

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF HARDIN	)	
COUNTY WATER DISTRICT NO. 2 AND STOLL	)	CASE NO.
KEENON OGDEN PLLC FOR ACCREDITATION	)	2020-00096
AND APPROVAL OF A PROPOSED WATER	)	
DISTRICT MANAGEMENT TRAINING PROGRAM	)	

ORDER

On March 24, 2020, Hardin County Water District No. 2 and Stoll Keenan Ogden PLLC (Joint Applicants) filed an application for approval and accreditation of a training program to be offered on April 27, 2020, entitled “Hardin County Water Training 2020” (Training Program). On April 7, 2020, Joint Applicants filed a notice stating that due to the current state of emergency they were rescheduling the proposed Training Program for September 28, 2020, but that the program would otherwise be unchanged. Having carefully considered Joint Applicants’ request, the Commission approves the program to satisfy the six hours of training described by KRS 74.020(6) and KRS 74.020(7). However, the Training Program is not approved to satisfy any of the 12 hours of initial training for water district commissioners required by KRS 74.020(8), which approval Joint Applicants did not request.

DESCRIPTION OF TRAINING PROGRAM

The Training Program is scheduled to take place at the main offices of the Hardin County Water District No. 2 in Elizabethtown, Kentucky. The Training Program will

consist of six sessions that will be one hour each. The sessions may generally be described as follows:

1. *Recent Developments in Utility Regulation*: This presentation will review court decisions and PSC Orders involving public and municipal utilities on various topics, including franchises, wholesale water purchase agreements, obtaining PSC approval before borrowing money, and unaccounted for water loss.
2. *Challenges Facing Water Districts*: This presentation examines the major challenges currently confronting Kentucky's water systems, including the financing and planning of major infrastructure replacement, compliance with announced and anticipated revisions to federal and state safe drinking water laws, increased operating costs, and overcoming public reluctance to rate adjustments to finance improvements.
3. *All You Ever Wanted to Know About Depreciation . . . And Then Some*: The presentation will discuss the importance of "fully funding depreciation," the consequences of not funding depreciation, and what utilities can do to increase their depreciation funding.
4. *Water Utility Tariffs: Practical Considerations*: This presentation will cover the practical and legal framework for a water utilities tariff and will highlight various provisions that a water utility should have as part of its tariff to protect against financial and legal liability as well as avoid common customer disputes.
5. *Extending Meter Service Life*: This presentation will discuss whether sample testing is the functional equivalent of testing each meter, the ANSI Standard method of sample testing the PSC has approved for gas and electric meters, and the PSC's recent decisions on water utility efforts to extend meter service life to 15 years and beyond.
6. *Legal Issues in the Operation & Management of Water Systems Panel Discussion*: This presentation will consist of a panel of attorneys who will entertain audience questions regarding frequently recurring legal issues faced by water utilities.

The presenters for the sessions are attorneys with Stoll Keenon Ogden, which regularly represents water and other utilities before the Commission, and Greg Heitzman, currently the President of BlueWater Kentucky and formerly the Chief Engineer and President/CEO of Louisville Water Company. Joint Applicants provided PowerPoint slides of the presentations, which it intends to distribute at the training.

## DISCUSSION

KRS 74.010 *et seq.* authorizes the creation of water districts for the purpose of operating drinking water facilities and wastewater treatment and collection facilities. Water districts organized under KRS 74.010, *et seq.* must be administered by a board of commissioners, which shall control and manage the affairs of the district.<sup>1</sup> KRS 74.020(8) requires each newly appointed water district commissioner to complete 12 instructional hours of training regarding the laws governing the management and operation of water districts, and other subjects as determined appropriate by the Commission within 12 months of the commissioners' initial appointment.<sup>2</sup> KRS 74.020(6) and (7) encourage water district commissioners to complete six instructional hours of "water district management training approved by the Public Service Commission" in each additional calendar year by allowing the commissioners to receive a raise if they complete that training each year.

Joint Applicants indicated that it is seeking to have the Training Program approved to satisfy the six hours of annual training necessary for water district commissioners to satisfy KRS 74.020(6) and (7), but are not seeking to have it approved to satisfy the initial training requirements of KRS 74.020(8). The Commission has discretion in approving "water district management training" offered by third parties to satisfy the six hours of subsequent training described in KRS 74.020(6) and (7) if it determines that the programs are "high quality" and will "enhance a water district commissioner's understanding of his

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<sup>1</sup> See KRS 74.020(1)

<sup>2</sup> KRS 74.020(8)(b) (discussing the training requirements for new water district commissioners).

or her responsibilities and duties.”<sup>3</sup> However, third parties applying for approval of a proposed water district commissioner training program must file their applications, including a detailed description of the program, a description of the qualifications of any presenters, and a copy of the written materials to be distributed at the program among other things, 30 days prior to the first date on which the program is to be offered.<sup>4</sup>

Here, the Training Program covers topics that will be relevant and useful to water district commissioners. Moreover, the presenters appear to have knowledge of the topics they intend to discuss, and the Training Program appears to be well developed and of a suitable quality. Thus, the Commission finds that Joint Applicants’ Training Program will provide water district commissioners relevant and useful knowledge that will enhance the quality, management, operation, or maintenance of the water systems they operate.

IT IS THEREFORE ORDERED that:

1. Joint Applicants’ Training Program scheduled to take place on September 28, 2020, is hereby conditionally approved and accredited for up to six hours of annual water district management training for water district commissioners seeking to satisfy the training requirements set forth in in KRS 74.020(6) and (7).

2. Joint Applicants’ Training Program may not be used by water district commissioners seeking to satisfy any portion of the initial training requirement for water district commissioners required by KRS 74.020(8).

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<sup>3</sup> See KRS 74.020(7)(c) (stating that the Commission “shall 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”).

<sup>4</sup> Water Training Order at 4–5.

3. Joint Applicant shall retain a record of all water district commissioners attending the Training Program.

4. No later than 30 days from the Training Program, Joint Applicants shall file with the Commission:

a. A sworn statement attesting that the accredited instruction was performed, including a statement that the materials regarding each sessions were distributed as required by the Commission herein;

b. A description of any changes in the presenters or purposed curriculum that occurred after the application;

c. The name of each attending water district commissioner, his or her water district, and the number of hours that he or she attended; and

d. A copy of any written material given to water district commissioners attending the sessions that was not previously provided to the Commission.

5. Upon receipt of the materials identified in paragraph 4 and provided there are no material changes to the program, the Commission shall issue a final order approving and accrediting the Training Program.

By the Commission



ATTEST:

A handwritten signature in blue ink, consisting of stylized initials and a surname, positioned above a horizontal line.

Executive Director

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