

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

REVISION OF TRAINING REQUIRED AND)	
AUTHORIZED BY KRS 74.020 FOR THE)	CASE NO.
COMMISSIONERS OF WATER DISTRICTS)	2019-00019

ORDER

The Commission, on its own motion, opens this proceeding in order to revise the training requirements for the commissioners of water districts organized pursuant to KRS 74.010, *et. seq.* The Commission last year reviewed the training requirements for commissioners of water districts to ensure that newly appointed commissioners receive adequate and consistent training and have adequate knowledge and experience to fulfill their duties as commissioners. Following that review, the Commission, among other things, determined that water district commissions may only fulfill their 12 hours of initial training required by KRS 74.020(8) by completing each and every core course the Commission offers at its training seminars.¹

In monitoring last year's training for water district commissioners, the Commission solicited and received input from instructors and participants that included evaluation forms submitted by participants at the conclusion of each training session. Based upon the input received, the Commission finds that the curriculum of its training seminars for new water district commissioners should be revised to focus more on the issues that new water district commissioners are likely to encounter in their first year of service. The

¹ See Case 2018-00085, *Review of Training Required and Authorized by KRS 74.020 for the Commissioners of Water Districts* (Ky. PSC March 15, 2018)

Commission further finds that the other requirements earlier set forth with regards to both initial and third-party training require no further modification and shall remain in place until modified by future action of the Commission.

Broadly stated, the changes being made to the required training for newly appointed water district commissioners will place greater emphasis on administrative requirements, financial accountability, and the relationship of districts to the Commission. Two courses will be added to the core curriculum, one will be moved to the elective curriculum for water district commissioners fulfilling their annual training, and a number of courses will be modified, as delineated in the Appendix attached to this order.

IT IS THEREFORE ORDERED that:

1. To satisfy training obligations set forth in KRS 74.020(8), every newly appointed water district commissioner must complete, within the first 12 months following the water district commissioner's appointment, each core course described in the Appendix attached hereto, each of which will be offered at every Commission seminar.
2. All other requirements adopted by the Commission in its final order in Case 2018-00085 shall remain in place and are incorporated by reference in this Order.
3. This case is closed and removed from the Commission's docket.

By the Commission

ENTERED
JAN 14 2019
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2019-00019 DATED **JAN 14 2019**

[EIGHT PAGES TO FOLLOW]

WATER COMMISSIONER TRAINING CURRICULUM

Core courses:

NAME	Credit hours (minimum)
Auditing and internal financial controls	1
Board operations	1
Consumer services	1
Cybersecurity	1
Ethics	1
Inspections, water loss, physical asset management	1.5
Ratemaking basics	1.5
Regulatory requirements	1.5
Transparency: meetings, open meetings, open records	1.5
Workforce recruitment and retention	1
TOTAL CORE HOURS	12

Potential electives:

NAME	Credit hours (minimum)
Avoiding litigation	1
Emergency planning and management	1
Introduction to the PSC	1
Managing energy consumption	1
Managing key contaminants	1
Managing legal services	1
Media and public relations	1
Preventative maintenance	1
Risk management	1
Succession planning/continuity	1
Water treatment basics	1

Course descriptions – core courses:

Auditing and internal financial controls – 1 credit hour

- Fiduciary responsibility of water district commissioners
- Duties of the board treasurer
- Basic accounting principles and practices
- Monitoring receipts and expenditures
- Authorization of expenditures
- Preventing and detecting fraud or theft
- Internal vs. external audits

Board operations – 1 hour

- Basic board duties
- Organizing your board
- Board duties and operational management
- Running an effective and efficient board meeting
- Recordkeeping requirements – minutes, resolutions, etc.

Consumer services – 1 credit hour

- Customer Bill of Rights – customer and utility rights and obligations
- PSC informal and formal complaint processes
- PSC complaint tracking and statistics
- Common issues and subjects of complaints
- Tariffs – importance in delineating utility and customer rights and responsibilities; use in determining outcome of informal and formal complaints

Cybersecurity – 1 credit hour

- What's at risk: system operations, customer data
- The nature of the threat – hackers, criminals, state actors
- Common intrusion techniques – spearfishing, spoofing, phishing, ransomware
- Vulnerabilities – customer service portals, e-mail
- Preventing intrusions – employee awareness, firewalls and other system defenses

Ethics – 1 credit hour

- Overview of legal requirements for water district commissioners: residency, training, etc.
- Standards of conduct – general ethics requirements for public officials
- Avoiding conflicts of interest – contracting, procurement

Inspections, water loss, physical asset management – 1.5 credit hours

- PSC inspection process and requirements – frequency of inspections, what an inspection entails
- Preparing for an inspection – documentation requirements, physical inspection
- Water loss: why it matters – operational and financial consequences – relationship of water loss to ratemaking
- Water loss: a PSC point of emphasis – current PSC policy
- Best practices in facility management and maintenance - intersection of infrastructure planning and financial planning
- Planning for infrastructure replacement – operational and financial preparation
- Funding sources for infrastructure projects

Ratemaking basics – 1.5 credit hours

- Revenue requirement – definition and calculation
- Rate design – cost of service and rate allocation
- Depreciation – standards and calculation
- Matching rates to operational and capital needs – forecasting and adequacy of revenue
- The Alternative Rate Filing Process – process, forms and filing requirements
- Purchased Water Adjustments – process, forms, filing requirements, relationship to excessive water loss
- Common issues with rate filings – filing errors, incomplete data, depreciation issues, employee benefits
- 9-1-1 fees – assessment on water bills

Regulatory requirements – 1.5 credit hours

- Overview of the PSC and its relationship to water utilities
- Commissioner appointment and replacement – eligibility, notification of PSC
- Filling of vacancies – time limits on vacancies, PSC authority to fill vacancies
- Commissioner responsibilities – general duties, fiduciary duties
- Training requirements – commissioner compensation
- Annual reporting requirements – required information, filing deadlines
- Legal requirements for filings – representation by counsel, formatting, electronic filing system, confidential information, redaction of personal data
- Deviation requests – when to ask, PSC policies
- Advance approval of construction projects – ordinary course of business exemption
- Advance approval of financing or indebtedness – penalties for non-compliance

Transparency: meetings, open meetings, open records – 1.5 credit hours

- Planning for and conducting board meetings
- The role of board members and managers at board meetings – who's in charge
- Common issues at board meetings – public participation, closed sessions
- Public notice requirements – regular vs. special meeting
- Kentucky Open Meetings Act requirements and exemptions
- Kentucky Open Records Act requirements and exemptions

Workforce recruitment and retention

- Trends in water and sewer workforce demographics
- Tapping into non-traditional sources of employees
- Training – apprenticeships, internships, etc.
- Retaining your employees
- Succession planning
- Compensation packages

Course elements – example elective courses:

Audits in depth

- Need for, and purpose of, internal controls
- Common controls for water districts
- Auditor of Public Accounts' recommendations
- State requirements for special districts
- Preparing for an audit
- Management conduct during the audit
- Interpreting and acting upon an audit's results.

Avoiding litigation

- Common causes of litigation and how to prevent them
- Eminent domain
- Whistleblowers
- Personnel issues
- Infrastructure failure
- Liability
- Immunity

Emergency planning and management

- Basics of emergency planning – contents of an emergency plan, crisis communications, state agency involvement and availability of state resources
- Protection of public health – emergency assistance and mitigation measures
- Kentucky WARN mutual aid network – what it is and how it works

Introduction to the PSC

- Overview of utility regulation
- Historical, economic, and statutory basis of regulatory compact
- History of water utility rate regulation in Kentucky
- PSC organization
- Transparency and openness in the PSC's approach to regulation
- Public outreach and involvement
- PSC website and social media.

Managing energy consumption

- Energy costs in water utility operation
- Tracking energy usage and costs
- Identifying opportunities
- Improving energy efficiency
- Reducing energy waste
- Reducing water loss to reduce energy consumption
- Producing your own power

Managing key contaminants

- Recent changes to Safe Drinking Water Act standards
- Complying with new requirements to address key contaminants
- Common challenges in SDWA compliance
- Emerging issues

Managing legal services

- Determining the need for legal services
- What types of filings at the PSC require the use of an attorney
- Selecting an attorney
- Contracts for service
- Monitoring legal costs
- Recovery of legal costs through rates

Media and public relations

- Identifying your audiences and the most effective ways to reach them
- Basic principles of public communication and media relations
- Social media pros and cons
- Websites
- Communications plans
- Crisis communications

Preventative maintenance

- Consistency and cost-effectiveness in preventative maintenance
- Budget requirements and financial tools for asset rehabilitation
- Reduction of water loss
- Prioritizing maintenance needs
- Ensuring reliable and sufficient funding

Risk management

- Identifying and preventing situations that create operational or financial risks
- Threats to critical infrastructure
- Workplace safety
- Personnel issues and sexual harassment
- Governance and management

Succession planning/continuity

- Anticipating and preparing for key staff departures
- Retaining institutional knowledge
- Insuring adequate staffing
- Maintaining a board quorum

Water treatment basics

- Overview of treatment and distribution
- Major treatment processes
- Treatment processes and public health and safety
- Industry terminology

*Estill County Water District #1
Estill County Water District #1
76 Cedar Grove Road
Irvine, KY 40336

*Rattlesnake Ridge Water District
Rattlesnake Ridge Water District
3563 State Highway 1661
P. O. Box 475
Grayson, KY 41143-0475

*Murray #2 Water District
Murray #2 Water District
201 New Providence Road
Murray, KY 42071

*Allen County Water District
Allen County Water District
330 New Gallatin Road
P. O. Box 58
Scottsville, KY 42164

*Black Mountain Utility District
Black Mountain Utility District
609 Four Mile Road
Baxter, KY 40806-8437

*Cumberland County Water District
Cumberland County Water District
133 Lower River Street
Burkesville, KY 42717-9622

*East Casey County Water District
East Casey County Water District
690 S Wallace Wilkinson Blvd
P. O. Box 56
Liberty, KY 42539

*Barkley Lake Water District
Barkley Lake Water District
1420 Canton Road
P. O. Box 308
Cadiz, KY 42211

*Cumberland Falls Highway Water Distr
Cumberland Falls Highway Water District
6926 Cumberland Falls Highway
Corbin, KY 40701-8637

*Bullock Pen Water District
Bullock Pen Water District
One Farrell Drive
P. O. Box 188
Crittenden, KY 41030

*North Marshall Water District
North Marshall Water District
96 Carroll Road
Benton, KY 42025

*Corinth Water District
Corinth Water District
215 Thomas Lane
P. O. Box 218
Corinth, KY 41010

*McKinney Water District
McKinney Water District
2900 KY HWY 198
Stanford, KY 40484

*Boone County Water District
Boone County Water District
2475 Burlington Pike
P. O. Box 18
Burlington, KY 41005

*Cunningham Water District
Cunningham Water District
7506 US Highway 52
P. O. Box 644
Cunningham, KY 42035

*Bath County Water District
Bath County Water District
21 Church Street
P. O. Box 369
Salt Lick, KY 40371

*West Carroll Water District
West Carroll Water District
225 Sixth Street
P. O. Box 45
Carrollton, KY 41008

*Bracken County Water District
Bracken County Water District
1324 Brooksville Germantown Road
P. O. Box 201
Brooksville, KY 41004

*Big Sandy Water District
Big Sandy Water District
18200 Kentucky Route #3
Catlettsburg, KY 41129

*Breathitt County Water District
Breathitt County Water District
1137 Main Street, Suite 305
Jackson, KY 41339

*Dexter-Almo Heights Water District
Dexter-Almo Heights Water District
351 Almo Road
Almo, KY 42020

*Southern Water & Sewer District
Southern Water & Sewer District
245 Kentucky Route 680
P. O. Box 610
McDowell, KY 41647

*Fountain Run Water District #1
Fountain Run Water District #1
226 Main Street
P.O. Box 118
Fountain Run, KY 42133

*Green River Valley Water District
Green River Valley Water District
1180 E Main Street
P. O. Box 460
Horse Cave, KY 42749

*East Laurel Water District
East Laurel Water District
1670 Hal Rogers Parkway
P. O. Box 726
London, KY 40743

*Gallatin County Water District
Gallatin County Water District
4500 Highway 455
Sparta, KY 41086

*Green-Taylor Water District
Green-Taylor Water District
250 Industrial Park Road
P. O. Box 168
Greensburg, KY 42743

*Wood Creek Water District
Wood Creek Water District
1670 Hal Rogers Parkway
P. O. Box 726
London, KY 40743

*Garrison-Quincy-Ky-O-Heights Water D
Garrison-Quincy-Ky-O-Heights Water District
279 Robins Lane
P. O. Box 279
Garrison, KY 41141

*Hyden-Leslie County Water District
Hyden-Leslie County Water District
356 Wendover Road
Hyden, KY 41749

*Muhlenberg County Water District
Muhlenberg County Water District
301 Dean Road
P. O. Box 348
Greenville, KY 42345

*Sharpsburg Water District
Sharpsburg Water District
16 East Mill Street
P. O. Box 248
Sharpsburg, KY 40374

*Laurel County Water District #2
Laurel County Water District #2
3910 South Laurel Road
London, KY 40744

*South Anderson Water District
South Anderson Water District
142 South Main Street
P. O. Box 17
Lawrenceburg, KY 40342

*Grayson County Water District
Grayson County Water District
21 Shull White Road
P. O. Box 217
Leitchfield, KY 42754

*Madison County Utilities District
Madison County Utilities District
297 Michelle Drive
P. O. Box 670
Richmond, KY 40476-0670

*Elkhorn Water District
Elkhorn Water District
7165 US 127 North
P. O. Box 67
Frankfort, KY 40602

*Milburn Water District
Milburn Water District
7731 State Route 80 East
Arlington, KY 42021

*Christian County Water District
Christian County Water District
1940 Dawson Springs Road
P. O. Box 7
Hopkinsville, KY 42241-0007

*Farmdale Water District
Farmdale Water District
100 Highwood Drive, Route 8
Frankfort, KY 40601

*Martin County Water District
Martin County Water District
387 East Main Street, Suite 140
Inez, KY 41224

*Jessamine-South Elkhorn Water Distri
Jessamine-South Elkhorn Water District
802 S Main Street
P. O. Box 731
Nicholasville, KY 40356

*Symsonia Water District
Symsonia Water District
11105 State Rt. 131
P. O. Box 99
Symsonia, KY 42082-9801

*Pendleton County Water District
Pendleton County Water District
331 Highway 330 W
P. O. Box 232
Falmouth, KY 41040

*Ledbetter Water District
Ledbetter Water District
1483 US Highway 60W
P. O. Box 123
Ledbetter, KY 42058-0123

*Caldwell County Water District
Caldwell County Water District
118 West Market Street
Princeton, KY 42445

*Jessamine County Water District #1
Jessamine County Water District #1
2225 Lexington Road
Nicholasville, KY 40356-9702

*East Logan Water District, Inc.
East Logan Water District, Inc.
333 S Franklin Street
Russellville, KY 42276

*Hardin County Water District #2
Hardin County Water District #2
360 Ring Road
P. O. Box 970
Elizabethtown, KY 42702-0970

*Henry County Water District #2
Henry County Water District #2
8955 Main Street
P. O. Box 219
Campbellsburg, KY 40011

*West Shelby Water District
West Shelby Water District
7101 Shelbyville Road
P. O. Box 39
Simpsonville, KY 40067

*Graves County Water District
Graves County Water District
P. O. Box 329
Mayfield, KY 42066

*Knox County Utility Commission
Knox County Utility Commission
1905 Highway 930
Barbourville, KY 40906

*Lyon County Water District
Lyon County Water District
5464 U. S. Highway 62 West
P. O. Box 489
Kuttawa, KY 42055

*Simpson County Water District
Simpson County Water District
523 US Highway 31W Bypass
P. O. Box 10180
Bowling Green, KY 42102

*Knott County Water & Sewer District
Knott County Water & Sewer District
7777 Big Branch Road
Vico, KY 41773

*Edmonson County Water District
Edmonson County Water District
1128 Highway 259N
P. O. Box 208
Brownsville, KY 42210

*Warren County Water District
Warren County Water District
523 US Highway 31W Bypass
P. O. Box 10180
Bowling Green, KY 42102-4780

*Cawood Water District
Cawood Water District
54 Plant Road
P. O. Box 429
Cawood, KY 40815

*Northern Kentucky Water District
Northern Kentucky Water District
2835 Crescent Springs Road
P. O. Box 18640
Erlanger, KY 41018-0640

*Jonathan Creek Water District
Jonathan Creek Water District
7564 U. S. Highway 68E
P. O. Box 414
Benton, KY 42025

*Larue County Water District #1
Larue County Water District #1
6215 L & N Turnpike
Buffalo, KY 42716

*Letcher County Water and Sewer Distr
Letcher County Water and Sewer District
6 Broadway Street, Suite B
Whitesburg, KY 41858-7344

*McCreary County Water District
McCreary County Water District
Highway 27
P. O. Box 488
Whitley City, KY 42653

*Morgan County Water District
Morgan County Water District
1009 Hwy 172
West Liberty, KY 41472

*North Logan Water District #1
North Logan Water District #1
3118 Lewisburg Road
Russellville, KY 42276

*Magoffin County Water District
Magoffin County Water District
749 Parkway Road
P. O. Box 490
Salyersville, KY 41465

*Muhlenberg County Water District #3
Muhlenberg County Water District #3
4789 Main Street
P. O. Box 67
Bremen, KY 42325

*North Nelson Water District
North Nelson Water District
5555 Louisville Road
P. O. Box 25
Cox's Creek, KY 40013

*Montgomery County Water District #1
Montgomery County Water District #1
4412 Camargo Road
Mt. Sterling, KY 40353

*South Woodford Water District
South Woodford Water District
117-D Crossfield Drive
Versailles, KY 40383

*Nebo Water District
Nebo Water District
45 North Bernard Street
Nebo, KY 42441

*Marion County Water District
Marion County Water District
1835 Campbellsville Road
P. O. Box 528
Lebanon, KY 40033

*Nicholas County Water District
Nicholas County Water District
1639 Old Paris Road
Carlisle, KY 40311

*Carroll County Water District #1
Carroll County Water District #1
205 Main Cross Street
P. O. Box 350
Ghent, KY 41045

*Monroe County Water District
Monroe County Water District
205 Capp Harlan Road
Tompkinsville, KY 42167

*North McLean County Water District
North McLean County Water District
217 Hill Street
P. O. Box 68
Livermore, KY 42352

*Powell's Valley Water District
Powell's Valley Water District
31 Adams Ridge Road
P. O. Box 550
Clay City, KY 40312

*Meade County Water District
Meade County Water District
1003 Armory Place
P. O. Box 367
Brandenburg, KY 40108

*Northeast Woodford County Water Dist
Northeast Woodford County Water District
225A South Main Street
Versailles, KY 40383

*Henderson County Water District
Henderson County Water District
655 South Main Street
P. O. Box 655
Henderson, KY 42419-0655

*North Mercer Water District
North Mercer Water District
P. O. Box 79
Salvisa, KY 40372

*North Hopkins Water District
North Hopkins Water District
316 Liberty Church Loop
Madisonville, KY 42431

*U. S. 60 Water District of Shelby an
U. S. 60 Water District of Shelby and Franklin
4596 Bagdad Road
P. O. Box 97
Bagdad, KY 40003

*Peaks Mill Water District
Peaks Mill Water District
7165 US 127 North
Frankfort, KY 40601

*Crittenden-Livingston County Water D
Crittenden-Livingston County Water District
620 East Main Street
P. O. Box 495
Salem, KY 42078

*Union County Water District
Union County Water District
409 North Court Street
P. O. Box 146
Morganfield, KY 42437

*Parksville Water District
Parksville Water District
10711 Lebanon Road
P. O. Box 9
Parksville, KY 40464

*Southern Madison Water District
Southern Madison Water District
207 North Dogwood Drive
P. O. Box 220
Berea, KY 40403

*Adair County Water District
Adair County Water District
109 Grant Lane
P. O. Box 567
Columbia, KY 42728

*Oldham County Water District
Oldham County Water District
2160 Spencer Court
La Grange, KY 40031

*South 641 Water District
South 641 Water District
207 Main Street
P. O. Box 126
Hazel, KY 42047

*Ohio County Water District
Ohio County Water District
124 E Washington Street
P. O. Box 207
Hartford, KY 42347

*Mountain Water District
Mountain Water District
6332 Zebulon Highway
P. O. Box 3157
Pikeville, KY 41502-3157

*South Hopkins Water District
South Hopkins Water District
129 South Main Street
P. O. Box 487
Dawson Springs, KY 42408

*East Pendleton Water District
East Pendleton Water District
601 Woodson Road
Falmouth, KY 41040

*Reid Village Water District
Reid Village Water District
903 Winchester Road
P. O. Box 610
Mt. Sterling, KY 40353

*Todd County Water District
Todd County Water District
2201 New Highway 68 West
P. O. Box 520
Elkton, KY 42220

*Webster County Water District
Webster County Water District
478 US HWY 41-A South
P. O. Box 320
Dixon, KY 42409-0320

*Hardin County Water District #1
Hardin County Water District #1
1400 Rogersville Road
Radcliff, KY 40159-0489

*Trimble County Water District #1
Trimble County Water District #1
P. O. Box 63
34 E Morgan Drive
Bedford, KY 40006-0063

*East Clark County Water District
East Clark County Water District
118 Hopkins Lane
P. O. Box 112
Winchester, KY 40391

*Sandy Hook Water District
Sandy Hook Water District
1000 Howard's Creek Road
P. O. Box 726
Sandy Hook, KY 41171

*Cannonsburg Water District
Cannonsburg Water District
1606 Cannonsburg Road
Ashland, KY 41102

*West McCracken County Water District
West McCracken County Water District
8020 Ogden Landing Road
West Paducah, KY 42086

*Western Fleming County Water Distric
Western Fleming County Water District
1500 Ewing Road
P. O. Box 16
Ewing, KY 41039

*West Daviess County Water District
West Daviess County Water District
3400 Bittel Road
Owensboro, KY 42301

*Southeast Daviess County Water Distr
Southeast Daviess County Water District
3400 Bittel Road
Owensboro, KY 42301

*Whitley County Water District #1
Whitley County Water District #1
19 S Highway 25W
Williamsburg, KY 40769

*Western Lewis-Rectorville Water and
Western Lewis-Rectorville Water and Gas District
8044 KY 3161
Maysville, KY 41056-9344

*Western Mason County Water District
Western Mason County Water District
2573 Mary Ingles Highway
P. O. Box 49
Dover, KY 41034-0049

*Western Pulaski County Water Distric
Western Pulaski County Water District
2128 West Highway 80
Somerset, KY 42503