



February 13, 2012

For the Cayman Investment Alliance

To Whom It May Concern:

As a recognized independent solid waste management consultant, Gershman, Brickner & Bratton, Inc. ("GBB") was contracted by the Cayman Islands Government ("CIG") in 2007 to "assist in drafting an RFP with the intention of entering into an agreement with a qualified firm to build a waste-to-energy facility in Grand Cayman."¹ Work Order #1 of the scope of services was completed and a draft Development Plan was submitted to CIG on February 28, 2008. The draft Development Plan outlined the proposed work, which included the concept of mining the George Town Landfill ("GTLF") and adding a waste-to-energy ("WTE") facility that would reduce the volume of waste and produce electricity as a by-product, located on the adjacent site (Water Authority site).

The intent of the 2008 CIG plan was to mine the GTLF very slowly (over 20 years) while Grand Cayman implemented a modest amount of recycling and the WTE facility. The WTE facility would reduce the volume of waste and create electricity from both the waste generated daily and burnable waste that could be mined and recovered from the GTLF. The plan also included constructing new, fully lined, small landfill cells at the GTLF for the disposal of ash and non-burnable waste; disposal to landfill is an inevitable component of any waste management system. The expected life span of the new landfill cells designed in 2008 was a total 6.25 years.

The financial requirements for the concept outlined in the 2008 Draft Plan were significant, even after estimating the credit for power sales. The plan would have required funding and regulatory arrangements not yet in place in the Cayman Islands.

Apart from the financial aspects, the plan had other serious challenges, including the following:

- It had no sustainable channels for outputs of both ash and the non-burnable mined material (two-thirds of the older mined materials were estimated to be unsuitable for the WTE facility).
- There was not enough land area to build more environmentally compliant landfill cells at the GTLF for either waste or residues from WTE.

¹ Extract from CIG RFP REQUEST FOR PROPOSAL (RFP 700.05.07 CTC) Waste to Energy Consultant Services.

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- There was no site for the WTE facility either on the GTLF site or on land owned by the CIG in adjacent properties.
- Processing WTE residue for use on Grand Cayman would have required development and support from CIG regulators and private contractors who may have used the mined or WTE residue fill materials.

Due to the global economic downturn in 2008, CIG reported to us that it was postponing Work Order #2 of the scope of services, i.e. further refinement and analysis of the proposed solution and the development of the procurement documentation.

In 2010, CIG issued a Request for Proposals (RFP)² to address waste management in the Cayman Islands and the growing issue of the GTLF. GBB was not involved in the development of the RFP. The proposer was requested to consider WTE as part of an integrated solution, preferably at the GTLF. The proposer was allowed latitude to suggest an alternative site, if he deemed it to be a more appropriate solution.

At this point, GBB was engaged by Malcolm Point to assist it in responding to the CIG tender. After considering Malcolm Point's approach and the experience we have had with solid waste systems on other islands (Guam, Maui, and the U.S. Virgin Islands), we recognized that the development of a new integrated solid waste management complex was the immediate need. We advocated that at its foundation a new sanitary landfill, fully compliant with European Union and/or U.S. Environmental Protection Agency standards, should be developed. Given that the RFP allowed for the possibility to propose elsewhere on Grand Cayman, we concurred that locating a new site away from the concentrated area of George Town be examined. An alternative waste management facility location was sought and identified in a more remote and less densely populated area.

GBB considers the proposed project site located east of Bodden Town to be in a very suitable area, with compatible neighbors. The site has the advantage of significant land area for a new compliant landfill and for processing portions of the island's waste materials, such as recyclables, construction and demolition materials, automobiles and white goods, yard waste, disaster debris, tires, etc. Once established, CIG will have the land to also implement a WTE facility, which could provide for a more sustainable waste management solution than a system without one.

The proposal submitted in December 2010 in response to the CIG RFP also included provisions for the closure and aftercare of GTLF. These provisions will allow the close out of GTLF without trying to shoehorn new infrastructure into or around the large footprint of the old landfill in George Town.

² RFP No: CTC/10-11/DEH/010COMPREHENSIVE SOLID WASTE DISPOSAL MANAGEMENT AND WASTE-TO-ENERGY FACILITY (CSWDM & WTEF)

It is never easy to site new solid waste infrastructure, especially on an island where both available, suitable land is very limited and expensive. However, Grand Cayman must address its solid waste management needs. The choice made should be one that can provide a sustainable solution. This can only be done with a new solid waste management complex, master planned to accommodate a variety of technologies that can be implemented as appropriate. The proposed master plan at the site in the District of Bodden Town, approximately 110 acres, provides such an opportunity for the future.

We fully support the proposals for waste management outlined in the For Cayman Investment Alliance (FCIA).³

Yours faithfully,

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³ PLAN OF THE PARTIES FOR THE ENVIRONMENTAL INVESTIGATION, REMEDIATION CONSTRUCTION WORKS AND AFTERCARE MANAGEMENT OF GEORGE TOWN LANDFILL "REMEDIATION PLAN" and PLAN OF THE PARTIES FOR A COMPREHENSIVE WASTE MANAGEMENT FACILITY PHASE ONE "WASTE MANAGEMENT FACILITY PLAN", both August 15, 2011.