



**Board of Directors Meeting of the
Utility Regulation and Competition Office (“OfReg”)
held on Friday, 14 September 2018,
at its Offices, 3rd Floor Alissta Towers
Meeting 8 of 2018**

Minutes

In attendance:

Dr. the Hon. Linford Pierson, Chair (Chair)
Mr. Ronnie Dunn, Deputy Chair (RD)
Mr. Frank Balderamos, Non-executive Director (FB)
Ms. Melissa Lim, Non-executive Director (ML)
Mr. Rudy Ebanks, Non-executive Director (RE)
Mr. Alee Fa’amoe, Executive Director ICT, Deputy CEO (DCEO/EDICT)
Mr. Duke Munroe, Acting CEO, Chief Fuels Inspector/Director Fuels Markets (CFI)
Mr. Louis Boucher, Deputy Executive Director Energy & Utilities (DEDEU)
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 invitation of the Chair)
Mr. Robert Tatum, Fuels Inspector (RTFI) (by invitation of CFI for item 5.2)
Apologies: Mr. Gregg Anderson (EDEU)

Start: 1:05 PM End: 5.00 PM

1. General

- 1.1 Welcome and Prayer
CFI said the opening prayer.
- 1.2 Approval of Agenda
Motion: ML, seconded by RE: The draft agenda as amended (deferring items and noting that the CEO's Report would be a brief oral report) be approved as the agenda for this meeting. CARRIED
- 1.3 Chair's Remarks
The Chair stated that he had not signed the Minutes of Special Board Meeting 2 of 2018 as previously approved by the Board. He stated that he found a few errors of 'omissions and commissions' in the Minutes of Special Board Meeting 2 of 2018. However, given that the draft Minutes of Special Board Meeting 2 of 2018 had already been widely disseminated through a leak, he will also sign these minutes as correcting them now could appear



to be attempts of 'cover-up'. He would however place a note next to his signature.

The Chair welcomed the COO to the meeting and to OfReg, and wished him every success.

2. Declaration of Interest
None

3. Minutes of Previous Meetings

3.1 Approval of the Minutes of:

- General Meeting, held 12 July 2018

Motion: FB, seconded by RE: The draft minutes of the meeting held 12 July 2018 as amended (Acting CEO is the "CFI", item 4.3.1 "month", item 5.1.6 "DECCO", "MW", item 5.1.6 "a standard fee") be accepted as the official minutes of that meeting. CARRIED

- Special Meeting 3, held 23 August 2018

Motion: FB, seconded by RE: The draft minutes of the Special Meeting held 23 August 2018 be accepted as the official minutes of that meeting. CARRIED

- Special Meeting 4, held 11 September 2018

Motion: ML, seconded by RE: The draft minutes of the Special Meeting held 11 September 2018 as amended (date and time change) be accepted as the official minutes of that meeting. CARRIED

3.2 Matters (Actions) Arising From Previous Minutes Not Covered in Agenda

- Round Robin (email 7 August 2018)
Motion by RD, seconded by ML: That the Board of Directors, Officers and staff of OfReg not undertake travel of any kind at the expense of OfReg during the remainder of 2018 and that no non-budgeted travel at the expense of OfReg be undertaken during 2019, unless otherwise resolved by the Board of Directors (ayes FB, RE, Chair, Mover and Seconder).

Motion: ML, seconded by RE: The motion of 7 August 2018, decided by Round Robin email communication is ratified. CARRIED

12 July 2018 from item:

3.2.1: Develop vehicle use and branding policy. - It is a work in progress.

4.2: Manager Administration was instructed to have the penultimate versions of management policies ready for the next [September] meeting. - It is a work in progress.

4.3: The DCEO to give to RD and FB for comment the draft advertisement seeking applications for the post of Chair of Risk and Audit Committee. Once



approved, CEO to organise publication via website and local press, and Director RD will arrange publication within the local CIIPA. - It is a work in progress.

5.1.3: EDEU to notify forthwith CUC of the Board decision on Black Start & LV Voltage Ride Through and Rum Point Transformer Replacement projects.- Completed.

6.2.2: CEO expected to reply to the 2017 Audit Management letters. - Awaiting confirmation.

6.2.3: The CEO was to communicate to the Auditor General the request that the AG's team continue to audit OfReg. - Completed.

6.4.2: Office relocation committee (RD, FB, DCEO, EDEU) to visit KMPG site and to provide comments by email. - Completed.

RD and FB resigned from the committee, and the COO was added and appointed chair. They are tasked to provide a business case, and a detailed costing on the KPMG site in Cricket Square as well as an analysis of whether or not to stay in Alissta Towers.

6.4.2: Termination of lease for the Smith Road office space at the earliest juncture at the least cost, which is to be actioned by the CEO after a round robin email approval of the final terms once they are settled. (Secretary to inform accounting team that no further payments are to be made.) - Completed.

DCEO in process of checking facts alleged in the letter sent by the Landlord's attorney, and exploring options for sub-lease. - COO agreed to assist.

8.1.2: Executives agreed to prepare staffing plans per sector for BOD review in September 2018. The plans were to include any proposed changes in staffing, cost projections, and programs. - It is a work in progress.

23 August 2018 (Special Meeting 3) from item:

6. Report concerning access and permissions to board papers folder.- Completed.

Motion: ML, seconded by RD: Access and edit permissions to the Board Papers folder are to be changed as follows: GC/S and AGC/AS retain 'write and edit' access and all other board members are to be limited to 'read-only' access. Access for other persons to be terminated. Deputies acting for Executive members are to be given 'read-only' access for the folder pertaining to the meeting that they are required to attend. Changes should be done before the ratification of the minutes containing this motion. CARRIED



11 September 2018 (Special Meeting 4) from item:

3.1 The investigation re: leaked OfReg documents published Friday 7 September 2018 by *Cayman Marl Road* was referred to RCIPS. <https://www.caymanmarlroad.com/forum/investigative-reports/board-bureaucracy-gone-wrong-ofreg-ceos-appointed-amid-turmoil>.

3.2 Press Conference of 13 September 2018, cancelled. Apologies made to the Board for not seeking their permission to cancel the conference in advance. A press release was sent out instead. The release referenced the Board. It should not have done so without the Board's approval. Apologies tendered to the Board.

4. Board Matters

4.1 Board Correspondence

22 August 2018 letter re secondment of Mr. Christen Suckoo.
Termination of lease email to TPC Ltd from CEO JP Morgan on 24 July 2018, re Smith Road Centre
TPC Ltd letter in reply to CEO on 13 August 2018

4.2 Board Administration:

- Office Lease: (above).
- Management asked to provide a training budget for 2019 with business justification for such training. - It is a work in progress.
- Format of Board papers. (below). Redacted under PAL Sec 19 Regulatory decision

[REDACTED]

[REDACTED]

- List of active consultants to be prepared before meeting for review by the Board. - Completed.
- HR: (above).

Redacted under Sec 17 (1) (c) of FOI law 2020 revision. Record subject to legal privilege

4.3 Board Directives

Amendment of "Board Directives and Policy for Secretary" (as first approved in June 2018 meeting) to comply with PAL s 19 (only chairman or presiding officer can sign minutes) and an agreed format for Board Papers. A new version to be read at the next meeting, which will reference the style used in Cabinet Papers.

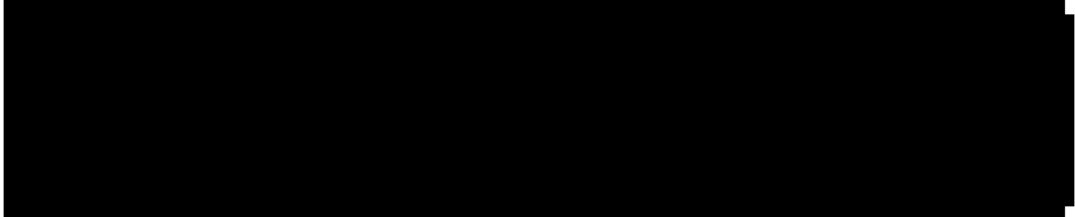
4.4 Risk and Audit Committee (Appointment of the Chairman) - Deferred



5. Regulatory

5.1 Energy and Utilities

5.1.1



5.1.2 Final Approval of CUC 2018-2022 Capital Investment Plan. - Further information required. Redacted under Sec 19 PAL Regulatory decision

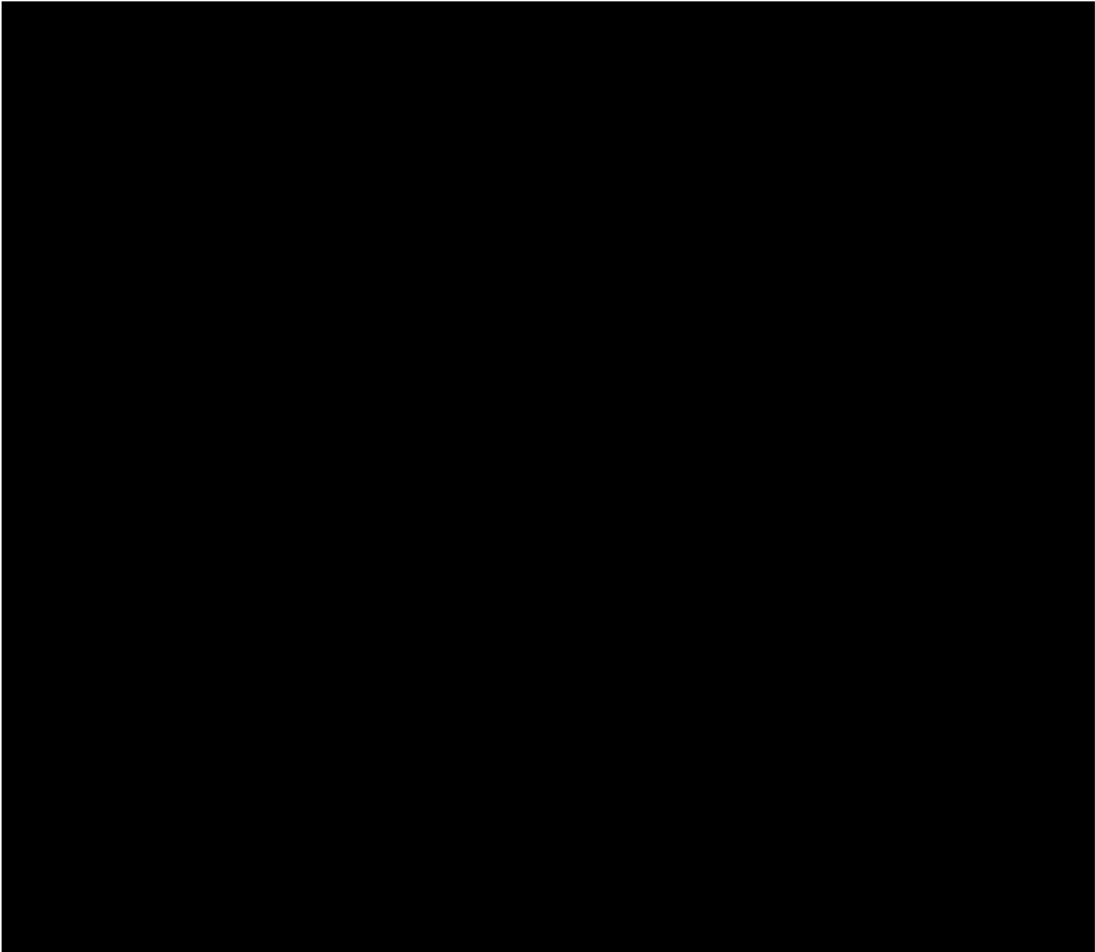
5.1.3 Approval of CUC Customer Service Performance Standards - Deferred

5.1.4 Update on Water Sector Regulations Consultation - Deferred

5.1.5 Update on CWC licence negotiations - GC reported that meetings were held with CWC and progress was made on many issues. EDEU was awaiting further information from CWC, and it would be addressed upon his return from vacation.

5.2 Fuels

5.2.1



5.2.2

5.2.3

5.2.4

5.3 ICT Redacted under Sec 19 PAL Regulatory decision

5.3.1 911 System Update and Return to Ministry

ICT gave its expertise and assisted the Department of Public Safety Communications (Ministry of Financial Services and Home Affairs) over the past two years in the procurement of Next Generation 911 system. ICT Team was handing over project management to the Ministry and DPSC Director Julian Lewis. The promised funding of KYD \$400,000 for the project (as provided by Cabinet to OfReg) was being transferred from OfReg to DPSC/Ministry.

5.3.2 SMP Exercise Update

The renewal of C&W's license was contingent upon an assessment of their market power in selected markets (Services). A market review exercise of selected ICT markets was initiated, and then interrupted by the Board's decision to re-evaluate the use of consultants. The exercise will confirm whether or not C&W remained dominant in the markets considered. The result would impact the terms of their new license.

By extension, the market exercise may impact other telco licenses. A market review exercise is normally conducted every 3-5 years, depending on the characteristics of the industry, in other jurisdictions. No exercise has been attempted in this jurisdiction. The required specialist expertise is not available locally.

5.3.3 Cybersecurity (confidential board paper) - Deferred

5.3.4 ICT Consumer Protection Regulations

The draft determination and regulations were previously approved by the Board and the ICT Team is presently conducting a final review prior to the publication of the determination. Internal processes must be put in place before the regulations are put in effect. The projected launch date is the end of the 4th Quarter of 2018.

5.3.5 Cyber Security Conference ARMOUR Expo 2018 (12 September 2018). - Deferred

5.3.6 SEACAT

The Subsea Connectivity project was moved forward by opening discussions with other stakeholder-regulators such as the departments of Planning (building permits) and Environment (costal works permits). The



way forward may be a co-regulatory approach thereby creating a 'one-stop' arrangement, unique to the submarine cable industry. Proper arrangements would make Cayman an attractive jurisdiction for submarine cable investments and installation.

6. Chief Executive's Report

Acting CEO report (Full report deferred - Oral report made).

6.1.1 Financial Administration

The Monthly Financial Report was not yet finalised, but there were no significant or abnormal items to report. Cabinet billings were on track and up to date.

6.1.2 COLA Announced for Core Government

Many staff members had enquired about receiving the 5% COLA promised to employees of Core government. EXCO was considering the matter. Application could be made to Cabinet in accordance with s.48 of PAL subject to the Board's concurrence.

6.1.3 Sign Petitions

Staff enquired about whether or not they were free to sign petitions. The current relevant guidelines were obtained from Cabinet Office and circulated to staff.

6.1.4 Recruitment

The new Financial Controller, Melissa Powery, is scheduled to commence work on Monday 17 September 2018 and preparations for her arrival were nearly completed.

CAPE recruitment was under-way and it was anticipated that it would be concluded by mid-November 2018.

6.1.5 Signatories on OfReg Bank Account

Due to recent changes in management, the signatories to OfReg's account in [REDACTED] needed to be changed. A motion authorising the changes will be circulated to the Board by Round Robin email.

Redacted under FOI law 2020 Revision Sec 23 personal information

7. Consumer Affairs

Public Relations/Communications Process (above)

8. Any Other Business

8.1 FOI Requests (For informational purposes only).

8.1.1 by Compass [REDACTED] on 18 July 2018 re: records of all expenses on professional and consultancy fees included by OfReg since January 1, 2017, including the terms of agreements between OfReg and those professionals/consultants. [Notice given to BOD 19 July 2018]

8.1.2 by Compass [REDACTED] on 14 August 2018, "Disputes between licensees and consumers") [Notice given to BOD on 5 September 2018]



8.1.3 by [REDACTED] on 4 September 2018 "all board minutes from the past 3 months" and clarified on 5 September 2018 to mean June July August. [Notice given to Board 4 September 2018]

8.1.4 By [REDACTED] on 5 September 2018 "all correspondence between CI GOVT and OfReg during August 2018 related to the recruitment of a new CEO or the appointment of an interim or acting CEO." [Notice given to Board 5 September 2018].

8.1.5 By [REDACTED] on 5 September 2018 "copies of all OfReg's 2018 board meetings, including special meetings". [Notice given to Board with the circulation of the draft agenda.]

8.2 Board Assistance.

8.2.1 Members of the Board expressed their willingness to provide support as needed to the Acting CEO on any specific management issue.

Items 8.1.1 to 8.1.5 redacted under FOI law 2020 revision Sec 23 Personal information

9. Date of next meeting

11 October 2018

10. Adjourned.


Chairman

date: 9/11/18