

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ACCREDITATION AND APPROVAL OF A)
PUBLIC SERVICE COMMISSION WATER)
PERSONNEL TRAINING SEMINAR AS A) CASE NO. 2011-00156
WATER DISTRICT COMMISSIONER TRAINING)
PROGRAM)

ORDER

KRS 74.020(7) requires that this Commission “encourage and promote the offering of high quality water district management training programs that enhance a water district commissioner’s understanding of his or her responsibilities and duties.” KRS 74.020(8) requires the Commission to conduct a program of instruction “to train newly appointed commissioners in the laws governing the management and operation of water districts and other subjects that the Public Service Commission deems appropriate.”

Pursuant to these statutory mandates, the Commission will conduct a training seminar in Carrollton, Kentucky on May 17 and 18, 2011. This seminar includes instruction regarding trends in applicable laws and regulations, risk management and utility administration.¹

Based upon a review of the course curriculum, the Commission finds that:

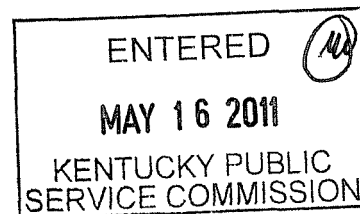
1. The course of instruction provided at this seminar will enhance a water district commissioner’s understanding of his or her duties.

¹ A course syllabus is appended to this Order.

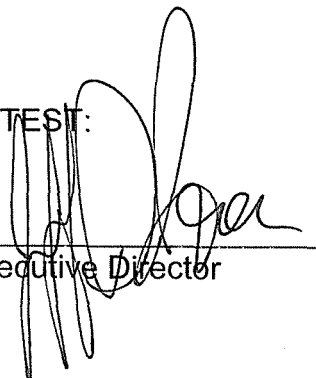
2. The seminar conducted in Carrollton, Kentucky should be approved for 12 credit hours of water district management training and for 12 hours of new water district commissioner training.

IT IS HEREBY ORDERED that the 2011 Water Personnel Training Seminar, which the Commission will conduct on May 17 and 18, 2011, in Carrollton, Kentucky is approved for a maximum of 12 credit hours of water district management training and for a maximum of 12 credit hours of new water district commissioner training.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00156 DATED MAY 16 2011

2011 Water Personnel Training
Presented by the Public Service Commission
General Butler State Resort Park – May 17-18, 2011

Tuesday, May 17th

- 7:30 - 8:00 Registration and Breakfast
- 8:00 – 8:15 *Room A* - Program Overview and Welcome – Commissioner Charles Borders
- 8:15 - 9:45 *Annual Training – Room A*
Recent Developments in Utility Regulation – Gerald Wuetcher
A review of the recent developments in public utility law and regulation. Recent changes in Kentucky statutes affecting the operation of water utilities will be discussed. Recent Public Service Commission's decisions that affect water utilities, personnel, and organizational changes at the Public Service Commission will also be examined. New Public Service Commission initiatives will be briefly discussed.
- New Commissioner Training – Room B*
Commissioner Board Meetings – Damon Talley
Presentation addresses the rules and procedures that should be followed at the meetings of a water district's board of commissioners. Presenter will also discuss how board member should prepare for meeting, the roles of board members and district management at board meetings, and frequently recurring problems at such meetings and how to address them. The requirements of the Open Meetings Act will also be briefly discussed.
- 9:55 - 10:55 *Annual Training – Room A*
Rate Cases Made Easy – Scott Lawless
A review of the requirements for rate case applications and other regulatory filings. Emphasis is on the practical aspects of preparing a case for submission to the PSC and its subsequent presentation. Speaker will discuss the problems that regulators commonly find with such filings and practices that utilities can use to not only avoid such problems but more quickly navigate the regulatory process.
- New Commissioner Training – Room B*
PSC Regulatory Requirements – Gerald Wuetcher
A review of the Public Service Commission's jurisdiction over water districts and the statutory and regulatory requirements that are imposed upon water districts as a result of their status as public utilities.
- 11:05 - 12:05 *Annual and New Commissioner Training – Room A*
Open Records/Open Meetings Acts – Todd Osterloh
This presentation reviews the principal provisions of the Open Records Act and Open Meetings Act. Also, handling a request for information under the Open Records Act and the effect of the Open Meetings Act on meetings of the board of water district commissioners is discussed.
- 12:05 - 1:05 Lunch
- 1:05 - 2:05 *Annual Training – Room A*
PSC Jurisdiction over Municipal Utilities – Gerald Wuetcher
The presentation examines Public Service Commission jurisdiction over municipal utility rates from a historical prospective. The Commission's efforts since 1994 to regulate municipal utility wholesale rates in light of the Kentucky Supreme Court decision in *Simpson County Water District v. City of*

Franklin will be emphasized. Current Commission polices and rules regarding the applications of municipal utilities for rate adjustments will be discussed as well as potential revisions to those rules.

New Commissioner Training – Room B

Internal Controls – Scott Lawless

This presentation explains the need for, and purpose of, internal controls and identifies common controls that every water district should consider. The Auditor of Public Accounts' recommendations for public and non-profit boards will also be reviewed and discussed.

2:15 – 4:25 *Annual Training – Room A*

Panel Discussion: PSC Regulation of Municipal Utility Wholesale Rates - The Good, the Bad and the Ugly. Damon Talley (Kentucky Rural Water Association), Joe Ewalt (Kentucky League of Cities), Roger Recktenwald (Kentucky Association of Counties), David Spenard (Office of Attorney General), Chris Brewer and Ron Herd (KY Municipal Utility Association)

A panel discussion on whether the Public Service Commission's regulation of municipal utility wholesale rates. Topics include the Commission regulation of municipal rates is good public policy, the practical problems with Commission regulation of municipal rates and the Commission's regulatory processes, potential revisions to the Commission's current procedures to correct these problems, and actions that municipal and public utilities can take to avoid these problems. After initial presentations, panelists will take audience questions and comments.

2:15 – 3:25 *New Commissioner Training – Room B*

Risk Management – Shawn Weir and Stephen Clary, Kentucky Association of Counties

Presentation will review risk management activities, including insurance, retained losses, and prevention activities that water utilities can implement.

3:35 – 4:35 *New Commissioner Training – Room B*

Budgeting and Capital Asset Planning – Kim Padgett

As a new commissioner, one of your most important responsibilities is to ensure your system brings in sufficient revenue to cover the cost of delivering a safe and adequate supply of drinking water to your customers. In this session, we will discuss budget requirements and financial tools that a system can use to establish asset rehabilitation, prioritize maintenance needs, and have sufficient funds for repairs and improvements.

5:30 - 8:30 *Office Manager/Office Personnel Training – Room A*

Evening Session – Brent Kirtley, Sam Reid, Ginny Smith, and Jerry Wuetcher

The evening sessions are primarily focused towards office managers/office personnel and will include discussions on issues related to Consumer Services, Tariffs, Purchased Water Adjustments, Nonrecurring Charges, and an Open Topic Discussion Forum. If you have anything you'd like to get help with concerning these topics, please be prepared to discuss it. This is your chance to get some one-on-one time with the PSC staff members.

Wednesday, May 18th

7:30 - 8:00 Breakfast and Sign-In

8:00 - 9:30 *Annual and New Commissioner Training – Room A*

Ethics: A Practical Exercise – Gerald Wuetcher

A review of ethics laws and principles that affect water utility policy makers and managers through the use of diverse and commonly recurring fact situations.

9:40 - 10:40 *Annual Training – Room A*

Kentucky Division of Water Update – Julie Roney

A presentation on recent developments and activities at Kentucky Division of Water. Includes a brief overview of revisions to the agency's administrative regulations and proposed revisions to federal drinking water laws and regulations.

New Commissioner Training – Room B

Operation of WD/WA – Legal Aspects – Gerald Wuetcher

A review of the provisions of Chapter 74 involving the creation, management, operation and dissolution of water districts. Other statutory provisions, such as the Whistle Blowers Act, Claims against Local Government Act, Bidding Requirements provision of KRS Chapter 424, Eminent Domain, Local Model Procurement Law and general laws related to special districts, will also be discussed. Presenter will also provide a comparison with legal requirements for water associations.

10:50 - 11:50 *Annual Training – Room A*

Energy Efficiency - Randall Kelley

Presentation focuses on actions that water utilities may pursue to reduce their energy consumption and costs.

New Commissioner Training – Room B

Operation of WD/WA – Legal Aspects (Continued) – Gerald Wuetcher

11:50 – 1:00 **Lunch**

1:00 – 2:00 *Annual Training – Room A*

Consumer Relations – Virginia Smith

Presentation will focus on the regulatory aspects of customer relations. Topics include the Customer Bill of Rights, customer billing disputes, installation and termination of utility service, and the Commission's informal and formal complaint processes. Presenter will also address landlord-tenant utility service issues, imputation of utility bills to family members, and the importance of tariffs and water user agreements.

New Commissioner Training – Room B

Water Quality Law and Drinking System Basics – Julie Roney

This presentation provides an overview of treatment and distribution, focusing on the major processes, why the processes are important in terms of public health and safety, and terms used in the industry. It will also cover the primary regulations dealing with the Safe Drinking Water Act and the Clean Water Act.

2:10-3:10 *Annual Training – Room A*

PSC Small Utilities Initiative – Brent Kirtley

Presentation on the Public Service Commission's recent initiative to assist small utilities. Presenter will describe the background that led to the PSC's initiative, the services that the PSC intends to provide, how a utility's priority for such services will be determined, and the educational and outreach efforts that are involved in the initiative.

New Commissioner Training – Room B

Water Quality Law and Drinking System Basics (Continued) – Julie Roney

