

**Board of Directors Meeting of the  
Utility Regulation and Competition Office (“OfReg”)  
to be held on Thursday, 8<sup>th</sup> February 2018,  
at its Offices, 3rd Floor Alissta Towers  
Meeting 2 of 2018**

**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 (DCEO/ED-ICT)
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:** Mr. Troy Claxton CFO (Present for Items 6.3)

**Apologies:**

nil

**Meeting Start Time:** 10:24

**Meeting Adjourned** 2:46pm

**1. General**

**1.1 Welcome, Prayer, Chair’s Remarks**

Chair offered a word of prayer and welcomed all.

Chair commented on the importance of keeping discussions succinct where possible in order to get through the agenda.

**1.2 Approval of Agenda**

Board approved the agenda as drafted.

## 2. Declaration of Interest

nil

## 3. Minutes of Previous Meeting

### 3.1 Approval

The Board reviewed and approved the Minutes of the last meeting.

### 3.2 Matters Arising From Previous Minutes not Covered in Agenda

#### 3.2.1 Actions Arising out of the Previous Minutes

**Item 1.1** Deputy Chair R. Dunn and F. Balderamos to establish committee to review responses to Contractor/Consultant questions. Due- 8/2/18

*Update at meeting- F. Balderamos- Commented that Non-Executive Directors' (NEDs") review of the responses have being compiled and submitted to the Board for this meeting. In summary, as of 1/1/18 the Board will have a new approach to contracts and consultants. F. Balderamos briefly summarised some of the points included in the final report.*

*Chairman thanked NEDs for work done on this.*

*Action arising from this meeting: Executives to circulate new draft contract/consultants template for review and discussion at the next meeting.*

**Item 1.1** Legal to prepare regular updates on the JR process.

*Update at meeting: Secretary confirmed that this was communicated to the Legal Team.*

**Item 4.1.1-** EDEU to seek from Cabinet- an extension to Cayman Water Company's operating licence for an additional six months.

*Update at this meeting: This request has been sent to Cabinet.*

**Item 4.1.4-** EDEU to finalise recommendations for approval (from Board) of Fuel Hedging Plan.

*Update at this meeting: EDEU commented that the discrepancies found by the Office are currently being reviewed by Caribbean Utilities Co. Once rectified the Office will move forward with approval.*

**Item 4.1.5-** EDEU to finalise recommendations for presentation to Board to make Integrated Resource Plans compulsory.

*Update at this meeting: Ongoing*

**Item 4.2.1-** SOL Incident-CFI to provide report to Board week beginning 22 Jan.  
*Update at this meeting: To be discussed at agenda item 4.2.1*

**Item 4.2.2** - Board to review Fuel Inspectorate annual report for approval.

*Update at this meeting: Board approved subject to very minor formatting changes highlighted by CPI.*

**Item 4.3.7** - DDICT to circulate restructured internet reseller framework/standard and fees for approval by round robin.

*Update at this meeting: To be addressed as an agenda item 4.3.1*

**Item 4.3.8** - Failure to respond to "Request For Information" Enforcement action- DDICT to redraft determinations with reduced fine (\$10,000.00) and circulate "draft determination" for approval.

*Update at this meeting: DCEO/ED-ITC and DDICT commented that this was ongoing. The ICT and Legal teams were considering appropriate approaches based on fining guidelines and licensee status.*

**Item 6.1** - Office Move- Executive to expedite the Office move as set out in the CEO's report.

*Update at this meeting: DCEO/ED-ICT- provided summary of development. Ultimately the Office is waiting for the landlord to return reconfigured lease including details surrounding incorporating fit-out cost into lease and resulting lease amounts.*

#### 4. Regulatory

##### 4.1 Energy and Utilities

EDEU commented that there is still difficulty with licensing illegal producers because there is no licensing framework currently in place. EDEU is preparing to go to consultation on licensing frameworks. It was noted that the responsibility/authority for maintenance and regulation of water quality remains with the Water Authority.

**Action:** EDEU to have Water Authority confirm to OfReg that producers are submitting samples for testing and to also submit the related testing results.

##### 4.2 Fuels

###### 4.2.1 Sol Incident Report- Overview

CFI – confirmed for record that the report has been completed and submitted. Additionally, the CFI shared a presentation with the Board setting out findings of the investigation.



The Board shared some observations from a regulatory perspective and suggested that the office should seek to establish formal standards in the area of investigation reporting and regulatory action.

**Action:** CFI to finalise report including regulatory observations/measures based on comments and publish report. Board notes that the findings are noted and remain unchanged.

**Action:** CFI to establish formal standards in the area of investigation reporting and regulatory action.

#### 4.3 ICT

##### 4.3.1 FM Broadcasting Relicensing Determination

DDICT spoke generally to the draft Determination which was provided in the Board Papers. Purpose of the Determination was to update the licensing regime related to broadcasting. It was noted that no responses were received at consultation.

The Board confirmed that the Determination had been reviewed and subsequently unanimously approved the Determination.

##### 4.3.2 ISP re-seller category license fees and framework

DDICT and DCEO ED-ICT gave a presentation on the recommended fees and framework for the Internet Reseller Licence Type, as set out in the Section 23(2) Regulatory notice, a copy of which was included in the Board Papers.

It is anticipated that the reduced fees and light regulatory framework will encourage innovation and open a new area of business for the industry, while increasing business for the larger existing operators.

The Board discussed the merits of the initiative and subsequently unanimously approved the fees and framework as presented.

## 5. Board Matters

### 5.1 Board Administration

nil

### 5.2 Update strategic/annual plans

To be addressed under CEO report

### 5.3 Risk and Audit Committee

There have been several recommendations for Chair of the committee, however some conflicts relating to those persons have been identified. The Board continues to identify suitable persons.

### 5.3.1 Datalink Judicial Review Update

CEO- No activity to report on. An update on the running costs has been included in the Board Papers.

## 6. Chief Executive's Report

### 6.1 CEO report

The CEO spoke generally to the topics raised in his report. The detailed report was included in the Board Papers.

### 6.2 Statutory Obligations – Update

The CEO spoke generally on how the Office was meeting its statutory obligations. The detailed report was included in the Board Papers.

### 6.3 Finance

CFO – lead a general discussion surrounding the details of the financial accounts as presented in Board Papers. It was noted that there remained unresolved issues relating to budget allocations stemming from the merger, particularly relating to the move of the fuels team.

The Board commented generally on the importance of accurate reporting, fiscal prudence and ensuring value for money was a paramount importance at all times.

CEO commented that the Office continued to have discussions with the government regarding the budget.

It was also noted that fiscal prudence remains a focus of executive and senior teams. It was noted that spending is managed to support the resource and development needs of the Office, necessary to meet its legal obligations.

#### 6.3.1 Management Accounts

CFO – lead a general discussion surrounding management accounts as presented in Board Papers.

### 6.4 HR / Operations

#### 6.4.1 Office move update.

This was addressed at Item 3.2.1

### 6.5 PAL – URCO Analysis

Deferred to be considered by General Counsel.

## 7. Consumer Affairs

CEO commented on the importance of creating and filling a “Consumer Affairs and Public Education” role for the Office.



Updates on this will be provided to the Board in due course.

8. **Any Other Business**

- 8.1 CFI sought clarification on whether the Board Chair required that CFI sign permits.

Board confirmed that their approval was to authorise the issuing (process) of permits by the CFI.

- 8.2 The Board at this juncture sought to highlight to Executives that its responsibility is one of oversight and approval of formal process and issues. The practical process relating to signing and issuing of licences, determinations and other official correspondence as appropriate should be done by CEO or his designate.

- 8.3 DCEO/ED-ICT noted that the Public Accounts Committee awarded the former Electrical Regulatory Authority and Information Communications Technology Authority with certificates for clean audits. The Board congratulated staff on this achievement.

9. **Date of next meeting**

15 March 2018

### **Actions Arising out of the Meeting**

**Agenda Item 1.1 (Matters Arising)** Executives to circulate new draft contract/consultants template for review and discussion at the next meeting.

**Agenda Item 4.1 (E&U)** EDEU to have Water Authority confirm that producers are submitting samples to them and the results of testing to OfReg.

**Agenda Item 4.2.1 (Fuels- Sol Incident)** CFI will finalise report including regulatory observations/measures based on comments and publish report. Board notes that the findings are noted and remain unchanged.

- **Action:** CFI to establish formal standards in the area of investigation reporting and regulatory action.

**Agenda Item 8.2 (Any Other Business)** The Board sought to highlight to Executives that its responsibility is one of oversight and appropriate decision making. The Board agreed that the practical processes relating to signing and issuing of licences, determinations and other official correspondence as appropriate should be done by



CEO or his designate. Action- CEO to formally communicate delegated authority to Executives.

A handwritten signature in black ink, appearing to read "William Edwards", written over a horizontal line.

Chair, Board of Directors, OfReg

Board Secretary (Acting)