

CONFIDENTIAL



Water Authority of the Cayman Islands

Minutes of Extraordinary Meeting held on 01st March 2023
at the Water Authority of the Cayman Islands' Headquarters,
13G Red Gate Road

Members Present:

Chairman:	Mr D Rankine
Members:	Mr N DaCosta – <i>Virtual</i> Mr H B Ebanks Ms A Owens - <i>Virtual</i> Mrs L Ryan – <i>Phone</i> Mr M Scotland
Secretary:	Dr G Frederick-van Genderen
Apologies:	Mr G Ebanks Mr W Welcome
Absent:	Mr D Ebanks

Call to Order

The Chairman welcomed all members and called the meeting to order at 1:37pm after ascertaining that there was a quorum. The Chairman noted apologies for Mr G Ebanks and Mr W Welcome. The Secretary advised that Ms A Owens would join the meeting via Zoom as soon as she was able to. The Chairman noted the absence of Mr D Ebanks. He then invited Mrs L Ryan to open the meeting with prayer.

Declaration of Conflicts of Interest

No declarations of interest were made.

Matters Arising

- a) **Chairman's update responsibilities under PAA.**

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

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1. Proposed amendments to Water Authority Act, Regulations, etc.

1.1. Change the Director's title to "Chief Executive Officer"

This amendment would require changes to the definitions in the Water Authority Act (WAA), Section 3(2A), and Section 4(1) where it speaks about the appointment of the Director and appointment to the Board.

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Section 4(1) already charges the appointed Director "*to be the Chief Executive Officer*" of the Authority, the WAA should be amended to adopt this title. It ^{*} [REDACTED] that this action would allow the Board to be known as the Board of Directors without confusion. Also, it was noted that this action would require amendment to the Deputy Director's title to reflect change and consistency.

Incidentally and of note is the differing HoD titles which are inconsistent (i.e., Chief, Engineer, Manager). Members felt that an amendment to standardise these titles internally would communicate parity and consistency.

The Secretary was provided with the opportunity to provide feedback on this decision. The Secretary noted that neither the WAA nor the Public Authority Act (PAA) refer to a Board of Directors in reference to public authorities. The Secretary also observed that the definition of Director in the WAA and the appointment to be the Chief Executive Officer did not require a change in title. The Chairman also noted that the PAA refers to a "...chief executive officer, by whatever name called...", therefore the PAA recognises other titles. Some members noted that there is not much consistency with other public authorities as some refer to Managing Director, Director General, Chief Executive Officer, etc. Members noted that at some point it would be good for the Government to provide some uniformity in the titles used across the board for the heads of public authorities. After discussion members agreed that the title of Director would remain as is.

Members then discussed the titles of other HoDs that they believe do not adequately indicate the range of their departmental responsibilities. The Secretary advised that during the 2017 compensation review, this was a matter that the consultant was requested to provide recommendations for. Subsequently, title changes were made to change the title of Financial Controller to Chief Financial Officer and the title of Chief HR Manager was changed to Chief HR Officer (CHRO). Other job titles that have been under

review and discussion with the CHRO are the Customer Service Manager and Water Resources Engineer. Mr N DaCosta pointed out that the title of Information Systems Manager was another title that should be considered for review to bring uniformity across the Water Authority's Organisational Chart for HoDs. The Secretary stated that she would revisit the title changes with the CHRO and review on what had been previously discussed and suggested. Members suggested the Secretary could consider titles that included "Assistant Director" in the review.

1.2. Appoint a Deputy Chairperson

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Under Section 3(2) of the WAA, a Chairperson is appointed along with 8-10 other members. * there is no Deputy Chairperson mentioned nor appointed to the Water Authority Board. Members decided that in keeping with best (or common) practices, a Deputy Chairperson should be officially designated. Members noted that an appointed member be designated as Deputy Chair and that making the appointment would reduce any real/perceived favouritism in selection of the Deputy.

The Secretary was requested to communicate this decision of the Water Authority Board to the Ministry via the Chief Officer (Acting) for the Ministry of District Administration & Lands (DAL).

1.3. Amend Regulation 53 - Late Charges

* that the Water Authority is constantly under negative scrutiny by customers - especially Civil Servants - because the due date is on or before Government's (CIG) pay dates. Members noted that under Water Authority Regulation (WAR) 53(1), all sums not paid within 21 days are assessed a late fee charge of 1.5% of the account balance.

Members proposed that if the Water Authority is to maintain that bills have a date of the last day of the preceding month (i.e., 31 December 2022 bills are due on 21 January 2023), then the payment term should be extended to 25 days. The Secretary noted that this matter had been raised periodically over the years. The consensus in the past was that persons who pay on or after the due date are likely to delay payment to whatever the due date is. The Secretary advised that analysis of CIG's pay dates versus the Water Authority's 21st of the month due date shows that in 2021, 58% of the time CIG's pay dates were on or before the Water Authority's due date. For the years 2022 and 2023, the percentage of days that the CIG pay dates were on or before the Water Authority's due date was up to 75%. The Secretary also noted that Flow and Logic generally have due dates between 15th and 21st of the month.

Members further discussed and considered that as it possible the change would assist customers experiencing financial management challenges and

subsequently requested that a report be prepared by Finance Department "on current revenue stream from late fees providing information on average percentage and dollar amount of payments made between 22-25 (inclusive) of each month.". The report is requested to be available for the April 2023 Water Authority Board meeting.

2. Review and discuss the Water Authority Board's General and Specific Responsibilities under the Public Authorities Act (PAA).

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* [REDACTED] that members were in general agreement that it is healthy to self-evaluate (self and Board) on an annual basis with a view of seeking efficiencies and effectiveness. The Chairman prepared and circulated a draft document where the PAA responsibilities were captured by cross referencing and documenting in conjunction with the PAA. The Secretary enquired whether there was a standard format available from the Deputy Governor's Office or other public authorities. Mr M Scotland noted that he had access to sample evaluations and those had been used as a guide. Members agreed to adopt the Board Self-Evaluation document with minor amendments suggested by the Secretary to remove references to directors and Chief Executive Officer. The motion to accept the Board Self-Assessment was moved by Mr N DaCosta and seconded by Mr M Scotland.

3. Review of the Draft Board Self-Assessment Document.

This was dealt with in the section reported on above.

4. Is there a need for Board Sub-Committees and assignments thereto?

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* [REDACTED] it was reported that based on monthly reporting, observations and general staff comments, a few areas of interest were discussed: ongoing training (outside tertiary education), bottle necks at and size of Engineering, staff engagement and timely appraisals, staff opportunities outside Annual Staff Meeting to voice concerns or get updates on organization's performance, staffing of finance department, implementation of projects, internal talent identification and succession planning.

* [REDACTED] reported that members discussed that as most of these areas of interest gravitated in/ directly at human resources, it was decided to initially form an Engagement Sub-Committee rather than a few sub-committees. It was noted that an organisational audit would perhaps rank high on the list of actions. In discussion at the meeting of these Minutes, the Secretary expressed concern regarding the unintentional potential for members to become involved in day-to-day human resources operational matters that are the responsibility of the Director. Further, if there is the perception of micromanagement from the Board, it could result in the Director's mandate and responsibility with regards to employees being undermined. The Secretary noted that certainly insight, advice and support from Board members

are all very welcome and appreciated, prudent care would be essential to avoid the position of Director being placed in an untenable situation between Board members and employees resulting in distrust and doubts.

Mr N DaCosta sought to allay and dispel the Secretary's concerns and explained that was not the intention at all and that members' objective was to provide support in an area that they felt the Authority need to become more robust in. The Secretary thanked Mr N DaCosta for the clarification. Members agreed to create an Engagement Sub-Committee with employees and Board to review/audit areas of concern. Members decided that the Board membership of the sub-committee would be Mr N DaCosta as the Chairperson and with Mr M Scotland and Mr H B Ebanks as members along with Water Authority employees. Mr D Rankine indicated he would be willing to be involved as a non-voting observer.

Ms A Owens joined the meeting via Zoom at this point.

Mr N DaCosta requested the Secretary to share the Terms of Reference (TOR) for the Sponsorship Assessment Sub-committee in Word doc format as he would use that as a template to prepare the TOR for the new sub-committee. She promised to email the document to him shortly after the meeting.

5. Director's Annual Evaluation (Performance).

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* [REDACTED] it was reported that members had reviewed the existing evaluation form used for the Director and deemed it somewhat basic and routine for an evaluation of that position. Sentiments expressed were, that it should be aligned with the postholder's job description, Ownership Agreement and 10-Year Capital Development and Maintenance Plan (CD&MP). The Chairman noted that Mr M Scotland had been tasked to review and provide a draft evaluation document for the Director's position. Mr M Scotland gave apologies that he had not yet completed the draft document but that it would be available prior to the next Water Authority Board meeting.

The Secretary reminded members that her 2021 evaluation remained outstanding due to the changes to the Board composition after the 2021 election, and she was not sure that the previous Chairman would be willing to undertake the review. Discussion ensued as the Secretary noted that the 2022 evaluation was soon due as well. Ms A Owens noted that it would not be fair to apply a new evaluation form or hold the Director's position to objectives that were not agreed for those two years. After much discussion, members agreed that the Secretary should utilise the previous evaluation form and outline the Authority's accomplishments in the comment section at the end of the form for each of the fiscal periods.

6. Thoughts around the 10-year Development Plan.

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* [REDACTED] Board members expressed a desire to be involved in the CD&MP and Budget Process rather than be handed a plan after completion. Accordingly, the Secretary was requested to advise the Board of future meetings with respect to the Capital Development and Maintenance Plan (CD&MP) and the Budget process.

The Secretary explained that the budget process experienced by this Board was an anomaly. Based on the CIG's timeline for preparation and submission of Ownership Agreements and other budgetary related information that feeds into the entire public sector budget process, the Water Authority had to submit completed documents and request ratification after the fact. The Secretary reminded members that at their first meeting in October 2021, the revised 10-Year CD&MP and Ownership Agreement were provided. The Ownership Agreement had to be submitted to CIG in the summer of 2021. The Water Authority prepares the 10-year CD&MP for Board presentation before finalisation and at that time feedback and adjustments are made. The Secretary noted that projects are based on growth and development forecasts that drive the water and wastewater infrastructure as well as ancillary works required to meet those needs. This year's revision for the 2024-2025 fiscal periods will include a section on human capital development to support the growing needs of the Authority as well as succession planning.

Ms A Owens noted that the 2024-2025 (2-year) budget process timelines were recently gazzeted with the Strategic Policy Statement being presented on 01 May 2023, Ownership and Purchase Agreement will be due in August/September 2023 and Parliament will hold the budget debate in December 2023.

7. Resilience - a more prominent focus.

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* [REDACTED] Board members noted that the theme "Building Resilience As We Grow", at the 2022 ASM was timely and brought into sharp focus by the recent pandemic, geopolitical instability, and unpredictable markets. The Chairman stated that as such, the Board wishes to make resilience a strategic priority as the Authority develops and maintains the critical infrastructure of producing and distributing water to the Cayman Islands. Members requested the Secretary to implement an employee led "Team Resilience" to review, report, and offer recommendations on a more resilient Water Authority and decided that this should be set as an objective for the Director. The Secretary advised that the human capital development segment of the revision of the 10-year CD&MP will focus on resilience as a strategic priority.

8. Board Composition

* [REDACTED] Board members noted that with the recent resignation of Board member Mrs I Simms, members were justifiably concerned with the high rate of absenteeism by member Mr D Ebanks. After

much discussion around the Board's responsibility and the current remuneration structure members unanimously agreed that the matter should be brought to the attention of the Minister with responsibility and with the suggestion that a replacement be sought.

The Secretary was requested to communicate this decision of the Water Authority Board to the Ministry via the Chief Officer (Acting) for the Ministry of DAL.

9. Non-Agenda Items.

Board Packages

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

* [REDACTED] Board members, the matter of the format, duration and material presented/distributed for/at Board meetings was discussed. The Chairman explained that it was decided to transition to the following format:

- Informational/updating on operational matters to be distributed for members perusal and consumption in a timely manner (5 working days before Board meeting). New matters and requests for a decision or approval to be presented verbally.

The Secretary sought confirmation that members wished to receive the bulk of information updates reported through the Chairman's Notes to transition to a Director's Report/Update on matters previously reported on. The Secretary advised that all new matters on the Meeting agenda will still need to be supported, through the Chairman's Notes, in writing for transparency, clarity, and to ensure the auditors are able to follow the Board's decisions. The Chairman confirmed that that is the expectation of the Board as well.

Mrs L Ryan requested to be excused and left the meeting at this point to attend to another commitment.

Water Authority-Cayman (WAC) Name Discussion

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* [REDACTED], that members had a brief discussion regarding the implication or necessity of the word "Authority" being in the WAC name and how this year (40th Anniversary) would be an opportune time to rebrand. The Chairman noted that members * [REDACTED] were not sufficiently versed in what regulatory functions were retained/relinquished by the Water Authority when OfReg was created. As such, the item was left pending further discussions and background with/by the Director.

The Secretary advised the functions of the Water Authority that went to OfReg were the responsibility to regulate water and wastewater service providers. The Secretary explained that the reason the "Authority" is appropriate in the Water Authority's name is that the Water Authority retains statutory responsibility for all ground water in the Cayman Islands. The Secretary advised that the WAA

states in Section 19: *“Subject to this Act, all ground water in the Islands shall hereinafter vest in the Crown and shall be controlled by the Authority in the name of and on behalf of the Crown.”*. The Secretary further explained that the statutory and regulatory responsibilities of the Water Authority to manage and protect ground water include abstraction licensing, disposal permits, quarry permits, canal permits, development control, etc. Members noted the explanation and were satisfied that *“Authority”* remain part of the Water Authority’s name.

There being no other business the Chairman thanked all members for attending and the meeting was then adjourned at 4:10pm.

This is a true and accurate account of the proceedings.



The Chairman



The Secretary