

CONFIDENTIAL



Water Authority of the Cayman Islands

Minutes of 366th Meeting held on 21 January 2026
at the Water Authority of the Cayman Islands' Headquarters,
13G Red Gate Road

Members Present:

Chairman:	Mr D Rankine - <i>virtual</i>
Members:	Mrs D Ebanks Ms D A Whittaker Ms A Owens Mrs L Ryan - <i>phone</i> Mr H B Ebanks Mr M Scotland Mr K Conolly
Secretary:	Dr G Frederick-van Genderen
Apologies:	Ms E Kynes Mr M Campbell Mr G Ebanks Mr M Ebanks
Absent:	
Guest:	Mrs Y Phillips, <i>Chief HR Officer (Designate)</i>

Call to Order

The Chairman welcomed all members and exchanged Happy New Year greetings with members. He also welcomed Ms D A Whittaker, Deputy Chief Officer, Ministry of District Administration & Home Affairs, and Mrs Y Phillips, Chief HR Officer (Designate (CHRO-D)) at the Water Authority as the new Head of the HR Department to sit in on the Board meetings. The Chairman then called the meeting to order at 1:35pm after ascertaining there was a quorum. He welcomed members and noted apologies for Ms E Kynes, Mr G Ebanks, and Mr M Campbell.

Confirmation of Minutes of the 365th Meeting held on 03 December 2025

The Minutes having been circulated, the Chairman asked for confirmation or amendments of the Minutes of the 365th Meeting held on 03 December 2025. Mr M Scotland moved the

motion to accept the Minutes, Mrs D Ebanks seconded the motion, and the motion passed unanimously by all members present and able to vote.

Declaration of Conflicts of Interest

No conflicts were declared.

Matters Arising Director's Updates/Department Reports

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

The Chairman noted that the detailed data provided on the reported category of "Waiting on Customer Action" showed that the main reason was waiting on customers to complete their pipe work before the meter could be installed. The Secretary explained that the numbers were not static as the customers are periodically contacted and asked to proceed with getting their pipe work installed.

Pipelaying for new Cayman Brac High School

No matters raised.

West End Water Works Pump House

No matters raised.

West End Water Works RO Plants

The Chairman opened discussion on the salinity incident in Cayman Brac in December 2025. A report was prepared on the High Salinity Incident - Cayman Brac Water Supply 12-16 December 2025. Members were provided with a copy of the report. The Secretary sought members approval to bring in the senior staff involved in dealing with this incident. Members agreed and subsequently the Deputy Director - Tom van Zanten (DD), Chief Operations Engineer - Carlos Vargas (COE) and the Water Resources Engineer - Hendrik van Genderen (WRE) joined the meeting.

The Chairman thanked the WRE for the report and noted that, in his view, it was thorough and clear, documented what had occurred, explained how the situation was resolved, and identified the issues requiring further attention. Other members expressed similar feedback.

The Chairman queried why there was no visible indications of water in the plant due to the broken end cap port adaptor. The DD explained that this fitting is inside of vessel 2 of Train L1A and does not show outside the train. The Chairman also queried why the handover process after the installation of the second train in 2023/early 2024 was not ideal. The DD explained that the Engineer-Water Production, who oversaw the installation of the second train at the time, resigned on short notice when this project was nearing completion resulting in a lack of continuity in project oversight and completion of testing and evaluation of the project. The DD acknowledged that the handover process could have been done better however the Authority was under significant pressure to get the second train

online in order to meet demand and ease the restrictions that had been placed on trucked water orders.

After further feedback on the report and Authority's management of the incident, the Chairman thanked the team and asked that those not present who were involved in handling the incident be thanked on behalf of the Board for their efforts.

The Chairman suggested that since the DD and the COE were present that the discussion take place on Repair of Valve Box Installations in Public Roads matter that is listed under Department Updates - Engineering Services. Members agreed and the Chairman opened discussion on this item. The reporting on this matter is recorded in these Minutes under Department Updates - Engineering Services. At this point, the Chairman thanked the WRE for his input, and the WRE then left the meeting.

Brac Bluff Water Works
No matters raised.

- b) 31 December 2024 Audit of Island & Divisional Statements - Update.**
31 December 2024 Audit of Consolidated, Islands & Divisional Statements
No matters raised.

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



31 December 2025 Audit of Consolidated, Island & Divisional Statements
No matters raised.

2025 Notice of Interest (NOI)

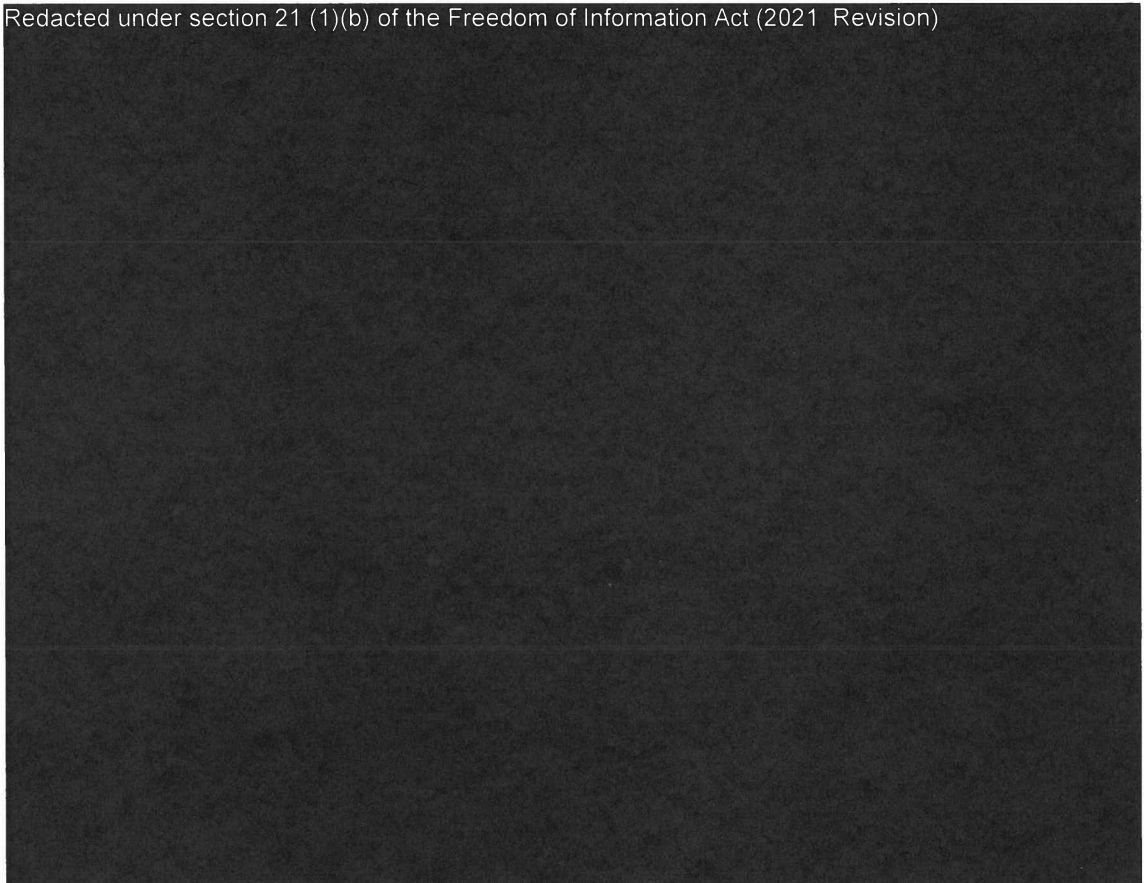
The Secretary noted that all NOI forms had been submitted and that this item would come off the agenda.

2025 Actuary Reports
No matters raised.

2025 Annual Report
No matters raised.

- c) **Key Performance Indicators (KPIs) – Update.**
No matters raised.

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



Department Updates

- a) **Finance**
2025 (Revised) & 2026-2027 Budget
No matters raised.

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

OCL Rate Adjustment 2026
No matters raised.

- b) **Engineering Services**
 - 1) *Engineering*

Business Cases – Projects
Advanced Metering Infrastructure (AMI) Pilot Project
No matters raised.

Addition WA Main Office Building

No matters raised.

Procurement of a Crane Truck (for Wastewater Division)

No matters raised.

Lower Valley Pipe Rack

No matters raised.

Procurement of 2 Water Trucks for Cayman Brac

No matters raised.

Procurement of 3 loader backhoes

No matters raised.

Procurement of 3 self-propelled trench compactors

No matters raised.

Procurement of 3 equipment trailers

No matters raised.

Maintenance contracts to be renewed

No matters raised.

RO Plants - Operating Agreement

The Chairman queried why a 6-month extension would be required. The Secretary explained that this timeframe is necessary to meet statutory procurement requirements for a competitive bidding process and to allow for an appropriate transition period should a company other than Ocean Conversion Ltd (OCL) be successful. The Water Authority would also need to complete a separate procurement process for the 6-month extension.

Repair of Valve Box Installations in Public Roads

The Chairman opened discussion on this item immediately after the conclusion of discussion on the High Salinity Incident under Matters Arising item a) Cayman Brac Infrastructure Upgrade & Expansion Project - Update. The Secretary advised that the Engineering Services Department had prepared a report "*Repair of Valve Box Installations*" to address NRA's concern regarding the Water Authority's reinstatement around valve boxes in public roads. A copy of the report was provided to members. Present for discussion on this matter was the DD and the COE.

At the 365th Water Authority Board meeting on 03 December 2025, it was reported that the NRA was not satisfied with the Water Authority's current practice and materials used for the reinstatement of the areas immediately adjacent to valve boxes in public roads and indicated that the current cold mix

patch being used was not effective as a long-term solution. This report explained the rationale for the methodology being used.

The report provides an overview of the utilisation of cold mix asphalt for reinstatement around valve boxes by the Water Authority as well as the NRA's usage for other purposes. NRA uses the same cold mix product as the Authority uses (i.e., Seaboard BOND-X GREEN Cold Patch and EZ Street Cold Patch) and previously accepted this product for permanent trench reinstatements and for use around the Authority's valve boxes.

The report explained that in the absence of a more coordinated approach from the NRA with respect to the raising of valve box covers in advance of paving operations, the use of cold mix remains the only practical method to repair valve box installations both in public and private roads. This product is also considered effective as a long-term solution, provided the correct installation procedure is followed.

The report noted that repairs to valve box installations and the associated costs could be eliminated completely if the NRA takes responsibility for adjusting the covers to the future finished road elevation before the final paving is carried out. This would ensure that covers are flush with the new road surface and would require improved communication with the Authority and closer supervision of the paving contractor by the NRA during operations to ensure that the cover is flush with the new road surface.

Mr M Scotland thanked the DD for the thorough report, noting that it provided a clear overview of both historic and current practices relating to valve boxes in public roads. Members noted the report's observations and recommendations, and the Chairman added that, in his view, it was balanced. Mr M Scotland requested that Water Authority share the report with NRA to initiate and support the development of a jointly agreed policy on standard procedures for repairing valve box installations in public roads.

The Chairman thanked the DD and the COE for their input, after which they left the meeting. The Chairman then returned to the remaining item (*Brac Bluff Water Works*) under Matters Arising item a) Cayman Brac Infrastructure Upgrade & Expansion Project - Update.

- 2) *New Works Division*
No matters raised.
- 3) *Water Distribution & Treatment Division*
No matters raised.
- 4) *Water Production Division*
No matters raised.

5) *Wastewater Collection & Treatment Division*
No matters raised.

c) Operations

1) *Water Distribution & Treatment Division*

2) *Wastewater Collection & Treatment Division*

d) Customer Service

Projects

No matters raised.

Promotions

No matters raised.

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

December 2025 Billing Issue

No matters raised.

e) Human Resources

The Chairman noted that the CHRO (Designate) was present in this meeting and available to enlighten members further if they had any queries related to the HR Department updates.

Recruitment & Staffing

No matters raised.

Learning & Development

No matters raised.

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

HR Management System

No matters raised.

Compensation Review

No matters raised.

Pension Sessions

No matters raised.

Staff Engagement/Social Activities

No matters raised.

Job Evaluation – Portfolio of Civil Service

No matters raised.

Organisational Chart

No matters raised.

FOI updates

No matters raised.

f) Information Services*Cogsdale and Great Plains upgrades*

No matters raised.

Vista Software

No matters raised.

Demonstration of Vista & Cogsdale Software

No matters raised.

Cloud Storage

No matters raised.

g) Water Resources & Quality Control*Environmental Impact Assessments*

No matters raised.

Laboratory – External Audit

No matters raised.

Water for AgroPark

No matters raised.

Fuel Standards Committee

No matters raised.

Septage Treatment & Disposal in the Sister Islands

No matters raised.

Return of Geological Samples to the Cayman Islands

No matters raised.

h) Director's Office*External Risk Assessment (ERA) – Major Disruption Water Supply*

No matters raised.

CaribDA Conference 2026

No matters raised.

Water Authority's 35th Anniversary of Service in Cayman Brac 2026

The Secretary reported that the planning committee met on 16 January 2026. The full communication plan will be completed by end of this month with the first feature will be in the first Quarter newsletter at the end of January 2026. The first quarter activity will be the Customer Service Appreciation event which is scheduled for 10 April 2026. Dates in March 2026 did not work due to the ASM being already scheduled for 27 March 2026. The Secretary reported that the Committee had gathered information on the donation to the Hope Centre (future Oncology/Dialysis Unit) and the nursing pod recommended for the Brac airport. The nursing pods (also known as mama pods) are self-contained and movable and cost around \$10k. Members noted that the Committee would like to work towards both options for the posterity/legacy donation.

Current Business**a) Management Accounts November 2025.**

The Secretary was pleased to present the unaudited management accounts for the nine months ending 30 November 2025, with comparisons to both the prior year and the recently approved 2025 budget.

During this period, overall sales showed a modest increase of 0.6% compared with the same timeframe in 2024. In Grand Cayman, net water sales remained steady, rising slightly by 0.3%. Consumption rose by 4.1%, though this gain was offset by a 16.9% reduction in EAF revenue. Meanwhile, Cayman Brac recorded a strong improvement, with sales climbing 20.2% over 2024 levels.

Operating expenditure declined by 7.0%, mainly reflecting lower spending on Repairs and Maintenance and Supplies. Fewer remediation works were carried out on the collection system this year, while reduced road reinstatement activity led to lower supply costs.

Administrative expenses rose by 9.0% year-on-year, though they remained under budget and reflect the Authority's prudent budgeting practices.

Overall, the Authority's financial results for the year to date are consistent with expectations and remain favourable against the 2025 budget. The Authority continues to demonstrate a sound financial position, with adequate resources to fund daily operations and progress key capital projects.

b) Recommendation – Write-Off Authorisations.

The Secretary reminded members that at the 364th Board meeting held on 19 November 2025 Board members requested that the Authority review the Board authorised amount for the Director to Write-off, as the current threshold was determined 15 years ago and is <\$500. The Board requested that the Director and Chief Financial Officer (CFO) discuss and provide a recommendation for Board consideration.

The Secretary advised that she was pleased to present to Board members with a recommendation, together with a draft Write-Off Authorisation Framework dated 21 January 2026 and prepared by the CFO, for the Board's consideration. A copy of the draft Write-Off Authorisation Framework was provided to all members. In summary, it is customary and accepted business practice for organisations to establish tiered write-off authorisation limits, whereby authority is delegated based on materiality. Under such frameworks, write-off limits are defined for the CFO and the Director, with larger amounts, and any write-offs relating to fraud, litigation, or policy exceptions, requiring Board approval.

The following table from the draft Write-Off Authorisation Framework document shows the proposed write-off limits and associated criteria:

Recommended Write-Off Authorisation Limits, adjusted down from Industry Standards

Position	Authority Threshold	Per-Item Limit	Annual / Period Cap
Chief Financial Officer (CFO)	0.01% – 0.05% of annual revenue		
	Recommended - 25% of industry standards	Maximum \$1,250 per write-off	Maximum \$12,500 per fiscal year
Director / CEO	0.05% – 0.10% of annual revenue		
	Recommended - 50% of industry standards	Maximum \$12,500 per write-off	Maximum \$50,000 per fiscal year
Board Chairman	Above 0.05% of annual revenue	No per-item limit	Board approval required
Board Members	Any amount related to fraud, litigation, or policy exception	No per-item limit	Mandatory Board approval

As noted in the draft Write-Off Authorisation Framework, the Authority has two primary set of Accounts Receivables, these are:

- Utility Accounts – Amounts owed for utility services provided by the Water Authority, including but not limited to:
 - Water provision

- Wastewater collection and treatment
 - Trucked water deliveries
2. Account Receivable - Other - Amounts owed for services or work completed by the Authority that are not related to utility sales, including but not limited to:
- Water testing services
 - Repair works carried out by the Authority
 - Installation of new services
 - NSF charges, equipment rentals etc.

The Secretary noted that the proposed structure of authorisation for write-off is inclusive of both sets of Accounts Receivable. All write-offs must be supported by evidence of reasonable collection efforts and a written report to be provided to the Board on a quarterly basis that shows the amounts being written off, the reasons and the approving authority (CFO or Director).

The approval of the write-off authorisation framework outlined in this paper will supersede and replace the write-off parameters approved at the 220th Board Meeting.

The Chairman opened discussion on the proposed Write-Off Authorisation Framework. Subsequently, Mr M Scotland moved a motion for the Board to approve the tiered write-off authorisation framework effective 01 February 2026, and that this will be in place until formally updated. And further, that the Chairman and Director are authorised to sign off on the Write-Off Authorisation Framework. Members also noted that approval of this framework supersedes and replaces the write-off parameters approved at the 220th Board Meeting. The motion was seconded by Mrs D Ebanks and passed unanimously by all members able to vote.

Any Other Business

a) Quarterly Report - Sponsorship Assessment Subcommittee (SAS).

The Secretary advised that the members have been provided with the 4th Quarter Report 2025 from the SAS for their records. Members noted the information and had no further comment.

b) National Heroes Day 2026 - Water Authority Recognition.

The Secretary reported that she was informed on 20 January 2026 that the Water Authority would be recognised on National Heroes Day 2026, that is on 26 January 2026. The theme for National Heroes Day 2026 is *Honouring a Nation Built: The Power of Physical Infrastructure*. This theme recognises the individuals and organisations whose work in developing the Cayman Islands' physical infrastructure, including roads, ports, airports, utilities (energy grids, water and sanitation systems, communication networks), and public buildings, has had a lasting, transformative impact on the nation's growth, economic activity, social development, and quality of life.

The award categories for the National Recognition Awards are as follows:

- Landmark Leaders (“Early Pioneers”)
- Infrastructure Innovators (“Pioneers”)
- The Builders of Cayman (Group Award)

The Secretary reported that the Water Authority will be recognised in the category of “The Builders of Cayman (Group Award)”. She also advised that the Deputy Director and herself were informed that they will be recognised in the category of “Infrastructure Innovators (“Pioneers”)”. The Secretary noted that this is an honour for the Water Authority and both the Deputy Director and she are humbled to have been recognised for the individual awards. The Chairman and members congratulated the Secretary and Deputy Director on the national recognition.

Donation Requests (to be dealt with by Sponsorship Assessment Sub-committee (SAS) after Board Meeting.

1. Ratify – Department of Environment Health – Staff Christmas Party.
2. Ratify – CI Fire Service – Staff Christmas Party.
3. Ratify – Public Works Department – Staff Christmas Party.
4. Ratify – Ministry of District Administration & Home Affairs.
5. Ratify – Department of Agriculture – Staff Christmas Party.
6. Ratify – Computer Services Department – Staff Christmas Party.
7. Ratify – Cayman Islands Airport Authority – Annual CIAA Christmas Party.
8. Ratify – Department of District Administration CYB – Annual Staff Christmas Party.
9. Ratify – Department of Sports – Staff Christmas Luncheon.
10. Ratify – Department of Public Safety – Staff Christmas Dinner.
11. The Beacon of Hope Cayman Foundation Ltd. – Invitational Golf Tournament (Moved from 102nd Meeting Agenda).
12. REM School of Nursing (UCCI) – Research Symposium 2026.
13. Lighthouse School PTA - Annual Autism Spectrum Condition (ASC).
14. Department of Counselling – Honouring Women’s Month 2026.

Indigent Assistance Fund

None.

Any Other Business

There being no other business the Chairman thanked all members and the CHRO (Designate) for attending, and the meeting was then adjourned at 3:04pm.

This is a true and accurate account of the proceedings.


The Chairman 25 FEB 2020


The Secretary 25 FEB 2020

Water Authority of the Cayman Islands

366th Meeting to be held at 1:30pm on Wednesday, 21 January 2026

Director's Updates/Report

- a) **Cayman Brac Infrastructure Upgrade & Expansion Project - Update.**
- During the period 24 November 2025 - 19 December 2025, the New Works Pipelaying Crew (NWPC) installed approximately 61.0 metres (200 feet) of 80mm (3-inch) of PVC pipeline to connect 2 customers and installed 66.0 metres (215 feet) of 63mm (2-inch) PE pipeline along Lilly's Lane.
 - The weekly progress report for 24 November 2025 - 19 December 2025 is as follows:
 - Week 47 (starting 24 November): NWPC completed various work related to disinfection and pressure testing activities at Juniper Bay, Kenwood Drive and two (2) Unnamed Roads. The crew repaired two road crossings, two wash-outs (at Driftwood Drive and Cottage Drive), and a service connection leak at Amerville Lane.
 - Week 48 (starting 01 December): NWPC installed 61 metres (200 feet) of 80mm (3-inch) PVC pipe to connect two (2) customers and also installed 66 metres (215 feet) of 63mm OD (2-inch) PE pipe along Lily's Lane.
 - Week 49 (starting 08 December): NWPC replaced 71 valve box plugs and 8 valve box covers, and also installed several service connections, and assisted Operation-CYB with trucking.
 - Week 50 (starting 15 December): NWPC carried out flushing and conductivity testing of side road pipelines moving from West to East as part of the corrective actions taken after the high salinity incident was discovered 13 December 2025. The crew replaced 11 valve plugs, repaired 1 washout at Cottage Drive, and 1 washout at Driftwood Drive. The crew also continued investigating valves up to Dennis Foster Road and assisted Operations with trucking.

The number of outstanding requests for water connections as of 12 January 2026 in Cayman Brac are as follows:

Group	Number
No pipeline down private Road	13
Pending to cancel application	0
Waiting on customer action	18
Waiting on relocation to new road access	1
Pending WA to complete account opening	0
Waiting on WA to install	18
Total	50

Approximately 36% of the outstanding total of 50 is awaiting on the Water Authority to install the service. The delay in installing the service on the Water Authority's side is due

to the rock wheel trencher being out of service for repair as well as the December holidays. Five accounts were installed and accounts opened on/by 06 January 2026. As requested at the November 2025 Board meeting, the Cayman Brac Operations office assisted Customer Service with contacting the 46 customers in the November 2025 list reported in the category “*Waiting on customer action*” to identify the specific reason/s for their delay to take action to complete the water service connection process. The numbers in this review had increased to 59 when the list was compiled for Customer Service and the Brac operations Office to contact these customers. The breakdown of reasons given are as follows:

Customer Action	No.	%age
Deposit outstanding	2	3%
Customer Off island	5	8%
Await completion of customers pipe work before installing meter	32	54%
Meter installed	4	7%
Located in private road	1	2%
Waiting inspection to confirm location of meter box	6	10%
Customers need to accept proposal as Property located private road or ROW	6	10%
Relocation needed	1	2%
Chlorination	1	2%
Cancel as on bluff	1	2%
	59	

The communication with customers resulted in reducing the ‘*Await completion of customers pipe work before installing meter*’ numbers from 32 to 20.

Pipelaying for new Cayman Brac High School
No update.

West End Water Works Pump House

- During the first eleven months (January-November) of 2025 the water sales on Cayman Brac compared to the same period in 2024 were:
 - Total water sales up approximately 21.1%
 - Pipeline sales up 17.4%
 - Trucked water sales up 28.5%
- In the calendar year 2025 the total water sales on Cayman Brac were approximately 22.4% higher than in the calendar year 2024. Pipeline sales were up 20.2%, and trucked water sales were up 25.7%, compared to the previous year.

West End Water Works RO Plants

- In December 2025, the overall water production in Cayman Brac averaged 787 cubic metres per day, which equates to approximately 61% of the overall design water production capacity at West End Water Works.
 - During December 2025, the expanded RO plant (Plant #1) was operational for 31 days and when operational produced on average 787 cubic metres per day (approximately 74% of the plant’s design water production capacity). During this same period the containerised plant was not required to be operational.
 - During December 2025, there were no planned plant shutdown but there were several short plant shutdowns when alternating between the two trains on the

expanded RO plant (Plant #1). There was 1 unplanned plant shutdown, when a port adapter on Train 1A broke causing high salinity water to enter the water storage tanks and the water distribution system and which necessitated main line flushing (13 December 2025).

- A report has been prepared on the High Salinity Incident – Cayman Brac Water Supply 12-16 December 2025. Members have been provided with a copy of the report.
 - In summary, a mechanical component failure at the RO plant occurred on 12 December 2025 around 14:00, resulting in production of saline water exceeding specifications.
 - At 07:40 on 13 December 2025, when discovered by the On-Call Operator-CYB, the salinity of RO product water exceeded specification by 1,588 %.
 - At 08:15 on 13 December 2025, when checked by the On-Call Operator-CYB, the salinity of treated water pumped into the distribution system exceeded specification by 1,090 %.
 - **Overall duration:** 97 hrs from 14:00 on 12 December 2025 when the component failure at RO plant occurred until 15:00 on 16 December 2025 when flushing of all affected pipelines was completed.
 - **Customer impact:** 14 trucked water customers, all pipeline customers because Boil Water Notice (BWN) was issued for Cayman Brac.
 - **Corrective actions:**
 - Issued BWN at 15:00 on 13 December 2025, BWN was lifted at 21:00 on 14 December 2025.
 - Shutdown and repair of defective RO train.
 - Correction of high saline water in reservoirs by dumping water, blending saline water in reservoirs with fresh RO product water and pumping into distribution system.
 - Correction of high saline water in the distribution system by flushing pipelines.
 - Disposal of high saline water from 3 tanker trucks.
 - Offering to replace trucked water to affected trucked water customers.
 - Extensive water quality testing.
 - Periodic and frequent communications to update the public.
 - Periodic and frequent updates to key people/agencies: Water Authority Board, Ministry District Administration, Minister responsible for District Administration, Director Environmental Health.
 - Estimated volume of water used for flushing and discharged from reservoirs and trucks: 1,100 m³.
 - On 19 December 2025 a meeting was held with key staff to conduct a Root Cause Analysis to determine corrective actions.

West End Water Works Site

The new gate, bases for card readers and motor and ducting for power and data cabling have been installed. Island Electronics (IEL) are currently working on the installation of the gate motor, card readers and controller. This project should be completed within the next 2 weeks.

Brac Bluff Water Works

The Cayman Brac & Little Cayman Exploratory Drilling Contract (2025) must be completed on or before 27 March 2026. The core drilling rig arrived on Cayman Brac on 05 January 2026 and was transported to the Bluff site on 07 January 2026. Unfortunately, the temporary work permits for the contractor’s staff have not yet been requested as the various packages with the information required for the Temporary Work

Permits will not arrive on island until 16 January 2026. As the process for obtaining temporary work permits is time consuming, even if expedited, it is unlikely that work on this contract will commence before the end of January 2026.

b) 31 December 2025 & 2024 Audit of Consolidated, Island & Divisional Statements - Update.

31 December 2024 Audit of Consolidated, Islands & Divisional Statements

Updates to the observations in the Office of the Auditor General's (OAG) "Report to Those Charged with Governance on the 2024 Audit":

1. Unfunded Defined Benefit Retirement Liabilities

In discussion with Ms Anne Owens, Board member and Senior Assistant Financial Secretary, the Authority was advised that the correct procedure was to reach out to the Public Service Pensions Board (PSPB) and request the funding amounts to be included in the 2025 actuary reports as provided by Mercer. On 03 December 2025 the Chief Financial Officer (CFO) wrote to the PSPB requesting that this information be provided by Mercer as part of the 2025 actuary reports. The CFO followed up with an email on 12 January 2026, reminding the PSPB that the information was requested.

As soon as the information regarding the amounts to "ring fence" are received from Mercer then the CFO will prepare a report for the Board, providing the background information as well as recommendations for securing funds to meet the long-term health and pension liabilities of the Authority.

2. Non-Compliance with Procurement Regulations

The Secretary reports that the CFO has uploaded the requested template into Bonfire for all invoices >\$10,000 for the period 01 January-30 November 2025. As soon as the 2025 financial year is closed the Authority will upload the remaining detailed invoices for amounts >\$10,000 and the balances/vendor for 2025.

The CFO will confirm with the Central Procurement Office (CPO) as well as the OAG that the completed reporting will bring the Authority into compliance with the procurement regulations.

31 December 2025 Audit of Consolidated, Island & Divisional Statements

The Secretary reports that communication with the Auditor, Baker Tilly's (BT) over the Christmas break was quiet. Audit requests, as outlined on the PBC (provided by client) list started to come in the first week of January 2026. The Secretary reports that the Finance Department is in good order and, if there are no unforeseen circumstances the Chief Financial Officer (CFO) does not see any hinderance to completing the requested audit work in a timely manner. The Secretary reports that, as in prior years the receipt of the 2025 Actuary Reports is generally the last item needed to complete the audit.

2025 Notice of Interest (NOI)

All Board members have submitted their NOI forms. The Secretary thanks members for their cooperation.

2025 Actuary Reports

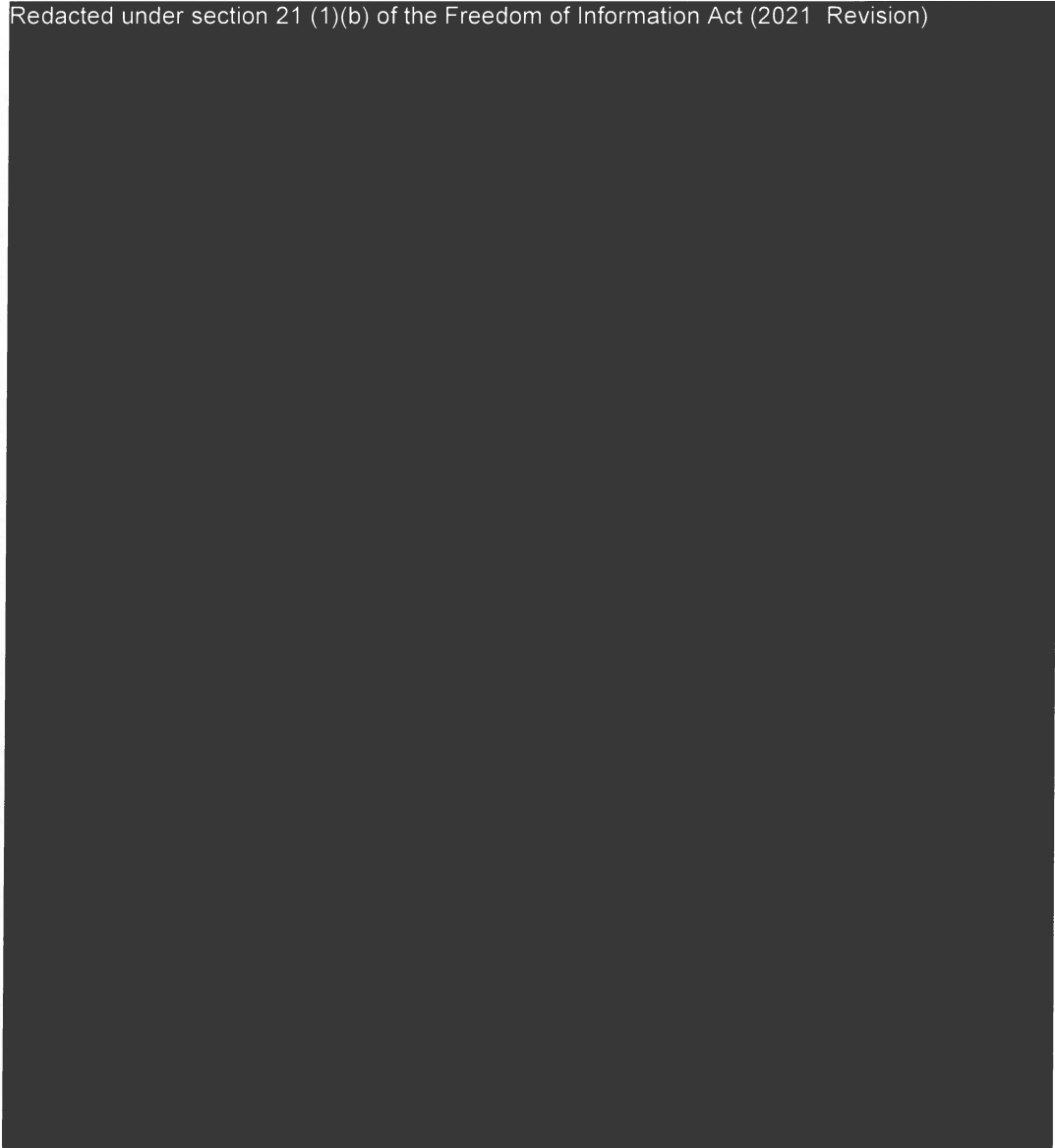
No new update.

2025 Annual Report
Nothing to report.

c) Key Performance Indicators (KPIs) - Update.

Copies of the November 2025 KPIs have been provided to the Board for their review.

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



Department Updates

a) Finance

2025 (Revised) & 2026-2027 Budget

The Secretary reports that on 13 January 2026 she presented the 2026-2027 budget to middle managers, inclusive of superintendents highlighting the 10-year capital development budget.

This meeting highlighted the Authority's planned projects as outlined in the 10-Year Capital Development Plan, with a particular focus on the 2026-2027 budget years. In addition, the session provided an overview of the key priorities and assumptions used in the preparation of the budget.

Staff were extremely receptive to the information and were appreciative of the opportunity to see the big picture and future plans for the Authority. Operations Manager-CYB joined the meeting in Grand Cayman.

This matter is now considered closed.

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

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

b) Engineering Services

- 1) *Engineering*
No update.

*Business Cases – Projects**Advanced Metering Infrastructure (AMI) Pilot Project*

An update was provided to members on 15 January 2026 regarding progress on this project. Since that update, there have not been any significant updates.

Addition WA Main Office Building

Nothing new to report.

Procurement of a Crane Truck (for Wastewater Division)

On 30 December 2025 the vendor Argo American LLC confirmed that the crane truck was ready for delivery. The Authority is now awaiting confirmation of the shipping date.

Lower Valley Pipe Rack

The contractor, J&R Industrial Services, has completed the work and is currently addressing the ‘punch list’ items. This contract is expected to be completed by the end of January 2026.

Procurement of 2 Water Trucks for Cayman Brac

Nothing new to report. The equipment must be delivered to the Authority’s freight forwarder in Miami, FL no later than 05 June 2026.

Procurement of 3 loader backhoes

The bid documents for the procurement of 3 backhoes were published on Bonfire on 31 October 2025. A total of 6 submissions had been received by the submission deadline (19 December 2025), and these are being evaluated and a tender evaluation report will be prepared.

Procurement of 3 self-propelled trench compactors

The bid documents for the procurement of 3 trench compactors were published on Bonfire on 31 October 2025. A total of 6 submissions had been received by the submission deadline (19 December 2025), and these are being evaluated and a tender evaluation report will be prepared.

Procurement of 3 equipment trailers

The bid documents for the procurement of 3 trailers were published on Bonfire on 31 October 2025. A total of 6 submissions had been received by the submission deadline (28 November 2025), and these were evaluated and a tender evaluation report was prepared. This contract has been awarded to 345 Equipment Ltd, for a Contract Amount of US\$80,956.00.

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



- b) Air Conditioning Maintenance - Contract documents have been signed with starting date of 05 January 2026.

RO Plants - Operating Agreement

The Secretary reports that on 07 January 2026, the Water Authority received an email from the Director of the Central Procurement Office advising that he had consulted with the Financial Secretary and that the Water Authority has the go ahead to move forward with the procurement process for the Operating Agreement for the RO Plants. Due to time constraints, the Water Authority will have to ask OCL to extend the 2 existing Operating Agreements by 6 months, i.e., until 01 January 2027.

Repair of Valve Box Installations in Public Roads

The Engineering Services Department is preparing a report "*Repair of Valve Box Installations*" to address NRA's concern regarding the Water Authority's reinstatement around valve boxes in public roads.

2) *New Works Division*

- During the period 24 November 2025-19 December 2025, the NWPC installed 91 metres (300 feet) of 100mm (4-inch) PVC pipe along East Boulevard (Windsor Park, George Town) and tied in the new 100mm pipeline at the intersection of East Boulevard and Apollo Link.
- The NWPC installed 7 valve box covers, capped two saddles, and connected four customers to the new pipeline along Silverdale Close, off Lemon Road, Northward. The NWPC also carried out the chip and spray reinstatement of Lemon Road and Silverdale Close.

3) *Water Distribution & Treatment Division*

- During the first eleven months (January-November) of 2025 the total water sales on Grand Cayman were approximately 4.0% more than in the same period last year.
- In the calendar year 2025 the total water sales on Grand Cayman were approximately 4.0% higher than in the calendar year 2024.
- Relaying of approximately 760 metres (2,500 feet) of 150mm (6-inch) PVC water mains along Meadowlark Road (off Spotts Newlands Road) was completed on 31 December 2025.
- No new sub-divisions were connected for the month of December.
- The DMA at the Frank Sound Junction remains in normal operation. Refurbished Flow Sensor with S/N 43597 was installed. Flow Sensor with S/N 71990 was removed and sent for calibration and servicing.
- The DMA at Agricola Drive is operational. New Batteries were installed in Flow Sensor with S/N 75771 and sensor was returned to normal operation on 13 December 2025.
- One DMA at Poindexter roundabout is operational.
- The 2nd DMA at Poindexter at Shamrock Road: Logger with New Flow Sensor was installed on 21 December 2025.

- On 15 October 2025 a meeting with one equipment vendor (Flow-Tronics) was held to discuss an alternative flow meter. This meeting was useful, and a follow up meeting was held on 03 November 2025, which discussed the Authority’s DMA pilot project. Information about the proposed flow sensor was presented, and the quote for the alternative flow sensor was received on 24 November 2025. The review and approval process is underway. No update to report.

4) *Water Production Division*

- During the month of December 2025, the Lower Valley RO Plant produced on average 2,502 cubic metres per day, or approximately 83% of the plant’s design water production capacity.
- During this same period, there were no planned plant shutdowns.
- During this same period, there were 4 unplanned plant shutdowns, the first one due to a blown fuse on one of the well pumps (01 December 2025); the second due to low suction pressure caused by a Victaulic coupling issue (03 December 2025); the third due to degassifier blower alarm (14 December 2025); and the fourth, due to a VFD fault caused by CUC power fluctuations (17 December 2025).

5) *Wastewater Collection & Treatment Division*

- In November 2025, 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 this same period was 1.72 mgd (or nearly 69% of the design treatment capacity). This is approximately 17.8% more than the average influent measurement during the same month in the previous year (1.46 mgd).
- In December 2025 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 1.79 mgd (or approximately 72% of the design treatment capacity). This is approximately 24.3% more than the average influent measurement during that same period last year (1.44 mgd).
- SBR Blower #3 Shaft seal and bearing failed. Replacement parts were received, and blower was delivered to the machine shop for bearing replacement on 01 October 2025. However, after disassembly of the blower it was discovered that the shaft was damaged as well. Given the extent of damage to the shaft, discussions with the equipment vendor are ongoing whether the best approach would be to ship the blower back for a root cause analysis and repairs. In the meantime, a quote for a new blower was requested and received. The new blower was received on 12 December 2025.
- New Flow Control Valve (FCV), for control of air at SBR #3, was replaced on 18 November 2025.
- Nothing much new to report on the refurbishment of the deteriorated and leaking manhole M2460 (in front of Burger King): The additional epoxy grout and the required dosing nozzles and injection pipework did not arrive on island until just before Christmas. The epoxy grout injection was started on 05 January 2026. The actual manhole refurbishment work resumed on 14 January 2026.
- Upgrade of Control Network at the Wastewater Treatment Plant (WWTP): Nothing new to report.

c) Customer Service*Projects*

- *Cogsdale Upgrade:* The two issues identified in August 2025 are being addressed. These are:
 - Remove service orders are currently displaying a status of Inactive instead of Remove Service - This item is in the status "To Be Scheduled" with the Cogsdale development team. Staff are still using a workaround (updating status in database) as needed. The IS Department team has been requested to escalate this matter with the Cogsdale development team.
 - Service orders with outstanding GPS tasks cannot be completed, yet the service order remains open. Discussions are ongoing between Customer Service and the IS Department.
 - *Bill Proration Testing:* Additional testing is continuing.
 - *Automatic Reconnection:* Testing is ongoing within Customer Service. Findings to be reviewed by the CBRO in conjunction with the CFO in January 2026.
 - *Collections Automation:* Representatives from the IS and CS Departments will meet on 19 January 2026 to re-focus efforts on implementing automatic notice generation for all collections customers with email addresses or portal access. For accounts requiring telephone contact (i.e., where only a mobile number is available), options to generate SMS or WhatsApp notifications via the Communications module will be explored. Customers with landline-only contact details will be identified for manual follow-up calls.
 - *Bill Template:* The IS Department is to follow up with Cogsdale for an update.
 - *Communications Server Deployment:* This will be discussed as part of the meeting the IS and CS Departments meeting on 19 January 2026.
- *Website update:* The Project Manager and Corporate Communications Supervisor are reviewing the recommendations and working on the updates to the business case.
- *New Bill Template update:* IS Department met with Cogsdale on 05 December 2025 to further clarify expectations. Cogsdale sent the updated specs document reflecting the changes, and Kristina provided feedback on 06 January 2026, after reconfirming with the Customer Relations Supervisor what was agreed previously. The Authority awaits an update from the Cogsdale representative.
- *Customer Survey:* The Chief Business Relations Officer (CBRO) and Corporate Communications Supervisor are reviewing the draft survey for phase 2 with the expectation that the survey can be launched within the next four to six weeks.
- *AMI Cogsdale Integration:* The Corporate Communications Supervisor is working with the Customer Relations Supervisor to produce the letters to customers whose meters have been selected. The Corporate Communications Supervisor will follow up with the Director regarding the Water Authority's general PSA prior to the joint release with OfReg and release of letters.

Promotions

- *Scholarship:* The Scholarship Promotions commenced November 2025. The campaign, which includes print ads, boosted social media ads, staff notices, and website updates, will run until the end of February 2026.

- *Customer Update Info Drive*: Planned for the period January to February 2026.
- *Agriculture Say Show*: Arrangements are underway for the Water Authority to have a presence at the upcoming show on 18 February 2026.

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

December 2025 Billing Issue

On 06 January 2026, a customer contacted the Authority regarding a high meter rental charge. During the batch creation for Cycle 3 of the December 2025 month-end bill run (comprising 6,461 bills), the billing period end date was incorrectly captured as '31/12/2031' instead of '31/12/2025'.

This error resulted in certain 'partially billed customers' being incorrectly flagged for meter rental proration, leading to inflated meter rental charges calculated over the incorrect billing period. The issue affected 24 bills out of the 6,461 accounts billed, involving 19 customers (with 5 of the bills relating to the same customer). 'Partially billed customers' refers to customers whose accounts were opened or transferred during December 2025.

All 24 affected customers received corrected bills accompanied by apology letters, and Customer Service Representatives conducted courtesy calls with each customer prior to the reissued bills being sent.

The Authority's Information Systems (IS) Department received a script from Cogsdale to correct the incorrect billing period end date, which was visible only in the system backend and not to customers. The script was successfully validated in the test environment and subsequently executed in the live environment.

A system control gap was identified whereby, despite the financial year having been closed by Finance, the Billing team was still able to enter an advanced future date. The IS Department is currently working with Cogsdale to remediate this issue. In addition, a smartlist is being implemented as an enhanced control within the billing process to show pro-rated meter rental amounts, thereby reducing the risk of recurrence.

d) Human Resources

Recruitment & Staffing

- HR Manager - recruitment process ongoing
- Operations Manager-WW - recruitment process ongoing
- Laboratory Technician I - position filled, successful candidate starts on 21 January 2026
- Labourer - Leak Detection - interviews conducted 07 & 09 January 2026, selection process ongoing
- Labourer-CYB - interviews conducted 14 January 2026, selection process ongoing
- Water Truck Driver-CYB - withdrawn, recruitment efforts focussed on Labourer-CYB
- Engineer-Wastewater - recruitment process ongoing
- Hydrogeologist - recruitment process ongoing

- Accounts Clerk – temp in place, recruitment process ongoing

Learning & Development

- *Procurement Training*

On 10 December 2025, 9 Water Authority employees participated in the second procurement training session, held in the Authority’s training room. The session lasted just over three hours and was facilitated by representatives from the CPO.

- *Operator Certification Exams*

On 03 December 2025, the operator certification exams were administered on 4 candidates sitting their respective exams. One employee was successful in passing the exam with the remaining 3 employees just below the passing mark.

Scholarship Programme

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



Staff Scholarships

With the Board’s support at the 365th Board meeting in December 2025, the Water Authority has commenced the development of a new staff scholarship programme. The proposed programme is intended to support short-term certification/diploma courses and degree programmes abroad, providing structured professional development opportunities while allowing participating employees to continue earning a portion of their income during their studies. Additional details will be presented to the Board for review and approval in due course.

HR Management System

- *Leave Requests:* The remaining rollout is expected to be completed in February 2026. Training will be provided to HoDs and Managers first, followed by general staff. A demo for the Board is planned for March 2026.
- *Phase 2 (Recruitment & Onboarding):* Implementation resumes on 22 January 2026 with weekly coordination between PDS and the Authority’s project team (HR and IS Departments). Full rollout is anticipated for April/May 2026.

Compensation Review

- *Status:* The project is progressing with McConnell HR Consulting Inc (MHRC). Job description validation is complete, and the external market survey was distributed on 09 January 2026. The deadline may be extended to 06 February 2026 to ensure maximum participation.

- *Next Steps:* MHRC will meet with Senior Management in February 2026 to discuss job evaluation outcomes and the proposed grading structure (ladder chart).
- *Timeline:* Completion of the compensation review is expected by mid-March 2026.

Pension Information Sessions

- Additional sessions by other providers are expected to be scheduled for February 2026.
- Remote access will be provided for staff in Cayman Brac.

Staff Engagement/Social Activities

- The Water Authority’s Christmas Social for Cayman Brac Staff took place on 14 January 2026 at the Brac Reef Hotel.
- *Meals on Wheels:* The "Change for Change" fundraiser is set for 30–31 January 2026. Staff will be encouraged to volunteer two hours at various locations.
- *Stride Against Cancer:* Scheduled for 25 January 2026 in Grand Cayman. The Water Authority will sponsor registration fees for participating employees.
- *Annual Staff Meeting (ASM):* ASM26 is scheduled for 27 March 2026. More details will follow.
- *Engagement Survey:* Feedback gathered during the 2025 ASM was reviewed by the WAB-ES Sub-committee in November 2025. Results and progress updates will be shared with all staff by the end of January 2026.

Job Evaluation –Portfolio of Civil Service
No update.

Organisational Chart

The complete, updated organisational chart has been provided to members as requested at the December 2025 Board meeting.

FOI updates

No new FOI requests were received since the last report to the Board at the 362nd Meeting held on 17 September 2025.

e) Information Services

Cogsdale and Great Plains upgrades – No update.

Vista Software – IS Department continues to work with the HR Department. No issues reported thus far.

Demonstration of Vista & Cogsdale Software

The presentations will be planned for early 2026 at the February and/or March Board meeting.

Cloud Storage – IS Department is assessing an in-house cloud solution to automatically collect and store operational data from field assets such as pump stations, lift stations, and meters. Leveraging existing SharePoint experience and LTE-M connectivity provided by

Flow, this approach is expected to reduce costs, minimise manual data entry errors, and maintain organisational control over data while supporting efficient monitoring and analysis.

f) **Water Resources & Quality Control**

Environmental Impact Assessments

- In early December 2025 the Scoping Opinion for the Environmental Impact Assessment (EIA) for the proposed new commercial quarry on Block 43A Parcels 419 and 422 was completed by the Department of Environment. The Authority has been appointed by the National Conservation as a member of the Environmental Advisory Board for the EIA for this project and provided input in the Scoping Opinion.

Laboratory – External Audit

- On 09 January 2026 the Laboratory received official notification from the American Association for Laboratory Accreditation that the Laboratory had been approved for accreditation to ISO/IEC 17025 through 30 November 2027.
- The accreditation is a significant milestone for the Laboratory and is a testament to the dedication of the entire team that works in the Laboratory. The Laboratory Manager takes the lead in the accreditation process and is especially recognised for her leadership, dedication and thorough knowledge of the accreditation process. Staff indicated that the external audit was thorough and tough. The first time the Laboratory achieved the accreditation was in 2002, since then the accreditation requirements have increased in complexity and to maintain the accreditation requires good teamwork, focus and a thorough understanding of the requirements

Water for AgroPark

- In early December 2025, the Authority conducted a site visit at the AgroPark and determined some potential practical challenges to install the wells, the challenges were:
 - Lot demarcations were not clear. As the plan is to install a groundwater abstraction well at each plot, the location of the plot needs to be clear.
 - Several lots were overgrown and had rough terrain, making them inaccessible for the drill rig.
- The Authority requested the Ministry participate in a site meeting to review these issues. The site meeting took place on 14 January 2026. In attendance was the Policy Officer of the Ministry, who is also the interim project manager until a dedicated project manager has been appointed. The Director of Agriculture, the staff member from Lands & Survey who had demarcated the lots and the staff member from the Department of Agriculture who will take care of the clearing of the lots for access for well drilling equipment were also in attendance. The meeting was very useful to discuss and agree on the practical aspects of creating access for drilling equipment and proposed well locations.
- By mid-December 2025, the Authority completed the draft of the Memorandum of Understanding (MOU) to outline the respective roles and expectations of the Ministry of Agriculture and the Authority securing the water supply from wells to each farm. On 12 December 2025 the draft MOU and details of the application process for the

abstraction wells was submitted to the Ministry for action and follow up, but to date the Authority has not received the application or feedback on the draft MOU.

Fuel Standards Committee

- The Fuel Standards Committee met on 08 December 2025 to review the responses to the third consultation on the proposed Fuel Quality Standards. Given the limited time for the meeting, staff changes at OfReg and the level of technical detail in the responses to the consultation, the Standards have not been finalised yet.

Septage Treatment & Disposal in the Sister Islands

- In early December 2025 the Authority provided specific details to Bishop Water Technologies (Canada) so that they could prepare an initial proposal for treatment of septage in the Sister Islands. Given the holiday period, they have not provided a proposal yet.

Return of Geological Samples to the Cayman Islands

- As reported at previous Board meetings the Authority is working with Dr Brian Jones of the University of Alberta to return the geological samples that he collected in the Cayman Islands over the last 40 years. The university is in the process of preparing the samples for shipment. The Authority will arrange for a temporary and permanent storage facility.

g) Director's Office

External Risk Assessment (ERA) – Major Disruption Water Supply

On 16 December 2025, the Water Authority met with stakeholders Cayman Water Company (CWC) and Caribbean Utilities Company (CUC) to discuss the Water Authority's update to the original ERA scenario. Consensus was that the draft ERA prepared by the Water Authority for this meeting was comprehensive; a few refinements were made to incorporate key information from CWC and CUC. The next step will be to submit the ERA via email to OfReg and HMCI for their input and when finalised submit it to the Ministry.

CaribDA Conference 2026

At the 365th Board meeting held on 03 December 2025 the Board confirmed their approval of a Diamond Sponsorship for the 2026 CaribDA conference in the amount of US\$25,000 and instructed that this amount should be moved from the 2026 donation budget. The Secretary reports that this request has been actioned and that the 2026 Charitable donation budget has been reduced by \$21,000 (\$25,000 USD). This decision leaves the 2026 Charitable donation budget with an available balance of \$36,800 as indicated below:

2026 Budget Amount	\$80,000
(LESS) 2026 CaribDA Conference Sponsorship	(\$21,000)
(LESS) Pines (12 months * 600)	(\$7,200)
(LESS) Special Olympics (year 2 commitment)	(\$15,000)
Balance available in 2026	\$36,800

Water Authority's 35th Anniversary of Service in Cayman Brac 2026

The planning committee will meet on 16 January 2026 to finalise the schedule for the year's celebration.