



**Board of Directors Meeting of the  
Utility Regulation and Competition Office (“OfReg”)  
held on Thursday, 15<sup>th</sup> March 2018,  
at its Offices, 3rd Floor Alissta Towers  
Meeting 3 of 2018**

**Minutes**

**Record of Members Present:**

|                              |  |
|------------------------------|--|
| Dr. the Hon. Linford Pierson | Chair  |
| Mr. J Paul Morgan            | CEO  |
| Mr. Ronnie Dunn              | Dep. Chair   |
| Mr. Frank Balderamos         | Non-executive Director   |
| Ms. Melissa Lim              | Non-executive Director   |
| Mr. Rudy Ebanks              | Non-executive Director   |
| Mr. Alee Fa'amoe             | Executive Director ICT, Dep. CEO (DCEO/ED-ICT)<br><i>(Left meeting at 4.1)</i> |
| Mr. Duke Munroe              | Chief Fuels Inspector/Dir Fuels Markets (CFI)                                  |
| Mr. Gregg Anderson           | Executive Director- Energy & Utilities (ED-EU)                                 |
| Mr. Sonji Myles              | Deputy Director-ICT, Acting Board Secretary<br>DDICT)                          |

**Start: 10:31am**

**End: 2:54pm**

**1. General**

1.1 Welcome, Prayer, Chair's Remarks  
Chair offered welcoming remarks  
CFI offered a word of prayer.

1.2 Approval of Agenda  
Board approved agenda.

**2. Declaration of Interest**

2.1 DCEO/ED ICT informed the Board that he was appointed to sit on CI  
Special Economic Zone's Board as a representative of OfReg.

**3. Minutes of Previous Meeting**



- 3.1 Approval  
M. Lim moved that minutes be approved subject to minor amendments.  
Dept. Chair seconded. Minutes approved.

3.2 Matters Arising From Previous Minutes not Covered in Agenda

3.2.1 Actions Arising out of the Previous Minutes

- **Agenda Item 1.1 (Matters Arising)** Executives to circulate new draft contract/consultants template for review and discussion at the next meeting.

**Update at this meeting: Completed**

- **Agenda Item 4.1 (E&U) EDEU** to have Water Authority confirm that producers are submitting samples to them and the results of testing to OfReg.

**Update at this meeting:** EDEU confirmed that he had reached out to Water Authority. He shared that the practice is that producers either do their own testing or supply sample to Water Authority for testing. In any event testing is expected to be done routinely. It was noted that mandatory testing obligations are being included in the licence currently being negotiated with Cayman Water Company.

- **Agenda Item 4.2.1 (Fuels- Sol Incident)** CFI will finalise report including regulatory observations/measures based on comments and publish report. Board notes that the findings are noted and remain unchanged.

**Update at this meeting:** CFI submitted final report. SMT to conduct peer review.

- **Agenda Item 8. (Any Other Business)** The Board sought to highlight to Executives that its responsibility is one of oversight and appropriate decision making. The Board agreed that the practical processes relating to signing and issuing of licences, determinations and other official correspondence as appropriate should be done by CEO or his designate. Action- CEO to formally communicate delegated authority to Executives.

**Update at this meeting:** CEO to communicate this and set out his expectations at SMT meeting to be held 16 March 2018. The delegated authority will also be subsequently codified.

4. Regulatory

4.1 Energy and Utilities

EDEU gave a general overview presentation on trends in energy production, streetlight conversions to LED and CUC's financial performance.

A detailed copy of the presentation is included in the Board Papers.

#### **4.2 Fuels**

CFI gave an overview presentation on Operating Permits issuance, touching on categories, applications and waivers.

A detailed copy of the presentation is included in the Board Papers.

#### **4.3 ICT**

##### **4.3.1 GSMA World Congress "5G"- Update**

R. Ebanks spoke about his participation at the conference. He noted that the main focus of the conference was 5G and that the state of play of 5G standard establishment and rollout across the global industry was still in its elementary stages.

Notwithstanding the above, R. Ebanks commented that the most valuable take-away from the conference is that the Office should ensure that its frameworks and recourses are structured as best as possible to ensure for an easy transition to 5G when our local industry reaches that juncture.

It was noted that a summary of attendance would be subsequently submitted to the Board.

##### **4.3.2 Broadband Consultation- Update**

DDICT informed the Board that the Consultation on Broadband had been issued. He noted generally that the purpose of the consultation is to establish regulations which flesh out vision and policy- development and operation of broadband networks and services, all towards determining and establishing the characteristics of broadband internet Service.

##### **4.3.3 ENS Discussion Paper- Update**

DDICT informed the Board that a discussion paper on the Emergency Notification System (ENS) had been published. The purpose was to raise awareness and spur discussion on the implementation of a multi-faceted ENS. Generally, the perspective is that such a layered system would utilise inexpensive, available technologies to provide early warnings and alerts prior to disasters (when possible) as well as real time emergency instructions during disasters, thus aiding HMCI and first responders in more efficiently managing public health and safety. The vision is that the project would be a joint effort between OfReg and HMCI.

The multi-layered facets include.

1. Short Message Service (SMS) Broadcast
2. FM Radio - Interrupt – EAS standard
3. FM Radio - Weather Alert system
4. FM Radio – 107.9 text to voice messaging
5. Cable Television – Interrupt - EAS standard
6. Siren - for localised threats
7. Robot Dialer – for localised threats
8. Interactive Voice Response (IVR) - special telephone number to call with pre-recorded message
9. Social Media Broadcasts (HMCI & OfReg, etc.)
10. Electronic Billboards - located at key traffic intersections
11. Web Content Ticker - central feed source at HMCI, HTML code embedded in websites
12. Mobile Phone App

#### 4.3.4 Datalink Judicial Review Update

DDICT commented that there was no new activity to report on. An update on running costs was included in the Board Papers. The update clarified questions the Board had in relation to costs for paralegals.

#### 4.3.5 Electronic Transactions Law (ETL) – Update

DDICT updated the Board on the progress of revising the ETL. It was noted that next steps would be to consider publishing the draft for consultation after the new General Counsel has had an opportunity to view and advise on it.

Timeframe for publishing is currently end of second quarter 2018.

## 5. Board Matters

### 5.1 Board Administration

#### 5.1.1 PURC Training

CEO reminded the Board of the timing and benefit of the upcoming training sessions being put on by PURC.

A copy of the training syllabus was included in the Board Papers.

### 5.2 Update strategic/annual plans

CEO gave an overview of the ongoing implementation of the plans. Elements of these are covered in detail in the CEO's Report, which is included in the Board Papers.

### 5.3 Risk and Audit Committee

The Board continues to consider suitable candidates for the post. Dep. Chair agreed to share details of the post with the Cayman Islands Institute of Professional Accountants.

## 6. Chief Executive's Report

### 6.1 CEO report

The CEO spoke generally to the details included in the report but took time to highlight the focus on the "people factor" and status and view on human resource matters.

#### 6.1.1 Procurement Policy-redline

The CEO submitted a redline version of the previously approved policy for the Board to consider.

Dep. Chair made some observations in relation to the redlines and commented that the redlines seemed to seek to achieve what was already covered in the Policy. Further, he stressed the importance of ensuring that the policy aligns with related public procurement laws and policies.

The redlined document was included in the Board Papers.

**Action: Dep. Chair to summarise his views and submit to CEO.**

**Action: Staff to revisit redlines and present to Board after receiving input from Dep. Chair.**

#### 6.1.2 Consideration of Draft Annual Report

The CEO mentioned that the Annual Report draft was available in the Board Papers. Dep. Chair noted that the Report should be tracked in-line with the obligations arising out of the Public Management and Finance Law and related regulations.

The Board agreed to review the draft and submit any comments or recommended amendments to the CEO via email.

**Action: Board members to submit by 23<sup>rd</sup> March.**

### 6.2 Statutory Obligations – Update

The CEO spoke generally on how the Office was meeting its statutory obligations. The detailed report was included in the Board Papers.

### 6.3 Finance

The CEO provided the Board with a financial summary for the period January – February 2018. Additionally, he noted that the end of the first financial year was on *December 31, 2017*, and OfReg had completed and submitted its 2017 accounts to the *Office of the Auditor General* by the stipulated deadline of *February 28, 2018*. The 2017 audit is currently in progress and scheduled to be completed by *April 30, 2018*.

The detailed financial summary was included in the Board Papers.

6.3.1 Management Accounts

Update to be provided at the next regular meeting.

6.4 HR / Operations

Covered in CEO Report at Item 6.1

6.4.1 Office move update

The CEO commented that the final layouts for the new space had been completed and furniture options are now being identified in order to finalise cost.

7. Consumer Affairs

nil

8. Any Other Business

8.1 M. Lim informed the Board that she has been asked to join CIMA's Digital Assets Working Group. She asked the Board to consider whether serving as a member of that group would conflict with her role as a member of OfReg's Board. The Board agreed that it would not be a conflict and in fact agreed that membership on the working group might be complementary to the Office's aims.

8.2 Dep. Chair spoke generally to the findings of the subcommittee of the Board that was established to review contracts. The final report of the review was included in the Board Papers.

8.3 R. Ebanks mentioned that a member of the Legislative assembly had approached him to raise concerns over the member not being able to receive certain football games via Logic Free to Air/ Over the DDICT.

DDICT explained that the FTA/OTA obligation only applied to local content or where the licensee only held a Public Service Television Licence. This is not the case with Logic. DDICT further explained that football games are often available to our licensees through exclusive proprietary licence and they have the liberty (subject to agreement with the content owner) to broadcast via cable or FTA/OTA.

9. Date of next meeting

12 April 2018



## Actions Arising out of the Meeting

- 1. Agenda 3.2.1 (Matters Rising out of Previous Minutes):** CEO to communicate delegated authority acknowledged by the Board along with his expectations of how it will operate at the next SMT meeting to be held 16 March 2018. The delegated authority will also be subsequently codified.
- 2. Agenda Item 6.1.1 (Procurement Policy Redline):** Dep. Chair to summarise his views and submit to CEO.
- 3. Action:** Staff to revisit redlines and present to Board after receiving input from Dep. Chair.
- 4. Agenda Item 6.1.2 (Consideration of Draft Annual Plan):** Board to review the draft and submit any comments or recommended amendments to the CEO via email.

Chair, Board of Directors, OfReg

Date 12/4/18

Board Secretary (Acting)

Date 12/4/18