

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY WATER)	
RESOURCES RESEARCH INSTITUTE FOR)	CASE NO.
APPROVAL OF COMMISSIONER TRAINING AND)	2019-00273
CONTINUING EDUCATION CREDIT)	

ORDER

On August 2, 2019, Kentucky Water Resources Research Institute (KWRRI) requested approval and accreditation, pursuant to KRS 74.020(6) and (7) and 807 KAR 5:070, for proposed water district management training program scheduled for September 23, 2019 (Training Program). Having carefully considered KWRRI's request, the Commission conditionally approves and accredits the programs to satisfy up to six hours of annual training for water district commissioners required by KRS 74.020(6) and (7). The Training Program is not approved and accredited to satisfy the 12 hours of initial training for newly appointed commissioners required by KRS 74.020(8).

DESCRIPTION OF TRAINING PROGRAMS

The Training Program is scheduled to take place at Berea College in Berea, Kentucky. The Training Program is being offered at no cost to the water district commissioners through the financial support of the USDA. The presenters at the program include Dr. Lindell E. Ormsbee, a Professor of Civil Engineering at the University of Kentucky and the Director of KWRRI, Greg Heitzman, the President of BlueWater Kentucky, who worked 31 years with the Louisville Water Company in positions including Chief Engineer and President/CEO, and Steven Evans, the Assistant Director of KWRRI.

The Training Program is entitled *Sustainable Management of Rural and Small Systems Workshop* and is based on a program developed by the United States Environmental Protection Agency (USEPA) and the United States Department of Agriculture (USDA) to assist small, rural utilities in developing sustainable management. It presents 10 Key Management Areas for sustainable development and then has the water district commissioners analyze their utilities based on those areas and begin to develop solutions to any issues identified. The 10 Key Management Areas are resource adequacy, product quality, customer satisfaction, community sustainability and economic development, employee and leadership development, financial viability, operational optimization, infrastructure stability, operational stability, and stakeholder understanding and support.

The Training Program consists of a total of six hours of instruction, which is broken down into five primary sessions. Those sessions are:

1. Overview of Key Management Areas: This session covers common challenges faced by utilities, including aging infrastructure, rate issues, and operational expenses, and characteristics of well-managed utilities, including the 10 Key Management Areas discussed above.
2. Utility 'Self-Assessment' Exercise: During this session, the commissioners are broken into groups to perform a self-assessment of their utility in which they rate their utility's level of achievement in the 10 Key Management Areas with the assistance of instructors.
3. Improving Outcomes: This session is designed to start utilities along the path of developing a management improvement plan.
4. Tools, Guides, and Other Resources: The sessions identify and discuss a number of government resources available to small water utilities to assist in their management.
5. Creating an Action Plan: The Commissioners' improvement plan is discussed, and the Commissioners develop a Sustainable Action Management Plan.

KWRRI requests that the program be approved to satisfy six hours of training for water district commissioners.

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 commissioner's initial appointment.² KRS 74.020(6) and (7) encourage water district commissioners who are not serving in their first year to complete six instructional hours of "water district management training approved by the Public Service Commission" in each educational year by allowing the commissioners to receive a raise if they complete that training each year.

KWRRI does not state whether it is seeking to have its training programs approved to satisfy the initial training requirements of KRS 74.020(8) or to satisfy the annual training requirements of KRS 74.020(6) and (7). However, "to ensure the adequacy and consistency of training for newly appointed water district commissioners, the Commission has determined that water district commissioners may no longer satisfy their initial training obligations by taking training courses offered by third parties," but rather, must complete

¹ See KRS 74.020(1).

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

the initial training offered by the Commission.³ Moreover, the Commission is only permitted to approve a program to satisfy the initial water district training requirements if it deems the program “equivalent to its program of instruction,” which is “intended to train newly appointed commissioners in the laws governing the management and operation of water districts and other subjects [the Commission] deems appropriate.”⁴ KWRRRI’s Training Program is not equivalent to the Commission’s program of instruction. Thus, the Commission is not able to approve KWRRRI’s Training Program to satisfy the initial training requirements for newly appointed water district commissioners as set forth in KRS 74.020(8).

The Commission has discretion in approving “water district management training” offered by third parties to satisfy the six hours of annual 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.”⁵ 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

³ Case No. 2018-00085, *Review of Training Required and Authorized by KRS 74.020 for the Commissioners of Water Districts* (Ky. PSC Mar. 15, 2018), Order at 3 (Water Training Order); *see also* Water Training Order at 5 (“To satisfy his or her training obligations set forth in KRS 74.020(8), every newly appointed water district commissioner must complete, within the first 12 months following the water district commissioner’s appointment, each and every core course described in the Appendix attached hereto, each of which will be offered at each of the Commission’s seminars.”).

⁴ *See* KRS 74.020(8)(a) (stating that the Commission “shall provide or cause to be conducted” the training program “[a]t least once annually”).

⁵ *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”).

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.⁶

KWRRI provided the information required by 807 KAR 5:070 and the Commission's Order in Case No. 2018-00085 in a timely manner. Based on that information, the Commission finds that training programs are of "high quality" and will enhance water district commissioners' understanding of their responsibilities and duties.⁷ Thus, the Commission conditionally approves and accredits Training Program to satisfy up to six hours of the training required by KRS 74.020(6) and (7) for water district commissioners.

IT IS THEREFORE ORDERED that:

1. KWRRI's September 23, 2019 Training Program is hereby conditionally approved and accredited for up to six hours of water district management training for water district commissioners seeking to satisfy the annual training requirements set forth in KRS 74.020(6) and (7).

2. The training programs may not be used by water district commissioners seeking to satisfy any portion of the initial training requirement for new water district commissioners required by KRS 74.020(8).

3. KWRRI shall retain a record of all water district commissioners attending each of the training programs.

⁶ Water Training Order at 4–5.

⁷ 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").

4. No Later than 30 days after each scheduled offering of the training programs, KWRRRI shall file with the Commission:

a. A sworn statement attesting that the accredited instruction was performed;

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

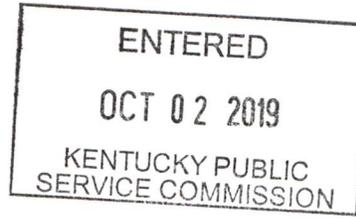
c. The name of each attending water district commissioner, his or her water district, and the number of hours that he or she attended; and

d. A copy of any written material given to water district commissioners attending the presentations if not previously provided.

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 to the relevant training program.

6. KWRRRI shall permit a representative of the Commission to attend the training programs 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



ATTEST:


Executive Director

*Lindell Ormsbee
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