

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

APR 16 2010

PUBLIC SERVICE  
COMMISSION

CASE NO. 2010-00158

In the Matter of:

APPLICATION OF NORTHERN KENTUCKY )  
WATER DISTRICT FOR ACCREDITATION )  
AND APPROVAL OF WATER COMMISSIONER )  
TRAINING )

**APPLICATION FOR APPROVAL AND ACCREDITATION  
OF WATER COMMISSIONER TRAINING**

Northern Kentucky Water District (NKWD), by counsel, petitions the Commission for an order approving and accrediting training for its water commissioners as provided by KRS 74.020(6) and (7). The following information is filed in accordance with the Commission's regulations:

1. NKWD'S office address is 2835 Crescent Spring Rd., Erlanger, KY 41018-0640. Its principal officers are listed in its current Annual Report on page 6, which is filed with the Commission as are its prior years Reports;
2. NKWD is a non-profit water district organized under Chapter 74 and has no separate articles of incorporation.
3. NKWD serves retail customers in Kenton and Campbell Counties and sells water at wholesale to non-affiliated water distribution systems in Pendleton County.
4. NKWD has six commissioners, who have over the course of this calendar year participated in a number of training sessions which NKWD believes conform to the requirements of 807 KAR 5:070.

5. In order for the commissioners to receive credit for this training, it is necessary to obtain approval from the Commission for the training sessions.

6. In conformity to 807 KAR 5:070 (1) and (2), five copies of the training manuals are being submitted for review, which contain the following information:

1. The name and address of the applicant
2. The name and sponsor of the program and the subject of the program
3. A summary of the content of the program
4. The number of credit hours requested for each program
5. The name and qualifications of each instructor
6. A copy of the written materials provided
7. The names of any certifying organizations

7. Minutes of the meetings of the training sessions will be available after the date for each training session.

8. Copies of board meeting minutes for 2010, which indicate the time and date of the meetings, as well as a roster of those attending will be available after the date of each training session.

9. All board meetings are advertised to the public and open to the public, but the specific agenda or training programs are not listed in the notice.

10. No fees are assessed for attending a board meeting or in participating in the training session.

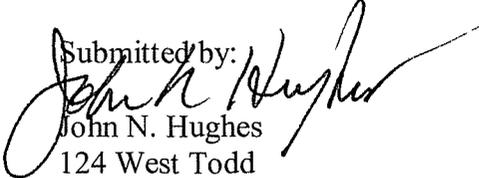
11. The instructors' relationship with Northern or their employment is explained in item 5 of each program description.

12. NKWD asserts that the programs all relate to the areas of instruction for which approval shall be granted as set forth in 807 KAR 5.070(2). These programs are in addition to the routine status reports, project briefings and informational presentations that the Northern staff provides to the Board members as part of their oversight of the District's operations, which occur on a regular basis.

13. In its order in Case No. 2007-00387, the Commission stated that Northern should submit its request for approval of commissioner training 30 days prior to the scheduled sessions. The first training session is scheduled for May 20, 2010.

14. NKWD seeks approval of these credit hours as soon as possible so that if the training hours are not approved, the district's commissioners can attend other approved training sessions.

For these reasons, NKWD requests an order approving the credit hours of training for each of the programs offered to its water commissioners.

Submitted by:  
  
John N. Hughes  
124 West Todd  
Frankfort, KY 40601  
Attorney for Northern Kentucky  
Water District



**Commissioner Training — 2010**

<b>Tab</b>	<b>Topic</b>
A	Mutual Aid Response Network for Water & Wastewater Systems
B	Water Accountability & Loss Control Improvements in North America
C	Bond Rating Process

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APR 16 2010

**PUBLIC SERVICE  
COMMISSION**







## **Commissioner Training -- 2010**

1 – Item One      Northern Kentucky Water District  
2835 Crescent Springs Road  
P.O. Box 18640  
Erlanger, KY 41018





## Commissioner Training — 2010

2 – Item Two      Name: Brad Murphy, KY WARN

Sponsor: KY WARN

Subject Matter: Overview of KY WARN: Water/Wastewater Agency Response Network.





## **Commissioner Training — 2010**

- 3 – Item Three    The purpose of this training session is to inform the Board of Commissioners about KY WARN, its purpose, definitions, administration, and procedures.





## **Commissioner Training — 2010**

- 4 – Item Four      One Credit Hour – Copy of Board Minutes showing Commissioners attendance will be attached after May 20, 2010 meeting.





## **Commissioner Training — 2010**

5 – Item Five      Mr. Brad Murphy  
                                 Northern Kentucky Water District (NKWD)

Bio of the presenter is attached.

**BRAD A. MURPHY**  
**5444 Stone Hill Dr.**  
**Taylor Mill, Ky. 41015**  
**(859) 261-1933**

**Experience:**

3/04 – Present

**Northern Kentucky Water District, - Ft Thomas, KY Safety Coordinator**

- Manage the overall safety program
- Responsible for the training of over 150 people in confined space, HAZWOPER, Lockout/Tagout, Fire Safety, CPR/AED & First Aid etc.
- Wrote policies on HAZMAT, Safety, Security and Emergency Preparedness

8/98 – 3/04

**St Luke Hospitals, - Ft Thomas, KY, Safety Officer**

- Extensive knowledge in Emergency Preparedness, OSHA, EPA, HAZMAT.
- Monitor and investigate all employee accidents.
- Wrote Policies on HAZMAT, Life Safety, Emergency Management Etc.
- Responsible for the annual training of over 50 people in Hazardous Waste Operations and Emergency Response (HAZWOPER).
- Managed the installation of two HAZMAT decontamination rooms.
- Conduct new employee orientation on a bi-weekly basis and annual safety training for over 1,800 employees.
- Negotiated several contracts to save hospital \$275,000.00 annually.

3/94 - 8/98

**Silco Fire Protection, - Cincinnati, OH. Fire Protection Inspector**

- Trained in overall loss prevention for a very diverse clientele.
- Maintained quality service to over 900 customers in various industries.
- Certified Kentucky Sprinkler Inspector.

3/92 - 3/94

**Sprinkler Inspection Services, - Alexandria, KY. Fire Protection Inspector**

- Responsible for the installation, inspection and testing of sprinkler systems, extinguishers, fire pumps, and 24-hour supervision.
- Certified Ohio Fire Extinguisher and Sprinkler System Inspector.

**Certifications and**

**Associations:**

- National Safety Council Member
- Department of Health & Human Services employee (DMAT)
- Certified Fire Protection Specialist
- National Fire Protection Association Member (NFPA)
- Hazardous Waste Incident Commander and Technician Trainer
- Northern Kentucky Emergency Planning Committee (NKEPC)
- Certified American Red Cross Instructor
- Competent Person for Confined Space & Trenching and Excavations

**Education:**

**B.S. Eastern Kentucky University – 1992**

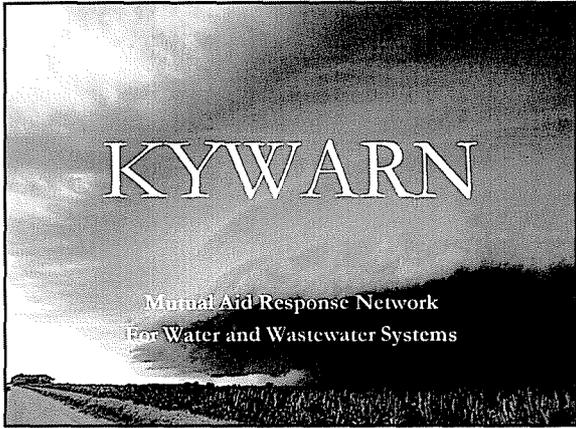
**Fire and Safety Engineering Technology, Industrial Risk Management**





## **Commissioner Training — 2010**

- 6 – Item Six      Mutual Aid Response Network for Water & Wastewater Systems –  
Presentation is attached.



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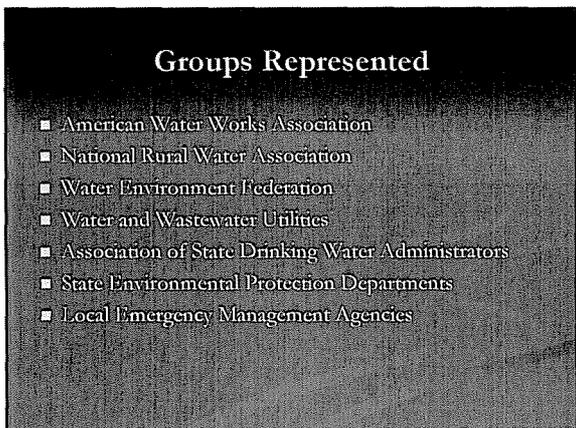
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- American Water Works Association
- National Rural Water Association
- Water Environment Federation
- Water and Wastewater Utilities
- Association of State Drinking Water Administrators
- State Environmental Protection Departments
- Local Emergency Management Agencies

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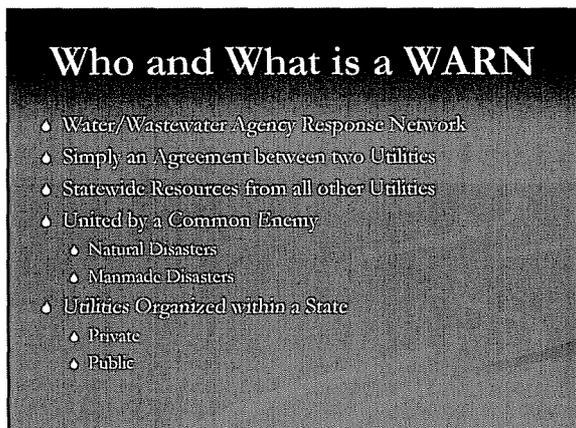
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- ◆ Water/Wastewater Agency Response Network
- ◆ Simply an Agreement between two Utilities
- ◆ Statewide Resources from all other Utilities
- ◆ United by a Common Enemy
  - ◆ Natural Disasters
  - ◆ Manmade Disasters
- ◆ Utilities Organized within a State
  - ◆ Private
  - ◆ Public

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## What a WARN is Not

- ◆ Not a Corporation
- ◆ Not Federal Government (FEMA)
- ◆ Not State Government
- ◆ Not Connected to any Funding Source
- ◆ Not Required for any Utility to Participate in

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## Article I - Purpose

- ◆ Recognizing that emergencies may require assistance in the form of personnel, equipment and supplies from outside the area of impact, the signatory utilities have established an intrastate program for mutual aid and assistance. Through the mutual aid and assistance program, members may coordinate response activities and share resources during emergencies. This agreement sets forth the procedures and standards for the administration of the KYWARN Intrastate Mutual Aid and Assistance Program.

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## ARTICLE II. DEFINITIONS

- ◆ **A. Emergency**—A natural or manmade event that is, or is likely to be, beyond the control of the services, personnel, equipment, and facilities of one or more Mutual Aid and Assistance Program member.
- ◆ **B. Member**—Any public or private water or wastewater utility that manifests intent to participate in the Mutual Aid and Assistance Program by executing this agreement.
- ◆ **C. Authorized Official**—An employee of a member who is authorized by the member's governing board or management to request assistance or offer assistance under this Agreement.
- ◆ **D. Requesting Member**—A member who requests assistance under the Mutual Aid and Assistance Program.

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## Definitions

- ◆ **F. Responding Member**—A member that responds to a request for assistance under the Mutual Aid and Assistance Program.
- ◆ **F. Period of Assistance**—A specified period of time when a responding member assists a requesting Member. The period commences when personnel, equipment, or supplies depart from a responding member's facility and ends when the resources return to their facility (portal to portal). All protections identified in the agreement apply during this period. The specified period of assistance may occur during response to or recovery from an emergency, as previously defined.
- ◆ **G. National Incident Management System (NIMS)**—A national, standardized approach to incident management and response that sets uniform processes and procedures for emergency.

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## Article III Administration

- ◆ The Mutual Aid and Assistance Program shall be administered through a statewide committee. Under the leadership of the Chair, the statewide committee members shall plan and coordinate emergency planning and response activities for the Mutual Aid and Assistance Program.

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## Notes on Article III

- ◆ Committee to be from all parts of the State
- ◆ Statewide not Regions

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## Article IV Procedures

- ◆ In coordination with emergency management and the public health system of the state, the statewide committee shall develop operational and planning procedures for the Mutual Aid and Assistance Program. These procedures shall be updated at least annually

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## Notes on Article IV

- ◆ Allows development of additional procedures
- ◆ May include Program Manual and/or Handbook
- ◆ State Committee has responsibility to develop and update

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## Article V Request for Assistance

- ◆ Members Responsibilities
  - ◆ Select Authorized Official with contact information
  - ◆ Assistance Request may be oral or written
  - ◆ Followed up with written soon
- ◆ Response to a Request for Assistance
  - ◆ Determine if Resources are Available
  - ◆ Respond to the Requesting Member as soon as possible

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## Article V Continued

- ◆ Discretion of Responding Member
  - ◆ Execution of this agreement does not create any duty to respond to a request for assistance. When a member receives a request for assistance, the authorized official shall have absolute discretion as to the availability of resources. An authorized member's decisions on the availability of resources shall be final.

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## Article VI Responding Member Personnel

- ◆ National Incident Management System
  - ◆ *When the situation dictates*
- ◆ Control
  - ◆ You are in charge of your own people
  - ◆ Requesting Member coordinates activities
- ◆ Food and Shelter
  - ◆ Requesting Member to provide or reimburse costs
  - ◆ Prepare to be self sufficient for up to 72 hours

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## Article VI

- ◆ Communication
  - ◆ Requesting Member to Provide
- ◆ Status
  - ◆ Responding Members retain same rights as at home
- ◆ License and Permits
  - ◆ Most likely not an issue intrastate
- ◆ Right to Withdraw
  - ◆ May withdraw any or all of Resources at any time

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**Article VII  
Cost Reimbursement**

- ◆ Personnel
  - ◆ Responding Supervisor must keep accurate records
  - ◆ All costs, salaries, hourly wage fringe and indirect
- ◆ Equipment
  - ◆ FEMA rates to be used as a minimum
  - ◆ If rate differs from FEMA Members must agree in writing prior to dispatch

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**Article VII**

- ◆ Materials and Supplies
  - ◆ Actual costs or replacement plus handling
- ◆ Payment Period
  - ◆ Itemized bill sent within 90 days
  - ◆ Bill to be paid within 45 days
  - ◆ Late payment interest

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**Article VIII  
Disputes**

- ◆ Negotiations between Utilities
- ◆ Mediation by third party
- ◆ Arbitration under American Arbitration rules

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**Article IX**  
**Requesting Member's Duty to Indemnify**

- ◆ Each party shall be responsible for its own actions as with its day to day operation
- ◆ Each party determines type and amount of insurance

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**Article X**  
**Signatory Indemnification**

- ◆ Members providing or receiving assistance agree to indemnify other members from any claim
- ◆ A member utility cannot be sued for simply signing the Agreement.

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**Article XI**  
**Workers Compensation Claims**

The Responding Member is responsible for providing worker's compensation benefits and administering worker's compensation for its employees.

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**Article XII  
Notice**

- ◆ Notice required to members of any suit or claim
- ◆ Each member may provide its own defense

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**Article XIII  
Insurance**

- ◆ Each member of the Agreement must carry their own insurance

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**Article XIV  
Effective Date**

- ◆ Agreement must be executed by the utility's authorized representative
- ◆ The Statewide Committee Chair receives it

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**Article XV  
Withdrawal**

- ◆ Withdrawal complete 60 days after notification to the Statewide Committee Chair

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**Article XVI  
Modification**

- ◆ Modification by majority vote of Members

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**Article XVII  
Prior Agreements**

- ◆ This Agreement supersedes all prior Agreements between Members to the extent that such prior Agreements are inconsistent with this Agreement

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**Article XVIII**  
**Prohibition of Third Party Rights**

- ◆ No third party beneficiaries
- ◆ No assignment of benefits
- ◆ No delegation of duties

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**Article XIX**  
**Intrastate and Interstate Programs**

- ◆ Coordination with statewide mutual aid program
- ◆ Allows participation in an interstate water and wastewater mutual aid program

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**What's in it for Me?**

- ◆ No cost to participate
- ◆ Increased planning and coordination
- ◆ Enhances access to specialized resources
- ◆ Single Agreement provides access statewide
- ◆ Avoids federal bureaucracy
- ◆ Provides contact list of emergency resources
- ◆ Greater chance you'll hear "Help is on the way!"

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**Commissioner Training — 2010**

7 – Item Seven No.







## Commissioner Training — 2010

1 – Item One      Northern Kentucky Water District  
2835 Crescent Springs Road  
P.O. Box 18640  
Erlanger, KY 41018





## Commissioner Training — 2010

- 2 – Item Two      Name: Water Accountability & Loss Control Improvements in North America  
Sponsor: Hydromax USA
- Subject Matter: Overview of new methodologies and practices for water loss control.





## **Commissioner Training — 2010**

- 3 – Item Three    The purpose of this presentation is to update the Board of Commissioners on the current status of water loss control in North American, including: regulatory issues, accounting and software, industry manuals, and actual water loss control procedures.





## **Commissioner Training — 2010**

4 – Item Four      One Credit Hour – Copy of Board Minutes showing Commissioners attendance will be attached after June 17, 2010 meeting.





**Commissioner Training — 2010**

5 – Item Five     Stuart Bowns  
                              Hydromax USA

Bio of the presenter is attached.

## **STUART BOWNS**

Mr. Bowns has over 30 years of experience in the evaluation of water distribution and wastewater collection systems. This experience ranges from the management of multiple projects through analytical responsibilities to field data collection. He is Director of the Hydromax USA distribution system evaluation effort. Prior to joining Hydromax USA, he served in a senior management positions with Woolpert, Inc, a major engineering consultant where he was responsible for the establishment of a distribution system evaluation effort to include training and equipment procurement. Prior to Woolpert, he was a Senior Vice President with Severn Trent Services, where he was responsible for the distribution system evaluation effort that included projects around the world. He achieved this position after Severn Trent Services had purchased The Pitometer Associates where he had served as a District manager for over fifteen years.

He has performed over 100 distribution system evaluations where his analysis work includes water audits; meter testing and analysis; system operations; hydraulic modeling; and rehabilitation. Mr. Bowns has also been involved with all phases of field data collection including flow measurements; pump station testing; meter evaluation; hydraulic testing; and leak detection with pinpointing.

With his extensive experience, Mr. Bowns has been involved in the development of various methodologies and techniques enabling accurate data collection and analysis. Included are a cluster approach to sewer system rehabilitation; a comprehensive water audit for total distribution system accountability; an insertion mag meter for the measurement of flows in sewer or sludge force mains; identifying potable water leakage contributing to high sewage flows; identifying tidal intrusion into combined systems and air scouring as a cost effective rehabilitation technique for larger pressurized pipes.

Mr. Bowns serves as an instructor for the evaluation of sewer systems and water distribution systems in South America and for programs sponsored under the USEPA 104-G program. He is also a member of the AWWA Water Loss Control Committee, where he serves as chairman of the Outreach Subcommittee. This subcommittee is responsible for presentations and articles that are presented throughout the industry detailing the latest technologies for water loss control.





## **Commissioner Training — 2010**

- 6 – Item Six      Water Accountability & Loss Control Improvements in North America –  
Presentation outline is attached.

# ***WATER ACCOUNTABILITY AND LOSS CONTROL IMPROVEMENTS IN NORTH AMERICA***

***Stuart Bowns***

***Hydromax USA***

In 2003, the AWWA's Water Loss Control Committee (WLCC) published a report entitled: "Applying Worldwide Best Management Practices in Water Loss Control" that identified the serious problem of water loss in North America and introduced a major effort to assist owners and operators in the control of this problem. This report was published in the August 2003 issue of the AWWA Journal.

Since that time, numerous systems have begun using the approach and methodology outlined by the WLCC. In addition, both state (WA, CA, TX, etc.) and regional regulatory agencies have also begun requiring the use of the new methodology for system accounting in annual reports.

This presentation is intended to explain the terminology and procedures of the new methodology. An overview of the current status in North America to include updates on regulatory agency issues, accounting procedures and software, industry manuals for evaluating and controlling the problem, and actual water loss control procedures will be included.





**Commissioner Training — 2010**

7 – Item Seven No.







## **Commissioner Training — 2010**

1 – Item One      Northern Kentucky Water District  
2835 Crescent Springs Road  
P.O. Box 18640  
Erlanger, KY 41018





## **Commissioner Training — 2010**

2 – Item Two      Name: Bond Rating Process

Sponsor: Ross, Sinclaire & Associates

Subject Matter: An overview of the bond rating process.





## **Commissioner Training — 2010**

- 3 – Item Three    This presentation provides an overview to the Board of Commissioners of the bond rating process including: rating definitions, agencies, criteria, impact to pricing, and areas of concern and focus.





## **Commissioner Training — 2010**

4 – Item Four      One Credit Hour – Copy of Board Minutes showing Commissioners attendance will be attached after July 15, 2010 meeting.





# ROSS, SINCLAIRE & ASSOCIATES, LLC

*Public Finance & Investments*

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## RYAN P. BARROW

### NASD:

- ◆ General Securities Representative (Series 7)
- ◆ Uniform Securities Agent (Series 63)

### PROFESSIONAL EXPERIENCE:

Ross, Sinclair & Associates, LLC December 2004 - Present

- Vice President of Public Finance in the Kentucky Local Government Public Finance Division. With responsibility to ensure optimal financing options are met, analyze data and trends, and examination of current and projected utility rates for rate analysis production reports. Proficient in financial structuring and spreadsheet creation in order to allow for specific analysis and greater flexibility in reaching optimal financing goals.

Engagements include the following:

- Municipal Bond Financial Advisor
- Comprehensive Financial Planning Services
- Evaluate Financing Options
- Evaluate Credit Enhancements
- Investment of Bonds Proceeds

Black & Veatch Corporation, Enterprise Consulting Division June 2001 – December 2004

- Senior Financial Management Analyst. Report to the Director of Water and Wastewater Services with the responsibility for conducting a broad range of financial and management services for international and domestic clients.

Engagements include the following:

- Comprehensive Financial Planning Services
- Financial and Operational Data Analysis and Projections
- Preparation of Computer Models for Financial Planning, Rate and Feasibility Studies
- Field Inspections
- Storm Water Utility Implementation
- Consolidation of Performance Metrics
- Feasibility Studies
- Workshop Facilitation
- Internal Black and Veatch Quality Control/Risk Management Resource (QC/RM)

### EDUCATION:

University of Kentucky

- ◆ B.S. in Mechanical Engineering, *Cum Laude*

University of Kentucky

- ◆ M.B.A., *Cum Laude*

### PROFESSIONAL REGISTRATION:

- ◆ Engineer-in-Training, Kentucky





**Commissioner Training — 2010**

6 – Item Six      Bond Rating Process – Presentation outline is attached.

# ***THE BOND RATING PROCESS OUTLINE***

***Ryan Barrow***

***Ross, Sinclair & Associates***

## **What is a Bond Rating**

A bond rating is an interpretation by a "rating agency" as to the credit risk evaluation of an issuer across its peer group.

## **Rating Agencies**

There are three major rating agencies for municipal bonds: Moody's Investors Service, Standard & Poor's, and Fitch Ratings. Of the three rating agencies, Standard & Poor's and Moody's rate over 80% of all municipal and corporate bonds.

## **Rating Criteria**

In assigning a rating for general obligation bonds the rating agency assesses the following factors:

- Financial Condition
- Economy
- Demographics
- Debt Structure
- Management Practices and Administration

Rating agencies use mathematical ratios to compare an issuer to others; however, a rating is not a scientific evaluation and subjective evaluation appears to also play a role in the final rating assigned.

## **Ratings**

The following table shows the comparable investment grade ratings of the three major rating agencies:

	<b>Moody's</b>	<b>Standard &amp; Poor's</b>	<b>Fitch</b>
Best Quality	Aaa	AAA	AAA
High Quality	Aa1 Aa2 Aa3	AA+ AA AA-	AA+ AA AA-
Upper Medium Grade	A1 A2 A3	A+ A A-	A+ A A-
Medium Grade	Baa1 Baa2 Baa3	BBB+ BBB BBB-	BBB+ BBB BBB-

## Ratings Impact to Pricing

While many factors go into the investment decision making process, the bond rating is often the single most important factor affecting the interest cost on bonds.

	<b>AA Rated Bond</b>	<b>A Rated Bond</b>	<b>Baa Rated Bond</b>
Total Payback			
Annual Debt Service			
Interest Rate			

## Rating Schedule

- Financing Plan
- Audits
- Meeting
- Follow-up Questions
- Credit Review

## Rating Concerns & Areas of Focus

- Cash Management
- PSC & Rates
- Capital Plan





**Commissioner Training — 2010**

7 – Item Seven No.