



**Board of Directors Meeting of the
Utility Regulation and Competition Office (“OfReg”)
Held on Thursday, 14 May 2020, 9:00 am
(Via Virtual Conference)
General Meeting 3 of 2020**

Minutes

In attendance:

Dr. the Hon. Linford Pierson, Chair (Chair)
Mr. Ronnie Dunn, Non-executive Director (RD)
Mr. Rudy Ebanks, Non-executive Director (RE)
Mr. Paul Byles, Non-executive Director (PB)
Mr. Gene Banks, Non-executive Director (GB)
Mr. Malike Cummings, Chief Executive Officer (CEO)
Mr. Duke Munroe, Chief Fuels Inspector/Director Fuels Markets (CFI)
Mr. Gregg Anderson, Executive Director Energy & Utilities (EDEU)
Mr. Alee Fa’amoe, Executive Director ICT (EDICT)
Ms. Alison Maxwell, Assistant General Counsel/Secretary (AGC/S)
Mr. Christen Suckoo, Chief Operating Officer (COO) (by Board Directive)
Mrs. Melissa Powery, Financial Controller (FC) (present for item no. 6.1.3)

Apologies:

Mr. Phillip Ebanks, Non-executive Director (PE)

Start: 9:10 am End: 2.55 pm

1. General

1.1 Welcome and Prayer

The Chair welcomed all the members and gave apologies on behalf of PB and PE who advised they would be late. CFI said the prayer.

1.2 Approval of Agenda

Moved by RE and seconded by RD.

1.3 Chair’s Remarks

Characteristics of a Good Leader:

Honesty and Integrity: Integrity is the practice of being honest and showing a consistent and uncompromising adherence to strong moral and ethical principles and values. In ethics, integrity is regarded as the honesty and truthfulness or accuracy of one’s actions.

Ability to Delegate: Delegating is one of the core responsibilities of a leader.

Communication: Effective leadership and effective communication are intertwined.

Self-Awareness: Self-awareness is paramount for leadership. The better you understand yourself, the more effective you can be. Self-awareness has four facets



that are most critical for leaders: *Leadership Wisdom; Leadership Identity; Leadership Reputation; and Leadership Brand.*

Gratitude: Giving thanks will actually make you a better leader....few people regularly say “thank you” at work in appreciation of hard-working employees.

Influence: Influence is quite different from manipulation, and it needs to be done authentically and transparently.

Empathy: Empathy is correlated with job performance. The ability to be compassionate and connect with others is critical to our lives, both personally and professionally.

Respect: Treating people with respect on a daily basis is one of the most important things a leader can do. It will ease tensions and conflict, create trust, and improve effectiveness.

Inspiration: *“If your actions inspire others to dream more, learn more, do more and become more, you are a leader. Innovation distinguishes between a leader and a follower. Do not follow where the path may lead. Go instead where there is no path and leave a trail.”*

Lead your team into a post-pandemic world

According to excerpts from an article recently posted in the *Harvard Business Review*, “there are many examples of inspiring actions taken by CEOs and companies in support of their employees. But as we’ve come to recognize that this crisis will last more than a few weeks, companies are now defining their approach for the long haul.” There are therefore two crucial ideas that hold with corporate leaders:

One: Given the magnitude of the shock and challenges that this crisis represents, companies must consider the full breadth of their employees’ needs as people. Safety is essential, but it’s also important to address higher-level needs such as the want for truth, stability, authentic connections, self-esteem, growth, and meaning in the context of the crisis.

Two: Many CEOs have begun thinking about this crisis in three phases, all roughly linked to three distinct time horizons: *the shelter-in-place phase, the reopening phase, and the post Covid-19 phase.*

When these two ideas are combined, leaders can operate and lead more effectively by dynamically adjusting how they take care of their employees through the unique challenge of each phase.

Human Needs in the Shelter-in-Place Phase

During this first phase, companies have sought to ensure their workers’ physical safety. They’ve implemented work from home measures as appropriate. Beyond safety, they are working to ensure security as well. Many have worked to keep people on the payroll for as long as possible-even if that required furloughs, and other emergency relief arrangements. A key requirement for companies in this phase will be to avoid broad policies that don’t take into consideration the various circumstances different employees face.

Human Needs in the Re-Opening Phase

As companies prepare for this next phase, they should continue to consider the broad spectrum of their employees’ needs, beyond just creating a physical workplace, bringing back as many employees as possible, considering social distancing, and other relevant issues such as those employees above the age of 60, and therefore more vulnerable to contracting the coronavirus (Covid-19).

Human Needs in the Post-Covid-19 Phase

It could be some time before we reach this phase. Huber Joly, Executive Chairman and former CEO of ‘Best Buy’ recommends that companies would be wise to



mobilize the business understanding and sense of purpose of their employees as input to their planning process. This is what Best Buy -- which during its turnaround faced an existential crisis of its own – experienced when it embraced its purpose of enriching lives through technology. Best Buy unlocked latent demand it didn't know was available to it by deploying an in-home advisor program and new tech support services. At the time, the company could have looked at its situation and turned immediately to cost cutting and personnel reduction. Instead it found new growth and ways to retain and grow their employees.

How OfReg's Board and Senior Management Team approach the three phases of this crisis and treat all their stakeholders – starting with their employees and the whole range of their human needs – will be real “moments that matter” for their employees, contributing to the level of attachment (or not) the employees will have to OfReg in the future and to the ability of OfReg to thrive coming out of the Covid-19 pandemic crisis. **Additionally, OfReg must now also give serious consideration to the upcoming hurricane season which promises to be active.**

2. Declaration of Interest

RD – (3.3.1) will refrain from discussions in that matter.

3. Minutes of Previous Meetings and Round Robin Resolutions

3.1 Approval of the Minutes of:

- Special Meeting no. 2, held 20 March 2020 v1 (in meeting folder)

Approved as amended. Moved by RE and seconded by RD.

3.2 Matters arising from Minutes

3.2.1 2020 Annual Plan (Board Feedback)

The Board commented that the draft 2020 Annual plan still contains numerous spelling and grammatical errors. In addition, the Board still does not see the consistency of the content between the various sectors. The Board congratulated the EDEU on the OAG's remarks on not just KPIs, but on the outcomes as well. However, the Board decided that it could not grant approval on this version at this time. The Non-executive Directors (the “NEDS”) will send consolidated comments to the CEO. The CEO plans to have the draft edited and circulated to the Board prior to the next Board Meeting, and requested that the Board grant an approval via a round robin vote. The Board agreed.

3.2.2 Update 2019 Annual Report

The CEO informed the Board that the 2019 Annual Report was still a work in progress. CEO also stated that the Management was largely on track to meet deadlines but had to deal with other issues related to the COVID-19 crisis. The Board decided the review and approval of the report be deferred until the audited financials are approved. RE asked about the 2018 Annual Report. The CEO confirmed that it was completed and it will be circulated.

3.2.3 Report on Post-Retirement Medical Benefits - (addressed under 6.1.1)

The CEO stated that this issue is still ongoing. [REDACTED]

[REDACTED]

3.3 Round Robin Resolutions

3.3.1 MAB Share Transfer Update



[REDACTED]

[REDACTED] Discussions ensued regarding next steps. GB asked if a new board paper was going to be submitted to the Board accordingly, and by what date. The CEO confirmed that a new paper will be submitted, and he will confirm with the CFI as it will depend on when the requested information is received.

3.4 [Update on compliance of Exec. Directors to include their monthly reports into the CEO's Report, as previously approved by the Board](#)

The Chair reminded the Board that a resolution was previously approved for the Executive Directors to submit their dashboards and updates to the CEO for incorporation into the CEO's report.

4. **Chief Executive Officer Report**

The CEO provided a summary of his report, which was included in the board papers. RE stated that he was a little concerned with the amount and quality of the press releases. The CEO responded that the CAPE's job description and role is quite unique and that the concern is noted. The Chair stated that he also had concerns and suggested that the CEO review the press releases before they are disseminated for public consumption.

RE stated that, in terms of management's response to OAG, the new condensed report is much improved over the original and much appreciated. However, he was concerned with the response to Section 6. Although he held the position that the report should be submitted today (the date of the Board meeting), the response should be re-evaluated and re-worded. The Chair stated that the Office could not give a definitive answer to the OAG at this time, and proposed that the following words be inserted "the Office will take the recommendation into consideration."

RE asked the CEO for an update on the negotiations with the Water Authority Company ("WAC"). The CEO responded and discussion ensued. RE asked when do we expect the cost of service study (COSS) to be completed. The EDEU responded that he estimates that it will take two to three months to be completed, and it will evolve along with the COVID-19 situation.

RD asked about the notification process in relation to proposed legislative changes, as it appeared that the Board are notified after the legislative changes have been proposed externally. The Chair stated that the Board should be notified first. Discussion ensued.

The EDICT responded to RD's question regarding Wi-Fi hotspots. [REDACTED]

The NEDs stated that they did not have any questions for the FC at this time.



[Meeting adjourned at 12.00 pm for lunch. Meeting re-commenced at 12.40 pm.]

5. Regulatory Matters

5.1 Energy and Utilities

5.1.1 Update on the progress of the WSRL (withdrawn from Ministry, in further consultation during Q1, 2020)

Dealt with as a part of the CEO's report.

5.1.2 Update on Consultation with CUC on Proposed Regulatory Accounts

The Chair noted that this process appeared to be taking time. The EDEU responded that the project was progressing with the Office's present resources, and that only one submission was received in response to the second-round consultation. The EDEU hopes to issue a draft determination by the end of Q2, 2020.

5.2 Fuels

5.2.1. Update on Anti-Competitive Investigation

The Chair shared his concern that the investigation has been going on for about two years. [REDACTED]

[REDACTED] The CFI will share the draft investigation report with the Board in due course, and will continue to keep the Board updated.

5.2.2 Progress report on the Fuel Market Definition & Assessment

The CFI stated that the first phase is completed, which leads into the second phase. The COVID-19 pandemic disrupted the process and the consultation did not yield many responses, but the plan is to move ahead into the competition assessment phase. The Chair asked about the timeline for completion. The CFI estimated that it will take two to three months.

5.2.3 Report on local fuel prices

[REDACTED] Demand has been essentially wiped out for aviation, gasoline has been reduced and diesel is not where it usually is. Looking at these factors, every fuel type needs to stand on its own. RE asked if it would not be helpful to explain to the public about the costs of duty. Duty is payable on volume regardless of initial costs. The public is comparing the US prices to Cayman prices, and there may be a need for clarification.

The CFI also provided a brief update on the safety and compliance issues with Cayman Brac Power & Light Ltd. He stated that he is going to reach out to the Chairman of the company.

The CFI mentioned that inspections were presently suspended due to the COVID-19 pandemic, and scheduling of inspections would not happen as the team would need a representative to meet them on site and that would be a breach of shelter in place conditions. At present, the Office have not issued a public notice. The Office does not have an inspector at present, and cannot really carry out inspections as normal. Discussions ensued regarding the staff shortages in the fuels team and the plans to address same. RE suggested that CFI considers outsourcing inspections to the Department of Planning. The CFI thanked RE for the suggestion.



5.3 **ICT**

5.3.1 Update on the Telco COVID-19 Relief Package

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] The CEO and the EDICT

will continue to keep the Board updated.

5.3.2 Update on the Truth in Advertising Rules, Draft Determination – no update. PB stated that some customers are not getting the download/upload speed that their service provider sold them, and stated that the Truth in Advertising Rules should address this.

5.3.3. ICT Sector Compliance and Enforcement Status

There are Licensees who are delinquent in some areas. Once the COVID-19 pandemic passes, the ICT Team plans to be more aggressive with enforcement.

6. **Board Matters**

6.1 **Board Administration**

6.1.1 Board Action Item Log ('BAIL') –

25-07-2019/4.2.6;10-10-2019/1.4;16-01-2020/3.3.3 (Prepare business case on lease accommodation proposals.): The business case regarding the office space has been deferred due to the COVID-19 pandemic.

10-10-2019/7.3;16-01-2020/3.3 (Report to HR Comm the details of OfReg's existing corporate Credit Cards.): Report on credit card limits are in the board papers. A paper is to be prepared for Board consideration.

16-01-2020/4.1.5 (Write a draft Cabinet Paper on Governance and the composition of the Board.): Not yet completed.

12-03-2020/5.3.2 (Sea Cat Undersea Cable Initiative): Done.

12-03-2020/6.2.1 (Creation of a Risk Register identifying risks and mitigating measures.): By next board meeting.

12-03-2020/8.4 (Executive Assistant Support for Board Committees): COO – discussion with admin team. There is some apprehension and maybe such additional training is needed. By next board meeting.

Succession plans will be discussed at ExCo level and will be re-submitted to the Board in due course.

ICT sector capital costs – next board meeting.

6.1.2 Modification of Travel Policy - The FC and COO looked at the official travel policy. There are two recommendations that were made to the CEO, which were forwarded to the Board. The COO and FC noted that Executive Directors (or equivalent) and Financial Controller are automatically deemed under this policy to have delegated authority.

6.1.3 FC's Financial Report and Analysis

The FC gave a brief summary of the Financial Report, answered questions and received comments. The FC stated that the cash projections to August were \$1.5 million on fixed deposit this year before the pandemic. Operating cash \$1 million which is due to mature in June this year. On 15 October 2020, the Office expects payment of the regulatory fees from the energy sector. She stated one telco licensee paid its regulatory fees. The FC notes that the forecast is very conservative, and



there is not much the Office can do right now in terms of the COVID-19 pandemic and non-essential spends. The Office missed the 30 April deadline due to the resolution of the Post-Retirement Medical Benefits (“PRMBs”) issue. All other aspects of the audit were completed, and until we get that decision on the PRMBs, the OAG are not going to review the documentation. Discussion ensued. The Chair thanked the FC for her report.

Update on Business Plan for OfReg’s Office facilities – **deferred.**

[GB left the meeting at 1:47 pm.]

6.2 Board Committee reports

6.2.1 Risk and Audit Committee (RD, PB and PE) – Presently recruiting for the Committee’s Chair position.

6.2.2 Public Relations Committee (RD (Chair), PB, PE, RE and CEO) – Committee has not met. RD shared concerns with the NEDs in relation to the expectations of the CAPE, and the CAPE shared some concerns of his own. The committee will address these issues when it meets formally.

6.2.3 Interim Investigation Committee (GB (Chair), PB, PE and COO) – **deferred.**
- RFP regarding examination of OfReg IT System software

6.2.4 Innovation Committee (PB (Chair), PE, RE, EDEU and EDICT) – Committee will meet next week.

6.2.5 Remuneration and Human Resource Committee (PE (Chair), RD, RE, PB and EDICT) – Consideration of OfReg’s HR Manual. RD, on behalf of the Committee, requested that the Management’s comments be converted into a two-column table format so that the HR Committee can review and accept/reject/comment on each point for discussion at another time, e.g. a special meeting

6.2.6 Finance Committee (RD (Chair), PB and FC) – Nothing to report.

7. Any Other Business

7.1 Update on Fuels Inspector Health Condition

[REDACTED]

7.2 Update on the COVID-19 and way forward

Dealt with already in the Chair’s remarks and CEO’s report. (Agenda items 1.3 and 4 respectively.)

7.3 CEO Performance Agreement

The NEDs will review, and then advise if it is acceptable for signature.

7.4 Approval of CUC’s 2020 -2024 CIP – [REDACTED]

[REDACTED]



... plan was approved by RE and seconded by RD.

7.5 Update on OfReg's Succession Plans

The CEO responded that there is a possible deficiency in the process, and he will discuss the draft succession plans with the Executive Team and re-submit the plans to the Board in due course. RE noted that there was no succession plan for the CEO. The CEO responded that the Board appoints the CEO, so the board would need to have that plan in place. RD agreed with the CEO's viewpoint.

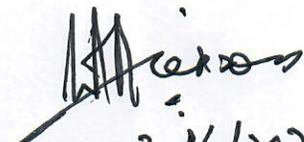
8. Adjournment: Date of next meeting

The next meeting is scheduled for 18 June 2020 at 9 am.

[PB left at 2:54 pm.]

Motion to adjourn by RD and seconded by RE.

Chairman:


Date: 30/6/2020

Reviewed by CAPE 23 Nov 2020, no redaction needed under the FOI/DPL. D.Lee