



**Board of Directors Meeting of the
Utility Regulation and Competition Office ("OfReg")
held on Thursday, 16th November 2017,
at its Offices, 3rd Floor Alissta Towers
Meeting #16**

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 (ED-ICT/DCEO)
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 DDICT)

Other attendees:

Apologies:

Meeting Start Time: 10:19

1. General

1.1 Welcome, Prayer, Chair's Remarks

CFI offered a word of prayer.

Chair welcomed new Non-Executive Member Mr. Rudy Ebanks.

The Chair spoke to the purpose and functions of the Office in particular the operation of the Board, as well as the expected governance protocols and practices.

For the benefit of the new Non-Executive Member, all members spoke briefly on their personal and professional background.



- 1.2 Approval of Agenda
Board Approved
- 2. Declaration of Interest
Nothing Declared
- 3. Minutes of Previous Meeting

- 3.1 Approval
F. Balderamos moved motion to accept, R. Dunn Seconded.

Minutes Approved.

- 3.2 Matters Arising not Covered Elsewhere in the Agenda
Nil

- 3.3 Actions Arising out of the Previous Minutes

Meeting 15 Agenda Item 4.2 and 12.2 (Governance Committee)- Deputy Chair to consider formation and practicality of this committee for discussion at the next meeting.- This was discussed as an agenda item 4.1.1.

Meeting 15 Agenda Item 4.3 (Contractor/Consultancy review) - Chair instructed staff to have full responses to questions completed by the next BOD meeting. See item 6.1.1. below.- This was discussed as an agenda item 6.1.1.

Meeting 15 Agenda Item 4.4 (PAL analysis) - Staff to follow up on additional opinion from external counsel. – CEO confirmed that a letter on same was sent to the Attorney General for comment based on the opinion.

Meeting 15 Agenda Item 4.5 (gift policy) – DDICT/Acting Secretary and Associate Counsel to amend section 6 so that threshold includes "giving" up to a value of \$100.00 / or not exceeding. DDICT/Acting Secretary confirmed that this was completed.

Meeting 15 Agenda Item 4.7 (electronic signatures) - DCEO to implement secure method across Office. ED-ICT provided update that implementation is ongoing.

Meeting 15 Agenda Item 4.8 Public Service Good Governance Handbook (PSGGH) - Associate Counsel to amend and insert references to the Office (where reasonable), and highlight any potential conflicts. – To be completed by Associate Counsel.

Meeting 15 Agenda Item 6.1 (CEO's Report) Board to consider structure/format and make recommendations as necessary towards desired

structure. Board remarked generally that report is good and hope to see it develop to include reports.

4. Board Matters

4.1 Board Administration

4.1.1 Appointment of Committee of Board to Interview Applicants for General Counsel

The Chair shared his views/reasoning on the importance of transparency in the recruitment process and the value of an independent committee of the Board being established to participate in the shortlisting process. The intention is not for this to be a standing committee.

CFI agreed with the concept but further suggested that a clear and transparent process that guides such recruitment process should be established first. However, in the absence of such guide, and in light of the imminent need, establishing such a committee is a good approach.

Majority of Board voted that committee would be formed.

Board agreed that a committee would be formed with M. Lim as Chair.

The Deputy Chair objected to the appointment of a Committee of the Board for the shortlisting and interview of the General Counsel position. He cited the provisions of sections 15 & 16 of the Public Authorities Law which shows the responsibilities of the Board, and Section 31 which shows the responsibility of the CEO. In his opinion, the Board has no role in recruiting save for the CEO and should therefore not be involved in the recruitment process for this staff member.

Ultimately, the Board agreed that the appointment of any person to the post of General Counsel rests solely with the CEO and that the purpose of the committee is to assist with the shortlisting process.

4.2 Strategic Focus

4.2.1 Resolution- Approval of Annual Plan

(Agenda Item 4.2.2 was also addressed under this Item)

A copy of the 2018 Annual Plan and Strategic Plan were provided to the Board.

The CEO spoke generally on the intent of the Plans and highlighted the deadline for publishing.



The CEO also spoke generally of the responses to the consultation and how they were responded to.

The Board unanimously resolved to approved and publish the Annual and Strategic Plans.

4.2.2 Resolution- Approval of Strategic Plan

Same as item 4.2.1

4.3 Risk and Audit Committee

The Board considered the approval of an appropriate stipend to be paid to the person appointed as Chair of the Risk and Audit (R&A) Committee.

The Board considered \$1000.00 KYD as an appropriate amount for a monthly stipend.

The CEO moved that the stated amount be approved and F. Balderamos seconded.

Consequently the Board unanimously approved that \$1000.00 KYD per month be paid to the Chair of the R&A committee once appointed.

Members will continue to consider potential candidates and report to the Board.

5. Chief Executive's Report

The CEO spoke to the topics outlined in his report generally.

He made particular note that now that the Annual and Strategic Plans have been approved, the CEO's report will start to track the KPI's contained in the Plans so to keep the Board up to date with how the Office is meeting its obligations.

5.1 Statutory Obligations – Update

A spreadsheet containing a list of statutory obligations for the Office was provided in the Board Papers. The document contained obligations, timelines and comments.

The CEO spoke generally to the spreadsheet and noted that it was one way of keeping the Board and the Executives up to speed on obligations and progress in meeting each where appropriate.

6. Office Administration

6.1 HR / Operations

6.1.1 **Answers to Board Questions on Contractors and Consultancies**

The Chair commented that the responses provided in the Board Papers did not properly satisfy the questions the Board asked.

The Board agreed to defer the matter to the next regular meeting to give staff more time to respond in full to the questions.

6.2 **Finance**

6.2.1 **Financial Report / Management Accounts (Oct 2017)**

Copy of the Management Accounts for October 2017 was provided in the Board Papers.

The CEO spoke to the contents generally.

7. **Regulatory**

7.1 **Energy and Utilities**

7.1.1 **Approval- Recommendation on adjustment to CUC License and Regulatory Fee.**

EDEU provided the Board with a paper on the recommendation to approve an adjustment to CUC's licence and regulatory fees. The EDEU summarised that the adjustment will provide for a stable and flat predictable line item opposed to a variable one. On analysis, a potential consequence would be a slight increase on consumer rates and charges, however such an increase would be minimal and would serve to protect against future unpredictable increases.

The Board Approved the adjustment.

7.1.2 **Outage Reporting – verbal briefing.**

EDEU commented on the progress in developing outage reporting rules for the industry. He noted that the structure of the Outage Reporting Rules currently being used by the ICT sector could be modified to suit his sector's needs.

Development is ongoing.

7.1.3 **Cayman Water Company License Negotiations – verbal update.**

EDEU gave the Board an update on the negotiations and noted that while progress is being made, negotiations remain ongoing.

7.2 **Fuels**

7.2.1 **Approval- Proposed Fee Structure Recommendation for Implementation of the Fuel Sector Registration (Regulatory) Fee.**

CFI spoke to the recommended Regulatory Registration Fee Structures and benefits as set out in the Board Papers.

CFI sought approval so that Structure could be forwarded to Cabinet for approval.

The proposed fee structure as proposed was approved by the Board.

7.2.2 **SOL Investigation – verbal update.**

CFI will be working to complete and provide a preliminary report to be provided to the Board in the next few weeks.

7.2.3 **Operating Permits – Report.**

CFI provided a brief report on the operating permit issuing process and status to the Board, for information purposes.

Additionally, the CFI spoke to the proposed amendments to fees for operating permits and renewal of operating permits to be approved by Cabinet.

7.3 **ICT**

7.3.1 **Resolution to approve Open Licence for Short-Range/ Low-Power FM Broadcasts**

The DDITC/Acting Secretary presented a proposal to the Board to approve an "open licence" for certain types of FM broadcasts where the transmission is a FM broadcast transmitted at a short range and at a low power.

The Board Resolved that the Office establish an open license not requiring a fee and not requiring an application provided that the operators operated within the prescribed parameters.

Prescribed Parameters:

- Power-0.5 Watts maximum
- Distance - 1000 Foot radius maximum
- Frequency - 88.7 MHz or 102.7MHz

7.3.2 **Resolution to approve the use of Spectrum currently allocated to Astronomy to use for low range / low power medical telemetry.**

The DDITC/Acting Secretary presented a proposal to the Board that the spectrum currently allocated for the use of spectrum Astrology, also be allocated to the use of Medical Telemetry.

This allocation would allow for medical facilities to utilize medical equipment and systems designed to operate on this spectrum for the purpose of managing and providing medical services to the community.

It was noted that there are currently no licences issued for the use spectrum for astronomical purposes and the likelihood is very low due to the requirements to establish such facility/operation. Further should such facility be established conflicts would be unlikely. Therefore there are no anticipated conflicts.

The Board resolved to allocate the spectrum for the use of medical telemetry in addition to spectrum astrology provided that the operators operated within the prescribed parameters.

Prescribed Parameters:

- Power - 3mW EIRP
- Network not to extend beyond a 1000 foot radius of a single facility.

7.3.3 [Datalink/OfReg Judicial Review-Update](#)

ED-ICT gave a general status update on the judicial review matter as set out in the summary provided in the Board Papers.

7.3.4 [ICT Consumer Protection Regs- Update](#)

ED-ICT informed the Board that the project for establishing the proposed Consumer Protection Regulations for the ICT sector was in consultation stage.

In order to give industry and the general public time to consider the provisions contained therein, the consultation would be extended to the end of January 2018.

8. [Consumer Affairs](#)

Nil

9. [Any Other Business](#)

9.1 **New Signing Authority Resolution**

The Board approved a new "Resolution for Authorised Signatories for Disbursement of Funds by Other Means", as drafted and provided in the Board Papers.

The Resolution identifies members of the Senior Management team and their allocated signing rights in relation to disbursement of Office funds.

The Resolution was signed by the Chair and Acting Secretary.

9.2 Procurement Process

The Board reviewed the previously circulated Procurement Process as amended and provided in the Board Papers.

The process was unanimously approved by the Board.

9.3 Board / Staff Christmas Lunch

The CEO provided details on the upcoming Christmas lunch and encouraged all to attend.

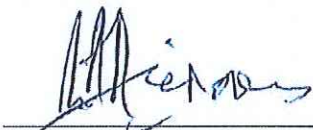
- 9.4** R. Ebanks thanked all for the warm welcome and remarked of his enthusiasm and promised dedication as a member of the OfReg Board.

10. Date of next meeting

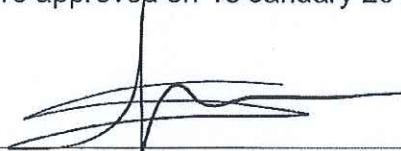
18 January 2017

The Chair adjourned the meeting at 4:15pm.

The below signatures certify that these minutes were approved on 18 January 2018.

A handwritten signature in blue ink, appearing to read "M. Ebanks".

Chair, Board of Directors, OfReg

A handwritten signature in blue ink, appearing to be a stylized name.

Board Secretary (Acting)



Actions Arising out of the Agenda Items

Agenda Item 3.3 - Good Governance Handbook from POCS. Legal to review to see how it can be adopted to be 'OfReg relevant'.

Agenda Item 6.1.1 - Contractor/Consultants report – CEO to seek clarification from Chair on outstanding concerns so that SMT can address them. CEO to prepare redrafted presentation for next Board meeting

Agenda Item 7.1.1 - E&U Adjustment to Regulatory Fees - Cabinet Paper, advisory note (not seeking Cabinet decision). Draft to be sent to CEO.

Agenda Item 7.2.1- Fuel Fees Cabinet Paper – CFI to send to Cabinet Secretary.

Agenda Item 7.2.2 - SOL Investigation – CFI to send preliminary report Board members.