

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
RURAL WATER ASSOCIATION FOR)	CASE NO.
ACCREDITATION APPROVAL OF CONTINUING)	2023-00245
EDUCATION TRAINING FOR WATER DISTRICT)	
COMMISSIONERS)	

ORDER

On July 21, 2023, Kentucky Rural Water Association (KRWA) filed an application¹ for approval and accreditation, pursuant to KRS 74.020(6) and (7) and 807 KAR 5:070, for the proposed water district management training titled *Water Commissioner Training* (Training Program) scheduled to take place on August 29, 2023, and August 30, 2023, at the Galt House Hotel in Louisville, Kentucky.

Having reviewed the KRWA's request and being otherwise sufficiently advised, the Commission approves the Training Program to satisfy the six hours of training described by KRS 74.020(6) and (7), subject to the conditions discussed below. KRWA did not request the Training Program be approved and accredited to satisfy any portion of the 12 hours of initial training for newly appointed commissioners required by KRS 74.020(8).

¹ All applications should be filed in an optimized pdf format (searchable or OCR) and include bookmarks to distinguish sections. Any future applications from KRWA not meeting this requirement will be rejected as deficient.

DESCRIPTION OF TRAINING PROGRAM

The Training Program will be conducted in person on August 29, 2023, and August 30, 2023, at the Galt House Hotel in Louisville, Kentucky. The Training Program will consist of the following sessions:

Tuesday, August 29, 2023

1. Working to Fight Environmental Contamination: A Cost Recovery Program (1 hour): This presentation addresses the latest information from a legal perspective and learn the resources and efforts available to water utilities regarding USEPA regulations in the attempt to limit and eliminate PFAS chemicals in drinking water. The presentation will discuss how water utilities may face infrastructure upgrade costs, monitoring, and sampling costs, disposal fees, or fines.

2. Water Utility Tariff: Practical Considerations (1 hour): This presentation highlights various provisions that a water utility should include as part of a tariff to protect against financial and legal liability as well as avoid common customer disputes. It will discuss the statutory and regulatory framework for utility tariffs and the process by which a tariff may be revised and will conclude with some practical suggestions for improving a water utility's tariff.

3. Legislative Changes Affecting Utilities (1 hour): This presentation will discuss new laws passed by the 2023 Kentucky General Assembly. These include HB 360- creates new sales tax exemption for materials purchased by contractor and installed by utility, HB 522- increases procurement amount from \$30,000 to \$40,000 before a utility is required to advertise for bids, HB 8- modifies the residential sales tax exemption for

utility customers, and SB 263- creates numerous incentives for utilities to consider regionalization.

Wednesday, August 30, 2023

4. Next Level: Insights from the National and State Level (15 minutes): This presentation offers a brief update on the vision for the utility industry from the nation and state levels. It will offer initiatives and programs of benefit to utilities across the nation and the KRWA charitable foundation to help during times of natural disaster will also be discussed.

5. Update from the USEPA (45 minutes): This presentation will address the information on regulations impacting the operations and finances of water utilities, such as changes to the Lead and Copper rule, as well as PFAS limits, and provide an update on strategic planning underway that may impact utilities in Kentucky. The EPA sets national standards for states to enforce through their own regulations and works to ensure there is clean air, land, and water.

6. Update from the PSC (45 minutes): This presentation will provide an update on PSC regulations and the Commission's enforcement requirements for water and wastewater utilities.

7. Update from the Kentucky Legislature (45 minutes): This presentation will allow the sponsor of House Bill 9 to discuss the purpose and intent of the Bill with respect to water and wastewater utilities. Provisions of the Bill will make significant amount of funding available to Kentucky water and wastewater utilities.

8. Update from KIA (30 minutes): This session will educate participants of financial help in the form of grant and loan assistance for water and wastewater needs. It

will provide a description of the short- and long-term goals of the Clean Water State Revolving Fund (CWSRF), the criteria and methods established for selecting projects, administration and operation policies of the CWSRF established by the KIA for compliance with requirements of the US Congress authorization as administered by the USEPA, sources and uses of available funds, and the Project Priority List.

DISCUSSION

KRS Chapter 74 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 Chapter 74 must be administered by a board of commissioners that shall control and manage the affairs of the district.² 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.³ 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 calendar year by allowing the commissioners to receive a raise if they complete the training each year.

KRWA indicates that it is seeking to have the Training Program approved to satisfy six hours of annual training necessary for water district commissioners to satisfy KRS 74.020(6) and (7), but it 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

² KRS 74.020(1).

³ KRS 74.020(8)(b) (discussing the training requirements for new water district commissioners).

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.”⁴ 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, 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.⁵

KRWA provided the information required by 807 KAR 5:070 and the Commission’s Order in Case No. 2018-00085 in a timely manner. The Training Program also covers topics that will be relevant and useful to 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 appears to be well developed and of a high quality.

The Commission finds that the Training Program will provide water district commissioners relevant and useful knowledge that will enhance the quality, management, operation, or maintenance of the water systems they operate, and therefore the Training Program should be conditionally approved to satisfy the training requirements set forth in KRS 74.020(6) and (7) or a portion thereof.

⁴ 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”).

⁵ Case No. 2018-00085, *Review of Training Required and Authorized by KRS 74.020 for the Commission of Water Districts* (Ky. PSC Mar. 15, 2018), Order at 4–5.

IT IS THEREFORE ORDERED that:

1. KRWA's Training Program scheduled to take place on August 29, 2023, and August 30, 2023, is hereby conditionally approved and accredited for up to six hours of annual water district management training for water district commissioners seeking to satisfy training requirements set forth 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).

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

4. No later than 45 days after each scheduled offering of the 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, the number of hours that he or she attended; and

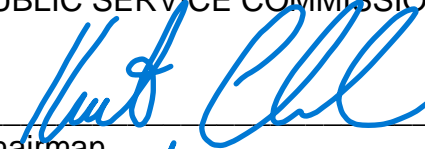
d. A copy of any written material given to water district commissioners attending the sessions that was not previously provided to the Commission.

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 for any other purpose deemed necessary by the Commission.

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PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ENTERED
AUG 15 2023 rcs
KENTUCKY PUBLIC
SERVICE COMMISSION

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