

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. 2012-00128
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 conducted a training seminar at Cumberland Falls State Resort Park near Corbin, Kentucky on March 27 and 28, 2012. 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.

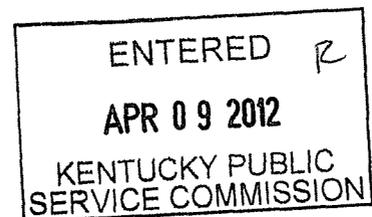
2. The seminar conducted at Cumberland Falls State Resort Park near Corbin, Kentucky on March 27 and 28, 2012 should be approved for 12.5 credit hours of water district management training and for 12 hours of new water district commissioner training.

IT IS HEREBY ORDERED that the 2012 Water Personnel Training Seminar which the Commission conducted at Cumberland Falls State Resort Park near Corbin, Kentucky on March 27 and 28, 2012 is approved for a maximum of 12.5 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



Case No. 2012-00128

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00128 DATED **APR 09 2012**

2012 Water Personnel Training
Presented by the Public Service Commission
Cumberland Falls State Resort Park – March 27-28, 2012

Tuesday, March 27th

- 7:30 - 8:00 *Blair Room* - Registration and Breakfast
- 8:00 – 8:15 *Everyone in the Blair Room* - Program Overview and Welcome
- 8:15 - 9:45 *Annual Training – Blair Room*
Recent Developments in Utility Regulation – Gerald Wuetcher, PSC
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 decisions that affect water utilities, personnel, and organizational changes at the Public Service Commission will also be examined.
- New Commissioner Training – Moonbow Room*
Commissioner Board Meetings – Damon Talley, Kentucky Rural Water Association
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 members should prepare for meetings, 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 – Blair Room*
Kentucky Division of Water Update – Julie Roney, Division of Water
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 – Moonbow Room*
PSC Regulatory Requirements – Gerald Wuetcher, PSC
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.
- 11:00 - 12:00 *Annual and New Commissioner Training – Blair Room*
Open Records/Open Meetings Acts – Todd Osterloh, Sturgill, Turner, Barker & Moloney, PLLC
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.
- 12:00 - 1:00 Lunch

- 1:00 – 2:40 *Annual Training – Blair Room*
Panel Discussion: Ethical Considerations for Commissioners and Managers
Brian Lykins, Auditor of Public Accounts; David Spenard, Office of Attorney General; Damon Talley, KRWA; Gerald Wuetcher, PSC
 A panel discussion on ethical issues that water district and water association boards frequently face. Mr. Lykins will review the lessons learned from audits recently conducted by the Auditor of Public Accounts. Mr. Spenard will address these lessons from the Office of Attorney General’s perspective, including how the AG’s would address inappropriate board conduct in the context of civil and ratemaking proceedings. Mr. Talley will discuss Ethical Codes for Water District Commissioners. Mr. Wuetcher will address the Public Service Commission’s role in the enforcement of ethics codes and ramifications of ethical misconduct in ratemaking proceedings.
- 1:00 - 2:00 *New Commissioner Training – Moonbow Room*
Internal Controls – Scott Lawless, PSC
 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.
- 2:10 – 3:10 *New Commissioner Training – Moonbow Room*
Budgeting and Asset Management – Kim Padgett, Rural Community Assistance Program
 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.
- 2:50 – 3:50 *Annual Training – Blair Room*
Electronic Filing: An Update – Brent Kirtley, PSC
 Presentation will address the Public Service Commission’s efforts regarding the electronic filing of tariffs and tariff-related documents, including the Commission’s proposals to require all tariffs to be filed electronically. A brief description of the electronic filing procedures that are available to utilities that file rate applications under the Commission’s alternative rate filing procedures will also be discussed.
- 3:20 – 4:20 *New Commissioner Training – Moonbow Room*
Risk Management – Representatives from Kentucky Association of Counties
 Presentation will review risk management activities, including insurance, retained losses, and prevention activities that water utilities can implement.
- 4:00 – 5:00 *Annual Training – Blair Room*
Anatomy of a Rate Case – Scott Lawless and Sam Reid, PSC; David Spenard, AG
 Presentation focuses on preparing, filing, and prosecuting an application for general rate adjustment to the Public Service Commission. PSC Staff members will discuss

frequently recurring issues and how water utilities can avoid common missteps before the PSC. Presentation will also address a rate case proceeding from the Attorney General's prospective and include suggestions on possible methods to avoid unnecessary litigation in ratemaking proceedings.

Evening Session

5:30 – 7:30 *Office Manager/Office Personnel Training – Moonbow Room or Restaurant*
Location will be decided on site so check with Event Coordinator before departure at 5:00.

Brent Kirtley, Sam Reid, Ginny Smith, and Gerald Wuetcher (PSC)

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. (Snacks will be provided.)

Wednesday, March 28th

7:30 - 8:00 *Blair Room - Sign-In and Breakfast*
(New Commissioners should also get breakfast in the Blair Room before departing to Moonbow Room at 8am.)

8:00 - 9:00 *Annual Training – Blair Room*
Consumer Relations – Virginia Smith, PSC
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 – Moonbow Room

Water Quality Law – Julie Roney

This presentation will cover the primary regulations dealing with the Safe Drinking Water Act and the Clean Water Act.

9:10 - 10:10 *Annual Training – Blair Room*
Legal Aspects of Tariffs – Gerald Wuetcher, PSC
Presenter will discuss how the contents of the tariff impose legal obligations upon water utilities and the consequences when a utility's practices fail to reflect the provisions of its filed tariff. Discussion will also focus on various provisions that should be contained in a utility tariff, including rules for water main extensions, landlord-renter provisions, leak adjustments, late payment penalties, deposits, and discontinuance of service for non-payment. Presentation also addresses the methods of revising a tariff's provisions and adjusting a utility's rate schedules.

New Commissioner Training – Moonbow Room

Drinking System Basics – Julie Roney, DOW

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.

10:20 - 11:20 *Annual Training – Blair Room*

Water Audits – Julie Roney, DOW

The presentation will cover a more comprehensive approach to understanding, monitoring, and controlling non-revenue water or water loss. Approaching the problem from a holistic system viewpoint can provide more of a picture than focusing solely on leak detection. Equating gallons of water lost to dollars lost can also drive solutions.

10:20 – 12:30 *New Commissioner Training – Moonbow Room*

Operation of Water Districts/ Water Associations – 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.

11:30 – 12:30 *Annual Training – Blair Room*

Basic Personnel Law – Richard Ornstein, KACo

Presentation will address laws surrounding hiring, employee compensation, employee appraisal and performance evaluations, fringe benefits, and employee leave rights under various federal and state laws.

12:30 – 1:30 Lunch

1:30-3:30 *Annual and New Commissioner Training – Blair Room*

Ethics: A Practical Exercise – Gerald Wuetcher, PSC

A review of ethics laws and principles that affect water utility policy makers and managers through the use of diverse and commonly rec

