



**Runaway Bay Water Company Limited**

P.O. Box 146, Runaway Bay, St. Ann

Telephone: 876-973-7303, Fax: 876-973-4581, [rwbc@udcja.com](mailto:rwbc@udcja.com)

September 23, 2020

Mrs. Diana Cummings  
Secretary to the Office (Acting)  
Office of Utilities Regulation  
3<sup>rd</sup> Floor, P.C.J. Resource Centre  
36 Trafalgar Road  
Kingston 10

Dear Mrs. Cummings:

**Re: Tariff Application for RBWC 2020.**

In response to your letter of July 13, 2020 and virtual clarification meeting of August 11, 2020

1. Please see enclosed, the RBWC latest Audited Financials for 12 Months ending March 31, 2018.
2. Management accounts for period April 2018 to March 2019 and April 2019 TO March 2020. Please note the actual cost of operations at the Caymanas are not reflected in these Financial Statement, these costs are reflected in the CDC Ltd and the UDC books.
3. Statements showing actual cost to produce potable water at Mt. Edgecombe, Cardiff Hall, Caymanas and to provide sewage service at Caymanas.
4. The volume in meter cubes for production, sales and unaccounted for water at the three locations.

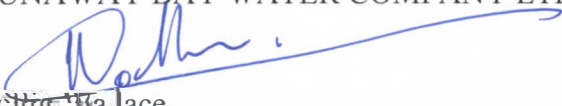
At Caymanas approximately Six Hundred and Fifty Million was spent to installed sewage transmission lines and booster pumps to take sewage to soapberry treatment plant, also in 2017 Twenty-Three Million was spent to refurbished the water plants, these are not reflected in these financials.

**DIRECTORS**

Michael Shaw Chairman • David Allen • Norman Brown • Claudette Bryan • Sara Simpson • Chryseis Reynolds

We are available at [cwallace@udcja.com](mailto:cwallace@udcja.com), [bcalthirst@udcja.com](mailto:bcalthirst@udcja.com) or 876-973-7303 to answer any questions or additional information that maybe required.

Yours Sincerely,  
RUNAWAY BAY WATER COMPANY LTD

  
Colin Wallace  
Manager  
CW/yep

Copy: Mrs. Lisa Golding – Acting DGM Subsidiaries Management & Revenue Generation UDC  
Mr. Omar Grey – DGM Finance -UDC  
Ms. Dena Chatie – Business Development Manager -UDC  
Mrs. Blossetta Colthirst. – Accounts Manager RBWC

**The Following information are attached**

- 1 Audited Financial Statement for the period ending March 31, 2018.
- 2 Unaudited Management Financial Account Report 12 Months to March 2019.
- 3 Unaudited Management Financial Account Report 12 Months to March 2020.
- 4 Statement showing cost of Water Production and Sewage Services at Caymanas Operation April 2018- March 2019.
- 5 Statement showing cost of Water Production Caymanas Operation April 2020 – September 2020.
- 6 Statement showing cost of Production Cardiff Hall Operation April 2018-March 2019 and April 2019 – March 2020.
- 7 Statement showing cost of Production Mount Edgecombe Operation April 2018 – March 2019 and April 2019 – March 2020.
- 8 Statement of Production & Sales at Runaway Bay Water Operation for April 2018- March 2019 and April 2019 – March 2020.
- 9 Statement of Production & Sales at Caymanas Development Operation for April 2018- March 2019 and April 2019 – April 2020.
- 10 Machinery & Equipment Extract as at September 30, 2020 for the Caymanas Operation.

## CAYMANAS DEVELOPMENT OPERATION PRODUCTION & SALES FOR APRIL 2018 - MARCH 2019

MONTH/YEAR	TOTAL PRODUCTION		MONTHLY SALES M3
Apr-18	32,044.64		12,822.18
May-18	31,397.71		12,300.39
Jun-18	34,994.99		12,807.56
Jul-18	36,048.47		13,309.65
Aug-18	5,064.50	Note 1	15,034.48
Sep-18	5,068.67	Note 1	10,235.06
Oct-18	34,018.35		8,929.60
Nov-18	30,815.90		9,231.95
Dec-18	30,750.79		5,908.11
Jan-19	31,024.47		9,994.00
Feb-19	31,719.85		9,703.99
Mar-19	38,540.03		16,210.40
<b>TOTAL</b>	<b>341,488.37</b>	Note 2	<b>* 136,487.37</b>

## APRIL 2019 - MARCH 2020

MONTH/YEAR	TOTAL PRODUCTION		MONTHLY SALES M3
Apr-19	51,621.27		8,338.49
May-19	34,891.65		12,238.38
Jun-19	40,420.62		11,201.41
Jul-19	44,802.99		12,932.86
Aug-19	38,959.45		9,146.86
Sep-19	34,585.03		10,603.65
Oct-19	33,047.40		8,970.70
Nov-19	31,682.00		8,144.52
Dec-19	37,850.33		8,674.44
Jan-20	39,540.89		4,363.32
Feb-20	41,274.61		14,065.07
Mar-20	39,662.02		11,987.53
<b>TOTAL</b>	<b>468,338.25</b>	Note 2	<b>* 120,667.23</b>

Note 1: Water taken from NWC while plant was down

Note 2: Some of the water produced was distributed to the Golf Club for irrigation while their pump was down.

\* All water produced was sold to domestic customers

**RUNAWAY BAY WATER OPERATIONS  
PRODUCTION & SALES FOR APRIL 2019 - MARCH 2020**



MONTH/YEAR	PRODUCTION m3		TOTAL PRODUCTION m3
	CARDIFF HALL	MT. EDGECOMBE	
Apr-19	132,417.90	70,700.00	203,117.90
May-19	128,793.40	68,000.00	196,793.40
Jun-19	147,762.70	69,470.00	217,232.70
Jul-19	134,785.90	67,010.00	201,795.90
Aug-19	133,732.10	68,550.00	202,282.10
Sep-19	138,966.80	68,050.00	207,016.80
Oct-19	132,379.80	65,790.00	198,169.80
Nov-19	139,617.20	67,160.00	206,777.20
Dec-19	133,972.30	64,880.00	198,852.30
Jan-20	134,617.30	66,290.00	200,907.30
Feb-20	124,270.90	66,360.00	190,630.90
Mar-20	108,255.60	61,600.00	169,855.60
<b>TOTAL</b>	<b>1,589,571.90</b>	<b>803,860.00</b>	<b>2,393,431.90</b>

MONTH/YEAR	MONTHLY SALES M3	CUSTOMERS BY CATEGORY		
		N.W.C	DOMESTIC	COMMERCIAL
Apr-19	185,607.16	149,275.00	10,518.78	25,813.38
May-19	179,756.72	140,001.00	12,345.53	27,410.19
Jun-19	190,373.25	155,261.00	9,859.35	25,252.90
Jul-19	180,195.50	136,781.00	11,792.10	31,622.40
Aug-19	177,223.00	135,881.00	11,533.95	29,808.05
Sep-19	171,362.07	135,134.00	9,236.54	26,991.53
Oct-19	163,413.90	131,545.00	8,595.16	23,273.74
Nov-19	171,734.98	137,614.00	8,916.03	25,204.95
Dec-19	162,441.50	132,133.00	9,465.76	20,842.74
Jan-20	172,524.19	135,394.00	9,279.43	27,850.76
Feb-20	175,469.23	137,669.00	8,315.58	29,484.65
Mar-20	150,726.09	120,516.00	8,090.12	22,119.97
<b>TOTAL</b>	<b>2,080,827.59</b>	<b>1,647,204.00</b>	<b>117,948.33</b>	<b>315,675.26</b>



**RUNAWAY BAY WATER OPERATIONS  
PRODUCTION & SALES FOR APRIL 2018 - MARCH 2019**



MONTH/YEAR	PRODUCTION m3		TOTAL PRODUCTION m3
	CARDIFF HALL	MT. EDGECOMBE	
Apr-18	115,948.70	79,620.00	195,568.70
May-18	115,782.00	76,720.00	192,502.00
Jun-18	118,599.20	78,180.00	196,779.20
Jul-18	128,350.50	75,490.00	203,840.50
Aug-18	131,134.80	77,430.00	208,564.80
Sep-18	112,308.00	76,600.00	188,908.00
Oct-18	105,195.50	73,410.00	178,605.50
Nov-18	107,148.50	74,590.00	181,738.50
Dec-18	108,707.20	71,130.00	179,837.20
Jan-19	110,758.70	72,650.00	183,408.70
Feb-19	115,113.70	72,350.00	187,463.70
Mar-19	110,516.30	63,880.00	174,396.30
<b>TOTAL</b>	<b>1,379,563.10</b>	<b>892,050.00</b>	<b>2,271,613.10</b>

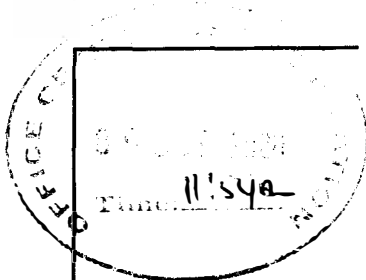
MONTH/YEAR	MONTHLY SALES M3	CUSTOMERS BY CATEGORY		
		N.W.C	DOMESTIC	COMMERCIAL
Apr-18	174,451.30	140,468.00	9,875.00	24,108.30
May-18	175,749.75	141,912.00	8,836.45	25,001.30
Jun-18	176,668.91	142,326.00	11,041.94	23,300.97
Jul-18	185,748.44	145,910.00	12,234.70	27,603.74
Aug-18	193,164.93	148,569.00	11,953.94	32,641.99
Sep-18	176,532.57	144,483.00	9,875.70	22,173.87
Oct-18	160,244.24	136,169.00	9,415.54	14,659.70
Nov-18	176,208.78	148,272.00	8,755.56	19,181.22
Dec-18	156,663.26	126,443.00	8,877.90	21,342.36
Jan-19	159,527.48	132,450.00	11,206.95	15,870.53
Feb-19	181,808.72	133,244.00	10,457.70	38,107.02
Mar-19	159,872.17	126,479.00	9,571.39	23,821.78
<b>TOTAL</b>	<b>2,076,640.55</b>	<b>1,666,725.00</b>	<b>122,102.77</b>	<b>287,812.78</b>



**COST OF PRODUCTION  
MOUNT EDGECOMBE OPERATIONS**

	12 MONTHS ACTUAL	12 MONTHS ACTUAL
	APRIL 2018 TO MARCH 2019	APRIL 2019 TO MARCH 2020
	\$	\$
<b>INCOME</b>		
Meter Charge	130,034	130,034
Water Income	34,031,708	30,674,126
Price Adjustment Mechanism	1,108,473	1,601,047
<b>TOTAL INCOME</b>	<b>35,270,214</b>	<b>32,405,207</b>
<b>DIRECT COSTS</b>		
Salaries & Related Expense	7,815,356	8,823,525
Telephone, fax ,E-mail, Internet	77,136	113,175
Electricity	13,542,043	11,096,383
Repairs & Maintenance	906,830	1,073,473
Motor Vehicle	485,621	549,362
Other Professional Fees	38,083	41,082
Travel, Accomodation & Overtime	8,532	18,161
Staff Welfare General	17,470	35,560
Other Operating Expenses	859,564	836,091
<b>TOTAL DIRECT COSTS</b>	<b>23,750,635</b>	<b>22,586,811</b>
<b>GROSS PROFIT / (LOSS)</b>	<b>11,519,580</b>	<b>9,818,396</b>
Administrative Expenses	12,476,705	18,099,925
<b>SURPLUS / (DEFICIT)</b>	<b>(957,125)</b>	<b>(8,281,529)</b>

Note: 100% Water sold to NWC



**COST OF PRODUCTION  
CARDIFF HALL OPERATIONS**

	12 MONTHS ACTUAL	12 MONTHS ACTUAL
	APRIL 2018 TO MARCH 2019	APRIL 2019 TO MARCH 2020
	\$	\$
<b>INCOME</b>		
Meter Charge	4,978,314	4,985,382
Water Connection Fees	177,860	236,010
Water Income	127,903,869	136,400,372
Water Income(Truck Sales)	4,189,429	7,879,780
Water Installation Fees	74,168	30,600
Price Adjustment Mechanism	4,204,080	7,285,675
<b>TOTAL INCOME</b>	<b>141,527,720</b>	<b>156,817,819</b>
<b>DIRECT COSTS</b>		
Salaries & Related Expense	13,081,239	13,611,936
Insurance	34,132	12,841
Telephone, fax ,E-mail, Internet	143,226	175,646
Electricity	14,792,800	12,395,062
Repairs & Maintenance	4,487,323	6,602,029
Motor Vehicle All. Upkeep, Licences & Gas	459,883	465,463
Internal/Other Professional Fees	84,042	87,641
Travel, Accomodation & Overtime	481,227	555,505
Staff Training		10,000
Staff Welfare General	94,829	83,117
Other Operating Expenses	1,025,120	940,294
<b>TOTAL DIRECT COSTS</b>	<b>34,683,821</b>	<b>34,939,534</b>
<b>GROSS PROFIT / (LOSS)</b>	<b>106,843,899</b>	<b>121,878,285</b>
Administrative Expenses	60,378,248	72,629,020
<b>SURPLUS / (DEFICIT)</b>	<b>46,465,650</b>	<b>49,249,265</b>





**COST OF PRODUCTION  
CAYMANAS OPERATIONS**

			WATER	SEWERAGE
			6 MONTHS ACTUAL	6 MONTHS ACTUAL
	NOTE	TOTAL YTD SEPTEMBER 2020	APRIL 2020 TO SEPTEMBER 2020	APRIL 2020 TO SEPTEMBER 2020
			\$	\$
<b>INCOME</b>				
Meter Charge		2,846,039	2,846,039	
Water Connection Fees		17,440	17,440	
Water Income		10,492,799	10,492,799	
Sewerage Income		7,745,572	-	7,745,572
Water Installation Fees		-	-	
Price Adjustment Mechanism		1,978,971	139,566	205,813
<b>TOTAL INCOME</b>		<b>21,447,228</b>	<b>13,495,843</b>	<b>7,951,385</b>
<b>DIRECT COSTS</b>				
Salaries and Related Costs		5,376,893	2,688,446	2,688,446
Water Testing		555,271	555,271	-
Electricity Cost		12,676,826	8,451,151	4,225,675
Repairs & Maintenance		1,711,668	992,767.58	718,901
Motor Vehicle Expenses		401,891	401,891	-
Security		198,467	198,467	-
Central Waste Water (Soapberry)	1	5,192,488	-	5,192,488
Other Operating Expenses		26,300	26,300	-
<b>TOTAL DIRECT COSTS</b>		<b>26,139,804</b>	<b>13,314,294</b>	<b>12,825,511</b>
<b>GROSS PROFIT / (LOSS)</b>		<b>(4,692,577)</b>	<b>181,549</b>	<b>(4,874,126)</b>
<b>Administrative Expenses</b>				
		557,464	371,643	185,821
<b>SURPLUS / (DEFICIT)</b>		<b>(5,064,220)</b>	<b>(190,094)</b>	<b>(4,874,126)</b>

**NOTE 1**

Charged at the commercial rate by Central Waste Water (Soapberry) to treat sewerage



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**COST OF PRODUCTION  
CAYMANAS OPERATIONS**

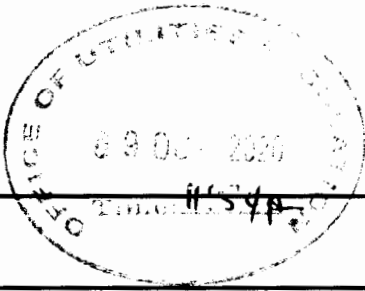
			WATER	SEWERAGE
			12 MONTHS ACTUAL	12 MONTHS ACTUAL
	NOTE	TOTAL YTD MARCH 2020	APRIL 2019 TO MARCH 2020	APRIL 2019 TO MARCH 2020
			\$	\$
<b>INCOME</b>				
Meter Charge		5,688,833	5,688,833	
Water Connection Fees		30,520	30,520	
Water Income		19,030,037	19,030,037	
Sewerage Income		13,050,177	-	13,050,177
Water Installation Fees		12,200	12,200	
Price Adjustment Mechanism		1,978,971	1,773,158	205,813
<b>TOTAL INCOME</b>		<b>39,790,737</b>	<b>26,534,747</b>	<b>13,255,990</b>
<b>DIRECT COSTS</b>				
Salaries and Related Costs		3,301,718	1,650,859	1,650,859
Water Testing		475,437	475,437	-
Water charged by NWC	1	37,584,252	37,584,252	
Electricity Cost		15,031,487	12,700,000	2,331,487
Repairs & Maintenance (Electrical/ Equipment)		9,092,010	4,291,477	4,800,533
Repairs & Maintenance		2,550,079	569,710	1,980,369
Motor Vehicle Expenses		1,254,173	1,254,173	-
Security		439,640	439,640	-
Central Waste Water (Soapberry)	2	10,691,308	-	10,691,308
Other Operating Expenses		79,337	79,337	-
<b>TOTAL DIRECT COSTS</b>		<b>80,499,442</b>	<b>59,044,886</b>	<b>21,454,556</b>
<b>GROSS PROFIT / (LOSS)</b>		<b>(40,708,705)</b>	<b>(32,510,138)</b>	<b>(8,198,567)</b>
Administrative Expenses		17,689,680	11,793,120	5,896,560
<b>SURPLUS / (DEFICIT)</b>		<b>(52,501,825)</b>	<b>(44,303,258)</b>	<b>(8,198,567)</b>

**NOTE 1**

Represent payment to NWC for water supplied at the commercial rate to Caymanas, while the pumping station was being upgraded.

**NOTE 2**

Charged at the commercial rate by Central Waste Water (Soapberry) to treat sewerage



**COST OF PRODUCTION  
CAYMANAS OPERATIONS**

			WATER	SEWERAGE
	NOTE		12 MONTHS ACTUAL	12 MONTHS ACTUAL
		TOTAL YTD MARCH 2019	APRIL 2018 TO MARCH 2019	APRIL 2018 TO MARCH 2019
			\$	\$
<b>INCOME</b>				
Meter Charge		5,647,208	5,647,208	
Water Connection Fees		283,410	283,410	
Water Income		16,674,584	16,674,584	
Sewerage Income		12,519,738		12,519,738
Water Installation Fees		59,600	59,600	
Price Adjustment Mechanism		1,037,511	972,978	64,533
<b>TOTAL INCOME</b>		<b>36,222,052</b>	<b>23,637,781</b>	<b>12,584,272</b>
<b>DIRECT COSTS</b>				
Salaries and Related Costs		5,993,721	2,996,861	2,996,861
Water charged by NWC	1	2,625,544	2,625,544	-
Water Testing		824,404	824,404	-
Electricity Cost		14,034,479	12,008,020	2,026,459
Repairs & Maintenance		2,490,481	149,001	2,341,481
Transport & Haulage		162,138	162,138	-
Motor Vehicle Expenses		199,547	199,547	-
Security		670,985	670,985	-
Central Waste Water (Soapberry)	2	11,850,200	-	11,820,200
Other Operating Expenses		74,400	74,400	-
<b>TOTAL DIRECT COSTS</b>		<b>38,925,899</b>	<b>19,710,898</b>	<b>19,185,000</b>
<b>GROSS PROFIT / (LOSS)</b>		<b>(2,703,846)</b>	<b>3,926,882</b>	<b>(6,600,729)</b>
Administrative Expenses		18,212,928	12,141,952	6,070,976
		-		
<b>SURPLUS / (DEFICIT)</b>		<b>(20,916,774)</b>	<b>(8,215,069)</b>	<b>(12,671,705)</b>

**NOTE 1**

Represent payment to NWC for water supplied at the commercial rate to Caymanas, while the pumping station was being upgraded.

**NOTE 2**

Charged at the commercial rate by Central Waste Water (Soapberry) to treat sewerage