



Kentucky Rural Water Association

Helping water and wastewater utilities help themselves

RECEIVED

APR 15 2019

PUBLIC SERVICE
COMMISSION

April 11, 2019

Ms. Gwen R. Pinson, Executive Director
Public Service Commission
P. O. Box 615
Frankfort, KY 40602-0615

Dear Ms. Pinson:

Kentucky Rural Water Association (KRWA) is applying for approval of a proposed water district management training program pursuant to KRS 74.020 and 807 KAR 5:070. The proposed session, entitled "Continuing Education Training for Trimble Co. Water District," will be conducted May 16, 2019, at the Trimble Co. Water District office in Bedford, Kentucky. A copy of the proposed agenda is attached as **Exhibit 1**.

As reflected in Exhibit 1, the proposed training program will include presentations on the success of Kentucky's water utilities (approved by the Commission for training held at McCreary Co. Water District in Whitley City on December 27, 2018 - **Case No. 2018-00389**), duties and responsibilities of board members (approved by the Commission for training held at Oldham Co. Water District on February 13, 2018 - **Case No. 2018-00063** and McCreary Co. Water District on December 27, 2018 - **Case No. 2018-00389**), recent developments in utility regulatory law (approved by the Commission for the 2018 Water Law Series session held October 30, 2018 in Bowling Green - **Case No. 2018-00309** and at McCreary Co. Water District on December 27, 2018 - **Case No. 2018-00389**) and ethics for utility personnel (approved by the Commission for the 2019 Management Conference held in Bowling Green on February 20-21 - **Case No. 2019-00026**). These presentations will enhance the attendees' understanding of relevant issues involved in the management, operation, and maintenance of water treatment and distribution systems.

The proposed training offers six hours of instruction and should be accredited and approved as water management training satisfying the requirements set forth in KRS 74.020(7) to establish a water district commissioner's eligibility for a maximum annual salary of \$6,000. **KRWA is not requesting that the proposed training program be accredited as a program of instruction for newly appointed commissioners.**

A biographical statement containing the name and relevant qualifications and credentials for the presenters is attached as **Exhibit 2**.

Ms. Gwen R. Pinson
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The written materials that each attendee will be provided are attached as **Exhibit 3** (PowerPoint presentations). Should the presenters revise or amend their presentations prior to the proposed session (or provide additional written materials to the attendees), KRWA will include a copy of the revised presentation with their sworn statement and report regarding the instruction.

KRWA is submitting this proposed training to the Kentucky Board of Certification of Drinking Water Treatment and Distribution System Operators to request approval of continuing education credit for water operators. A copy of the application is included as **Exhibit 4**. KRWA does not intend to submit this proposed training to additional agencies for accreditation.

Along with a list of the commissioners, their water district, and the number of hours they attend the session, KRWA will provide a sworn statement attesting the accredited instruction was performed and note any changings in the presenters or proposed program curriculum which may occur after certification.

With this letter and enclosed exhibits, the Kentucky Rural Water Association requests that the Commission approve and accredit the proposed training program entitled "Continuing Education Training for Trimble Co. Water District" for six hours of annual water district management continuing education credit.

Respectfully submitted,



Janet Cole
Education Coordinator
j.cole@krwa.org

Enclosures
(Original and 10 packets)

EXHIBIT 1

Continuing Education Training for Trimble Co. Water District

Presented by

Kentucky Rural Water Association

May 16, 2019

Trimble Co. Water District Office

**34 East Morgan Drive
Bedford, Kentucky**

8:30 a.m. – 9:30 a.m.

Session 1: What's So Great About Kentucky?

Presenter: Gary Larimore, Kentucky Rural Water Association

In many ways, Kentucky utilities lead the nation. This presentation will explore many factors that have gone into making this possible, from adequate financing allowing utilities to manage their capacity development to regulations stemming from the USEPA, KY Division of Water, and the Public Service Commission. These factors and other influences have allowed Kentucky's water utilities to operate more efficiently and serve greater areas than utilities in other states.

9:30 a.m. – 9:40 a.m.

Break

9:40 a.m. – 11:40 a.m.

Session 2: Duties and Responsibilities of Board Members

Presenter: Gary Larimore, Kentucky Rural Water Association

Damon Talley, Stoll Keenon Ogden

This presentation reviews the Board's oversight role, as well as other duties and responsibilities of Board members. In addition, conduct of board meetings, open meetings, open records, and other relevant topics will be discussed.

11:40 a.m. – 12:30 p.m.

Lunch Break

12:30 p.m. – 2:30 p.m.

Session 3: Recent Developments in Utility Regulation

Presenter: Damon Talley, Stoll Keenon Ogden

This presentation reviews recent developments in public utility law and regulations. Laws recently enacted by the Kentucky General Assembly, as well as recent court decisions and Public Service Commission decisions that affect water utility operations will be discussed.

2:30 p.m. – 2:40 p.m. Break

2:40 p.m. – 3:40 p.m.

Session 4: Ethics and Responsibilities for Board Members and Operators

Presenter: Steve Capps, Kentucky Rural Water Association

Utility boards and councils have a great deal of discretion and authority. Utility operators often work unsupervised. The utility industry, while regulated, very much relies on trust in the people who manage and operate utilities. This session will cover ethics for operators and boards.

EXHIBIT 2

Speaker Bios

Gary Larimore has been Executive Director of the Kentucky Rural Water Association since its formation in March, 1979. He received both Bachelor of Science and Master of Public Service Degrees from Western Kentucky University in Bowling Green, Kentucky. Mr. Larimore is responsible for the administration and day-to-day operation of the association's office. His duties include budgeting and financial management, personnel management, and acting as the primary representative with the membership, the board of directors, and other outside organizations. Other primary duties include representing the Association's legislative and regulatory interests as a full-time lobbyist and working with water-related groups and organizations.

Damon Talley joined Stoll Keenon Ogden PLLC (SKO) on May 1, 2015. He is a member of the Utility & Energy practice. He practices out of the Hodgenville, Louisville, and Lexington, Kentucky offices. Damon brings to SKO more than 35 years of experience working in private practice focusing on public utility work. He serves as General Counsel of the Kentucky Rural Water Association and has served in this capacity since 1979. Damon received his J.D. from the University of Kentucky College of Law in 1975, and earned his B.S.M.E. in 1972 from the University of Kentucky College of Engineering.

Steve Capps came to Kentucky Rural Water Association in 1994 from the City of Burkesville, Kentucky, where he had served as Director of Public Works for twelve (12) years. He also had experience as the Water Treatment Plant Operator and also the Wastewater Treatment Plant Operator for six (6) years. He is currently certified in water treatment, wastewater treatment and holds a certificate as a water distribution system operator. Mr. Capps served as the Wastewater Technician for the Kentucky Rural Water Association from June 1994 to June 1999. His primary duties as Wastewater Technician were to provide technical assistance and hands-on training to rural wastewater utility personnel throughout Kentucky. Mr. Capps' position with the Kentucky Rural Water Association from June 1999 to the present is that of Wastewater Trainer/Technician and Compliance. In that capacity he provides on-site technical assistance and training to small rural systems and rural systems in unincorporated areas.

EXHIBIT 3

EXHIBIT 3

List of PowerPoint Presentations

- Session 1: What's So Great About Kentucky?**
- Session 2: Duties and Responsibilities of Board Members**
- Session 3: Recent Developments in Utility Regulation**
- Session 4: Ethics and Responsibilities for Board Members and Operators**

What's So Great About Kentucky...



...Water and Wastewater Utilities?

7 Contributing Factors

for

Kentucky's Water & Wastewater Utilities

to rank

Among the Best in America!

7 Contributing Factors

1

Climate/Geography

- Kentucky averages nearly 50 inches of rain each year
- Kentucky has the second most stream miles in U.S.
(Alaska - 1st)
- Kentucky relies more on surface water than groundwater
The only state in the U.S.

7 Contributing Factors

2

Federal Laws

- **The Safe Drinking Water Act (1974)**
- **The Clean Water Act (1972)**
- **State Primacy (SDWA - 1977, CWA - 1983)**

7 Contributing Factors

3

State Laws & Regs

- **DOW has been "out front" of most federal regulations**
- **KRS Chapter 74 established a framework for success!**
- **PSC jurisdiction has contributed to mostly-solvent utilities**

7 Contributing Factors

4

Federal Funding

- **USDA Rural Development in Kentucky is GREAT!!!**
- **Our U. S. Congressional delegation is very supportive**
- **Kentucky typically receives more from Washington than we pay in taxes**

7 Contributing Factors

5

State Funding/Planning

- Kentucky's 20/20 Plan has led to \$850 million in funding
- SB 409 led to Planning and Project Profiles
- Kentucky Infrastructure Authority reorganized

7 Contributing Factors

6

KRWA

- Interim Loans - \$809 Million for 435 projects
- Flexible Term Loans - \$430 Million
- Trained - 78,000
- Assisted - 76,000
- 418 Utility Management Professionals

7 Contributing Factors

- Climate/Geography**
- Federal Laws**
- State Laws & Regs**
- Federal Funding**
- State Funding/Planning**
- KRWA**
- Natural Consolidation**

7

Natural Consolidation

- Surface water treatment is more technically challenging
- Water districts and associations have expanded dramatically
- We're smarter than we look!



Public Water Systems

A system for the provision to the public of water for human consumption through pipes or other constructed conveyances, if such system has at least fifteen service connections or regularly serves at least twenty-five individuals.

CWS - Community Water System (serves year-round)

Examples: Municipalities, Water Districts, Water Associations, Privately-owned

TNCWS - Transient Non-Community Water System

Examples: Resorts, Restaurants, Motels, Campgrounds, State Parks

NTNCWS - Non-Transient Non-Community Water System

Examples: Schools, RV Parks, Industries, Senior Citizen Centers

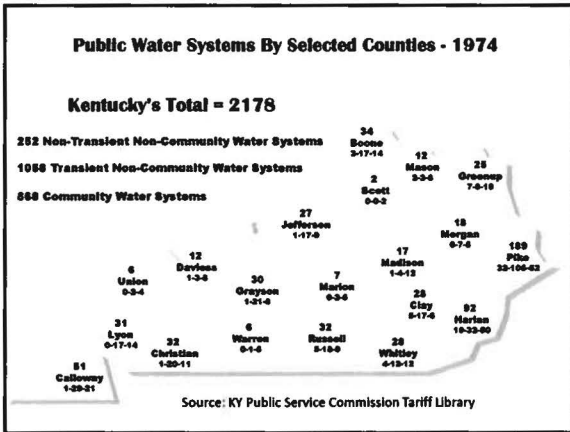
Natural Consolidation *Kentucky*

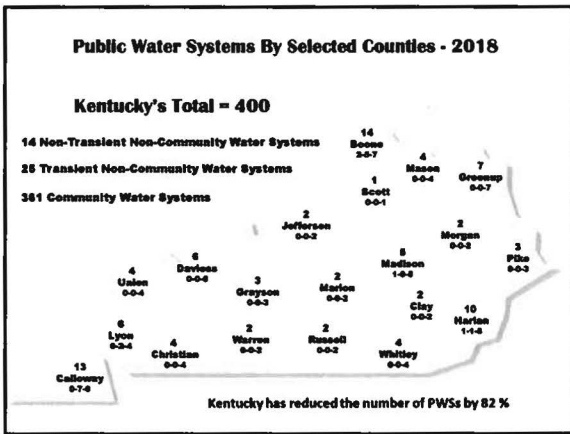
YEAR	TNCWS	NTNCWS	CWS	FWS	CHANGE
1974	1066	254	868	2188	
1979	805	252	755	1812	-17 %
1989	400	215	639	1254	-31 %
1999	199	85	497	781	-38 %
2009	49	26	409	484	-38 %
2018	25	14	361	400	-17 %

Pike County Public Water Systems - 2018

Non-Transient NCWS	Transient NCWS	Community Water Systems
<p style="text-align: center; margin: 0;">CLOSED</p> <p style="margin: 0;">49 Restaurants/Motels</p> <p style="margin: 0;">89 Mobile Home Parks</p> <p style="margin: 0;">35 Coal Mines</p> <p style="margin: 0;">28 Schools</p> <p style="margin: 0;">5 State/Federal Properties</p> <p style="margin: 0;">4 Churches</p>		<p style="margin: 0;">Elkhorn City</p> <p style="margin: 0;">Pilotville Water & Sewer Department</p> <p style="margin: 0;">Mountain Water District</p>

3 Active Public Water Systems





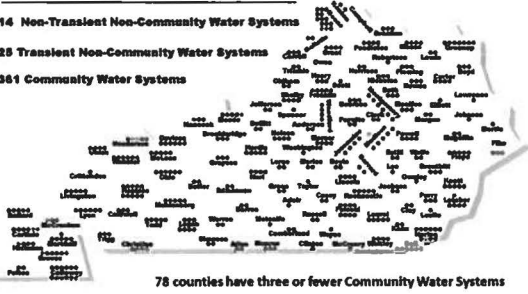
Public Water Systems in Kentucky - 2018

400 Public Water Systems in Kentucky

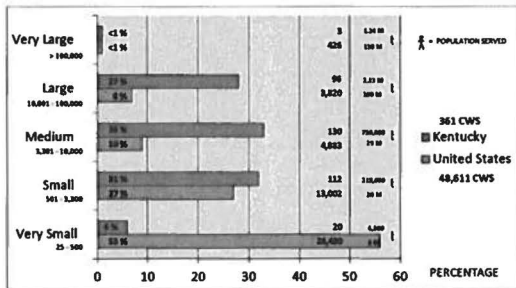
14 Non-Transient Non-Community Water Systems

25 Transient Non-Community Water Systems

361 Community Water Systems



Community Water Systems - 2017



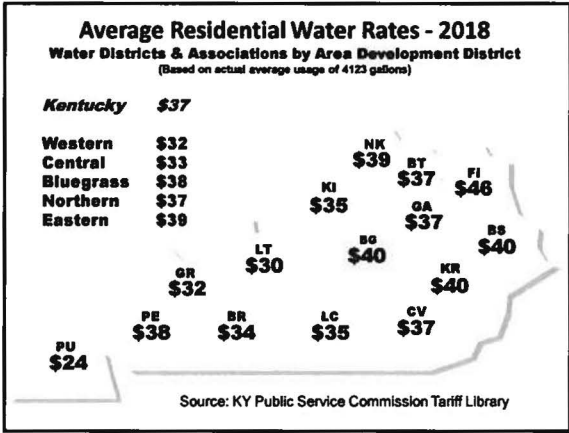
Percentage Served in Kentucky

- Average Population Served: 95.4%
- 103 out of 120 Counties: > 90% Serviceable
- Only 5 Counties: < 75% Serviceable

Least Served Counties

Carlisle	37.6%	1,921 out of 5,104 people
Hickman	38.6%	1,891 out of 4,902 people
Ballard	46.8%	3,859 out of 8,249 people
Graves	67.8%	25,174 out of 37,121 people
Calloway	69.1%	25,694 out of 37,191 people

All five counties are in the Purchase Region where groundwater is abundant.



Water Rate Comparisons - 2018

	4,000 gallons		
	Average	Median	Outside
All Cities (200)	\$29	\$28	\$36
Small Cities (97) <small>(under 1,320)</small>	\$32	\$32	\$39
Medium Cities (54) <small>(1,321 - 4,000)</small>	\$27	\$27	\$35
Large Cities (49) <small>(over 4,000)</small>	\$23	\$22	\$31
Water Districts/Associations (133)	\$37	\$37	-
All Utilities (333)	\$31	\$31	-

Sources: PSC, KIA, KRWA, Cannon & Cannon

Sewer Rate Comparisons - 2018

	4,000 gallons		
	Average	Median	Outside
All Cities (201)	\$31	\$30	\$39
Small Cities (133) <small>(under 1,320)</small>	\$33	\$32	\$40
Medium Cities (35) <small>(1,321 - 4,000)</small>	\$29	\$28	\$41
Large Cities (34) <small>(over 4,000)</small>	\$26	\$25	\$37
Water Districts (24)	\$36	\$36	-
Sanitation Districts (21)	\$42	\$41	-
All Utilities (246)	\$32	\$31	-

Source: KIA, KRWA

Duties & Responsibilities of Board Members

Damon R. Talley, General Counsel
Kentucky Rural Water Association
Stoll Keenon Ogden PLLC

and
Gary Larimore, Executive Director
Kentucky Rural Water Association



May 16, 2019

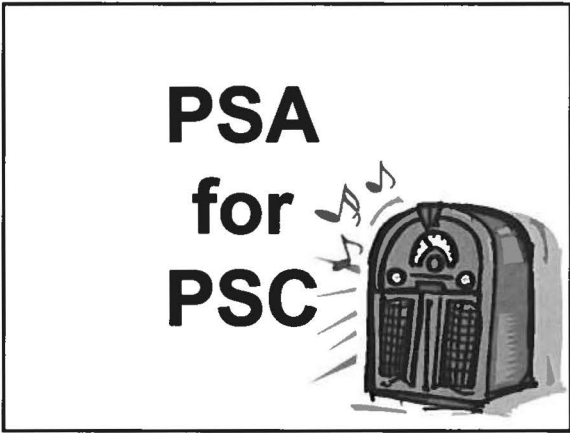






PART I
BOARD MEETINGS
PART II
ROLE OF WATER
DISTRICT COMMISSIONERS







Reporting Requirements

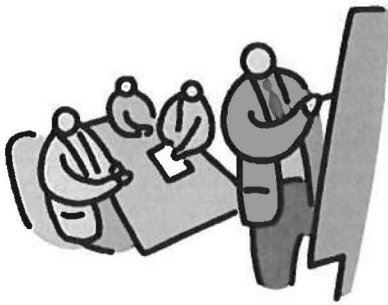
- Must Notify PSC . . .
 - After Vacancy
 - After Appointment
- When? Within 30 Days

Vacancy

- Inform CJE 60 Days Before Term Ends (KRS 65.008)
- CJE / Fiscal Court – 90 Days
- Then, PSC Takes Over
 - CJE Loses Right To Appoint

PART I

Board Meetings



Board Meetings

- Preparing for
- Conducting
- Documenting
(Minutes)

Regular Meetings

- Adopt a regular meeting schedule
 - Set time, date and location
- Inform the Media (radio, print, television)
- Inform the Public (bills, website, newsletter)

Preparing for Meetings

“Give me six hours to chop
down a tree and I will spend
the first four sharpening the
axe.”

Abraham Lincoln

Preparing for Meetings

- Develop an Agenda
 - Chairman
 - Manager
- Prepare an Information Packet for Board Members
 - Delivered in advance (between two days and one week)

Board Packet

- Contents
 - Meeting Agenda
 - Minutes of prior meeting
 - Operational, Managerial & Financial Reports
 - Other information

Conduct of Meetings

- Follow the Agenda
- Use Parliamentary Procedure
- Voting by Chairman or President
- Abstaining from Voting
- Public Comments
- Closed (Executive) Session

**ABSTAINING
FROM
VOTING**

WHY Abstain?

- Avoid conflict of interest
- Avoid being removed from office for violating KRS 74.020(3)
(Participating in official action which results in direct financial benefit to Commissioner)
- Avoid appearance of impropriety

HOW to Abstain

1. Alert Chairman or Presiding Officer in advance
2. Announce intent to abstain and a brief reason as soon as Chairman announces the agenda item
[Disclose Conflict]
3. Leave the room before discussion starts

Cont.

HOW to Abstain ...

4. Stay out of the room until **AFTER** vote has been taken and announced
5. Follow-up with Secretary to ensure that Minutes disclose your conflict and document your abstention

Duties of a Board

1. Specific
2. General

Example of Specific Duties

- Adopt Budget
- Periodically Review Budget
- Amend Budget as Necessary

Budgets

- Required by KRS 65A.080(1)
- Post on DLG Website
- Periodic Review of Budget
- Amend as Necessary
- Post Amended Budget on DLG Website

Budgets

“No moneys shall be expended from any source except as provided in the originally adopted or subsequently amended budget.”

KRS 65A.080(1)

Budget

- Review Actual \$ to Budget \$
- Amend Budget if Needed
- When?
 - October Meeting
 - December Meeting
- Upload to DLG Website

General Duties of a Board

1. Oversight
2. Oversight
3. Oversight

Oversight

- Method
 - Stay Informed
 - Adopt Policies
 - Require Reports

Reports

- Different Types
- Tailored to Fit
- Board Action Required?

Types of Reports

- Financial
- Operational
- Managerial
- Other

Financial Reports

- Check Register
- Monthly Income & Expense
 - Debt Service Transfer
 - Depreciation Transfer
- Comparisons & Trends
 - Prior Year
 - Budget
- Balance Sheet

Operational Reports

- Water Production (Purchases)
- Line Loss
- New Customers
- Turn-Offs
- Others

Managerial Reports

- Safety
- Human Resources
- Special Projects
- Policy Implementation
- Others (e.g. Overtime Hours)

Reports Tailored to Fit

- Line Loss
 - Actual Cost in \$
- Specific Needs
- Understandable
- You Are The Boss

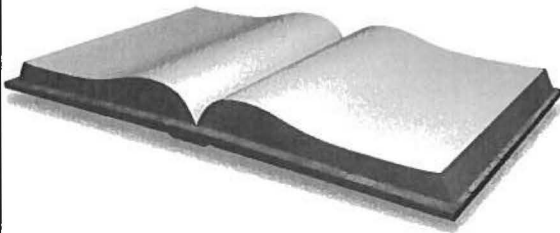
Board Action Required?

- Usually Not
 - Manager Presented
 - Board Received
- Sometimes Yes
 - Audit
 - Committee Report

Special Meetings

- Who calls a special meeting?
- Notice of meeting
 - Board Members, Media, General Public
- Agenda – action limited to agenda items
- How much advance notice is required?

MINUTES



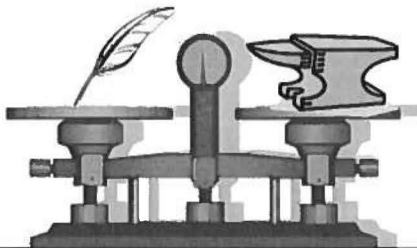
What Are MINUTES?

- Official Record
- Much, Much More . . .

Excerpt From Minutes

"Motion was made by Commissioner X and seconded by Commissioner Y to hire Commissioner Z to perform water line inspections on the Knob Hill Project at an hourly rate of \$20."

**AN OUNCE
OF
PREVENTION = A POUND
OF CURE**



Board Minutes

- A Board "speaks only through its minutes."
- War Stories:
 - Ownership of water line and service of disputed territory
 - Careless Conversations

Preparation of Minutes

- Who prepares minutes?
 - Board Secretary or Staff
- Who edits minutes?
 - Staff or legal counsel
- Are meetings recorded on audio and/or video?
- Signing of Minutes
- Approval of Minutes

ADJOURNMENT

There being no further business to come before the meeting, motion was made by Commissioner Steven Douglas and seconded by Commissioner Henry Clay to adjourn the meeting. Motion carried unanimously.

Respectfully submitted,

BY: _____
Henry Clay, Secretary
ABRAHAM LINCOLN WATER
DISTRICT

DATE APPROVED: _____

BY: _____
Jefferson Davis, Chairman

Approval Of Minutes

I hereby certify that the foregoing Minutes were duly approved by the Board of Commissioners of the Abraham Lincoln Water District at a meeting held on the date shown below:

ABRAHAM LINCOLN WATER DISTRICT
BY: _____
JEFFERSON DAVIS, CHAIRMAN

DATE APPROVED: _____

Board Minutes

A complete set of APPROVED Minutes SHALL be maintained at the utility office for inspection by the general public, regulators, customers, and the media.

Board Minutes

When are the Minutes considered in "final form" and available for public inspection?

Minutes

What **MUST** Be Included?

- Board Member Attendance
- Official Actions

Minutes

What SHOULD Be Included?

- Board Member Attendance
- Acknowledge Guests (Visitors)
- Official Actions
- Acknowledge Receipt of Reports
 - > PSC Inspection Report


Cont.

Minutes

What SHOULD Be Included?

- Summarize **Some** Discussions

- Toot Your Own Horn



Minutes

Tooting Your Own Horn

- Give Yourself Credit
 - > "Best Tasting Water"
 - > Wooden Bucket Award
 - > AWOP Award
 - > Governor's Safety Award

How much information **SHOULD** be included in the MINUTES?



Minutes

How **MUCH** is too **MUCH**?

- No definitive answer
- Art not a science

Cont.

Minutes ...

How **MUCH** is too **MUCH**?

- Guidelines . . .
 - › Minutes are **NOT** a transcript
 - › Minutes are **NOT** the Congressional Record
 - › Include rationale for action taken if it might avoid lawsuit

**“Conversations are
NOT official actions
of the Board.”**

Virginia W. Gregg
PSC Staff Attorney

**WHY Include Summary of
Conversations in Minutes?**

- Document Board’s Due Diligence
(e.g. Use of safety equipment; Training of Staff re confined space entry)
- Document Board’s Oversight Role
(e.g. Implementation of ID Theft Prevention Program)
- Avoid or Win Litigation

Tips . . .

Prepare Minutes for a Reader . . .

1. Who did not attend the meeting.
2. Who will not read the Minutes until at least one year later.
3. Who will access Minutes via www.

PART II

**ROLE OF WATER
DISTRICT
COMMISSIONERS**

To Govern...

not

...Manage.

General Duties of a Board

1. Oversight
2. Oversight
3. Oversight

Specific Duties of a Board

- Hire, evaluate and compensate a Manager
- Adopt Policies
- Adopt and Amend Budgets
- Adopt Long-range Plans
- Adopt Rates, Rules & Regulations (Tariffs)

Individual Board Members...

... act in the best interest of the utility.

Specific Duties of Board Members

- Stay informed
- Attend meetings regularly
- Perform tasks assigned by Board
- Support decisions of the Board
- Keep Board matters confidential
- Avoid Conflict of Interest

Identity Theft



Identity Theft Prevention Program

1. Develop Written Program
 - Detect
 - Prevent
 - Mitigate
2. Approved by Board
3. Oversight by Board or Senior Management

What Should You Do?

Board Members:

- Direct Management to prepare written summary of existing safeguards
- Evaluate existing safeguards
- Work with Management to improve safeguards
- Adopt policy
- Oversee implementation of policy

What Should You Do?

Management:

- Prepare written summary of existing safeguards
- Evaluate existing safeguards
- Work with Board to improve safeguards
- Recommend policy for adoption by Board
- Implement policy
- Train Staff

Board Officers

Offices of a Water District

KRS 74.020(5)

- Chairman
- Vice Chairman
- Secretary
- Treasurer
- Others

Duties of Officers

Chairman

- Preside over meetings
- Prepare meeting agendas
- Call special meetings
- Execute documents approved by Board
- Perform other duties assigned by Board
- Approve Disbursements (KRS 74.050)
- Perform other duties specified in Bylaws or Ordinance

Duties of Officers

Vice Chairman

- No statutory duties (Water District or Utility Commission)
- Preside over meetings in absence of Chairman or President
- Perform other duties assigned by Board
- Approve Disbursements (KRS 74.050)
- Perform other duties specified in Bylaws or Ordinance

Duties of Officers

Secretary

- Cause the Minutes of all meetings to be prepared
- Act as custodian of official records
- Authenticate official records
- Perform other duties assigned by Board
- Approve Disbursements (KRS 74.050)
- Perform other duties specified in Bylaws or Ordinance

Duties of Officers

Treasurer

- Cause all funds to be disbursed according to law and procedures adopted by Board (KRS 74.050)
- Perform other duties assigned by Board
- Perform other duties specified in Bylaws or Ordinance

Action By Individual Board Members Outside of Meetings

- Officers
- Other Board Members

Legal Standard of Care

The "PIG" Rule

If it seems "piggish" to you, it probably is!
...so keep your snout in your own trough!



Legal Standard of Care

Water Dist. & Utility Commission

No statutory standard of care but the case law standard requires...

- Good faith
- Reasonable care and diligence
- Acting within the scope of authority

The statutory standard of care for water association directors is instructive for water districts and utility commissions.

Legal Standard of Care

Water Associations (KRS 273.215)

A Director shall discharge his duties:

- In good faith
- On an "informed basis"
- In the best interests of the Association

"Informed Basis" KRS 273.215(2)

A director shall be considered to discharge his duties on an informed basis if he makes, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, inquiry into the business and affairs of the corporation or into a particular action to be taken or decision to be made.

Legal Standard of Care

Reliance on Information KRS 273.215(3)

A director is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by:

- Officers or employees of the corporation whom the director honestly believes to be reliable and competent;

Cont.

Legal Standard of Care

Reliance on Information KRS 273.215(3)

- Legal counsel, public accountants or other experts as to matters the director honestly believes to be within that expert's area of expertise; or
- A committee of the board of directors of which he is not a member if the director honestly believes the committee merits confidence.


Legal Standard of Care

Exceptions may be made in instances where a director possesses special knowledge that indicates alternative action is prudent and necessary.

Parting Thought


Every utility's Board should develop and adopt a "Board Governance & Policy Manual."




STOLL KEENON OGDEN 

Hot Legal Topics


Damon R. Talley, General Counsel
Kentucky Rural Water Association, Inc.
Stoll Keenon Ogden PLLC
damon.talley@skofirm.com
270-358-3187

 **May 16, 2019**




DISCUSSION TOPICS

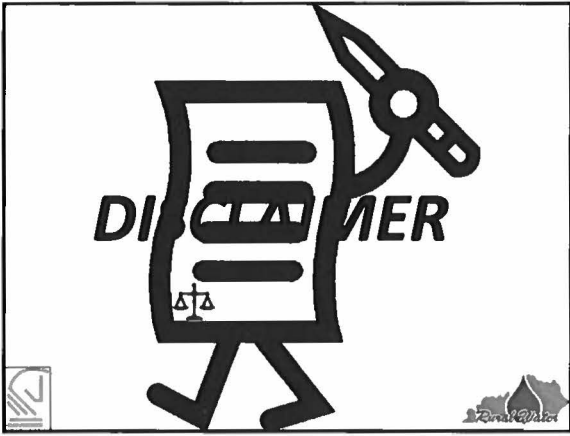
1. Notice to PSC
2. Franchises & Contracts
3. Borrowing Money
4. 911 Litigation Update

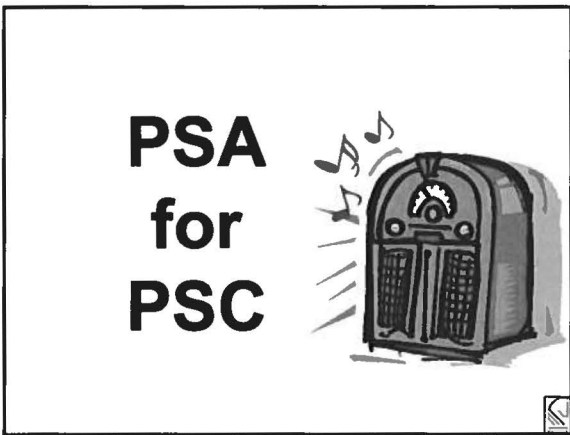
Continued . . . 

DISCUSSION TOPICS

5. Call Before You Dig
6. 2018 General Assembly
7. Recent PSC Orders
8. Excessive Water Loss







Reporting Requirements

- Must Notify PSC if . . .
 - Vacancy Exists
 - Appointment Made
- When? Within 30 Days

Vacancy

- Inform CJE 60 Days Before Term Ends (KRS 65.008)
- CJE / Fiscal Court – 90 Days
- Then, PSC Takes Over
 - CJE Loses Right To Appoint





E-Mail Address Regs.

- All PSC Orders Served by E-mail
- Duty to Keep Correct E-mail Address on file with PSC
 - Default Regulatory E-mail Address
- Duty to List E-mail Address in Application & All Other Papers
 - Utility Official
 - Its Attorney



E-Mail Address

- Who is Covered?
 - Water Districts
 - Water Associations
 - Investor Owned Utilities
 - **Municipal Utilities**



Why Municipals?

- Contract Filing
- Tariff Change (Wholesale Rate)
- Protest Supplier's Rate Increase
- Acquiring Assets of Another Utility
- Avoid Delays





Default Regulatory E-mail Address

- Send E-mail to PSC
 - psc.reports@ky.gov
- Send Letter to PSC
 - Gwen R. Pinson,
Executive Director



Franchises and Contracts



Franchise

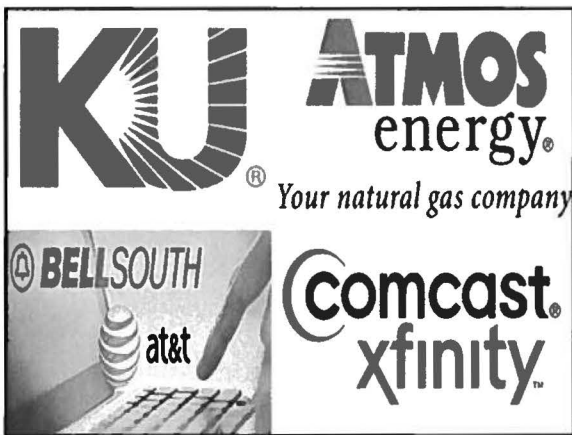
- Definition
 - Private
 - Rights granted by company to individual or business to sell a product
 - Examples





Franchise

- Definition
 - Government
 - Privilege granted by government to utility to provide specific utility service
 - Permission to erect facilities over & under streets, alleys, & sidewalks
 - Fee: 3%
 - Examples



Livingston County Case

Ledbetter WD

vs.

Crittenden-Livingston WD

Circuit Court

Case No. 2015-CI-00079

Opinion Rendered: 1-25-17

Status: **REVERSED**



Court of Appeals

Crittenden-Livingston WD

vs.

Ledbetter WD

Case No. 2017-CA-000578

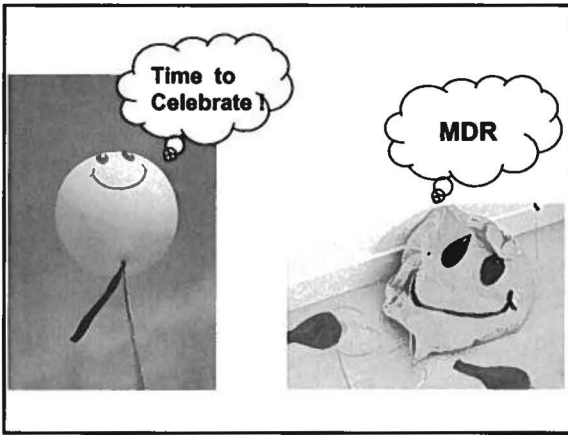
Oral Argument: 4-24-18

Decided: 8-17-18

Holding: No Franchise







Ky. Supreme Court
Ledbetter W.D.
vs.
Crittenden-Livingston WD
Case No. 2018-SC-000494-D
Motion DR: 09-12-18
Response: 10-12-18
Action on Motion: ? ? ? ?

**Franchise Case - Holding
40-year
Water Supply Contract
Between 2 Water Districts
Valid or Invalid**

- Why? Contract = Franchise
- Over 20 Years
- Basis: Kentucky Constitution Section 164



Ky. Constitution Section 164

No county, city, town, taxing district or other municipality shall be authorized or permitted to grant any franchise or privilege, or make any contract in reference thereto, for a term exceeding **twenty years**. Before granting such franchise or privilege for a term of years, such municipality shall first, after due advertisement, receive bids therefor publicly, and award the same to the highest and best bidder; but it shall have the right to reject any or all bids.



Why?

- 340 Water Utilities
- 169 WTPs
- 50% Buy Water
- Need Water Supply Contract
- Long Term

...



How Long Is Long Term?

- Lender
 - RD: 40 years
 - KIA: 20 or 30 years
 - Bonds: Length of Bonds

Significance

- If Franchise . . . 20 Year Limit
 - Can't Borrow \$ from RD
 - Other Sources – Only if < 20 years
 - KIA
 - Bonds
 - KRWFC

Court of Appeals @ Page 4

A **franchise** is generally defined as a **right or privilege granted by a sovereign power, government or a governmental entity to a party to do some act which such party could not do without a grant from the government.** A franchise is a grant of a right to use public property or at least the property over which the granting authority has control.

C/A Rationale

- Distinction:
 - For - Profit Utility
 - versus
 - Non - Profit Utility
 - Water District
 - Public Entity

C/A Legal Analysis

- One Public Entity Acquiring Service From Another Public Entity
 - Purchase of Water Service
- Contract Not Franchise

C/A Legal Analysis

- Franchise Grants Governmental Rights
 - WD Already Has Rights
- Contract Grants
 - Service
 - Commodity (Water)

C/A Legal Analysis

- Contract – Provided Water
- Contract – Allowed WD to Better Serve Customers



C/A Holding

- Contract Not Franchise
- Section 164 N/A
 - Longer Than 20 Years
 - No Advertising



What's Next?

- Decision Not Final
- Motion for Discretionary Review Filed: 09 -12-18
- Response Filed: 10 -12-18
- Ky. Supreme Court ? ? ?



KRWA's Role

- Filed Amicus Brief in C/A
 - "Friend" of Court
- Protect Validity of Contracts
- Protect Ability to Obtain \$



Borrowing



KRS 278.300(1)

No utility shall issue any securities or evidences of indebtedness . . . until it has been authorized to do so by order of the Commission.



Practical Effect

- Must Obtain PSC Approval Before Incurring Long-term Debt (Over 2 Years)
- Exception:
 - 2 Years or Less
 - Renewals
 - (3 X 2 = 6 Years)
 - (6 X 1 = 6 Years)





Violation

**Show
Cause
Cases**





Show Cause Case # 3

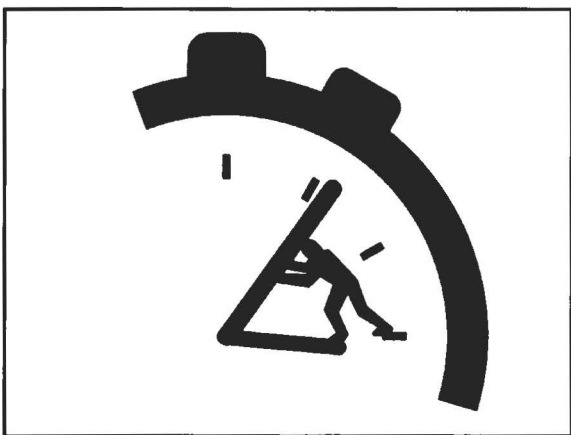
Case No. 2017 - 469

Opened: 01- 11 - 2018

Hearing: 02 - 27- 2018

Issue: KRS 278.300

Decision: 09 - 17 - 2018



Show Cause Case # 1

Case No. 2016 - 338
Opened: 10 - 11 - 2016
Closed: 02 - 23 - 2017
Issue: KRS 278.300
Hearing: 12 - 13 - 2016



Show Cause Case # 1

- Ruling:
 - \$500 Fine (Suspended)
 - Rejected Advice of Counsel Argument
 - Lawyer on Hook



Show Cause Case # 1

- Process Is Noteworthy:
 - Begged to Settle
 - PSC Said No
- Formal Hearing




Show Cause Case # 2

**PSC Case No. 2017-176
2017-467**

Order: 8-18-2017
Utility: Water District
Type: ARF Case
Holding: Hold Hearing
Why? Violated 278.300



Show Cause Case # 2

Staff Report: 8-9-2017
Recommended: 24%  Rates
\$360,000 Annual
\$30,000 per Month
3 Loans - Local Bank
Hearing: 11-1-17
Decision: 12-20-17



Hearing on 11-1-17

- Purposes:
 - Line Loss - 33%
 - Violation of 278.300
 - Purpose of Loans
 - Fringe Benefits



Hearing on 11-1-17

- Who Must Attend?
 - Each Commissioner
 - Office Manager
 - Distribution System Manager



Show Cause Case # 2

Case No. 2017 - 467
Opened: 01- 11 - 2018
Hearing: 02 - 27- 2018
Resigned: 02 - 27- 2018
Dismissed: 05 - 04- 2018



Show Cause Case # 2

- No Fines
- Lost Revenue
 - Over \$60,000
- Commissioners Resigned



Show Cause Case # 3

Case No. 2017 - 469
Opened: 01- 11 - 2018
Hearing: 02 - 27- 2018
Issue: KRS 278.300
Decision: 09 - 17 - 2018

Timeline

05 - 03 - 2016	Obtained Loan
08 - 03 - 2017	ARF Application Filed
11 - 30 - 2017	Staff Report Issued
01 - 11 - 2018	Show Cause Order
02 - 27 - 2018	Formal Hearing
09 - 17 - 2018	Order

Show Cause Case # 3

This is the **third** case in the last year and a half involving a show cause order against a water district utility and/or its commissioners for violating KRS 278.300 by obtaining a loan, the term of which is in excess of two years, without prior approval of the Commission. To date the Commission has **assessed, but not sought, to collect** civil penalties against individual water district commissioners for essentially two reasons.

(Continued)

Show Cause Case # 3

First, the Commission's goal has been to obtain **compliance** with the requirements of the statute and not to exact a penalty and, **second**, the Commission was determined to **send a message** to these utilities and their local commissioners that they were out of compliance and **future violations** could result in **individual penalties** as well as a **separate penalty against the utility**.

(Continued)

Show Cause Case # 3

The Commission also intended to place **all other water districts on notice** that obtaining loans in violation of KRS 278.300 could subject both the utility and its commissioners to civil penalties, and to **provide fair notice that strict enforcement could be expected in future cases**.

Show Cause Case # 3

Water districts and their commissioners are hereby put on **final notice** that unauthorized debt incurred after the date of this order may well result in **substantial** civil penalties being **assessed and collected against both** in future show cause cases.

Pages 7 and 8 of Order

Show Cause Case # 3

- District Fined \$2,500
 - Pay \$500
 - \$2,000 Suspended
 - Good Behavior
 - One Year
- Commissioner Matthews Dissented



Show Cause Case # 3

- Commissioners Fined \$2,000
 - Pay Zero
 - Entire \$2,000 Suspended
 - Good Behavior
 - One Year
- 12 Hours Training



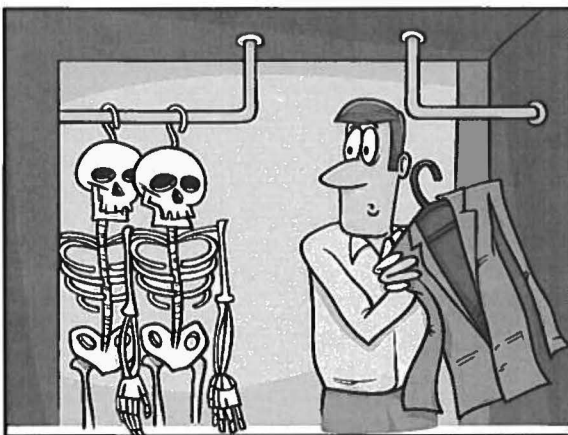
Show Cause Case # 3

- Develop Written Policy
 - Borrow \$
 - Hire Lawyer
- Adopt Policy
- File Policy with PSC





- PSC Commissioners:**
- Take Their Jobs Seriously
 - Hands On
 - Love Hearings
 - Promote Transparency
 - Oversight Means Oversight



911 Litigation Update

Garrard County Case

City of Lancaster, et al **Unpublished
Opinion**
vs.
Garrard County, Kentucky

Court of Appeals
Case No. 2013-CA-000716-MR
Opinion Rendered: 7-03-14
Opinion Vacated: 2-18-16
New Opinion: 8-11-17

Campbell County Case

Greater Cincinnati / Northern Ky.
Apartment Assoc., Inc., et al
vs.
Campbell Co. Fiscal Court, et al

Supreme Court of Kentucky
479 S.W.3d 603 (Ky. 2015)
Opinion Rendered: 10-29-15
Became Final: 02-18-16

Current Status

- Campbell Co. – Parcel Fee OK
- Fee On Water Service – OK
- Unresolved Legal Issues



Unresolved Legal Issues

- Does County Have Legal Authority to:
 - Compel City to Collect Fee?
 - Compel WD to Collect Fee?
 - Compel WA to Collect Fee?
 - Compel IOU to Collect Fee?





Recent Developments

- New Ordinances
 - Garrard County
 - Lincoln County
- Fee On Water Service
- Water Utilities to Collect



New Garrard County Case

Garrard Co. Water Association
vs.

Garrard County, Kentucky

Garrard Circuit Court

Case No. 2017 - CI - 00281

Date Filed: 12-11-17

Status: Discovery

Opinion Rendered: ??-??-??



Lincoln County Case

City of Stanford, et al
vs.

Lincoln County, Kentucky

Lincoln Circuit Court

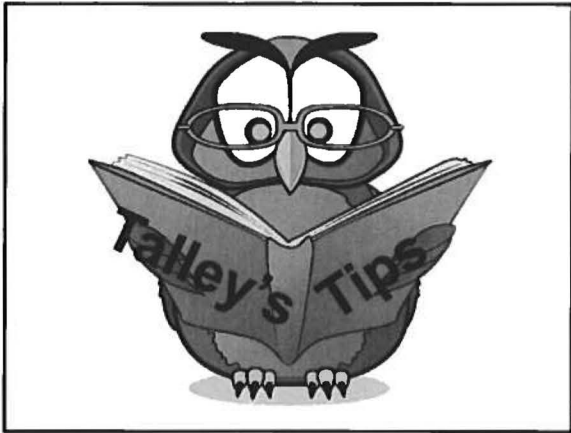
Case No. 2018 - CI - 00062

Date Filed: 03-02-18

Briefs Filed: 10-12-18


Opinion Rendered: ??-??-??

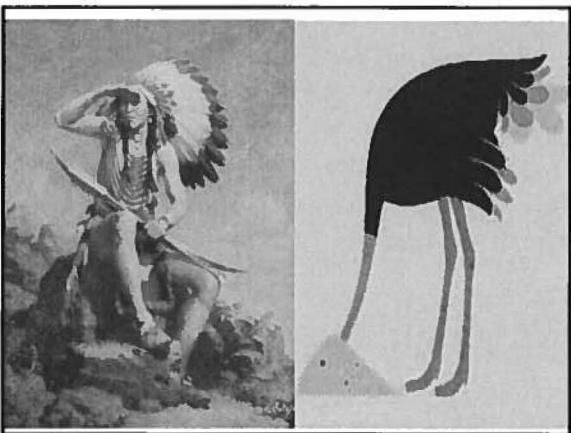




If Stuck With A Fee

- Collection Agreement with County
 - Tax Collector Not Tax Payer
 - Hold Harmless Clause
 - Refunds
 - Legal Fees
- Show As Line Item on Bill
(If PSC Permits)







**CALL
BEFORE
YOU DIG**



ALWAYS
CALL
BEFORE YOU
DIG



**Changes to Law
KRS 367.4901 to 367.4917**

- Membership Still Voluntary
- Mandatory Fines . . . If Damage
 - Natural Gas Pipeline
 - Hazardous Liquid Pipeline
- PSC Is the **Enforcer**



Why Did Law Change?

- Conform with Federal Law
- Too Many Gas Line Accidents
- Effective: 07-14-2018



Who Is Affected?

- Excavators
 - All Utilities
 - Contractors
- THIS MEANS YOU!



Requirements

- Call 811
- Hand Dig or Use
"Nonintrusive Means"
- Stop Work If Cause Damage
 - Notify Gas Company
 - Notify PSC



What Happens Next?

- Report Due to PSC Within 30 days
- Use Online Report Form
- PSC Staff Investigates
- PSC Demand Letter
or
- Hearing Before PSC



Fines

- Mandatory
 - First Offense: \$1,250
 - Second Offense: \$2,000
 - Third Offense \$4,000
- Exception for Emergency
 - Defined Term: 367.4903(7)





**KENTUCKY PUBLIC
SERVICE COMMISSION**

Resources:

PSC website: psc.ky.gov

New call-before-you-dig webpage
launched in June

- Statutes
- FAQs
- News releases

Kentucky 811 website: Kentucky811.org



**KENTUCKY PUBLIC
SERVICE COMMISSION**

For more information:

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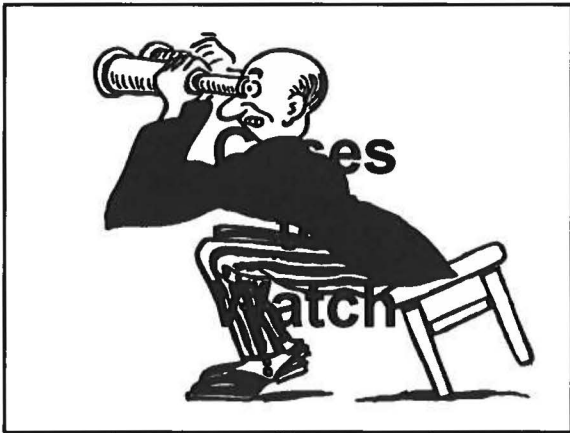
2018 General Assembly



Notable Bills

- SB 117 – Ky. 811 - Defeated
- SB 151 – Sewage (Pension)
- HB 513 – Private WWTPs
- HB 362 – Pension Cap
- HB 366 – CPCN Exemption
KRS 278.020(2)





**Recent
PSC
Orders**

PSC Case No. 2016-432

Filed: 12-29-2016
Utility: Hardin Co. WD No. 2
Type: Deviation
Issue: 15 Year Meters
Sample Testing
Decided: 03-22-2018

PSC Case No. 2017-127

Filed: 3-10-2017
Utility: North Mercer WD
Type: Deviation
Issue: Office Open
4 Days a Week
Decided: 3-16-2018



PSC Case No. 2017- 458

Filed: 12-22-2017
Utility: Southeast Daviess WD
Type: CPCN
Issue: Smart Meters
Decided: 02-27-2018



PSC Case No. 2017- 246

Filed: 6-30-2017
Utility: McCreary Co. WD
Type: Deviation
Issue: Daily Inspection of
Grinder Pumps
Decided: 2-01-2018



PSC Case No. 2016 - 394

Filed: 11-18-2016
Utility: Ky. American
Type: Deviation
Issue: Annual Inspection of
Meters & Valves
Decided: 12-12-2017



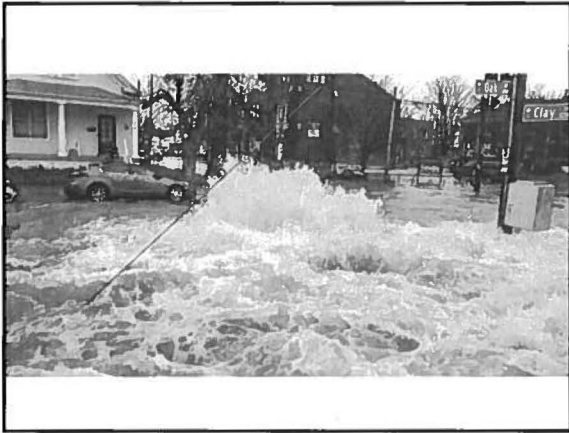
PSC Case No. 2016-427

Filed: 12-08-2016
Utility: Northern KY WD
Type: Deviation
Issue: Annual Inspection of
Meters & Valves
Decided: 02-01-2018



**Excessive
Water
Loss**





Unaccounted-for Water Loss

▪ 807 KAR 5:066, Section 6(3)

"... for rate making purposes a utility's unaccounted-for water loss shall not exceed fifteen (15) percent of total water produced and purchased, excluding water used by a utility in its own operations."



Terms

- Unaccounted-for Water Loss
 - 15% Maximum
 - Allowance for Flushing, Etc.
- NRW – Non Revenue Water
 - No Allowance for Flushing



PSC Case No. 2016 - 068

Decided: 8-17-16

Utility: Water District

Type: ARF

Issue: Excessive Line Loss



PSC Held:

- Water Loss 39%
 - 15% Maximum Allowed
 - Disallowed 24% Excess
- Disallowed \$135,000 Expenses Excess Water Loss (Cost to Purchase & Pump)



PSC Ordered:

“The Commission is concerned with **excessive water loss** and related costs and directs ____ District to **develop and formally adopt a written plan to reduce excessive water loss**. The plan should identify all sources of water loss and each corrective action ____ District will take to minimize water loss from each source.”



Other Recent Water Loss Cases

PSC Case No. 2017 - 064

Decided: 3-09-2017

Utility: Water District

Type: CPCN Granted

Holding: Reprimand & Warning
Loss = 17%

PSC Ordered:

"Failure by _____ District to make **significant** progress towards **reducing** unaccounted-for water loss may cause the Commission to pursue **additional action** with the utility."

Actions by PSC

- Inspection Report
- ARF Case
- CPCN Case
- .023 Case
- PWA Case
- Financing Case
- Deviation Case
- Sewer CPCN Case



Actions by PSC

- Emphasis at Training
- Reduce Rates
- Reprimand & Warning
- PWA Cases
 - Dollars & Cents

Continued . . .



Actions by PSC

- Copy of Inspection Report
 - CJE & Fiscal Court
 - Utility Commissioners
 - Local Newspaper?
- PSC Website?





**ETHICS AND RESPONSIBILITIES
FOR
BOARD MEMBERS and OPERATORS**



Presented by

Kentucky Rural Water Association
May 16, 2019

Introduction

- This presentation is designed to help you better understand your roles and responsibilities in delivering safe potable drinking water, and protecting the health and welfare of the public through proper operation and maintenance of the water and wastewater system.

Utility Mission

- Protect the public health and safety
- Protect the environment
- Comply with federal and state regulations
- Serve large and small customers
- Tool to shape, facilitate, or encourage growth
- Maintain infrastructure in good operating condition

Board Member Basic Legal and Financial Responsibilities

- Fiduciary Responsibility
- Ethical Responsibilities
- Customer Relations
- Safe Drinking Water and Responsible Wastewater Management
- Laws, Rules and Regulations
- Strategic Planning, Operational Policies, and Procedures
- Board Conducts Business as a Quorum
- Records, Minutes and Notices

Fiduciary Responsibility

- To exercise rights and powers for and on behalf of others with diligence and care
- To ensure that your water/wastewater system receives, records and spends funds in accordance with modern accounting, purchasing and record-keeping standards
- To assure that system revenue covers operations plus debt service plus reserves

Ethical Responsibilities

- A public office is a public trust. The public has the right to secure and sustain trust against abuse, the board and each board member are expected to use the highest level of integrity in all matters dealing with the decision-making process
- Board members shall not gain financially or otherwise from their service on the board

Customer and Customer Relations

- Your system exists to serve the public, and there are three major groups of players to do this and each with very different roles
 - Board or governing Body
 - Manager and Executive
 - Utility Staff/Employees

Safe Drinking Water and Responsible Wastewater Management

- All board decisions must ensure that the water system will supply adequate and safe drinking water along with handling wastewater services

Laws, Rules and Regulations

- The Board ensures compliance with all applicable federal, state and local laws and ordinances

Strategic Planning, Operational Policies and Procedures

- The Board conducts strategic planning, sets policy, and sees that the system follows the operational policies and procedures

Board Conducts Business as a Quorum

- A quorum is the minimal number of officers and members of a Board, usually a majority, who must be present for valid transactions of business

Records, Minutes and Notices

- The Board is responsible to see that all decision making is conducted in open meetings and complies with Kentucky Statutes

System Operation

- Keep all system components (i.e. source, treatment, storage, distribution and collection) functioning efficiently and effectively.

General Responsibilities

- Monitor chemical feed and other system components.
- Monitor effectiveness of treatment.
- Prepare and maintain records of meter readings, tests, equipment, chemical use, correspondence, and customer complaint log.
- Develop a maintenance plan for the treatment plants, distribution system and wastewater collection system.

General Responsibilities cont.

- Regularly read meters and gauges, making adjustments as needed.
- Periodically flush distribution system using hydrants and blow-off valves.
- Conduct SSES on wastewater collection system.
- Conduct preventative and routine maintenance on facilities and equipment.

**General Responsibilities
cont.**

- Periodically assess efficiency of system components.
- Conduct frequent system and security inspections.
- Update system maps when a significant change to the distribution system or wastewater collection system has been made.

**General Responsibilities
cont.**

- Make all process control/system integrity decisions necessary to maintain the quality and quantity of water delivered to your customers.
- Attend training to meet state primacy agency's continuing education requirements.
- Create and follow Standard Operating Procedures (SOPs).

Regulatory Compliance

- Comply with all relevant regulations, water and wastewater, to protect your customer's health.

General Responsibilities

- Develop and maintain a sampling plan, designed to protect the system, that covers all monitoring requirements.
- Collect or oversee collection of samples.
- Conduct routine inspections of water sources and watersheds to identify potential sources of contamination.

**General Responsibilities
cont.**

- Address any problems quickly and ensure that all required follow-up steps are taken (e.g. additional sampling, public notification, sanitary survey or other compliance inspection).
- File all required reports and maintain records.
- Resolve any compliance problems, in consultation with regulators, and gather information on upcoming regulations.
- Increase awareness of tools, reference materials, and other state and federal resources.

Communication

- Maintain a positive relationship with customers, and the system decision makers and keep them informed of your efforts to provide high quality service of water and wastewater.

General Responsibilities

- Report analytical results to regulators as required.
- Participate in the development and delivery of Consumer Confidence Reports (CCRs).
- Maintain, respond to, resolve, and keep a record of customer complaints.
- Communicate with the owner, manager, or board about technical and financial needs of your system (this includes training for recertification).

General Responsibilities cont.

- Records should be kept of any communication with decision makers.
- Inform the state of the results of technical improvements and their impact on the system.
- Inform the owner, manager, or board of any key findings from routine inspections and scheduled maintenance.

General Responsibilities cont.

- Provide input for planning and preparing for equipment replacement.
- Develop and maintain a plan for monitoring system process controls and meet all related goals, in consultation with the system owner, manager, or board.

Security

- Protect your system against natural disasters and vandalism.

General Responsibilities

- Develop a plan to protect your facilities in case of an emergency, including updating your policies and procedures manual with security related information.
- Inspect critical facilities and components, including door locks and fencing as part of your daily inspections.
- Store chemicals in locked areas with proper safety equipment.

General Responsibilities cont.

- Maintain a list of written contacts for use in an emergency and make sure you know whom to contact in the event of an emergency.
- Exercise valves on a routine basis and make sure there are enough valves, in appropriate locations, to isolate parts of the system in the event of contamination
- Attend security related training when available.
- Educate other staff on emergency procedures and keep contact information up to date.
- Emergency Response Plans.

Role of the Supervisor

- Encourage and Correct
 - Acknowledge the good choices
 - Should be the norm
 - Address the bad choices

Role of the Supervisor

- Provide Training/Resources
 - Ensure that employees know the standards
 - Ensure that employees understand the application of the standards

Responsibility of a Supervisor

- Promote Ethical Environments
- How?

THE ETHICAL PUBLIC WORKS Supervisor

- Honesty
- Responsibility
- Loyalty
- Trustworthiness
- Compassion
- Competence
- Dedication
- Courage
- Professionalism
- Respect

401 KAR 11:020

- Standards of Professional Conduct for Certified Operators

401 KAR 11:020

- A certified operator shall, during the performance of operational duties, protect the safety, health, and welfare of the public and the environment.
- A certified operator shall use reasonable care and judgment in the performance of operational duties.

**401 KAR 11:020
cont.**

- If a certified operator's judgment is overruled by an employer under circumstances in which the safety, health, and welfare of the public or the environment are endangered, the certified operator shall inform the employer of the possible consequences.
- A certified operator shall be objective, truthful, and complete in applications, reports, statements, or testimony provided to the cabinet

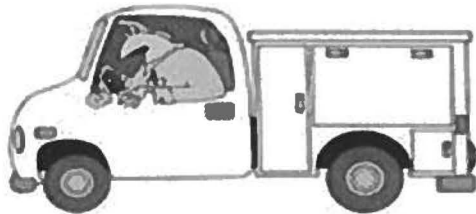
**401 KAR 11:020
cont.**

- A certified operator shall ensure the integrity of the samples that the operator collects, prepares, or analyzes so that results will be a true representation of water quality.
- Proof of certification. While on duty, a certified operator shall carry the cabinet issued wallet card showing the operator's current certification status.

**401 KAR 11:020
cont.**

- Maintenance of Records. If information related to the operator's employment or mailing address changes from that provided in the application for certification, the certified operator shall provide written notification to the cabinet within 30 days.

• SO, WHAT IS YOUR ROLE AND RESPONSIBILITY TO YOUR UTILITY



**WORK ETHICS
(Learning Goals)**

- The importance of developing a strong work ethic and how the work ethic you develop will impact your future as an employee.

What is Work Ethics

- Definition: A standard of conduct and values for job performance.

Expectations for Employees

- What does an employer want?
- What are the traits of a winning employee

Top 10 Work Ethics

- Attendance
- Character
- Teamwork
- Appearance
- Attitude
- Productivity
- Organizational Skills
- Communication
- Cooperation
- Respect

Work Ethics - Attendance

- Be on time...Don't be absent
- Limit Absences – Be at work every day possible; Plan your absences; Don't abuse leave time
- Come to work on time – Be punctual every day

Work Ethics - Character

- **Be Honest** – Honesty is the single most important factor having a direct bearing on the final success of an individual or utility
- **Be Dependable** – Complete assigned tasks correctly and promptly
- **Be Loyal** – Speak positively about the company, supervisors and fellow employees
- **Be Willing to Learn** – Look to improve your skills

Work Ethics- Teamwork

- **Working toward a goal** requires cooperation and respect
- **Be a Team Player** – The ability to get along with others – including those you don't necessarily like
- **Leadership Abilities** – The ability to be led and/or to become a leader

Teamwork cont.

- **Be a Contributing Member** – The ability to carry your own weight and help others who are struggling
- **Accept Compromise** – Recognize when to speak up with an idea and when to compromise by blending ideas together

Work Ethics - Appearance

- Dress Appropriately – Dress for success, Set your best foot forward
- Personal Hygiene - _____
- Good Manners – Hand shake, Demeanor, Eye Contact

- **Remember that the first impression of who you are can last a lifetime**

Work Ethics - Attitude

- Have a Good Attitude – Listen to suggestions, Be Positive
- Accept Responsibility for One’s Work – If you make a mistake, admit it

Work Ethics - Productivity

- Do the work correctly
- Quality and timeliness are prized
- Get along with co-workers – cooperation is the key to productivity
- Help out whenever asked, Do “extras” without being asked
- Take pride in your work, Do things the best you know how

Work Ethics – Organizational Skills

- **Written Communications** – Being able to correctly write reports and memos
- **Verbal Communications** – Being able to communicate one on one or to a group

Work Ethics – Cooperation

- **Follow company rules and policies**, learn and follow expectations
- **Get along with co-workers**, cooperation is the key to productivity
- **Appreciate privileges and don't abuse them**, privileges are favors and benefits

Work Ethics - Respect

- **Work Hard** –Work to the best of your ability
- **Carry Out Orders** – Do what's asked the first time
- **Show Respect** – Accept and acknowledge an individual's talents and knowledge
- **Be Sensitive to Racial and Cultural Difference**

Why People Lose Their Jobs

- They Get Laid Off – Job loss not their fault
- They Get Fired – Job lost because of their actions

Common Reasons Why Employees are Fired - Attendance

- Being late or absent from work – shows lack of responsibility, can hinder productivity

Reasons Employees are Fired - Character

- Being Dishonest – Trust, once lost, is hard to regain
- Being Unreliable – Dependability is an employee asset
- Abusing Drugs or Alcohol – Can create health and/or safety issues

**Reasons Employees are Fired –
Teamwork**

- **Bossing others around – giving orders is the boss's job**
- **Not Carrying Your Weight – Not doing your part, relying on others to do your job for you**

**Reasons Employees are Fired –
Appearance**

- **Dress Code –This can be a safety issue as well as a disregard for rules**
- **Remember that you are a representative of your utility, how you dress and act can reflect either positive or negative on the utility**

**Reasons Employees are Fired –
Attitude**

- **Being Troublemakers – Stirring up dissent among others, Causing arguments and problems**
- **Being rude and using abusive language**
- **Inappropriate behavior is inexcusable**

**Reasons Employees are Fired –
Productivity**

- Failing to do the task/job properly (costly errors hurt business as well as your image)
- Being Lazy – It is a form of theft
- Being Careless – Can lead to accidents/profit loss

**Reasons Employees are Fired –
Organizational Skills**

- Loosing tools and materials, unable to locate items
- Lacking of time management, not meeting deadlines
- Unprepared – Not ready for meetings or presentations and even everyday tasks

**Reasons Employees are Fired –
Communication**

- Failure to Communicate (written and/or verbal) – Unable to properly express one's thoughts and ideas
- Unable to interpret instructions and directions

**Reasons Employees are Fired –
Cooperation**

- Not getting along with others
- Failing to follow rules and policies
- Not following instructions “Doing your own thing”

**Reasons Employees are Fired –
Respect**

- Being Disrespectful – Argumentative and confrontational
- Making fun of, harassing, or discriminating against others (could bring on legal issues)

**Reasons Employees are Fired –
Other**

- Being dissatisfied all the time
- Theft
- Incompetence – Lack of ability to perform assigned tasks

Positive Actions to Take if You're Fired

- Correct your faults, move forward
- Don't repeat your mistakes, learn from them
- Think positively about your next job

ETHICS

- The discipline dealing with what is good and bad and with moral duty and obligation.
- A set of moral principles and/or values.

MORALS

- Of or relating to principles of right and wrong in behavior.
- Expressing or teaching a conception of right behavior.

BELIEFS

- Society's opinion of:
 - Right and wrong
 - Moral and immoral
 - Good and bad
 - Happy and Unhappy

Unconscious Bias

- Psychological Studies
 - Our desires powerfully influence the way we interpret information.
 - Even if we try to be objective and impartial.
 - Most of us think;
 - We are better than the average driver.
 - Our kids are smarter than the average.
 - We are not too drunk to drive.

VALUES

- Honesty (truthfulness, openness)
- Integrity (convictions, courage)
- Objectivity (independence, fairness, equality)
- Promise Keeping (fulfilling commitments)
- Fidelity (loyalty, confidentiality)
- Caring (compassion, kindness)
- Respect (dignity)
- Accountability (responsibility)
- Excellence (quality of work)
- Citizenship (respect of law, social consciousness)
- Character

ETHICS

- Our individual feelings of moral duty and moral obligation that guide how we actually behave and act
- Our own guidelines and rules to help us make decisions of right and wrong while we strive for what the ancient Greeks called “eudaimonia” or happiness and flourishing in our life and our work.

ACTIONS

- Our response or decision made when faced with an ethical dilemma
- Our actions can be
 - Intellectual
 - Emotional
 - Physical

Our Own Ethics Orientation

Whatever our level of moral development, we have all developed our own individual ethical orientation or tendencies we follow when faced with making decisions that involve ethical dilemmas.

What is your ethical orientation?

Your Ethical Orientation

1. Which is worse?
- a. Hurting someone's feelings by telling the truth
 - or
 - b. Telling a lie and protecting their feelings

Your Ethical Orientation

2. Which is the worse mistake?
- a. To make exceptions too freely
 - or
 - b. To apply rules too rigidly

Your Ethical Orientation

3. Which is it worse to be?
- a. Unmerciful
 - or
 - b. Unfair

Your Ethical Orientation

4. Which is worse?
- a. Stealing something valuable from someone for no good reason
- or
- b. Breaking a promise to a friend for no good reason

Your Ethical Orientation

5. Which is better to be?
- a. Just and fair
- or
- b. Sympathetic and feeling

Your Ethical Orientation

6. Which is worse?
- a. Not helping someone in trouble
- or
- b. Being unfair to someone by playing favorites

Your Ethical Orientation

7. In making a decision, on which do you rely more?

a. Hard facts

or

b. Personal feelings and intuition

Your Ethical Orientation

8. Your boss or superior orders you to do something that is hurtful to someone. If you carry out the order, have you actually done anything wrong?

a. Yes

or

b. No

Your Ethical Orientation

9. Which is more important in determining whether an action is right or wrong?

a. Whether anyone actually gets hurt

or

b. Whether a rule, law, commandment moral principle is broken

Ethical Orientation- What's is Yours?

- **Ethics of Justice (J orientation)**
 - Based on equal application of moral principles and laws or policies with little flexibility or exceptions
 - Generally more common of men than women
- **Ethics of Care (C orientation)**
 - Based on sense of responsibility to reduce harm and suffering with considerable flexibility for individual cases
 - Generally more common of women than men

(Based on Ethical Orientation Questionnaire developed by the Center for Ethics and Business at Loyola Marymount University)

Ethics – What's in it for me?

- A more accurate understanding of the world around you
- Greater control over your behavior
- A stronger personality
- A greater likelihood of a happy and healthy life

Points Learned

- Conscience be your guide
- Honesty
- Feelings and Beliefs
- Think through situation first
- Concerns for results to society
- Education
- Expectations
- Work when you're alone like you would as if you are being watched

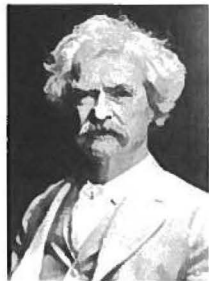
THE ETHICAL PUBLIC WORKS Supervisor

- Honesty
- Responsibility
- Loyalty
- Trustworthiness
- Compassion
- Competence
- Dedication
- Courage
- Professionalism
- Respect

"It takes a lifetime to build a good reputation, but you can lose it in a minute"

"When in doubt, tell the truth."

Mark Twain



Serving the Public Interest

- *Civil servants and public officials are expected to maintain and strengthen the public's trust and confidence in government, by demonstrating the highest standards of professional competence, efficiency and effectiveness, upholding the Constitution and the laws, and seeking to advance the public good at all times.*

AS A PUBLIC OFFICIAL YOU SHOULD BEHAVE ETHICALLY
BECAUSE:

- The public trusts that you will act in the public interest, not your personal one.
– Is there a lot of trust (mistrust) today?
- You have a virtual monopoly over the infrastructure that supports the public's well being
- Why else are you in the public sector if not to do the right thing? It's certainly not for the money.

Closing Thought

No regrets, live your life so the preacher won't have to lie at your funeral.

EXHIBIT 4

<p>Mail to:</p> <p>Division of Compliance Assistance Certification and Licensing Branch Operator Certification Program 300 Sower Blvd. Frankfort, KY 40601</p>	<p>Commonwealth of Kentucky Department for Environmental Protection</p> <p>Application for Approval of Courses for Continuing Education Credit</p> <p><i>Drinking Water Treatment, Drinking Water Distribution, Bottled Water, Wastewater Treatment and Collection System</i></p> <p>Telephone: 1-800-926-8111 www.dca.ky.gov/certification</p>	<p><i>For Official Use Only Do not write in this space</i></p> <p>COPY</p>
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I. Course Sponsor Information: Agency Interest Number: 108571

A. Sponsoring Organization (school, business, association, etc.):

Kentucky Rural Water Association

Key Contact Person:

Name and Title: Janet Cole, Education Coordinator

Address: 1151 Old Porter Pike

City, State and Zip: Bowling Green, KY 42103

Phone and Fax: Ph: 270.843.2291 Fx: 270.796.8623

E-mail: J.cole@krwa.org

Web Page: www.krwa.org

One-Time Approval Requested

Two-Year Approval Requested

B. If individual requesting approval is different than the key contact person for the sponsor, please complete the following information:

Name and Title: _____

Address: _____

City, State and Zip: _____

Phone and Fax: _____

E-mail: _____

II. General Course Information:

A. Title: Continuing Education Training for Trimble Co. Water District

B. Location and Date/s: Trimble Co. Water District Office, Bedford, KY May 16, 2019

C. Cost per Student or Group: \$ _____

D. Delivery Format or Media (check those that apply):

- | | | | |
|---|-------------------------------------|--------------------------------------|---|
| <input checked="" type="checkbox"/> Classroom | <input type="checkbox"/> Web/Online | <input type="checkbox"/> Laboratory | <input type="checkbox"/> Exhibition |
| <input type="checkbox"/> Field | <input type="checkbox"/> CD-ROM | <input type="checkbox"/> Video/Audio | <input type="checkbox"/> Correspondence |
| <input type="checkbox"/> Other
(Explain) | | | |



E. Continuing Education Credits (hours) Requested for Target Audience:

Drinking Water Treatment, Distribution and/or Bottled Water: 6 hours

Wastewater Treatment and/or Collection: _____

(Attach a detailed description explaining how this training relates to the wastewater treatment process.)

III. Required Items (must be attached to submittal, check off as completed):

- A. Course Learning Objectives
- B. Criteria for Successful Completion by Operators
- C. Agenda (timed with instructors identified and brief description of topics)
- D. Credentials for All Instructors

IV. Additional Attachments (required for distance learning courses, optional for other training):

- A. Instructional Design (developed by whom/their credentials)
- B. Curriculum Content (subject matter experts/their credentials)
- C. Required Assignments and/or Examinations (type, passing score, etc.)
- D. Mandatory Time Constraints (deadlines, granting of extensions, etc.)

V. Signature of Sponsor's Contact Person

I confirm that all information provided with this application is accurate to the best of my knowledge. A complete list of attendees and credits to be awarded to them will be forwarded on a "Continuing Education Activity Report" to the Kentucky Division of Compliance Assistance (within 30 days of completing the course when possible).

Printed Name and Title: Janet Cole, Education Coordinator

Signature and Date: 

April 11, 2019