



**Board of Directors Meeting of the
Utility Regulation and Competition Office (“OfReg”)
held on Thursday, 13 June 2019,
at its Offices, 3rd Floor Alissta Towers
General Meeting 4 of 2019**

Minutes

In attendance:

Dr. the Hon. Linford Pierson, Chair (Chair)
Mr. Ronnie Dunn, Deputy Chair (RD) (excused at 1 pm)
Mr. Rudy Ebanks, Non-executive Director (RE)
Mr. Paul Byles, Non-executive Director (PB)
Mr. Phillip Ebanks, Non-executive Director (PE)
Mr. Gregg Anderson, Executive Director Energy & Utilities (EDEU)
Mr. Duke Munroe, Chief Fuels Inspector/Director Fuels Markets (CFI)
Dr. John Epp, General Counsel/ Secretary (GC/S)
Ms. Alison Maxwell, Assistant General Counsel/ Assistant Secretary (AGC/AS)

Mr. Christen Suckoo, Chief Operating Officer (COO) (by Board Directive)
Mrs. Melissa Powery, Financial Controller (FC) (by invitation, for item 4.2 and 5.7)
Mr. Sonji Myles, Deputy Director ICT(DEDICT) (by invitation, item 4.2 and 5.7)

Apologies:

Mr. Alee Fa’amoe, Acting CEO/Executive Director ICT (ACEO)
Mr. Gene Banks, Non-executive Director (GB)

Start: 10:10 AM End: 5:00 PM

1. General

- 1.1 Welcome and Prayer
The Chair welcomed all members and said a prayer.
- 1.2 Approval of Agenda
Motion, RE and seconded by RD: that the agenda as amended (items 4.2.6, 5.7, 7.3, and 7.4) be adopted for this meeting. CARRIED
- 1.3 Remarks by Chair
Good morning all:



On behalf of the Board of OfReg, I extend a warm welcome to the three new Non-Executive Directors (NEDs) of the Board: Mr. Paul Byles, and Mr. Phillip Ebanks, (Mr. Gene Banks tendered his apology for his absence due to a previous unavoidable engagement), and I wish for each one of you a most rewarding experience as we work together as a Board to attain the excellence we are all committed to under our Vision and Mission statements, and our Strategic plan. May I also take this opportunity to once again thank our two former NEDs (Melissa Lim and Frank Balderamos) for their invaluable service during their two-year tenure as Board Members, from 17 May 2017 to 16 May 2019.

As is customary when new Members are appointed to our Board, we arrange a short ceremony of orientation/on-boarding for them. Because the new NEDs have already been, or will be, provided with the relevant laws and other appropriate documentation, I have requested the senior officers doing the sectoral presentations to be brief and to the point in the interest of time and efficiency. I will also make brief comments relating to the principal responsibilities of members of the Board, as follows:

1. The two principal laws that govern the overall operations of the Board are the Utilities Regulation and Competition (URC) Law, (2019 Revision), and the Public Authorities Law (PAL), 2017, as amended. Members of the Board, including the new NEDS have been, or will be, provided with the various sectoral Laws. I was honoured to have been appointed the first Chair of the Board of OfReg. OfReg is an amalgamation of the former Information and Communications Technology Authority (ICTA), the Electricity Regulatory Authority (ERA) and the Petroleum Inspectorate. It has also been given jurisdiction over the fuel market and the water sector. The Board was initially comprised of four NEDs, four Executive Officers, and the Chair (9 members), with provision in the then URC Law, 2016 for the chief executive officer (CEO) to vote. However, under the PAL, 2017 the CEO was excluded from the privilege of voting, thus the reason for the recent appointment of an additional NED to retain the voting balance on the Board. The Board is therefore now comprised of five NEDS and the Chair with voting rights, and four non-voting executive officers, including the CEO.

2. The early efforts of the Board resulted in the formulation of the Vision and Mission Statements which you will see on the TV Monitor in the reception area, and they are also prominently displayed on OfReg's website. The Board also agreed on its "Code of Ethics" which establishes the norms for ethical conduct not only for members but for the staff as a whole. Further, the Board adopted "Robert's Rules of Order" as the official Procedural Manual for the operations of the Board.

3. Part 3 of the URC Law (2019 Revision), provides direction for the operation of OfReg's Board. I will not go through the individual sections of this part (sections 13-25) but highly recommend this, and Part 3 of PAL, be



read as a priority. The structure of Board Members and the duties and responsibilities of Board members are outlined under these Parts. The quorum of the Board consists of a simple majority of the voting members plus two executive members. Members are reminded that membership of OfReg's Board carries with it the responsibility of attending Board Meetings as a priority. Section 22 (1) (d) of the URC Law, stipulates that "The Cabinet shall terminate the appointment of any Member who has been absent from three consecutive meetings of the Board without the consent of the chair." Some sections are now displaced by PAL Part 3, and sections 16 and 17 are of particular importance.

4. I wish to commend the Board for their support of the Cost of Living Allowance (CoLA) for non-managerial staff, which has been approved by the Cabinet with effect from July 2018. The staff will receive the CoLA with their June 2019 salary payment.

5. Members of the Board are also reminded that the Board does not act as a negotiating party to ongoing negotiations between OfReg and applicants/potential licensees. In the event that Board Members are approached to intervene in the midst of such ongoing negotiations, they should inform such individuals that they have a right of appeal to the Board if they are dissatisfied with the decisions of OfReg's executive officers. At present, I am aware that OfReg has two ongoing negotiations with the Cayman Water Company (CWC), and [REDACTED]

Redacted under Sec 23 (1) of FOI law 2020 revision Personal Info.

6. We appreciate that OfReg is peculiar in its scope of responsibility, being the only multi-tiered public authority in the Cayman Islands, comprised of sectors which directly affect the general public. As a result, OfReg is regularly the focus of negative media attention. To address this problem, I am inviting Board members to make recommendations as to how we can better inform the public of our plans to address these matters. This would, of course, include more transparent reporting to the Government and interactions with the media.

7. In closing, let me say how fortunate we are to have such a professional group of talented members serving on this Board, and we look forward to OfReg moving from strength to strength.

2. Declaration of Interest None
3. Minutes of Previous Meetings

- 3.1 Approval of the Minutes of:
 - General Meeting no. 3, held 11 April 2019, version 4 considered





Motion, RD and seconded by RE: that the Minutes as amended be adopted. (PB, PE abstained) CARRIED

- Special Meeting no. 1, held 10 May 2019 version 2 considered
Motion, RE and seconded by Chair: that the Minutes as amended be adopted. (RD, PB, PE abstained) CARRIED

3.2 Hon. Premier's request (May 31, 2019) for comments on The Standards in Public Life Law, 2014 by 30 June 2018
Comments are to be directed to the Secretary for compilation. PE agreed to provide detailed comments and to circulate them as soon as possible.
Motion, PB and seconded by PE: that our Declaration of Interest form be amended when the SPL Law becomes operational. CARRIED

3.3 Matters Arising From Previous Minutes
- Board Action Item Log ('BAIL') was reviewed and items discussed. All matters must have a completion date assigned.

4. Board Matters

- 4.1 Board Correspondence Redacted under Sec 19 (5) (a) Public Authorities Law Regulatory decision
- 4.1.1 
- 4.1.2 June 12, 2019 Board (Chair), email to Cayman OTI instructing them to not contact the Board directly or indirectly, but to contact EDEU.
- 4.1.3 June 6, 2019 Work Permit Board issued work permit for CEO designate Mr. Malike Cummings.
- 4.1.4 June 6, 2019 Board (Chair), email to all staff concerning approval of CoLA.
- 4.1.5 May 30, 2019 Cayman OTI, email to Board (Chair) seeking meeting with Members of Board of OfReg regarding supplying renewable energy.
- 4.1.6 May 30, 2019 Board (Chair), email to Members of Board of OfReg regarding demitting and admitting NEDS. Redacted under Sec 23 (1) of FOI law 2020 revision Personal Info.
- 4.1.7 May 23, 2019 Attorney  email to Board (Secretary) regarding the pending Data Link decision and Court's promise to give the decision in late June 2019.
- 4.1.8 May 22, 2019 Board (Chair), email to Cabinet Secretary seeking assistance and guidance in obtaining Work Permit for Mr. Cummings.
- 4.1.9 May 14, 2019 Board (Secretary), email to Cabinet Secretary regarding (1) R&A Committee Chair, (2) Operational date of URCL amendment 2018 and (3) Indemnity for Staff by government.
- 4.1.10 May 12, 2019 Board (ACEO), email to Cabinet Secretary submitting Cabinet Paper 'Increment for Non-Managerial Staff'.
- 4.1.11 May 12, 2019 Board (Chair), email to Non-Management Staff of OfReg regarding CoLA Payment.
- 4.1.12 May 10, 2019 Board (Secretary), email to Cabinet Secretary submitting Minute Extract regarding R&A Committee Chair stipend.



- 4.1.13 May 10, 2019 Board (Secretary), email to CEO and COO submitting executed settlement agreement re Smith Road Centre.
- 4.1.14 May 2, 2019 Board (Secretary), email to Cabinet Secretary regarding submitting Cabinet Paper 'Indemnity for Staff of OfReg by government'.
- 4.2 Board Administration
- 4.2.1 Subcommittee appointments
Mr. Frank Balderamos demitted office.
Motion: moved by PE, seconded by PB, that the Ad-Hoc sub-committee to review the Employee Handbook now be the ACEO, RD, GB, and COO.
CARRIED
(FC joined meeting)
- 4.2.2 Financial Report and Analysis
FC presented the Q1 report and the Finance Summary report. A discussion ensued.
An invoice from the Ministry of Financial Services was received arising from the 911 project seeking payment of \$400,000. Funds had been set aside to pay the invoice and it was to be paid shortly.
Some ICT licensees had not paid licensing fees and the collection process was discussed. (DEDICT joined meeting briefly). DEDICT was instructed to tell the ACEO of the desire of the Board to have ACEO collect overdue licence fees and the desire for a policy to be written directing the steps to be taken when a licensee falls in arrears (for example, warning letter, meetings, suspension, termination and court action to collect fees).
- 4.2.3 Auditor General's Report FY 2018
The Auditor General provided an unqualified audit opinion on April 30, 2019. She provided a draft International Standards on Auditing (ISA) Form 260 Report on Internal Control Deficiencies to OfReg. FC will draft a reply to the Form 260 Report and present it to the Board for review and approval. The reply should be made in a timely manner, and no due date was set by the Auditor General for the reply.
- 4.2.4 2020-2021 Budget Process
A high-level report was given on the progress made to date.
(FC departed meeting)
- 4.2.5 Work Permit Application CEO designate
A Work Permit for [REDACTED] was granted for a period of three years, and he was expected to take up office 15 September 2019.

5. Regulatory

- 5.1 Truth in Advertising Consultation
The consultation period commenced on 13 February 2019 ended on 29 March 2019. The Office was reviewing responses, and will draft a determination in due course.
- 5.2 Anti-Competitive Practices Penalties Rules Consultation



The Consultation period commenced on 13 February 2019 ended on 29 March 2019. The Office was reviewing the submissions, and will draft a determination in due course.

5.3 Consumer Complaints Appeals Procedure Guidelines Draft Determination
The Office launched a consultation on the proposed guidelines on 16 April 2018, and the consultation period ended on 15 June 2018. The Office reviewed the responses and prepared a draft determination (along with the final set of Guidelines) in response to the Consultation. The draft determination and final set of Guidelines were submitted to the Board for review and approval before being published.

5.4 Energy and Utilities

5.4.1 E&U Monthly Update

The Update Report was placed in the Board Papers.

5.4.2 CBP&L's Generation and T&D licenses, 30 April 2019

The licences were granted.

5.4.3 WAC and CWC's 2018 fees

EDEU was awaiting the decision of Cabinet on the division of fees.

5.5 Fuels

5.5.1 Fuels sector Monthly Update

The Update Report was placed in the Board. On May 22, 2019 CFI, emailed Cabinet Secretary/ Ministry regarding Alignment of Technical Policy Matters & Sectoral Oversight. On June 2, 2019 CFI emailed to Cabinet Secretary/Minister concerning the Dangerous Substances Law and Industry Codes in use thereunder.

5.6 ICT

5.6.1 ICT Monthly Update

The Update Report was placed in the Board Papers.

5.7 New Member Orientation (DEDICT and FC joined meeting)

6. Chief Executive's Report

A report was not submitted by the ACEO.

7. Any Other Business

7.1 Ombudsman Investigation



7.2 Office Space

Redacted under Sec 19 (5) (a) Public Authorities Law Personal Information

Motion moved by RE, seconded PE: that as soon as possible the COO re-engage Lands and Survey accommodation team to determine if suitable office space is available for OfReg in George Town. CARRIED

7.3 ACEO/AGC Conference Report – IIC TMF & RRF

The report was placed in Board Papers.



7.4 Annual Report 2018

The Annual Report 2018 was not drafted and it was past due. Fountainhead was engaged to assist in the preparation of the Report.

8. Date of next meeting July 25, 2019

Chairman *[Signature]*

Date: *29/8/19*