

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ACCREDITATION AND APPROVAL OF A)
PUBLIC SERVICE COMMISSION WATER)
PERSONNEL TRAINING SEMINAR AS A) CASE NO. 2016-00284
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 a training seminar at its offices in Frankfort, Kentucky, on December 6–7, 2016. 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.

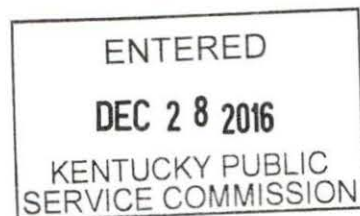
2. The seminar conducted at the Kentucky Public Service Commission in Frankfort, Kentucky, on December 6–7, 2016, should be approved for 12 credit hours of water district management training and for 12 hours of new water district commissioner training.

IT IS THEREFORE ORDERED that:

1. The 2016 Water Personnel Training Seminar, which the Commission conducted at its offices in Frankfort, Kentucky, on December 6–7, 2016, 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 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.

By the Commission



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2016-00284 DATED **DEC 28 2016**

2016 Water Training Seminar
Presented by the Public Service Commission
Public Service Commission
December 6–7, 2016

Tuesday, December 6, 2016

- 7:30 – 8:00 **Registration and Breakfast**
- 8:00 – 8:10 **Welcome – Michael Schmitt, Chairman, Kentucky Public Service Commission**
- 8:10 – 9:10 **Annual and New Commissioners – Hearing Room 1**
Recent Developments – David Spenard (PSC)
This presentation is a review of the recent developments in public utility law and regulation, recent changes in Kentucky statutes affecting the operation of water utilities, and recent changes to Public Service Commission regulations. Additional items of interest that may be addressed this year include information about avoiding the need to abandon small water utilities and reminding utilities to notify the Commission when their commissioner’s terms expire.
- 9:20 – 10:50 **Annual and New Commissioners – Hearing Room 1**
Emergency Management, A Panel Discussion – Rebecca Gillis & TBA (Division of Epidemiology and Health Planning), TBA (KY Division of Emergency Management), and Joe Burns (on behalf of KY Warn)
In this presentation, the Division of Epidemiology and Health Planning emphasizes the need for an emergency response plan in order to assist medical and healthcare facilities, etc. Kentucky Emergency Management (KEM), whose role includes coordination between water utilities and KEM, will discuss the need for and the basic issues of emergency planning for water utilities, as well as the legal aspects of emergency planning and management. And Kentucky WARN will discuss their program, which provides water and wastewater utilities a Mutual Aid Agreement and process for sharing emergency resources statewide, along with a mutual assistance program consistent with other statewide mutual aid and assistance programs.
- 11:00 – 12:00 **Annual and New Commissioners – Hearing Room 1**
Ethics: A Practical Exercise – David Spenard (PSC)
This presentation is a review of ethics laws and principles that affect water utility policy makers and managers. This year it has been suggested that information about municipals be added so that these groups can be more involved in the trainings.
- 12:00 – 1:15 **Lunch – On Your Own**

1:15 – 2:45 **Annual Commission Training – Hearing Room 1**
Frequently Reoccurring Mistakes – PSC Staff Panel: Sam Reid, Scott Lawless, Ginny Smith

This is a PSC Staff panel discussion addressing issues/problems they see on a regular basis regarding filings, complaints, engineering inspections, etc.

New Commissioner Training - Conference Room 1

Operation of Water Districts and Water Associations – Legal Aspects – Jerry Wuetcher (Law Firm of Stoll Keenon and Ogden)

This presentation is a review of the provisions of Chapter 74, which involves the creation, management, operation, and dissolution of water districts. Other statutory provisions, such as the Whistle Blowers Act, Claims against Local Government Act, Bidding Requirements provision of KRS Chapter 424, Eminent Domain, Local Model Procurement Law, and general laws related to special districts, will also be discussed. Presenter will also provide a comparison with legal requirements for water associations.

2:55 – 4:00 **Annual Commission Training – Hearing Room 1**
Sustainable Infrastructure through Preventative Maintenance – Kim Padgett and Chris Wells (Rural Community Assistance Partnership)

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 you in that endeavor, this session will explore the assets of a drinking water system, the cost effectiveness of asset management, and if preventative maintenance is essential to system sustainability.

New Commissioner Training – Conference Room 1

Internal Controls – Scott Lawless

This presentation explains the need for, and purpose of, internal controls and identifies common controls that every water district should consider. The Auditor of Public Accounts' recommendations for public and non-profit boards will also be reviewed and discussed.

Wednesday, December 7, 2016

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

8:00 – 9:30 **Annual Commission Training – Hearing Room 1**
The PSC Approach to Regulation – Andrew Melnykovich (PSC)

This first portion of the presentation will provide an overview of utility regulation, focusing on the historical, economic, and statutory basis of regulatory compact. It will include a history of water utility rate regulation in Kentucky. The second part of the presentation will describe the importance of transparency and openness in the PSC's approach to regulation. Topics to be covered will include open records and open meetings, public outreach and

involvement, and specific aspects of implementation such as the PWC website and the use of social media.

New Commissioner Training – Conference Room 1

Commissioner Board Meetings – Damon Talley (KY Rural Water Association)

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 requirements of the Open Meetings Act will also be briefly discussed.

9:40 – 10:40 **Annual Commission Training – Hearing Room 1**

The Importance of Facility Compliance in Respect to Operator Certification Training – George Haynes (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.

New Commissioner Training – Conference Room 1

Open Records/Open Meetings – Todd Osterloh (Law Firm of Sturgill, Turner, Barker & Moloney)

This presentation reviews the principal provisions of the Open Records Act and Open Meetings Act. 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.

10:50 – 12:00 **Annual Commission Training – Hearing Room 1**

Litigation to Prevent/Defend Lawsuits – Todd Osterloh (Law Firm of Sturgill, Turner, Barker & Moloney)

All utilities find themselves in litigation. Water districts, water associations, and municipal utilities are no different. Infrastructure failure, employment, contracts, and territory disputes are just a few issues that frequently arise with water utilities. Often, an ounce of prevention is worth a pound of cure. Knowing what types of lawsuits may be filed will help utility commissioners and officials implement policies that will prevent issues from arising. Once a lawsuit is filed, there are often certain defenses that are available to certain utilities. Water districts, for example, enjoy governmental immunity from certain types of claims. Knowing when these immunities apply can help the utilities in both the prevention and defense of litigation. This type of topic may be interesting because it presents an opportunity to give examples

of actual litigation that has occurred, including what a utility did right and what it could have done better.

New Commissioner Training – Conference Room 1

Drinking System Basics and Water Quality Law – Gabriel Tanner (KY Division of Water)

This presentation provides an overview of treatment and distribution, focusing on the major processes, why the processes are important in terms of public health and safety, and terms used in the industry. It will also cover the primary regulations dealing with the Safe Drinking Water Act and the Clean Water Act.

12:00 – 1:15 **Lunch – On Your Own**

1:15 – 2:30 **Annual and New Commissioners – Hearing Room 1**
Consumer Services – Ginny Smith (PSC)

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.

2:40 – 4:00 **Annual Commission Training – Hearing Room 1**

Hot Topics in Rate Regulation – Sam Reid and Scott Lawless (PSC), and Angela Goad (Office of the Attorney General)

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. Additionally, GASB 68 will be discussed. The primary objective of GASB 68 Statement is to improve accounting and financial reporting by state and local governments for pensions. This is the first year that this information must be reported on the annual reports. The Office of the Attorney General will provide a consumer advocate's perspective on these issues as well as discuss issues that are of particular concern to the AG's office.

New Commissioner Training – Conference Room 1

PSC Regulatory Requirements – Nancy Vinsel and Ginny Smith (PSC)

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.

