received since the 21 July 2021 Board meeting.

e) **Information Services**

Great Plains Software Upgrade

The Secretary reported that the IS department is working with the CFO and Customer Service Manager (CSM) to move to a newer GP version that has more versatility and options to support the Finance department in its efficiency initiatives.

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



f) **Water Resources & Quality Control**

Siemens Transformer Oil Spill at CUC premises

The Secretary advised that during the week of January 2022 Siemens started the remediation of the area that was impacted by the spill of transformer oil at the CUC compound in November 2020. The work consists of excavating the impacted soil and placing it in remediation cells. The Water Authority conducts periodic site visits and is satisfied with the work that is being carried out.

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*Laboratory - external A2LA audit*

The Secretary noted that before Christmas 2021 the Laboratory submitted a plan for corrective actions to the American Laboratory Association (A2LA) in response to the deficiencies that were identified during the November 2021 external audit. On 19 January 2022 the Laboratory submitted the evidence to the A2LA that the corrective actions had been implemented. There are some challenges with implementing the corrective actions; among other issues the Laboratory has to conduct Proficiency Testing. This testing is done on blind samples that are provided by specific companies that provide samples with a known concentration of the target chemical, physical parameter or biological agent. The Laboratory tests the samples and reports the result, if this is within the target range the Laboratory gets a pass, but if it is outside of the target range the Laboratory fails the sample. The Laboratory uses these services on a continual basis, but was required to do extra Proficiency Testing to deal with some deficiencies determined during the audit. The Secretary explained that as a result of shipping delays and hold up by the local courier service it has been challenging to obtain the samples on time.

g) Director's Office*Water Authority (Amendment Act) 2018*

The Secretary advised that this amendment, passed by the then Legislative Assembly in 2018 was done to amend the Water Authority Act (2018 Revision) to make certain provisions consistent with the Public Authorities Act, 2017. However, last year during the Act revision process, it was realised that the amendment had not taken effect because a date of Commencement Order had

not been gazetted. With the assistance of the Chief Officer (Acting) of the Ministry of District Administration & Lands (DAL), Cabinet gazetted the Commencement Order for the date of 01 January 2022. The documents have been provided to members for their information.

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Current Business

a) **Management Accounts November 2021.**

The Secretary reported that the CFO is pleased to present the 30 November 2021 management accounts. The Finance Department is accumulating and confirming the information for the 31 December 2021 financial statements and will have a draft available at the February 2022 Board meeting.

* Redacted under section 21 (1)(B) of the Freedom of Information Act (2021)*

The Financial Statements of the Authority show no anomalies from the previously reported financial position. Cash position remains strong, and [REDACTED] in December 2021 and will be reflected in the year end accounts.

The Statement of Comprehensive income shows that sales has normalised over the course of 2021, with sales in Grand Cayman reflecting less than 1% or [REDACTED] less than the same time in 2020, sales in Cayman Brac and Sewerage fees have increased over last year at 14.8% and 4.4% respectively.

Operating expenses are up from 2020, showing a 9.3% increase over 2020 which is reasonable given that it is a full year of operations as compared to a partial unusual year in 2020 with the COVID-19 situation and lockdown and the

increase in fuel costs which is the primary justification for the increase in water purchases/production as compared to stable sales.

To understand the variance within Operating and Administrative expenses it is important to acknowledge that the work force within the Authority increased by 10 employees over the course of the year. Increased staff numbers combined with increased Health Insurance rates are reflected in a significant increase in Salary and benefit figures.

In summary, despite flat sales in Grand Cayman and significant increase in staff costs due to new hires and increase health insurance the Authority remains in a
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Any Other Business

The Chairman asked if the Authority had carried out a customer survey recently. The Secretary advised that none had been done for quite a while and that the Authority would consider one soon after several improvements have been made to the website's customer portal. The Customer Service and IS team will work with the website creator to include a customer feedback survey form.

Members asked that the Secretary include the Board's compliments when staff are recognised and appreciation for their efforts during these challenging times is expressed.

Donation Requests

The Secretary advised that the Sponsorship Assessment Sub-committee (SAS) will meet after the Board meeting and noted that there would be only three members of the SAS besides the Chairman available. Members agreed that Mr G Ebanks could sit in temporarily for additional Board representation to deal with the following requests for assistance:

- a) *Ratify* - Ministry of Youth, Sports, Culture and Heritage - Christmas Focused Market.
- b) *Ratify* - District Commissioners Office C Brac - Sister Islands Annual Civil/Public Service and Pensioners Christmas Luncheon & District Administration Annual Staff Christmas Luncheon.
- c) *Ratify* - Alex Panton Foundation - Symposium 2022.
- d) *Ratify* - Lighthouse School PTA - Autism Awareness Event 2022.
- e) N'Between Dreams - Basketball Breakfast Club.

Indigent Assistance Fund Application

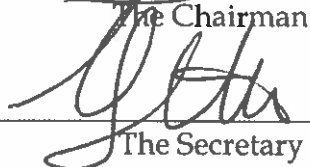
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There being no other business the Chairman thanked members and the meeting was adjourned at 4:24pm.

This is a true and accurate account of the proceedings.



The Chairman



The Secretary