

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ACCREDITATION AND APPROVAL OF A)	
PUBLIC SERVICE COMMISSION WATER)	CASE NO.
PERSONNEL TRAINING SEMINAR AS A)	2023-00021
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 an in-person seminar on July 20-21, September 7-8, October 3-4, and December 7-8, 2022, as well as a virtual seminar on December 7-8, 2022. 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 attached as an Appendix to this Order.

2. The in-person seminars on July 20-21, September 7-8, October 3-4, and December 7-8, 2022, as well as the virtual seminar on December 7-8, 2022, should be approved for six credit hours of water district management training and for six hours of new water district commissioner training per day.


IT IS THEREFORE ORDERED that:

1. The 2022 Water Personnel Training Seminar, which the Commission conducted in-person on July 20-21, September 7-8, October 3-4, and December 7-8, 2022, and virtually on December 7-8, 2022, is approved for six credit hours of water district management training and for six hours of new water district commissioner training per day.

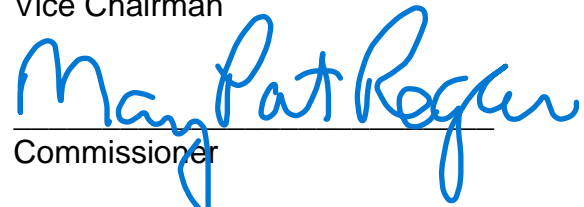
2. Within 20 days of service of this Order, Commission Staff shall file into the post-case referenced correspondence file for this case a list of the names of each attendee, his or her water district, and the number of hours that he or she attended this training program.

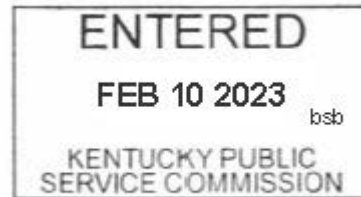
3. This case is closed and removed from the Commission's docket.

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman


Commissioner



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00021 DATED

SIXTEEN PAGES TO FOLLOW

2022 Water Training Seminar
Pine Mountain State Resort Park
Presented by the Public Service Commission
July 20-21, 2022

Day One

7:55 - 8:00

Welcome/Overview

8:00 – 9:30

PSC Regulatory Requirements Presented by: Brittany Koenig
(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.

9:30 – 10:30

Sustainable Infrastructure through Preventative Maintenance
Presented By: Kim Pagdett (RCAP)

As a water district board member, your most important responsibility is to ensure your system can deliver a safe and adequate supply of drinking water to your customers. To assist in that endeavor, this session will explore the assets of a drinking water system, the cost effectiveness of asset management and preventative maintenance, and their importance to system sustainability.

10:30 – 11:30

Ethics: Practical Examples to Avoid Litigation Presented by:
Brittany Koenig (PSC Staff)

Join staff to discuss the ethics laws and the statutory provisions addressing the standards of conduct for water district commissioners and employees as well as directors and officers of nonprofit water associations. The discussion includes 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. Staff will give suggestions for eliminating long-held practices that have led to statutory violations, implementing policies to guard against political pressures that have led to weakening infrastructure, and structuring office management to implement basic business practices to meet regulatory requirements.

11:30 – 12:30

Lunch – On Your Own

12:30 – 1:30

Ratemaking Basics Presented by: Ariel Miller, Jason Green (PSC Staff)

PSC staff will discuss ratemaking issues of current interest, including recent changes in Commission treatment of certain expenses, 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.

1:30 – 2:30

Accounting controls and internal auditing Presented by: 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.

2:30 – 3:30

Inspections and Water Loss Presented by: Taylor Stamper, Jason Green (PSC Staff)

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.

3:30 – 4:30

PSC Water Loss Calculation Form – Ariel Miller, Jason Green (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.

Day Two

7:55 - 8:00

Welcome/Overview

8:00 – 9:30

Kentucky’s Underground Facilities Protection Law Presented by: Tina Fredrick (PSC Staff)

This session will detail Kentucky’s Underground Facilities Protection Law and changes to the law that went into effect Jan 1, 2021.

9:30 – 11:00

Board Operations and Requirements – Tina Fredrick (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.

11:00 – 12:00

Lunch – On Your Own

12:00 – 1:30

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.

1:30 – 3:00

Training and Retaining Your Certificated Workforce – BJ Bland
(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.

3:00 – 4:00

Consumer Services – Travis Leach (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.

2022 Water Training Seminar
KY Dam Village State Resort Park
Presented by the Public Service Commission
September 7-8, 2022

Day One

- 7:55 - 8:00 Welcome/Overview
- 8:00 – 9:15 **PSC Regulatory Requirements** Presented by: Tina Fredrick (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.
- 9:15 – 9:30 Break
- 9:30 – 10:45 **Sustainable Infrastructure through Preventative Maintenance**
Presented By: Kim Pagdett (RCAP)
- As a water district board member, your most important responsibility is to ensure your system can deliver a safe and adequate supply of drinking water to your customers. To assist in that endeavor, this session will explore the assets of a drinking water system, the cost effectiveness of asset management and preventative maintenance, and their importance to system sustainability.
- 10:45 – 11:00 Break
- 11:00 – 12:00 **Kentucky’s Underground Facilities Protection Law** Presented by: Tina Fredrick (PSC Staff)
- This session will detail Kentucky’s Underground Facilities Protection Law and changes to the law that went into effect Jan 1, 2021.

- 12:00 – 1:00 **Lunch – On Your Own**
- 1:00 – 2:30 **Ratemaking Basics** Presented by: Ariel Miller, Travis Leach (PSC Staff)
- PSC staff will discuss ratemaking issues of current interest, including recent changes in Commission treatment of certain expenses, 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.
- 2:30 – 2:45 Break
- 2:45 – 4:00 **Accounting controls and internal auditing** Presented by: 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.
- 4:00 – 4:30 **PSC Water Loss Calculation Form –** Ariel Miller, Travis Leach (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.

Day Two

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Welcome/Overview

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Board Operations and Requirements – Tina Fredrick (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.

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.

9:15 – 9:30

Break

9:30 – 10:45

Ethics: Practical Examples to Avoid Litigation Presented by: Tina Fredrick (PSC Staff)

Join staff to discuss the ethics laws and the statutory provisions addressing the standards of conduct for water district commissioners and employees as well as directors and officers of nonprofit water associations. The discussion includes 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. Staff will give suggestions for eliminating long-held practices that have led to statutory violations, implementing policies to guard against political pressures that have led to weakening infrastructure, and structuring office management to implement basic business practices to meet regulatory requirements.

10:45 – 11:00

Break

11:00 – 12:00

Consumer Services – Rosemary Tutt (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.

12:00 – 1:00

Lunch – On Your Own

1:00 – 2:00

Inspections and Water Loss Presented by: Taylor Stamper, Travis Leach (PSC Staff)

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.

2:00 – 2:45

Break

2:45 – 4:00

Training and Retaining Your Certificated Workforce – BJ Bland (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.

4:00 – 5:00

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2022 Water Training Seminar
Carter Caves State Resort Park
Presented by the Public Service Commission
October 3-4, 2022

Day One

- 7:55 - 8:00 Welcome/Overview
- 8:00 – 9:15 **PSC Regulatory Requirements** Presented by: Tina Fredrick (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.
- 9:15 – 9:30 Break
- 9:30 – 10:45 **Sustainable Infrastructure through Preventative Maintenance**
Presented By: Kim Pagdett (RCAP)
- As a water district board member, your most important responsibility is to ensure your system can deliver a safe and adequate supply of drinking water to your customers. To assist in that endeavor, this session will explore the assets of a drinking water system, the cost effectiveness of asset management and preventative maintenance, and their importance to system sustainability.
- 10:45 – 11:00 Break
- 11:00 – 12:00 **Kentucky’s Underground Facilities Protection Law** Presented by:
Tina Fredrick (PSC Staff)
- This session will detail Kentucky’s Underground Facilities Protection Law and changes to the law that went into effect Jan 1, 2021.

- 12:00 – 1:00 **Lunch – On Your Own**
- 1:00 – 2:30 **Ratemaking Basics** Presented by: Ariel Miller, Travis Leach (PSC Staff)
- PSC staff will discuss ratemaking issues of current interest, including recent changes in Commission treatment of certain expenses, 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.
- 2:30 – 2:45 Break
- 2:45 – 4:00 **Accounting controls and internal auditing** Presented by: 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.
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Day Two

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2022 Water Training Seminar
Presented by the Public Service Commission
December 7-8, 2022

Day One

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