



**Board of Directors Meeting of the
Utility Regulation and Competition Office ("OfReg")
held on Thursday, 16 January 2020,
at its Offices, 3rd Floor Alissta Towers
General Meeting 1 of 2020**

Minutes

In attendance:

Dr. the Hon. Linford Pierson, Chair (Chair)
Mr. Rudy Ebanks, Non-executive Director (RE)
Mr. Paul Byles, Non-executive Director (PB) (absent 3:30 pm onwards)
Mr. Phillip Ebanks, Non-executive Director (PE)
Mr. Gene Banks, Non-executive Director (GB)
Mr. Malike Cummings, Chief Executive Officer (CEO)
Mr. Gregg Anderson, Executive Director Energy & Utilities (EDEU)
Mr. Duke Munroe, Chief Fuels Inspector/Director Fuels Markets (CFI)
Mr. Alee Fa'amoe, Executive Director ICT (EDICT)
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)

Apologies:

Mrs. Melissa Powery, Financial Controller (FC)

Start: 11:00 AM End: 5:00 PM

1. General

1.1 Welcome and Prayer

The Chair welcomed all members and said a prayer.

1.2 Appointment of EDEU to Board

The Chair accepted the position of the Cabinet Secretary that the EDEU was a member of the Board *ex officio*.

1.3 Approval of Agenda

Motion, PB and seconded by RE: that the agenda as amended (7.0 AOB) be adopted for this meeting. CARRIED

1.4 Remarks by Chair

At the beginning of the year I would like to make a few suggestions for OfReg to adopt during 2020 as we set the pace for this new decade. I feel that we should set the "tone at the top" to create a culture that not only gives priority to ethical standards, professionalism, integrity and compliance in



setting and implementing good governance, and best administrative practice, but that also is a reflection of, and a foundation for OfReg's Vision, Mission and strategic goals. In our efforts to achieve these high standards, it is important that we work towards becoming "One OfReg" by maintaining a collegial relationship between executive and non-executive directors of the Board, as well as all members of OfReg's staff.

It is therefore of paramount importance that going forward, as a Board, we take the time to discuss and reach decisions that are in the best interest of OfReg. In order for us to accomplish our goals, it is essential that both executive and non-executive directors work in harmony, while respecting the statutory roles of each. In this connection, to establish the "One OfReg" mantra it is essential that both executive and non-executive directors comply with their duties and responsibilities as provided under the Law. In accordance with section 29 of the Utility Regulation and Competition Law (2019 Revision) "URCL", the executive directors are appointed as principal advisors to the Board in their areas of responsibility.

Also, section 30 of the URCL outlines the areas of knowledge and experience required by executive directors. Further, section 13 (2) specifically states that "when making a decision on any regulatory issue, the Board shall have regard to the views and recommendations of the executive members." Similarly, section 23 (6), highlights the important role of the executive directors during board meetings. Of equal importance, section 23 (5) provides that the non-executive members are the voting arm of the Board; this in fact determines which matters are approved by the Board.

In closing, may I take this opportunity to wish each member of the Board a healthy, happy and productive 2020.

2. Declaration of Interest

GC/S reported that all Board Members had filed the Annual Declaration of Interests for 2020. RD reported that his company had provided advice to the Brown Family re their businesses, and he agreed to leave during the substantive discussion of the MAB Share Transfer application. PB reported again that his wife's company had done marketing work for Rubis Cayman Islands Limited ("Rubis"). COO stated that he owned a few CUC shares. The Board agreed that he could maintain ownership as his role was internal office operations, he was on secondment, and he was not appointed to the Board and in consequence he was not a voting member.

3. Minutes of Previous Meetings

3.1 Approval of the Minutes of:

3.1.1. General Meeting no. 8, held 21 November 2019 version 5 (circulated 13 January 2020)



Motion, RE and seconded by PB: that the minutes of the meeting of 21 November 2019 be approved as amended. CARRIED

3.1.2. Special Meeting no. 6, held 12 December 2019 version 2 (circulated 13 January 2020)

Motion, GB and seconded by RE: that the minutes of the special meeting of 12 December 2019 be approved as circulated. CARRIED.

3.1.3 The GC/S reported that the minutes to date had been reviewed with AGC/AS and CAPE in the light of section 19 of PAL and FOI Law.

3.2 Round Robin Resolutions (none)

3.3 Matters Arising From Previous Minutes

3.3.1 Special Meeting no. 4: policies – Next Priorities: Anti-fraud policy and General Reserve Policy.

Motion, RD and seconded by RE: Adopt Government's anti-fraud policy (with immediate effect). CARRIED

3.3.2 General Meeting no. 8/2019, in BAIL.

See below.

3.3.3 Board Action Item Log ('Bail')

Update on matters:

25-07-2019 Investigation into leak of minutes. GB reported that the Committee had received questions on the RFP from potential bidders and the answers were to be dispatched. A report was to be available for the 13 February 2020 Board Meeting.

25-07-2019/4.2.6 Business case and accommodations proposals: some of the properties looked at could not be used due perceived conflicts of interests with other tenants. COO was working with the architect to estimate the cost of other options and the improvement of the current office space. Business case was to be available for the 13 February 2020 Board Meeting.

29-08-2019/3.2 Self-Assessment of the Board for 2019: each Board member agreed to individually complete a response form. All forms were to be delivered to the GC/S 5 days before the 13 February 2020 Board Meeting for collation.

29-08-2019/4.14 Paper re OfReg's Budget and Resource needs: CEO stated that this was dependent on the General Reserve policy being put in place. CEO had started the paper. Now due 1 February 2020.

29-08-2019/5.7.1 Meeting between EDICT and EDEU: extension granted to the 13 February 2020 Board Meeting.

10-10-2019/4.1.1 PB agreed to arrange meeting of Innovation Committee. PB did not complete task. Extension to the 1 February 2020.

10-10-2019/4.1.1 Terms of Reference for the Remuneration and Human Resources. PE did not complete task. Extension to the 13 February 2020 Board Meeting.

10-10-2019/1.4 MOU with Ministries re sharing information - CEO stated that a draft has been prepared and was under review by the SMT. Submit prior to the 13 February 2020 Board Meeting.

10-10-2019/3.3 CEO Assessment framework. CEO to organize lunch meeting to finalise framework by 01 February 2020.



10-10-2019/ 4.1.2 Risk and Audit Committee Charter read. Done
10-10-2019/4.1.5 High level strategy for communications - RD submitted proposed strategy. Done.
16-01-2020/3.3 [REDACTED]
Meetings had been set and communications were ongoing. Extension to the 13 February 2020 Board Meeting.
10-10-2019/5.6.2 Cabinet Paper on DS Regs - Done.
16-01-2020/3.3 Paper on Credit Cards holders and limits (COO), target the 13 February 2020 Board Meeting.
10-10-2019/7.4 Succession Plan: Draft was prepared and now being considered by the COO. CEO to submit to the Board prior to the 24 January 2020.
21-11-2019/1.4 Attorney General's opinion on OAG's performance review: The Board thru the GC/S requested opinion; GC/S instructed Not to remind Attorney General.

2018- [REDACTED]

Moved by PE and seconded by RD: [REDACTED]

[REDACTED] . CARRIED

A briefing document was to be dispatched to relevant Ministers as soon as possible by CFI. Advance Fuels Ltd to be informed of decision.

4. Board Matters

4.1 Board Committee Reports

- 4.1.1 Risk and Audit Committee (Mr. Abraham Mathew, Chair, RD, PB and PE) – Motion, RD, seconded by PB: that the Charter for the Committee submitted by Mr. Matthew be approved. CARRIED
- 4.1.2 Public Relations Committee (RD, Chair, PB, PE, RE and CEO)
RD will prepare a proposed Terms of Reference document, which will be presented at the Board Meeting in February 2020.
- 4.1.3 Interim Investigation Committee (GB, Chair, PB, PE, COO)
GB reported that the Committee had received questions on the RFP from potential bidders and the answers were to be dispatched forthwith. A report will be available for the February 2020 Board Meeting.
- 4.1.4 Innovation Committee (PB, Chair, PE, RE, EDEU, EDICT)
PB was in the process of drafting the proposed Terms of Reference document, and an extension was granted to the Board Meeting in February 2020.
- 4.1.5 Remuneration and Human Resource (PE, Chair, RD, RE, PB and EDICT)
A meeting was to be scheduled shortly by the CEO to discuss with RHRC a Performance Agreement & Assessment for the CEO.
PE was to have prepared a proposed RHRC Terms of Reference document for the meeting, but he had not commenced the project. An extension was granted to the Board Meeting in February 2020.

The draft policy and procedure manual as submitted by CEO/COO was under the consideration of the RHRC with a view to advising the Board.

PE lead a discussion regarding the availability of detailed human resource information for the use of the RHRC as per his December 2019 request to the CEO. Thereafter, the Chair had asked for an opinion from the GC on the remit of the RHRC arising from sections 27, 31(2)(c) (the role of the CEO as head of operations) and section 41 of PAL (the role of the Board or a Committee of the Board).

The CEO and COO presented a draft summary of the information regarding the benefits appearing in employment contracts, and it was circulated. It was to be finalized and provided within two weeks.

PB agreed to write a draft Cabinet Paper for the Board on Governance and the Composition of the Board.

- 4.1.6 Finance Committee (RD, Chair, PB, FC) – no report.

4.2 Board Administration

- 4.2.1 FC's Financial Report and Analysis

The FC was excused due to a death in her family. Condolences were offered by the Board.

The COO presented FC's written report to end of November 2019.

The COO stated that Core government made a 5% CoLA award recently and sought the Office's support for 5% CoLA as of January 2020 for all staff of OfReg. A Cabinet Paper was in draft form and it specified where the funds could be found in the current budget. Deferred pending obtaining further information.

- 4.2.2 Ombudsman's Investigation into the delay in finalizing the investigation into alleged anti-competitive behaviour in LPG market

The CEO and GC agreed to meet with the Ombudsman on 22 January 2020 to continue advance OfReg's position and to hear their view.

5. Regulatory Matters

- 5.1 Data Link and OfReg, decision in Judicial Review application (costs in negotiation) -

Motion, by RD and seconded by RE

- 5.2 Anti-Competitive Practices Penalties Rules (progress in Ministry)

No change.

- 5.3 Truth in Advertising Rules (progress in Ministry)



No change.

5.4 Water Sector (Licence, Fee, Offence and Penalty) Regulations, Draft Determination (progress in Ministry)

No update.

5.5 Energy and Utilities

5.5.1 E&U Monthly Report

The EDEU's monthly report was presented and discussed. The CEO was scheduled to meet with Director of Water Authority on 17 January 2020.

5.6 Fuels

5.6.1 Fuels Sector Monthly Dashboard – no report.

5.6.2 Progress on Cabinet Paper re Amendments to Dangerous Substances Regulation to correct some clerical errors. The draft paper was submitted to the Cabinet Office for review and eventual approval.

5.6.3 MAB Share Transfer

[REDACTED]

5.6.4 Brac Rubis Equipment

[REDACTED]

5.6.5 Fuel Leak at Rubis' Terminal, South Church St, Grand Cayman

[REDACTED]

5.7 ICT

5.7.1 ICT Monthly Dashboard

The EDICT provided a brief summary of the ICT Sector Monthly Dashboard. There were two major service interruptions: Flow in December 2019 and Digicel in January 2020. Flow's 12-hour outage was due to a power outage in Jamaica and important equipment from Cayman now resided there. Digicel's outage was due to a power outage and a failure of the local generator to engage.

[REDACTED]



6. **Chief Executive's Report**

The CEO gave a brief overview of his report and highlighted some 2020 priorities. Discussion ensued.

7. **Any Other Business**

7.1 PURC/World Bank International Training Program

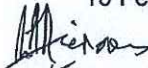
The CEO agreed to confirm the registration process for the June 2020 session on Utility Regulation and Strategy, and the number of persons budgeted to attend.

7.2 Order of items on agenda

It was proposed that the Regulatory matters that require a decision of the Board be dealt with earlier in the meeting.

8. **Date of next meeting**

13 February 2020 at 10:00 am.


Chair:

Date: 2 April 2020