PARLIAMENT
OF THE CAYMAN ISLANDS

PARLIAMENTARY QUESTION NO. 4
Answered on 23rd June, 2026
First Meeting 2026-2027 Session –Second Sitting

PARLIAMENTARY QUESTION
ASKED BY

HON. KENNETH V. BRYAN
DEPUTY LEADER OF THE OPPOSITION, ELECTED MEMBER FOR THE CONSTITUENCY OF GEORGE TOWN CENTRAL

TO

THE HON. NICKOLAS T. A. DACOSTA
MINISTER FOR DISTRICT ADMINISTRATION & HOME AFFAIRS

QUESTION:

Can the Honourable Minister say whether the Water Authority intends to apply to the Utility Regulation and Competition Office (OfReg) to increase its rates as stated by the Minister in Finance Committee on Thursday, 13th November 2025, in light of the inflation hike announced by the Economics and Statistics Office?

ANSWER:

On 3 June 2026, the Water Authority–Cayman ("the Authority") announced that its base price for water, sewerage and septage services would be adjusted by 3%, effective 1 July 2026. This adjustment reflects the first increase to base rates in seven years.

To place this in context even with the adjustment, the Authority continues to supply potable water at a cost of less than three cents ($0.03) per gallon. This remains significantly lower than the cost of commercially bottled water available in grocery stores, which costs an average of up to $2.68 per gallon, depending on the brand and packaging. The Authority therefore continues to provide an essential public service at a fraction of the cost of alternative sources.

The adjustment is made strictly in accordance with section 44(3) of the Water Authority Regulations (2022 Revision), which provides the lawful mechanism for annual base price reviews. The process includes independent verification by the Office of the Auditor General

and formal notification to the Utility Regulation and Competition Office, ensuring full transparency, accountability and regulatory oversight. It should also be noted that base rates have not been adjusted for seven years.
While any increase in cost is understandably of concern to the public, this adjustment remains modest and necessary to ensure the continued maintenance, upgrading and resilience of the Authority's critical infrastructure. These investments are essential to sustaining the delivery of safe, reliable, and high-quality water and wastewater services across the Cayman Islands.

Beyond cost considerations, the Authority plays a critical role in the public health infrastructure of the Cayman Islands. It is a key partner in safeguarding national health and wellbeing through the consistent delivery of safe drinking water that meets World Health Organization standards. The Authority ensures that residents and businesses have continuous access to safe potable water, which is fundamental to sanitation, disease prevention, and overall community wellbeing.

There are no further applications pending, nor any proposal currently before the regulator for additional rate increases beyond this approved adjustment. Any future review of rates will continue to be undertaken strictly within the established legal and regulatory framework, with full oversight and transparency.

Finally, it is important to place the Authority's financial position in its proper context. Unlike many public sector entities, the Authority does not receive operational funding from central Government. Rather, it operates as a self-financing statutory authority and fulfils its statutory obligations, including the payment of annual dividends to the Government.

The Authority achieves these standards not through subsidy or external support, but through sound financial management, a skilled and predominantly Caymanian workforce, and a sustained commitment to operational excellence.

As indicated during Finance Committee proceedings last year, while the Authority's financial statements may, at first glance, suggest a strong surplus position, it is important to recognise that this is driven by investment income. The Authority maintains reserves invested in fixed deposits to support future capital expenditure requirements, including critical infrastructure development, system upgrades, resilience projects, and network expansion to meet the demands of a growing population. This financial independence is not accidental, it reflects decades of disciplined management, prudent capital planning, and governance structures that hold the Authority to the highest standards of accountability.

From a financial management perspective, these funds represent earmarked reserves for planned capital investment rather than unrestricted surplus available for general expenditure. If those designated infrastructure reserves were excluded from consideration, the Authority's financial position would present a markedly different picture and would more accurately reflect the substantial costs associated with maintaining and modernising essential water and wastewater infrastructure.

The NCFC remains firmly committed to improving the quality of life for all Caymanians and residents through the provision of essential services that are safe, reliable, and financially sustainable. The modest adjustment now being implemented will help ensure that the Authority maintains its long-term financial viability, continues to invest in critical infrastructure, and remains capable of meeting the country's future water and wastewater needs without reliance on direct financial support from central Government.

This approach reflects prudent fiscal management, responsible stewardship of public assets, and a commitment to ensuring that future generations benefit from a modern, resilient, and sustainable water utility.