

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)	2019-00439
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 Commissioner, located at 211 Sower Boulevard, Frankfort, Kentucky, on December 3-4, 2019. 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 3-4, 2019, 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 2019 Water Personnel Training Seminar, which the Commission conducted at the Public Service Commission, located at 211 Sower Boulevard, Frankfort, Kentucky, on December 3–4, 2019, 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

ENTERED
JAN 10 2020
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2019-00439

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2019-00439 DATED **JAN 10 2020**

FOUR PAGES TO FOLLOW

2019 Water Training Seminar
Presented by the Public Service Commission
PSC Offices, Frankfort
December 3-4, 2019

Day One

7:30 – 8:00 **Registration and Breakfast**

8:00 – 8:10 **Welcome/Overview** – Andrew Melnykovich (PSC staff)

8:10 – 8:40 **Opening Remarks** – PSC Chairman Michael Schmitt

8:40 – 10:10 **New and Annual Commissioner Training -
PSC Regulatory Requirements** – (Jeb Pinney, Ben Bellamy, Mark Frost, Jason Green, Sam Reid, 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.

10:20 – 11:20 **New and Annual Commissioner Training -
Training and Retaining Your Certificated Workforce** – Amanda Lefevre (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.

11:20 – 12:30 **Lunch – On Your Own**

12:30 – 1:30 **New and Annual Commissioner Training -
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.

- 12:30 – 1:30 **Annual Training for Returning Commissioners**
The New PSC Water Loss Calculation Form – Jeb Pinney, Ben Bellamy, Mark Frost, Jason Green, Sam Reid, Andrew Melnykovich (PSC staff)
The PSC is in the process of instituting a uniform requirement for reporting unaccounted-for water loss. This session will take a step-by-step look at the pending new reporting form and the data and calculations necessary to complete the form.
- 1:40 – 3:10 **New and Annual Commissioner Training -**
Inspections, Water Loss and Physical Asset Management – Roy Gray, 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.
- 3:20 – 4:20 **New and Annual Commissioner Training -**
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.
- 3:20 – 4:20 **Annual Training for Returning Commissioners**
Cautionary Tales: Avoiding Litigation – Jeb Pinney, Ben Bellamy (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.

Day Two

7:30 – 8:00

Registration and Breakfast

8:00 – 9:30

New and Annual Commissioner Training -

Commissioner Board Meetings, Open Records and Open Meetings – Gordon Slone, 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 – 11:10

New and Annual Commissioner Training -

Ratemaking Basics – Mark Frost, Jason Green, 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.

11:10 – 12:40

Lunch – On Your Own

12:40 – 1:40

New and Annual Commissioner Training -

Board Operations and Requirements – (Jeb Pinney, Ben Bellamy, Andrew Melnykovich, PSC staff)

This presentation will cover the basic duties and responsibilities of water district commissioners. These include the relationship with the county judge/executive and fiscal court, the hiring and supervision of water district senior staff, the conduct of board meetings, board recordkeeping requirements and other aspects of board operations.

- 1:50 – 2:50 **New and Annual Commissioner Training - Accounting controls and internal auditing** – Mark Frost, Jason Green (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.
- 3:00 – 4:00 **New and Annual Commissioner Training – Ethics: A Practical Exercise** – Jeb Pinney, Ben Bellamy (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.
- 3:00 – 4:00 **Annual Training for Returning Commissioners Current PSC points of emphasis** – Jeb Pinney, Ben Bellamy, Mark Frost, Jason Green, Sam Reid, Andrew Melnykovich (PSC staff)
In this session, PSC staff will review, discuss and answer questions about matters that are current points of emphasis for the PSC. Topics will include water loss reporting, financing, employee benefits, adequacy of rates and management accountability.

