

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY RURAL WATER)	
ASSOCIATION FOR ACCREDITATION)	CASE NO.
APPROVAL OF COMMISSIONER TRAINING AND)	2020-00039
CONTINUING EDUCATION CREDIT)	

ORDER

On February 10, 2020, Kentucky Rural Water Association (KRWA) filed an application for approval and accreditation for a training program it intends to offer on March 10, 2020, entitled “Continuing Education Training for Commissioners” (hereinafter the Training Program). Having carefully considered KRWA’s request, the Commission approves the program to satisfy the six hours of training described by KRS 74.020(6) and KRS 74.020(7). However, the Training Program is not approved to satisfy any of the 12 hours of initial training for water district commissioners required by KRS 74.020(8), which approval KRWA did not request.

DESCRIPTION OF TRAINING PROGRAM

The Training Program will take place at the Oldham County Water District in LaGrange, Kentucky, on March 10, 2020. The Training Program will consist of three sessions that are 1 hour in length and two sessions that are 1.5 hours in length. Those sessions were described as follows:

1. Development of Utility Leadership Skills (1 hour): This presentation will look at measurable methods to become a more effective leader and improve leadership within an organization.

2. Survival Skills for the Communications: From the Trench to the Board Room (1 hour): This presentation will cover issues concerning effective communication within an organization.

3. Recent Developments in Utility Regulation (1.5 hours): This presentation will review court decisions and PSC Orders involving public and municipal utilities on various topics, including franchises, wholesale water purchase agreements, obtaining PSC approval before borrowing money, and unaccounted for water loss.

4. All You Ever Wanted to Know About Depreciation . . . And Then Some (1 hour): The presentation will discuss the importance of “fully funding depreciation,” the consequences of not funding depreciation, and what utilities can do to increase their depreciation funding.

5. Duties and Responsibilities of Board Members (1.5 hours): This presentation will review the oversight role of a water district’s board of commissioners, the duties and responsibilities of commissioners serving on those boards, and open meetings and open records laws.

The presenters for the sessions are attorneys with Stoll Keenon Ogden, who regularly represent water and other utilities before the Commission, and Bob Cashion, who is the Business Development Manager for S4 Water Sales and Service, holds a class IV water and wastewater operator’s license, and has experience providing training on water and waste water issues. KRWA provided PowerPoint slides of the presentations, which it intends to distribute at the training.

DISCUSSION

KRS 74.010 *et seq.* authorizes the creation of water districts for the purpose of operating drinking water facilities and wastewater treatment and collection facilities. Water districts organized under KRS 74.010, *et seq.* must be administered by a board of

commissioners which shall control and manage the affairs of the district.¹ KRS 74.020(8) requires each newly appointed water district commissioner to complete 12 instructional hours of training regarding the laws governing the management and operation of water districts, and other subjects as determined appropriate by the Commission within 12 months of the commissioners' initial appointment.² KRS 74.020(6) and (7) encourage water district commissioners to complete six instructional hours of "water district management training approved by the Public Service Commission" in each additional calendar year by allowing the commissioners to receive a raise if they complete that training each year.

KRWA indicated that it is seeking to have the Training Program approved to satisfy the six hours of annual training necessary for water commissioners to satisfy KRS 74.020(6) and (7), but is not seeking to have it approved to satisfy the initial training requirements of KRS 74.020(8). The Commission has discretion in approving "water district management training" offered by third parties to satisfy the six hours of subsequent training described in KRS 74.020(6) and (7) if it determines that the programs are "high quality" and will "enhance a water district commissioner's understanding of his or her responsibilities and duties."³ However, third parties applying for approval of a proposed water district commissioner training program must file their applications, including a detailed description of the program, a description of the qualifications of any presenters,

¹ See KRS 74.020(1).

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

³ See KRS 74.020(7)(c) (stating that the Commission "shall encourage and promote the offering of high quality water district management training programs that enhance a water district commissioner's understanding of his or her responsibilities and duties").

and a copy of the written materials to be distributed at the program among other things, 30 days prior to the first date on which the program is to be offered.⁴

Here, KRWA properly filed its request for approval, and the Training Program covers topics that will be relevant and useful to the water district commissioners. Moreover, the presenters appear to have knowledge of the topics they intend to discuss, and based on a review of the materials provided, the Training Program, on whole, appears to be well developed and of a high quality. Thus, the Commission finds that KRWA's Training Program will provide water district commissioners relevant and useful knowledge that will enhance the quality, management, operation, or maintenance of the water system.⁵

IT IS THEREFORE ORDERED that:

1. KRWA's Training Program scheduled to take place on March 10, 2020, is hereby conditionally approved and accredited for up to six hours of annual water district management training for water district commissioners seeking to satisfy the training requirements set forth in in KRS 74.020(6) and (7).
2. KRWA's Training Program may not be used by water district commissioners seeking to satisfy any portion of the initial training requirement for water district commissioners required by KRS 74.020(8).

⁴ Water Training Order at 4-5.

⁵ When updating water district commissioners on changes in Kentucky utility regulation, KRWA should inform participants that the Commission expects annual financial and statistical reports to be filed on or before March 31 of each year pursuant to 807 KAR 5:006, Section 4(2); that extensions requested pursuant 807 KAR 5:006, Section 4(2)(e), will be reviewed by the executive director, as opposed to Commission Staff, and will only be granted upon a showing of good cause; and that the Commission may penalize the commissioners and general managers of water districts that fail to make a timely filing of their annual financial and statistical report.

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

4. No later than 30 days after the scheduled training program, KRWA shall file with the Commission:

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

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

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

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

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

6. KRWA shall permit a representative of the Commission to attend the Training Program at the Commission's discretion, without charge, to assess compliance with this Order or the quality of instruction or for any other purpose deemed necessary by the Commission.

By the Commission

ENTERED
MAR 05 2020
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

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