

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ACCREDITATION AND APPROVAL OF A PUBLIC)	
SERVICE COMMISSION WATER PERSONNEL)	CASE NO.
TRAINING SEMINAR AS A WATER DISTRICT)	2018-00408
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 the Public Service Commission, located at 211 Sower Boulevard, Frankfort, Kentucky, on December 4–5, 2018. This seminar included 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 for the training seminar is appended to this Order.

2. The seminar conducted at the Public Service Commission, located at 211 Sower Boulevard, Frankfort, Kentucky, on December 4–5, 2018, should be approved for 12 credit hours of water district management training and for 12 hours of new water district commissioner training.

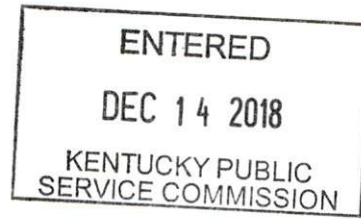
IT IS THEREFORE ORDERED that:

1. The 2018 Water Personnel Training Seminar, which the Commission conducted at the Public Service Commission, located at 211 Sower Boulevard, Frankfort, Kentucky, on December 4–5, 2018, 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.

2. Within 20 days of the date of this Order, Commission Staff shall file into the post-case correspondence file for this case a list of the names of each attendee, his or her water district, and the number of hours that he or she attended this training program.

3. This case is closed and removed from the Commission's docket.

By the Commission



ATTEST:


Executive Director

Case No. 2018-00408

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2018-00408 DATED **DEC 14 2018**

[FOUR PAGES TO FOLLOW]

2018 Water Training Seminar
Presented by the Public Service Commission
PSC, Frankfort KY
December 4-5, 2018

Day One

- 7:30 – 8:00 **Registration and Breakfast**
- 8:00 – 8:20 **Welcome – Andrew Melnykovych, PSC staff**
- 8:20 – 9:50 **New and Annual Commissioner Training – Hearing Room 1**
PSC Regulatory Requirements – Brittany Koenig, Jenny Sanders (PSC staff)
This presentation is 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. The importance of seeking advance PSC approval of financing or for deviations from PSC regulations will be emphasized, as will the criteria, which the PSC uses to evaluate such requests. Legal requirements for filings, including the necessity of representation by an attorney, also will be addressed.
- 10:00 – 11:30 **New and Annual Commissioner Training – Hearing Room 1**
Ratemaking Basics – Ariel Miller, Sam Reid (PSC staff)
PSC staff will discuss ratemaking issues of current interest, including recent changes in Commission treatment of depreciation, Alternative Rate Filing (ARF), and methods for establishing a utility’s revenue requirements. Attention will also be given to recurring problems with rate adjustment filings and purchased water adjustment (PWA) applications. The ratemaking consequences of excessive water loss will be covered.
- 11:30 – 1:00 **Lunch – On Your Own**
- 1:00 – 2:30 **New and Annual Commissioner Training – Hearing Room 1**
Inspections, Water Loss and Physical Asset Management – John Lyons, Sam Reid (PSC staff); Kim Padgett (Rural Community Assistance Partnership)
This session will explain how the PSC conducts and follows up on inspection results. The PSC also is placing a greater emphasis on reducing unaccounted-for water loss. This will be a point of emphasis during inspections. The financial consequences of excessive water loss to a utility and to its customers also will be addressed. The session also will cover best practices in managing utility physical assets.

- 1:00 – 2:30 **Returning Commissioner Continuing Education – Conference Room 1**
Accounting controls and internal auditing – Ariel Miller, PSC staff
PSC Staff will describe common procedures in the proper management of internal controls applicable to small water districts and associations. Additionally, personnel issues and limitations to internal controls will be covered. The presentation will also briefly discuss KRS 74.050 and the duties of the treasurer of a water district with respect to the statute.
- 2:45 – 4:15 **New and Annual Commissioner Training – Hearing Room 1**
Emergency Management, A Panel Discussion – David Carney (KY Department for Public Health, Division of Public Health and Safety), Steven Bruckwicki (KY Division of Emergency Management), and Joe Burns (on behalf of KY Warn)
In this presentation, the Division of Epidemiology and Health Planning emphasizes the need for an emergency response plan in order to assist medical and healthcare facilities, etc. Kentucky Emergency Management (KEM), whose role includes coordination between water utilities and KEM, will discuss the need for and the basic issues of emergency planning for water utilities, as well as the legal aspects of emergency planning and management. And Kentucky WARN will discuss their program, which provides water and wastewater utilities a Mutual Aid Agreement and process for sharing emergency resources statewide, along with a mutual assistance program consistent with other statewide mutual aid and assistance programs.

Day 2

- 7:30 – 8:00 **Registration and Breakfast**
- 8:00 – 9:30 **New and Annual Commissioner Training – Hearing Room 1**
Commissioner Board Meetings, Open Records and Open Meetings – Marcus Jones (KY AG's Office)
This 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 principal provisions of the Open Records Act and Open Meetings Act will be reviewed. 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.

- 9:40 – 10:40 **New and Annual Commissioner Training – Hearing Room 1**
Consumer Services – Andrew Melnykovich (PSC staff)
This 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.
- 9:40 – 10:40 **Returning Commissioner Continuing Education – Conference Room 1**
Determining the need for an attorney and managing legal services – PSC Chairman Michael Schmitt; PSC legal staff
This session will focus on the question of when a water utility needs an attorney to represent it before the PSC. Topics discussed will include whether legal representation is necessary when filing for a rate adjustment under the Alternative Rate Filing process; the options available for legal representation; controlling legal costs; and recovery of legal costs through, for and in rate proceedings.
- 10:50 – 11:50 **New and Annual Commissioner Training – Hearing Room 1**
Cybersecurity – David Carter (Commonwealth Office of Technology)
This presentation looks at the emerging threats to utilities posed by hacking or other intrusions into utility computer systems. The presentation will focus on preventing such intrusions, particularly into the outward-facing portions of a utility’s system, such as customer service portals or e-mail. Topics covered will include a review of hacking methods such as phishing or spoofing, and what policies should be in place to prevent them.
- 10:50 – 11:50 **Returning Commissioner Continuing Education - Conference Room 1**
Cautionary Tales: Avoiding Litigation - Brittany Koenig, Jenny Sanders (PSC staff)
Join staff to discuss recent case studies of water districts called before the PSC to show cause as to why they should not be fined for behavior in violation of statutes and investigations of districts with historically poor performance of services and business practices. The discussion will include suggestions for eliminating long-term practices that have led to statutory violations, implementing policies to guard against political pressures that have led to weakening infrastructure, and structuring office management and staff to prevent a culture of “business-as-usual” and minimal oversight.
- 11:50 – 1:00 **Lunch – On Your Own**
- 1:00 – 2:30 **New and Annual Commissioner Training – Hearing Room 1**
The Importance of Facility Compliance in Respect to Operator Certification Training – Amanda Lefevre/Eric Eisiminger (KY Division of Compliance Assistance)

This will be an overview of the importance of proper licensing and training requirements concerning certified operators. This training will also focus on the requirements, job duties, and other functions required by operator certification, as well as the importance of the role of elected officials in this process. The relationship between elected officials and operators will also be discussed.

2:40 – 3:40

New and Annual Commissioner Training – Hearing Room 1

Ethics: A Practical Exercise – Brittany Koenig, Jenny Sanders (PSC staff)

This presentation is a review of ethics laws and principles that affect water utility policy makers and managers. The presentation covers the statutory provisions addressing the standards of conduct for water district commissioners and employees as well as directors and officers of nonprofit water associations.

2:40 – 3:40

Returning Commissioner Annual Continuing Education – Conference Room 1

Kentucky's Underground Facilities Protection Statute – Andrew Melnykovich, PSC staff

Kentucky law requires anyone conducting excavations, including utilities, to request that underground utility facilities be located and marked before work begins. This presentation will cover the details of the call-before-you-dig requirements and discuss the new PSC enforcement process that applies when excavators damage natural gas or hazardous liquid pipelines.

