

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF)	
NORTHERN KENTUCKY WATER DISTRICT)	
AND STOLL KEENON OGDEN PLLC FOR)	CASE NO. 2018-00091
ACCREDITATION AND APPROVAL OF A)	
PROPOSED WATER DISTRICT)	
MANAGEMENT TRAINING PROGRAM)	

APPLICATION

Northern Kentucky Water District (“NKWD”) and Stoll Keenon Ogden PLLC (collectively “Joint Applicants”) jointly apply for an Order from the Public Service Commission accrediting and approving a proposed water district management training program pursuant to KRS 74.020 and 807 KAR 5:070.

In support of their application, the Joint Applicants state:

1. NKWD is a water district organized pursuant to KRS Chapter 74.
2. NKWD’s mailing address is: 2835 Crescent Springs Road, Erlanger, Kentucky 41018-0640. Its email address is: lrechtin@nkywater.org.
3. NKWD provides retail water service to all or portions of Boone, Campbell, and Kenton Counties, Kentucky and provides wholesale water service to non-affiliated water distribution systems in Boone, Campbell, Kenton and Pendleton Counties, Kentucky.
4. NKWD is not a corporation, limited liability company or partnership. It has no articles of incorporation or partnership agreements.
5. Stoll Keenon Ogden PLLC is a Kentucky Limited Liability Company that was organized under the laws of the Commonwealth of Kentucky on December 28, 2005 and is currently in good standing. It provides legal services to local, regional, national and international clients.

6. Stoll Keenon Ogden PLLC's mailing address is: 300 West Vine Street, Suite 2100, Lexington, Kentucky 40507-1801. Its email address for purposes of this Application is: gerald.wuetcher@skofirm.com.

7. The Joint Applicants propose to sponsor and conduct a water management training program on March 26, 2018 at NKWD's offices in Erlanger, Kentucky. The program is entitled "Northern Kentucky Water Training 2018." A copy of the proposed agenda is attached to this Application as **Exhibit 1**.

8. As reflected in Exhibit 1, the proposed training program will include presentations on recent developments in utility regulatory law, including a general overview of recent Kentucky court and Public Service Commission decisions; the Public Service Commission's ratemaking treatment of employee compensation; regulatory issues surrounding meter testing and meter testing sampling; harassment in the workplace and employer responsibilities to ensure a harassment-free workplace; the findings and recommendations of the Kentucky Energy and Environment Cabinet's Working Group on Lead in Kentucky's Drinking Water; and a panel discussion on recurring legal issues present in the operation and management of water systems. These presentations will enhance the attendees' understanding of relevant legal issues involved in the management, operation, and maintenance of water treatment and distribution systems and are calculated to enhance and improve the quality of the management, operation and maintenance of the attendees' water systems.

9. The proposed training program will consist of six hours of instruction and should be accredited and approved for six credit hours of water district management training.

10. A biographical statement containing the name and relevant qualifications and credentials for each presenter is attached at **Exhibit 2** of this application.

11. The written materials to be provided to each attendee are attached at **Exhibit 3**. These materials are of the same type and nature as those provided at the accredited training program conducted at NKWD's offices for the past three years.¹ In addition to a copy of each speaker's presentation, the Joint Applicants will provide each attendee with a flash drive containing an electronic copy of applicable laws, regulations, Kentucky court decisions, and Commission orders, as well as several reference publications. Should any presenter revise or amend his or her presentation prior to the presentation or provide additional written materials to the attendees, the Joint Applicants will include a copy of the revised presentation with their sworn statement and report regarding the instruction.

12. The Joint Applicants have applied or will shortly apply to the Kentucky Bar Association and the Department of Local Government for accreditation of the proposed training program for six hours of Continuing Legal Education Credit and of Elected County Officials Training Incentive Program credit.

13. The Joint Applicants have sent notice of the proposed training program by electronic mail to the water districts and water associations that are under Commission jurisdiction as well as representatives of investor-owned utilities, county judge/executives, county attorneys, and members of the Kentucky Bar Association who are believed to have an interest in the proposed program's subject matter.

14. The Joint Applicants will retain a record of all water district commissioners attending the proposed training program.

¹ See *Application of Northern Kentucky Water District For Accreditation and Approval of A Proposed Water District Management Training Program*, Case No. 2017-00144 (Ky. PSC March 23, 2017); *Application of Northern Kentucky Water District and Stoll Keenon Ogden PLLC For Accreditation and Approval of A Proposed Water District Management Training Program*, Case No. 2016-00146 (Ky. PSC May 5, 2016); *Application of Northern Kentucky Water District and Stoll Keenon Ogden PLLC For Accreditation and Approval of A Proposed Water District Management Training Program*, Case No. 2015-00147 (Ky. PSC May 18, 2015).

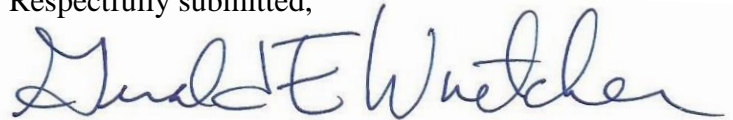
15. No later than May 31, 2018, the Joint Applicants will file with the Commission a sworn statement:

- a. Attesting that the accredited instruction was performed;
- b. Describing any changes in the presenters or the proposed program curriculum that occurred after certification;
- c. Containing 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. Including a copy of any written material given to the attendees that has not been previously provided to the Commission.

WHEREFORE, the Joint Applicants request that the Commission approve and accredit the proposed training program entitled “Northern Kentucky Water Training 2018” for six hours of water district management training.

Dated: March 12, 2018

Respectfully submitted,

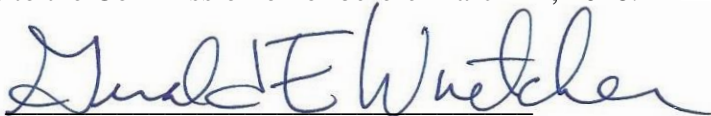


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Fax: (859) 259-3517

*Counsel for Northern Kentucky Water District and
Stoll Keenon Ogden PLLC*

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that the Joint Applicants' March 12, 2018 electronic filing of this Application is a true and accurate copy of the same document being filed in paper medium; that the electronic filing has been transmitted to the Commission on March 12, 2018; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original paper medium of this Application will be delivered to the Commission on or before March 14, 2018.

A handwritten signature in black ink, appearing to read "Gerald E. Wuetcher", written over a horizontal line.

Gerald E. Wuetcher

EXHIBIT 1

Northern Kentucky Water Training
Presented by
Northern Kentucky Water District & Stoll Keenon Ogden PLLC
March 26, 2018
2835 Crescent Springs Road
Erlanger, Kentucky

- 7:45 - 8:30 **Registration and Refreshments**
- 8:30 – 8:35 **Program Overview and Welcome**
- 8:35 - 9:35 **Recent Developments in Utility Regulation – Damon Talley**
This presentation reviews recent developments in public utility law and regulation. Special emphasis will be given to unaccounted water loss and obtaining Commission authorization before issuing or refinancing debt instruments. Other topics include wholesale water purchase agreements, franchises, laws enacted by the 2017 and 2018 General Assembly, and their effect on water utility operations. The presenter will also examine recent court and Commission decisions and possible trends represented by these decisions.
- 9:45 - 10:45 **Eliminating Harassment in the Workplace – Dave J. Welscher**
This presentation addresses various forms of harassment in the workplace. The presenter will discuss the formal and legal definition of harassment, provide common examples of such behavior, and identify approaches to respond to harassing behavior and to manage behavior to avoid harassment claims.
- 10:55 – 11:55 ***Special Session I* – PSC Consumer Services, One-on-One Discussion – Rosemary Tutt**
This is a question and answer session for utility customer representatives with the Manager of the Commission’s Consumer Services Branch. The requirements of the Commission’s regulation on customer relations will be examined in detail. Seating is limited.
- 10:55 – 11:55 **Public Service Commission Treatment of Employee Compensation**
In the past year, the Public Service Commission has more closely scrutinized employee compensation of water utilities and has significantly revised its ratemaking treatment of employee wages, salaries, and fringe benefits. This presentation reviews the change in PSC policies and provides suggestions for ensuring compliance with the new PSC policy, while avoiding unnecessary disallowance of employee compensation expenses and continuing to obtain the rates necessary to provide competitive employee salaries and benefits.
- 11:55 – 12:30 **Lunch (Included in Registration Fee)**
- 12:30 – 1:30 ***Special Session II* – PSC Consumer Services, One-on-One Discussion – Rosemary Tutt**
Second session.
- 12:30 – 1:30 **Extending Meter Service Life – Mary Ellen Wimberly**
Studies show water meters remain largely accurate for 15 years, but PSC regulations require 5/8-inch x 3/4-inch meters be tested or removed every 10 years. This presentation will discuss whether sample testing is the functional equivalent of testing each meter, the ANSI Standard method of sample testing the PSC has approved for gas and electric meters, and a utility’s recent effort to extend its meter service life to 15 years.

1:40 - 2:40

Keeping Lead Out of Kentucky's Drinking Water – Tom Gabbard

In 2016 the Kentucky Energy and Environment Cabinet assembled a group of experts from a broad spectrum of Kentucky's water infrastructure whose mission was to examine existing protocols, lead/copper rules, service line replacement programs, compliance monitoring activities, and public education efforts and to report its findings and recommendations on how to prevent lead from entering Kentucky's drinking water. The working recently completed its review and issued its report. The presenter will review the group's findings and recommendations.

2:45 – 3:45

Legal Issues in the Operation & Management of Water Systems – Panel Discussion

Panelists: Damon Talley, Gerald Wuetcher, John N. Hughes, David Koenig

A panel of attorneys will entertain audience questions regarding frequently recurring legal issues face by water utilities. Discussion is expected to address KRS Chapter 74 and its effects on the management and operation of water districts, as well as other highly relevant statutory provisions, such as the Whistle Blowers Act, Claims against Local Government Act, Bidding Requirements provision of KRS Chapter 424, Eminent Domain, Local Model Procurement Law and general laws related to special districts. Kentucky Public Service Commission regulatory requirements will also be discussed.

3:45

Closing Remarks/Administrative Announcements

EXHIBIT 2

Thomas (Tom) B. Gabbard
Assistant Director
Division of Water
300 Sower Blvd. Frankfort, Kentucky 40601
(502) 782-6952
tom.gabbard@ky.gov

Education:

BS Degree (1982) from Morehead State University in Environmental Science with an emphasis in Geology and minor in Geography.

Work Experience

Over 35 years of experience in the environmental field. Two years spent assisting in preparing an environmental impact study on the Means Oil Shale Project in Montgomery, Bath, and Menifee Counties.

Over 33 years with the Department for Environmental Protection's Division of Water. Various positions within the division involved the Enforcement Branch and Compliance and Technical Assistance Branch with 10 years as an Inspector, four years as a Regional Office Supervisor, and 13 years as Manager of CTAB providing oversight for the division's compliance related activities.

Also was a member of DEP's Environmental Response Team for 14 years. While in this role, he was the On Scene Coordinator for some of the largest spills in Kentucky. In 2000 the Marathon Petroleum Crude Oil Pipeline release of over 1 million gallons, Whiskey Spill into the KY River from the Wild Turkey Distillery that created one of the largest fish kills recorded in KY, and then the Martin County Coal Slurry Spill the largest inland slurry spill in the eastern US.

In October 2014, Mr. Gabbard was promoted to Assistant Director.

Professional Involvement

KY-TN AWWA
Water Environment Federation
KY River Authority (Secretary Proxy)
KY Board of Certification of Water Treatment and Distribution System Operators
KY Board of Certification of Wastewater System Operators

**John N. Hughes (Jack)
124 W. Todd St.
Frankfort, KY 40601
502 227 7270**

Admitted to Practice: Kentucky Supreme Court: 1976

Member Kentucky Bar Association

**U.S. District Court for the Eastern and
Districts of KY 1977**

U.S. Sixth Circuit Court of Appeals

**Education: Centre College, Danville Ky.
B.A. Government, Economics, 1971**

**University of Louisville Law School,
J.D., 1976**

Since 1989 I have been in the private practice of law limited to representation of telecommunications, natural gas, electric, private, public and municipal water and wastewater utilities in regulatory and related matters before the Kentucky Public Service Commission, state circuit and appellate courts, federal district courts and the Sixth Circuit Court of Appeals .

BIOGRAPHICAL INFORMATION

DAVID A. KOENIG
Attorney at Law
223 Main Street
P.O. Box 6205
Florence, KY 41022-6205
(859) 525-6161

EDUCATION:

College:	College of William & Mary 1968-1970
	University of Kentucky B.A., 1972
	University of Kentucky College of Law J.D., 1975

LEGAL EXPERIENCE:

1975 - Present	Attorney engaged in private practice.
1984 - 1986	Public Defender Boone District & Circuit Courts
1986 - 1988	Traffic Alcohol Prosecutor Boone County Attorney's Office
1990 - 1996	Domestic Relations Commissioner Boone Circuit Court
1992	Assistant Legal Counsel Northern Kentucky University
1997- 2007	Child Support Attorney Boone County Child Support Office

1997 - 1998 Assistant Commonwealth Attorney
Boone-Gallatin Commonwealth Attorney's Office

2007 - Present Assistant County Attorney
Boone County Attorney's Office

and

Director,
Boone County Child Support Office

RELEVANT LEGAL EXPERIENCE:

1992 – Present Counsel,
Boone County Water District

1998 – Present Co-Counsel,
Boone-Florence Water Commission

MISCELLANEOUS:

- Past President, Boone County Bar Association;
- Past Director, Northern Kentucky Bar Association;
- Past Board Member:
 - Family Service of Greater Cincinnati;
 - Tri-City YMCA;



Damon R. Talley

Of Counsel

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Louisville

500 West Jefferson Street

2000 PNC Plaza

Louisville KY, 40202-2828

T: 502.333.6000

F: 502.333.6099

PRACTICES

Utility & Energy

INDUSTRIES

Public Utility

BAR & COURT ADMISSIONS

Kentucky

Kentucky Supreme Court

U.S. District Court, Eastern District Of Kentucky

U.S. District Court, Western District Of Kentucky

United States Supreme Court

EDUCATION

University of Kentucky College of Law

1975, J.D.

University of Kentucky College of Engineering

1972, B.S.M.E.

Damon R. Talley

Damon serves as Of Counsel and is a member of the Utility & Energy practice. He practices out of the Louisville, Lexington and Hodgenville, 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.

He is a frequent speaker at training sessions sponsored by the Kentucky Rural Water Association, Public Service Commission, Division of Water, Utility Management Institute, and other Utility Industry Groups.

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. He served as a board member of the Kentucky Infrastructure Authority for 15 years (2000-2015), and was a charter member, a long-time board member and Board Chairman for two terms of the KY FFA Foundation, Inc. He also serves as a board member for a variety of other non-profit organizations.

ROSEMARY TUTT

Rosemary Tutt oversees the Kentucky Public Service Commission's Consumer Services Branch, which is responsible for investigating consumer complaints against the 1,500 utilities regulated by the Kentucky Public Service Commission, as well as handling the public's inquiries regarding the charges, rules and services of those utilities. The Branch consists of four investigators. Ms. Tutt began her employment with the Kentucky Public Service Commission in 2009. She was selected as Manager of the Consumer Services Branch in 2017.

DAVID J. WELSCHER MA, LPCC

25 Woodland Place Ft. Thomas, KY 41075

Cell 859-640-7621 Work 859-301-2570

Experience

- 2012-present **St. Elizabeth Health Care** **Edgewood, KY**
Employee Assistance Program
EAP Manager
- Manage day-to-day operations of the program.
 - Manage/Supervise EAP therapists and support staff.
- 1999-present **St. Elizabeth Health Care** **Edgewood, KY**
Employee Assistance Program
EAP Counselor
- Provide individual, couples and family counseling.
 - Conduct psychosocial assessments to determine the appropriate level and type of service needed.
 - Provide twenty-four hour crisis intervention services.
 - Coordinate referrals to community services
 - Provide Gatekeeping services.
 - Provide case management and follow-up services.
 - Develop and lead Psychoeducational trainings.
 - Provide Critical Incident Stress Debriefing.
 - Coordinate and manage out-of-area clinical cases.
 - Provide contract management to corporate clients.
- 1997-1999 **Partnership EAP** **Middletown, OH**
EAP Counselor
- Provide individual, couples and family counseling.
 - Develop and lead Psychoeducational trainings.
 - Critical Incident Stress Debriefing.
 - Manage out-of-area accounts.
 - Care Management for insurance companies
- 1990-1997 **St. Elizabeth Medical Center** **Edgewood, KY**
Therapeutic Assistant
- Provided direct patient care.
 - Led groups and provided one on one support for patients.
 - Crisis intervention.
- 1995-1997 **Sycamore High School** **Cincinnati, OH**
Student Assistance Counselor
- Developed and led student counseling groups.
 - Provided individual counseling.
 - Assisted in developing and organizing drug-free workshop.

- Assisted in various cooperative efforts with teachers, guidance counselors and administrators.

1996-1997 **Wilson & Conyne** **Cincinnati, OH**
Task Group Consultant

- Co-developed plan for a task group workshop.
- Led task group workshops at Deer Park Elementary School.

Related Experience

1992-1993 **Research Assistant**

- Administered and analyzed experimental material for presentation.

1993 **Psychology Lab Assistant**

- Supervised students performing psychological experiments.

Education

1988-1993 **Northern Kentucky University** **Highland Heights, KY**

- Bachelor of Science, Psychology

1994-1996 **University of Cincinnati** **Cincinnati, OH**

- Master of Arts, Counselor Education

Certifications

Licensed Professional Clinical Counselor - KY license # 0235
 Professional Clinical Counselor – OH license # E3354 (currently inactive)

References available upon request



Mary Ellen Wimberly
Direct Phone: 859.231.3047
maryellen.wimberly@skofirm.com

Mary Ellen Wimberly

Mary Ellen focuses her practice on Utility & Energy law, representing utility companies in regulatory proceedings before the Kentucky Public Service Commission and other state and federal agencies.

Previously as a Summer Associate at SKO, Mary Ellen conducted research, drafted motions and pleadings, and gained valuable insight into the challenges and opportunities facing a range of clients.

While earning her J.D. at the University of Kentucky College of Law, Mary Ellen was involved in the Women's Law Caucus and prepared tax returns through the Volunteer Income Tax Assistance Program.

Her background in finance and economics has turned Mary Ellen into a self-proclaimed numbers person. She uses her experience in business and numbers to "distill complex legal challenges into solutions for clients."

BAR & COURT ADMISSIONS

Kentucky

EDUCATION

University of Kentucky College
of Law
2016, J.D., magna cum laude

University of Kentucky
2013, B.S.B.E., summa cum
laude

RECOGNITION

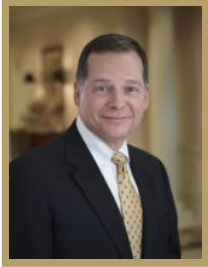
Singletary Scholar

Wethington Fellowship

John Todd Shelby Memorial
Merit Scholarship

Staff Editor, *Kentucky Law
Journal*, 2014-2016

Order of the Coif



Gerald E. Wuetcher

Counsel to the Firm

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PRACTICES

Utility & Energy

BAR & COURT ADMISSIONS

Kentucky

Kentucky Supreme Court

U.S. Court Of Appeals For The Armed Forces

U.S. District Court, Eastern District Of
Kentucky

U.S. District Court, Western District Of
Kentucky

EDUCATION

Emory University

1984, J.D.

Johns Hopkins University

1981, B.A.

Gerald E. Wuetcher

Jerry is Counsel to the Firm and a member of the Utility & Energy practice. He brings to Stoll Keenon Ogden more than 25 years of experience working at the Kentucky Public Service Commission, where he served as a staff attorney, deputy general counsel and executive advisor. He frequently appeared before the Commission in administrative proceedings involving electric, natural gas, water and sewer utility issues and represented the Commission in state and federal courts. Jerry also served as the Commission's representative in a number of interagency groups addressing water and wastewater issues. Between 2009 and 2013, he was the Commission's representative on the Board of the Kentucky Infrastructure Authority. Jerry developed and implemented the Commission's training program for water utility officials and served as an instructor for that program. He is frequent speaker on utility and local government issues before such organizations as the Kentucky Rural Water Association, Kentucky League of Cities, the Kentucky Association of Counties, and the Utility Management Institute.

Jerry served for 27 years in the United States Army as a judge advocate before retiring at the rank of Colonel in 2011. His service encompassed numerous roles on active duty and in a reserve status.

Jerry received his J.D. from Emory University in 1984, and earned his B.A. in History with Honors in 1981 from Johns Hopkins University. Jerry also serves as a member of Board of Trustees of the Woodford County Library and has previously served as an adjunct professor at the University of Louisville Brandeis School of Law.

EXHIBIT 3

RECENT DEVELOPMENTS IN UTILITY REGULATION

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



DISCUSSION TOPICS

1. E-mail Address
2. Franchises & Contracts
3. Prevailing Wages
4. Pension Expense
5. Borrowing Money

Continued . . .



DISCUSSION TOPICS

6. Cases to Watch
7. Skeletons in the Closet
8. 911 Funding Update
9. GASB 68 & NPL
PSC Rate Making







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

PSC Case No. 2016 - 310

Opened: 9 - 9 - 2016

Utility: Unlucky WD

Type: Show Cause Case

Issue: Ignored PSC Order &
Wrong E-mail Address

Settled: \$500 Fine



E-Mail Address

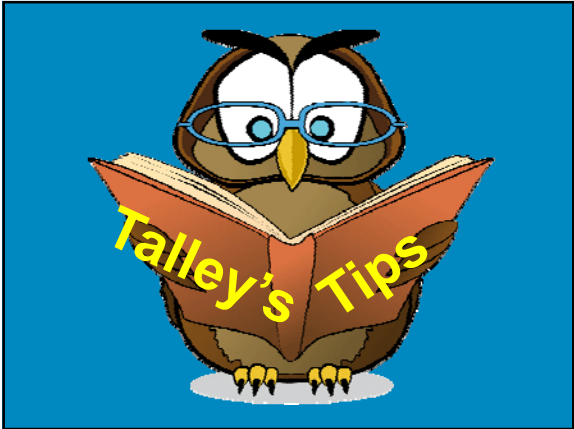
- Who Is Covered?
 - Water Districts
 - Water Associations
 - Investor Owned Utilities
 - **Municipal Utilities**



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
 - Ms. Gwen R. Pinson
Executive Director



**Franchises
and
Contracts**



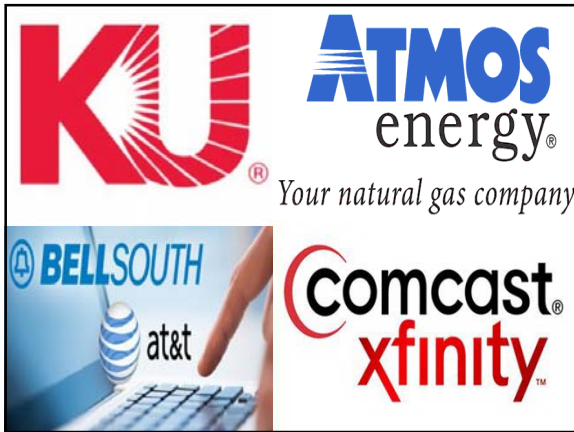
Franchise

- 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 W.D.
vs.
Crittenden-Livingston WD
Circuit Court
Case No. 2015-CI-00079
Opinion Rendered: 1-25-17
Status: On Appeal

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

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



Franchise Case
Crittenden - Livingston WD
vs.
Ledbetter WD
Court of Appeals
Case No. 2017-CA-000578
Briefs Filed: 7-31-17 & 9-21-17
Amicus Brief: 8-11-17
Status: Pending

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



Legal Analysis

- Does Water District Have Franchising Authority?
 - Constitution: **NO**
 - Judge: **YES**
 - Damon: **NO**

Circuit Judge's Rationale

- Sovereign Power → Franchise
- Water District is Sovereign Power
- Water District → Franchise
- Problem
 - Ignored Wording of Constitution

Legal Analysis

- Is Water Purchase Agreement a Franchise?
 - Constitution: Silent
 - Case Law: Silent
 - AG Opinion: Yes 1981
 - Judge: Yes
 - Damon: No

Circuit Judge's Rationale

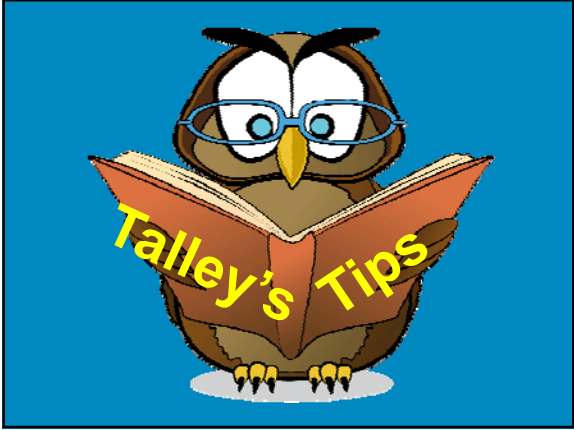
- "The court concludes that the Water Purchase Contract is in fact a franchise . . ."
- Conclusion
- No Explanation

KRWA's Role

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

What's Next?

- All Briefs Filed
- Oral Arguments ? ? ?
- C/A Decision ? ? ?
- Ky. Supreme Court ? ? ?



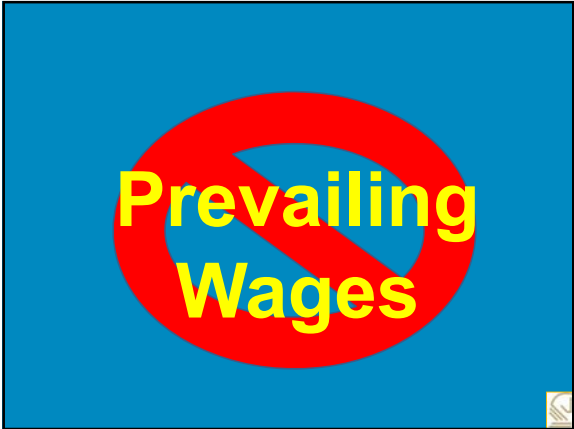
Your Role

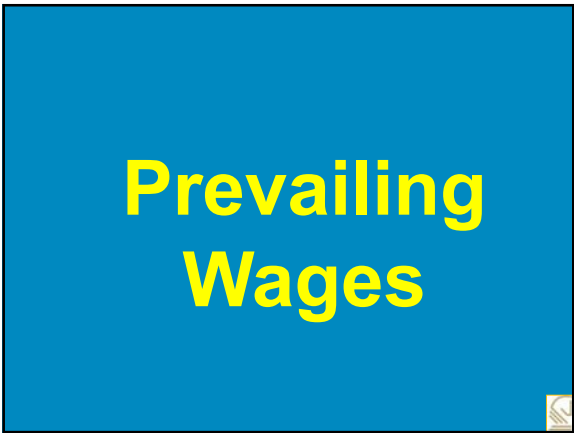
- Ruling Is Limited to Livingston County . . . for Now
- Don't Change Behavior . . . for Now
- Stay Tuned
- Alert KRWA

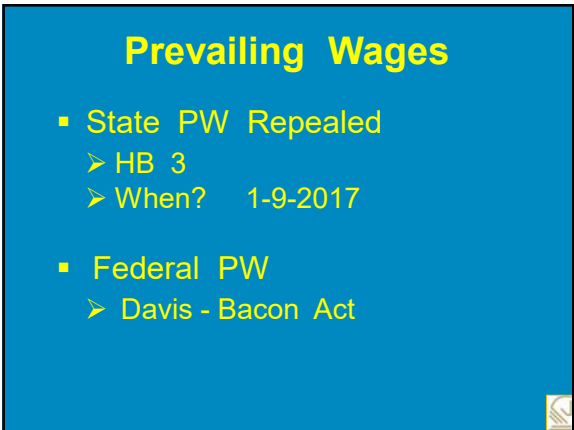


Prevailing Wages









Old Law

- State PW Triggered By:
 - Public Works Project
 - Public Authority and
 - Over \$250,000
- Funding Source Immaterial

Davis - Bacon Wages

- DB Triggered By:
 - Public Works Project
 - Public Authority and
 - **Funding Source**

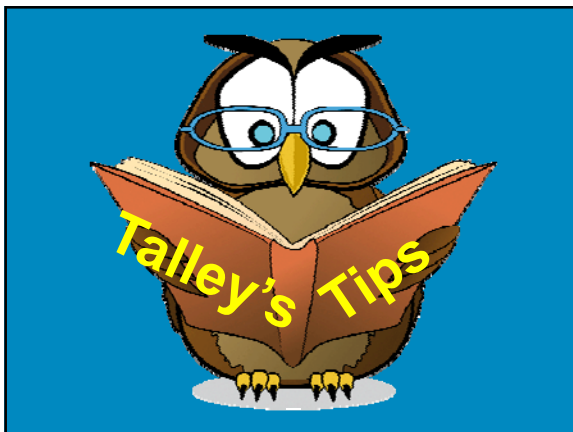
Davis - Bacon Wages ?

Funding Source	Yes	No
Reserve Funds		✓
RD		✓
KIA (Under Review)	✓	
CDBG	✓	
ARC	✓	
EDA	✓	

Davis - Bacon Wages ?

Funding Source	Yes	No
Tax Exempt Bonds		✓
KRWFC		✓
KLC		✓
KACo		✓
Multiple Sources	?	?






Davis - Bacon Wages

- Multiple Funding Sources
 - Does **Any** Funding Source Require DB Wages?
 - If Yes . . . Then Entire Project Requires DB Wages

Pension Expense

Pension Expense

- CERS
- Letter from State Budget Director
 - Revised Assumptions
 - Contribution Rate 
 - FYE 6-30-18 19%
 - FYE 6-30-19 29%
- Actual Rates: December 2017

Pension Expense

- 67 of 112 Water Districts
- 60% of Water Districts
- Increase:
 - Total: \$3,912,147
 - Average: \$ 58,390
 - Median: \$ 32,183



Pension Expense

	Utility (Water Districts)	Increased Pension Expense	Gallons Sold (000)	\$ Per 1,000 Gallons
1	East Clark	\$ 23,681	110,000	\$ 0.22
2	Farmdale	\$ 12,857	151,113	0.09
3	Hardin # 2	\$ 307,326	2,102,525	0.15
4	Henderson	\$ 39,694	337,801	0.12
5	LaRue	\$ 32,619	162,477	0.20


Pension Expense

	Utility (Water Districts)	Increased Pension Expense	Gallons Sold (000)	\$ Per 1,000 Gallons
6	Montgomery	\$ 6,117	34,089	\$ 0.18
7	Northern Ky.	\$ 762,756	7,810,113	0.10
8	North Marshall	\$ 43,829	397,160	0.11
9	North Nelson	\$ 20,185	261,887	0.08
10	Ohio County	\$ 78,113	475,182	0.16

Pension Expense				
	Utility (Water Districts)	Increased Pension Expense	Gallons Sold (000)	\$ Per 1,000 Gallons
11	Oldham Co.	\$ 82,578	1,286,711	\$ 0.06
12	So. Madison	\$ 32,462	263,225	0.12
13	Webster Co.	\$ 45,237	278,268	0.16
14				
15				

Options

- Absorb
- Pass Through to Customers
- Rate Increase
 - PSC
 - City Council
- **Change Law**




KRS 278.015

Purchased
Water
Adjustment

Law Change


P
E
A

ension
xpense
djustment



P E A

- Base Year: 2017
- Increased Pension Expense
- Divide by Gallons Sold
- Per 1,000 Gallons Adjustment
- Line Item on Bill



Law Changes

- Your Thoughts
- Convince
 - KRWA Legislative Committee
 - KRWA Board
 - Legislators



Municipal Utilities

- Convince City Council
- Ordinance
 - Enact Once
 - Automatic **PEA** Annually

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
 - 2 Renewals
(3 X 2 = 6 Years)





Violation

**Show
Cause
Case**



Method of Resolution

- Historically . . .
 - Acknowledge Mistake
 - Settle Out of Court . . . Very Quietly
 - Go to Training
 - Pay Small Fine
 - Stay Out of Trouble



Range of Outcomes

- No Show Cause Case Opened
- \$100 Fine (Suspended)
- Go to PSC Training
- \$250 Fine (Suspended)
- More Training (Manager Also)

Range of Outcomes

- No Show Cause Case Opened
- \$100 Fine (Suspended)
- Go to PSC Training
- \$250 Fine (Suspended)
- More Training (Manager Also)

...



Range of Outcomes (continued)

- ~~×~~ \$500 Fine (Sometimes Suspended)
- ~~×~~ \$500 Fine & Much More Training
- No More Settlements
- Public Hearing & Then Fined (Suspended)



Who Is Affected?

- Utility
- Current Commissioners
- Former Commissioners
- Manager
- Attorney
- Lender ???



Show Cause Case # 1

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

Timeline - Bond Refinancing

05 - 13 - 2013 Board Adopts Resolution
Borrow \$1,530,000
12 - 17 - 2014 PSC Application Filed
Borrow \$1,485,000
01 - 05 - 2015 PSC Order Issued
02 - 05 - 2015 KRWFC Bond Sale
02 - 19 - 2015 Loan Closing
Borrow \$2,780,000

Timeline

03 - 31 - 2015 Board Lawyer Filed
Docs
12 - 28 - 2015 ARF Application Filed
04 - 15 - 2016 Staff Report Issued
10 - 11 - 2016 Show Cause Order
11 - 16 - 2016 Informal Conference
12 - 13 - 2016 **Formal Hearing**
02 - 23 - 2017 Order

Facts

Total Savings: \$478,376
NPV Savings: \$326,209
Amount Approved: \$1,485,000 + 10%
Amount Borrowed: \$2,780,000

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

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



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

Talley's Take Aways

PSC Commissioners:

- Take Their Jobs Seriously
- Hands On
- Love Hearings
- Promote Transparency
- Oversight Means Oversight



PSC Case No. 2016-432

Filed: 12-29-2016

Utility: Hardin Co. WD No. 2

Type: Declaratory Order

Issue: 15 Year Meters
Sample Testing

Decided: ? ? ? ? ?

PSC Case No. 2017-070

Staff

Report: 6-30-2017

Utility: Monroe Co. WD

Type: ARF

Issue: Depreciation
Fringe Benefits

PSC Case No. 2017-246

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



PSC Case No. 2016-394

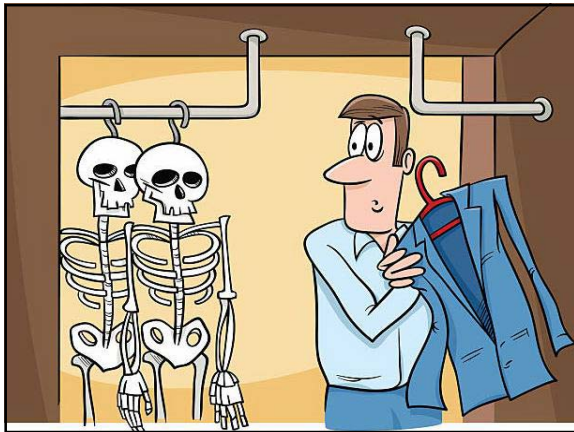
Filed: 11-18-2016
Utility: KAW
Type: Deviation
Issue: Annual Inspection of
Meters & Valves
Hearing: 10-31-2017



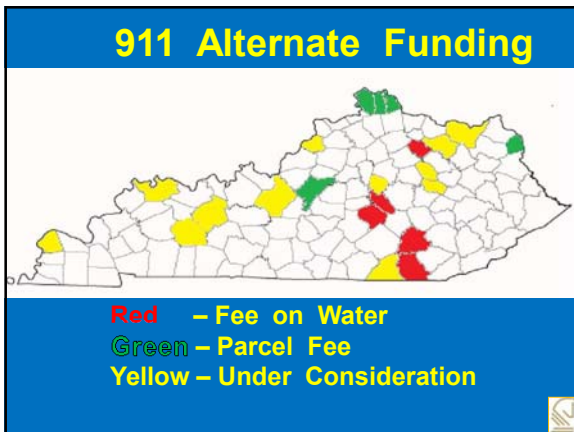
PSC Case No. 2016-427

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



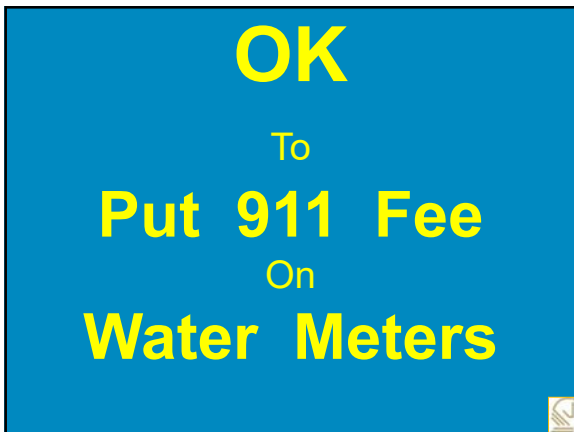


911 Funding Update















Garrard County Case

City of Lancaster, et al

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



Parcel Fee

▪ Occupied Residential & Commercial Properties

➢ Campbell County (8-17-13)

- Parcel Fee (Per Unit)
- \$45.00 per Year

➢ Kenton County

- Per Parcel, Not Per Unit
- \$60.00 per Year



Parcel Fee

- Campbell County Case
- Ky. SC Rules ... 10-29-15
(Became Final: 2-18-16)
 - Parcel Fee OK
 - Not a "User" Fee
 - Not a "Tax"
 - "Service" Fee

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?

Unresolved Legal Issues

- Does County Have Legal Authority to:
 - Impose 911 Fee on:
 - City Utility?
 - Water District?
 - Water Association?
 - Investor Owned Utility?

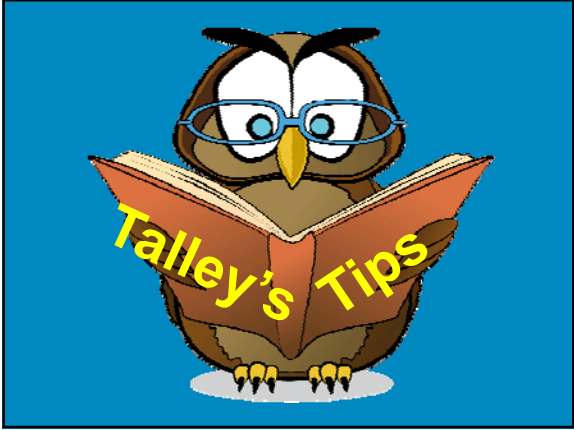


Current Status

- Campbell County – Parcel Fee OK
- Garrard Co. – Water Meter Fee OK
 - But **Wait!!!** Motion for Discretionary Review Filed
 - In Limbo


Your Role

- Prepare for PR Battle
- Stay Informed
- Be Vigilant
- Alert KRWA
- Don't Ignore the Problem



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)





GASB 68 & NPL PSC Rate Making

Background GASB 68

- CERS
 - Net Pension Liability
 - Utility's % of NPL
- GASB 68
 - Adopted: 2012
 - Effective:
 - Cities FYE 6-30-15
 - WDs FYE 12-31-15

Background GASB 68

- Purpose
 - Financial Statements Reflect Potential Impact of Unfunded Pension Liability
 - Each CERS Employer Reports Its % of NPL
- Impact on Rate Making

PSC Case No. 2016 – 163
Issued: 8-11-16 (Staff Report)
Utility: Marion Co. Water Dist.
Type: ARF Case
Issue: PSC Rate Making
Treatment Under
GASB 68 & NPL

Staff Report

- Thorough Analysis (21 pages)
- Cash Flow Needs
 - Utility's Cash Contribution to CERS
 - Ignores NPL for Rate Making
- Avoids Wide Fluctuations
- No Change – Revenue Requirements

Staff Report

- Balance Sheet Treatment
 - Complicated
 - Creates Regulatory Asset
 - Prevents "Big Hit"
 - Avoids Wild Fluctuations
- PSC Approved: 11-10-2016
- Adopted Staff Report

QUESTIONS?

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270-358-3187

STOLL
KEENON
OGDEN

Eliminating Harassment in the Workplace



Presented by:

St. Elizabeth EAP



OBJECTIVES

- Learn what harassment is in today's workplace.
- Learn what to do if you feel you are being harassed.
- Learn how to manage your behavior to avoid harassment and move toward diversity.

2

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The Formal Definition of Harassment

Speech can be punished as workplace harassment if it's:

- "severe or pervasive" enough to
- create a "hostile or abusive work environment"
- based on race, religion, sex, national origin, age, disability (including obesity), military membership or veteran status, or, in some jurisdictions, sexual orientation, marital status, transsexualism or cross-dressing, political affiliation, criminal record, prior psychiatric treatment, occupation, citizenship status, personal appearance, matriculation, tobacco use outside of work, Appalachian origin, receipt of public assistance, or dishonorable discharge from the military
- for the plaintiff and for a reasonable person.

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Hostile Work Environment

Conduct that has the purpose of or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment.



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Examples of Harassment

- Religious speech - both positive (preaching) and negative.
- Social and political commentary - "Men Working" signs.
- Jokes with an inappropriate Theme - off color jokes, cartoons, emails, etc.
- Art and music - socio-politically offensive, sexual theme or misogynistic.
- Accurate discussions about co-workers - just because it's true doesn't make it okay to discuss at work.
- Speech among consenting listeners - second hand information.

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Components of Harassment

- Harassment is in the eye of the beholder.
- Perception vs. intent
- For sexual harassment... Conduct of a sexual nature, sexual talk.
- Quid Pro Quo.
- Hostile Work Environment.

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Harassment Examples



- Pictures
- Jokes
- Looks
- Comments
- Vulgarities
- Humiliation
- Propositions
- Social Media

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Harassment Awareness

Of the following behaviors, check those that you think are part of the definition of harassment.

- Employees making fun of homosexuals at lunch.
- Pinups or pictures openly displayed in the workplace.
- Talking about one's religious views at work and trying to get other employees to attend their church.
- Subtle job-related threats to gain sexual favors.
- "Accidentally" brushing sexual parts of someone's body.
- Sexual innuendoes and dirty jokes.
- Racial slurs or jokes in an attempt to be funny.
- Monday morning retelling of weekend sexual conquests.
- Frequent "pep talks" with an obese coworker to encourage him to lose weight.

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Harassment Awareness (Cont'd)

Targets of harassment take the following actions:
(check all that apply)

- Quit their job.
- Try to ignore the behavior.
- Try to avoid the harasser.
- File a formal complaint or seek legal help.
- Go along with the behavior, acting as if they enjoy it.
- Tell the harasser to stop.
- Tell others about the harassment.
- Grin and bear it to protect their careers.

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True or False?

T/F -An organization can be held responsible for a harasser's actions, even in cases in which the employer has no actual knowledge of the harassment.


T/F -An organization is responsible for creating a harassment-free workplace. This includes monitoring the behavior of third parties such as clients & vendors or contractors.

T/F -People bring harassment problems on themselves by dressing or acting provocatively.

T/F -The intent of the person engaging in behavior others may identify as harassment is important in harassment cases.

T/F -If someone is harassed at an after-hours office party, the action is considered to have happened as part of the victim's social life & cannot be considered workplace harassment.

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True or False? (cont.)

T/F -In this day and age, most people think it is OK to make racial jokes or comments.

T/F -If a person is making comments about what he likes sexually about his partner to a coworker and another person overhears it, that third party cannot claim sexual harassment.

T/F -Harassers may be open to civil and criminal charges and may also place their organization at risk.

T/F -Women in jobs traditionally held by men are more likely to be victims of harassment than are other women.

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Why some well intended advances are seen as threatening:



- The threat is only in the eye of the beholder.
- Comfort levels are different.
- Perceived as threatening to their job.
- The feeling of physical threat.
- Context always plays a role.

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How to monitor your own behavior



- Would I say or do this in front of my grandmother or child?
- Would I say or do this in front of the boss or a customer?
- Would I be okay with someone treating my spouse or child this way?
- Watch others reactions to your comments.
- Be aware if you hold a position of authority.
- Be careful of the Golden Rule

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What to do if you feel you are being harassed.

- Tell a person in power.
- Know your company's policy.
- If you feel comfortable confront the individual.



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No one should endure harassment.

- You do not have to tolerate negative behavior.
- Values are important to your company:
 - respect
 - dignity
 - sensitivity
 - teamwork



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Summary


- Know your policy.
- Be responsible for your behavior.
- Report unwanted behavior.

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**PUBLIC SERVICE COMMISSION
TREATMENT OF EMPLOYEE
COMPENSATION**


Northern Kentucky Water Training Program
March 26, 2018

Gerald Wuetcher
Stoll Keenon Ogden PLLC
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ORDER OF PRESENTATION

- Legal Standards
- Salaries/Wages
- Bonuses
- Commissioner Salaries/Fringe Benefits
- Health Insurance Coverage
- Other Insurance
- Pension/Retirement Benefits

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LEGAL STANDARDS


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PRESUMPTION OF REASONABLENESS

Management decisions are presumed to be reasonable.

Presumption continues until shown:

- Expenses are inefficient/improvident
- Managerial discretion has been abused
- Action is contrary to the public interest
- Expenses are in excess of just and reasonable charges


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PSC AUTHORITY LIMITED TO REGULATION OF RATES AND SERVICE

- KRS 278.040 grants PSC the authority to regulate utility rates and service
- No authority to operate or manage the affairs of the utility
- PSC may disallow recovery of unlawful or unreasonable expense
- Disallowance of the expense does not prohibit the utility from incurring the expense, only from passing on to ratepayers through utility rates

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WAGES AND SALARIES

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**REVIEW OF WAGES & SALARIES:
ANNUAL WAGE INCREASES**


Potential Problem Areas

- Unusual or Disparate Increases in Salaries
- Excessive/Unreasonable Increases
- Unexplained Increases

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CASE NO. 2016-00054

- Water District Sought Rate Increase
- PSC Staff challenges annual increases for select employees who receive percentage increases greater than other employees
- PSC **disallowed** higher increases:
 "The annual wage rate increase for all employees should be comparable **unless there is evidence demonstrating a reasonable basis for a different increase amount**, such as when an employee receives a promotion for accepting additional responsibilities."

STOLL KEENON OGDEN PLLC 


CASE NO. 2016-00054

- AG challenged wage expense related to annual wage increase of **3% for all employees** & health, life & vision insurance (at no cost)
- PSC rejected challenges and found wage increase & fringe benefit package reasonable
- PSC focused not on reasonableness of the amount of increase but whether **the total compensation was unreasonable**

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CASE NO. 2016-00325

- Utility provided varying annual wage increases
- Range of increases: 3.0% to 4.5%
- No written explanation for variations
- No discussion in Board minutes
- GM provided explanation to PSC Staff
- PSC Staff recommends approval

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CASE NO. 2016-00325


- PSC accepts recommendation but expresses concerns
- Notes “the lack of information to evaluate salaries and wages paid to North Mercer’s employees, especially given that no basis or justification has been provided for its annual wage and salary increases”
- **Note:** PSC focus is on **ALL** increases

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CASE NO. 2016-00325


The Commission has begun placing more emphasis on performance-based evaluations of salary and benefits provided by utility providers as they relate to **competitiveness in a broad marketplace**. Future rate applications . . . should include a performance-based validation method to justify raises

Order of 5/29/2017 at 3-4

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CASE NO. 2017-00070

- Utility reviewed wages 2X annually:
 - Cost-of-living
 - Performance Evaluation
- Utility did not use a defined price index to establish cost-of-living increase
- Utility did not provide written evaluations
- Utility awarded all employees performance increases of 2%


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CASE NO. 2017-00070

PSC warns all water utilities:


In future rate cases, cost-of-living adjustments without a sound basis, such as a relevant inflation index or written performance-based metric, will be **disallowed.**

Order of 1/12/2018 at 16

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SUPPORTING WAGE/SALARY INCREASE

- Support for Wage/Salary Increases
 - Consumer Price Index
 - Bureau of Labor Statistics
 - Employee Performance Evals
- **Annual Increases In Excess of Cost of Living:**
 - Written Performance Evaluations
 - Other factors: Labor Market/Location
 - **Total Salary Comparison**

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SUPPORTING WAGE/SALARY INCREASE

- Document Wage Decisions
 - Bd Minutes should reflect Bd's reasoning for increases
 - Specific, detailed reasons preferred over general
- Implement Evaluation System to better support selective wage/salary increases
- **Avoid across-the-board performance raises**

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SUPPORTING WAGE/SALARY INCREASE

- Adopt written policy re: wage increases & evaluations
- Follow the policy
- Ensure Board witness can articulate basis for decision
- If competition for local labor is a basis for a wage increase, provide supporting info re: local labor market

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**REVIEW OF WAGES & SALARIES:
TOTAL SALARY AND WAGE LEVELS**

Are the Utility's Wages and Salaries Reasonable?

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CASE NO. 2015-00312


- Electric Utility Sought Rate Increase
- Attorney General (AG) raised concerns re: wage & salary increases/fringe benefits
- PSC:
 - Shares AG's concerns
 - No basis in record to justify determination that wages and benefits are not reasonable
 - Notes problems with studies re: wages

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CASE NO. 2015-00312

"[T]he Commission believes that employee compensation and benefits need to be more sufficiently researched and studied. The Commission will begin placing more emphasis on evaluating salary and benefits as they relate to competitiveness in a broad marketplace. Future rate applications will be required to include a salary and benefits survey that is not limited exclusively to electric cooperatives, electric utilities, or other regulated utility companies. The study must include local wage and benefit information for the geographic area where the utility operates and must include state data where available."

Order of 9/15/2016 at 15

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SUPPORTING SALARY/WAGE LEVELS

- Applications for Rate Adjustment should support any adjustment in test period expense **AND** total salary levels
- ARF Regulation/Application Form do not require such support – **PROVIDE ANYWAY**

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EMPLOYEE COMPENSATION: SUPPORTING SALARY/WAGE LEVELS

- Comparison with other utilities
 - KRWA Salary Survey
 - Kentucky League of Cities' Wage and Salary Survey
 - AWWA Wage/Salary Survey
 - Bureau of Labor Statistics
 - PSC Annual Reports


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EMPLOYEE COMPENSATION: SUPPORTING SALARY/WAGE LEVELS


- When using surveys, ensure appropriate category used
- PSC will closely examine/critique employees in excess of average
- Provide Complete Job Descriptions
- Identify Special Employee Skills & Education
- Emphasize Experience/Longevity w/Utility

Comparison of Water District Wages with State and National Water Industry Wages/Salaries

Job Title	Years Employed by District	Age	District Annual Pay	2016		2017		KRWA Average	KIC
				AWWA-50th Percentile	AWWA-Mid Average Salary	AWWA-90th Percentile	AWWA-Mid Average Salary		
General Manager	36	65	\$58,340.90	\$83,370.00	\$84,708.00	\$75,000.00	\$76,513.00	\$64,063.00	\$58,355.00
Office Manager	26	46	\$47,900.40	\$48,256.00	\$59,754.00	\$49,088.00	\$54,551.00	\$50,033.00	\$35,880.00
Distribution Crew Supervisor	20	46	\$45,614.40	\$56,000.00	\$56,496.00	\$53,800.00	\$54,449.00	\$46,522.00	\$46,236.00
Accounts Receivable II	20	60	\$33,006.00	\$47,996.00	\$52,701.00	\$47,935.00	\$53,689.00	\$35,394.00	\$33,006.00
Customer Service Rep Supervisor	17	62	\$39,540.80	\$52,358.00	\$48,804.00	\$50,534.00	\$48,463.00	\$30,142.00	\$35,652.00
Meter Tester/Equip. Operator II	15	56	\$40,623.40	\$47,000.00	\$47,803.00	\$45,000.00	\$45,462.00	\$37,348.00	\$35,652.00
Laborer II	11	42	\$30,036.20	\$37,950.00	\$43,873.00	\$38,872.00	\$36,506.00	\$37,348.00	\$38,375.00
Accounts Receivable I	6	38	\$25,854.40	\$40,000.00	\$40,804.00	\$38,480.00	\$39,239.00	\$35,394.00	\$33,006.00
Laborer I	7	47	\$26,948.44	\$37,950.00	\$43,873.00	\$38,872.00	\$36,506.00	\$30,344.00	\$38,375.00
Accounts Receivable I (2017 Hire)	0	30	\$24,294.40	\$40,000.00	\$40,804.00	\$38,480.00	\$39,239.00	\$35,394.00	\$33,006.00
Laborer (2017 Hire)	0	25	\$23,337.60	\$37,950.00	\$43,873.00	\$38,872.00	\$36,506.00	\$30,344.00	\$38,375.00


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BONUSES

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PSC RATEMAKING TREATMENT

- PSC has historically disallowed bonuses
- Reasoning:
 - Salary adequate
 - Non-recurring
 - Discretionary

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RECENT PSC CASES

- Case No. 2016-00325
 - WD provided 1 wk's salary for all employees
 - Paid at discretion of Board
 - Disallowed
- Case No. 2016-00435
 - WD provided \$4,800 gift cards to employees
 - "Incentive Pay"
 - AG objected
 - Disallowed

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LEGAL CONCERNS

- **Kentucky Constitution, § 3:**
no “grant[s] of exclusive, separate public emoluments or privileges shall be made to any man or set of men, **except in consideration of public services.**”
- **AG Opinion 62-1:**
The granting or award of bonus contravenes Constitution since it is using public funds for services not actually rendered


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SUGGESTED APPROACH

- Consider Implementing Incentive Compensation Policy to Overcome Legal Concerns
- Forego Rate Recovery of Bonuses
- If Seeking Rate Recovery, Be Prepared to Explain Why Existing Salary/Wage System Is Inadequate


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COMMISSIONER SALARIES/BENEFITS

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Commissioners' Salaries

- KRS 74.020 establishes Maximum Annual Salary at \$3,600
- Exception: \$6,000 Maximum if 6 Hours of Certified Water Management Training
- Fiscal Court Sets the Salary Level
- Failure to Attend Board Meetings does not affect right to salary

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Commissioners' Salaries

- Have Fiscal Court Ordinances re: salary level available for inspection
- Retroactive Approval of Salary Level Permitted
- Have proof of training attendance if compensation > \$3,600 awarded
 - Water District
 - Individual Commissioner


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Commissioners' Benefits

- Benefits must be same as those provide to WD Employees
- Free or reduced service
 - Requires PSC Approval
 - PSC Historically Denied
- Insurance benefits should not exceed those provided employees
- Future Issue: Why are benefits other than salary needed?


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HEALTH INSURANCE

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HEALTH INSURANCE: SUMMARY

- PSC reviewing employers' contribution for health insurance cost
- If employer's contribution (%) exceeds BLS estimate of national average, PSC **denies recovery** for excess
- PSC **encouraging** utilities to establish a policy that requires employees to pay a portion of health & dental insurance

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FACTORS CONTRIBUTING TO EMPLOYER'S HEALTH INSURANCE COSTS

- Deductible Levels
- Co-pay Amounts
- Benefit Levels
- Geographical Area
- Workforce Demographics
- Local Healthcare Market
- Firm/Bargaining Unit Size
- **Employer Contribution Rate**


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BLS: Estimate of National Average

Coverage	Average	Private Industry	State & Local Government
Family	68/32	67/33	71/29
Single	80/20	79/21	86/14


- STOLL KEENON OGDEN PLLC
- ### KAISER FOUNDATION REPORT (2016)
- 12% of Covered Workers – Employers paid full cost of single coverage
 - 30% of Covered Workers in Small Firms (> 200 employees) – Employers pay full cost
 - Covered Workers pay 18% of premium (single coverage) (17% for small firms)
 - Public Firms: Workers paid 8% of single coverage (small firms)

- STOLL KEENON OGDEN PLLC
- ### CASE NO. 2016-00169
- AG challenges utility's 100% payment of health, life & vision insurance premiums
 - PSC finds that employer contributions should be "more in line with other businesses" to reduce expenses
 - PSC: Majority of businesses do not pay 100% of employees' insurance costs
 - Expenses should be based upon National Average

STOLL KEENON OGDEN PLLC 


CASE NO. 2016-00169

- National Average based on BLS Study
- Limited to salaried Employees
- Union Employees exempted
- PSC **ORDERS** utility to limit to national average percentages its contributions to employee insurance

STOLL KEENON OGDEN PLLC 


CASE NO. 2016-00365

- RECC paid for single coverage; employee paid \$149/month for other coverages
- PSC: RECC should limit its contribution to BLS national average employer rate
- PSC: Expects RECC to **establish policy** to limit contribution & require all employees to pay portion of premium
- Portion of health insurance cost disallowed

STOLL KEENON OGDEN PLLC 


CASE NO. 2016-00325

- Water District paid 100% of insurance cost
- PSC Staff Rpt: Accepted w/o comment
- PSC: WD should exercise financial prudence & reduce expense related to employee benefits **by establishing policy** that requires employees to pay a portion of premiums
- Portion of health insurance cost disallowed
- WD given **no notice** of possible action

STOLL KEENON OGDEN PLLC 


CASE NO. 2016-00435

- Water District paid 100% of insurance cost
- PSC Staff Rpt: Accepted w/o Comment
- PSC: WD should exercise financial prudence & reduce expense related to employee benefits **by establishing policy** that requires employees to pay a portion of premiums
- Portion of health insurance cost disallowed
- WD given **no notice** of possible action

STOLL KEENON OGDEN PLLC 


CASE NO. 2016-00367

- RECC paid 100% of insurance cost
- PSC: RECC should exercise financial prudence & reduce expense related to employee benefits **by establishing policy** that requires employees to pay a portion of premiums
- Portion of health insurance cost disallowed

STOLL KEENON OGDEN PLLC 


CASE NO. 2016-00434

- RECC requires non-union employees to pay 8%, union employees to pay 10% of insurance cost
- PSC: RECC should increase efforts to rein in expenses **by establishing policy** that requires employees to pay an **increased percentage** of premium
- Portion of health insurance cost disallowed

STOLL KEENON OGDEN PLLC 


CASE NO. 2017-00070

- WD paid 100% of insurance cost (Single Coverage)
- PSC Staff Report: Determination of reasonableness of cost should be based upon total compensation costs (Wages + Health Insurance + Pension); WD's overall cost lower than others and should be considered reasonable

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CASE NO. 2017-00070

"The reasonableness of the cost of an employee compensation package . . . should be evaluated in its totality recognizing that the combination of the individual components included in an employee benefit package often vary widely from one business entity to another. One entity may provide higher wages with limits on other benefits when compared to another entity that offers lower wages while providing better insurance coverages or retirement benefits to remain competitive for employee services."

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CASE NO. 2017-00070

"As a result, evaluating the level of one benefit of a compensation package in isolation, such as wages or health insurance, without giving consideration to the level of all other benefits included with the package is neither fair, just, nor reasonable ."

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CASE NO. 2017-00070: AT HEARING

- WD offered evidence re: local job market competitors
- WD presented evidence cost of employee benefits vs. national cost of such benefits
- WD questioned use of BLS "private firm" percentage
- WD suggested use of Private Firm – Utility Rate

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CASE NO. 2017-00070: AT HEARING

- WD argued for use of State/Local Government Percentage
- WD argued PSC should apply same employee contribution rate that KY State Govt uses (11%)

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CASE NO. 2017-00070: PSC RESPONSE

- PSC "placing greater on evaluating employees' total compensation packages"
- Ignore Total Compensation Argument
- Applied Private Firm Rate
- Did not explain why Local/State Gov't Rate not applicable

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CASE NO. 2017-00070: PSC RESPONSE

- No rescission of PSC Staff findings re: total compensation
- No explanation why KY State Gov't rate should not be applied

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**HEALTH INSURANCE COSTS
DISALLOWED IN 2017-18**

- Last 13 WD rate cases:
 - Rule Applied/Costs disallowed – 9
 - PSC Hearing on Costs – 1 (Disallowed)
 - Allowed – 1
 - No health insurance costs – 3

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PSC ORDERS: COMMON CHARACTERISTICS

- No discussion of employer's health insurance plan specifics
- No comparison of employer's health costs with other utilities
- Ignores Utility and PSC Staff arguments and evidence
- No finding that employer's cost for health insurance is unreasonable

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PSC ORDERS: COMMON CHARACTERISTICS

- No explanation for use of the private firm standard or why other standards are inappropriate

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COMMISSIONER CICERO: PSC POLICY ON HEALTH INSURANCE BENEFITS

- Appearance before KY Chamber of Commerce Energy Conference (01/18/2018)
- All PSC Commissioners present
- VC Cicero stated PSC Policy
- Posted at <http://bit.ly/2sBUL1d>

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COMMISSIONER CICERO: PSC POLICY ON HEALTH INSURANCE BENEFITS

- “[F]or rates to be fair, just, and reasonable - both to the ratepayers and the utility - the utility’s employees should reasonably participate in the cost of their health and dental insurance premiums”
- “Absent any employee participation, PSC will apply 21% contribution for single & 32% for family”

COMMISSIONER CICERO: PSC POLICY ON HEALTH INSURANCE BENEFITS


“From a personal perspective, I’m concerned that the utility industry in general, regardless of the entity’s financial viability, seems to have a philosophy that health, dental and many other benefit programs should be completely or majority funded by the company; that somehow all employees, regardless of their skill level or occupation, are so valuable as to be irreplaceable.”

COMMISSIONER CICERO: PSC POLICY ON HEALTH INSURANCE BENEFITS

“Essentially, **utility employee benefits need to be market competitive** as measured against not only other utilities but other business sectors and public employees.”


COMMISSIONER CICERO’S POLICY ON HEALTH INSURANCE BENEFITS

The Commission has been questioned as to why it doesn’t utilize the statistical percentages for “Service-providing industries – utility category” instead of the “all workers” category. The reason is obvious: **if all utilities offer the same program benefits the comparative percentages will be skewed for that category.**

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COMMISSIONER CICERO'S POLICY ON HEALTH INSURANCE BENEFITS

I will emphasize this point - if the employee percent cost participation is not exactly at the standard percentage levels, but the company does require employee cost participation **at a reasonable level**, the Commission will not adjust those costs. However, the further the actual percentage is below the **standard statistical average percent participation**, the greater the probability that the Commission could make an adjustment.

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PROBLEMS WITH PSC APPROACH

- Due Process Concerns
 - No notice to utilities
 - Utility has no opportunity to confront BLS "National Average" Statistics
 - Failure to Address Utility Arguments
- KRS Chapter 13A: PSC adopts a rule without following proper procedure

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PROBLEMS WITH PSC APPROACH

- PSC Assumption: Utility Industry and Government payment of insurance costs is "skewed" – no supporting evidence
- Improper Use of BLS Statistics
 - No recognition of State/Local Gov't Data
 - Refusal to Use "Utilities Information"
- No empirical or statistical evidence to support any finding that current compensation costs are unreasonable

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PROBLEMS WITH PSC APPROACH

- PSC refuses to consider:
 - Insurance Policies of Utility
 - Local Labor Markets
 - Utilities' Efforts to contain/reduce health insurance costs
 - Reputable/recognized studies on issue

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RESPONSES TO PSC APPROACH

- Use Good Procurement Practices
 - Request Bids/Seek cost estimates from various suppliers annually
 - Document your costs/efforts to reduce costs
- Determine the amount of likely disallowance prior to filing and whether it is cost-effective to mount significant protest
- If not cost-effective, still document the record

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RESPONSES TO PSC APPROACH

- Compare **Total Compensation Cost** vs. Other Regulated Utilities/Municipal Utilities
- Offer comparisons of benefits/costs by other regional/state utilities (Use KRWA/KLC Surveys)
- Provide evidence on local labor markets
- Emphasize unique aspects of your workforce

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RESPONSES TO PSC APPROACH

- Consider differences between the quality of WD's insurance coverage & National Average Policy (e.g. deductibles, benefits)
- Propose use of BLS State/Local Government Category or KY State Contribution Rate
- Argue for use a different study for National Average (e.g., Kaiser Family Foundation)

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RESPONSES TO PSC APPROACH

- Consider challenging disallowance in response to PSC Staff Report (even if accepting PSC Staff recommended rates)
- Conditional Waiver
- If Hearing – Challenge PSC Staff's knowledge on utility's health insurance policy and understanding of utility industry's practices


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PSC AUTHORITY TO MANDATE EMPLOYEE CONTRIBUTION

- Level of Employer Contribution is a matter of managerial discretion
- PSC jurisdiction limited to ratemaking & rate recovery of employer contributions
- PSC **CANNOT** restrict the amount that an employer contributes to employee health insurance
- PSC **CANNOT** mandate that employees contribute to health insurance cost


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OTHER INSURANCE

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DENTAL INSURANCE

- PSC: National Average Employer Contribution is 60%
- Based upon Willis Benefits Benchmarking Survey (2015)
- Employer contribution is limited to 60% for ratemaking purposes


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LIFE INSURANCE

- IRS Ceiling for Employer-Provided Life Insurance: \$50,000 (>\$50,000 FICA taxes incurred)
- If Cost of Employer-Provided >\$50,000, must clearly demonstrate the need for this additional compensation


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PENSION & RETIREMENT BENEFITS


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PENSION/RETIREMENT BENEFITS

- No disallowances for contributions to WD retirement plans
- Limits for utilities with more than 1 retirement plan for employees
- Rate recovery limited to employer contributions to one plan if employees eligible for 2 or more retirement plans

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QUESTIONS









Meter Testing Requirements

- KRS 278.210
 - Establishes statutory standard for meters
 - Meter may not be more than two percent to the disadvantage of the customer (2% **fast**)



Meter Testing Requirements

- KRS 278.210(4):
 - “If a utility demonstrates through sample testing that no statistically significant number of its meters over-register above the limits set out in subsection (3) of this section, the meter testing frequency shall be that **which is determined by the utility to be cost effective.**”




Meter Testing Requirements

- 807 KAR 5:066, Section 15
 - Requires meters be tested prior to initial placement into service
 - Provides accuracy limits for new, rebuilt, and repaired cold water meters
 - Prohibits any new, rebuilt, or repaired meter from being placed in service if it does not register within accuracy limits




Accuracy Limits:
5/8 x 3/4 Inch Displacement Meters

- Maximum Rate
 - Flow Rate: 15 gpm
 - Accuracy Limit: 98.5-101.5%
- Intermediate Rate
 - Flow Rate: 2 gpm
 - Accuracy Limit: 98.5-101.5%




Accuracy Limits:
5/8 x 3/4 Inch Displacement Meters

- Minimum Rate
 - Flow Rate: 1/4 gpm
 - Accuracy Limit:
 - 95-101% (New and Rebuilt)
 - 90% (Repaired)



Meter Testing Requirements

- 807 KAR 5:066, Section 16
 - “Each utility shall test periodically all water meters so that no meter will remain in service without test for a period longer than specified[.]”
 - 5/8 x 3/4 Inch: 10 years



Significant Savings Example

- Utility: 5,000 meters
- Meter cost: \$100
- Annual Savings:
 - 10 years: 500 meters replaced yearly
 - 15 years: 333 meters replaced yearly
 - 167 fewer meters purchased annually → \$16,700 annual savings



Significant Savings Example

- Utility: 5,000 meters
- Meter cost: \$100
- Avoided Capital Expenditures:
 - Utility avoids replacing 2,500 meters over next five years (500 meters per year)
 - One-time savings: \$250,000



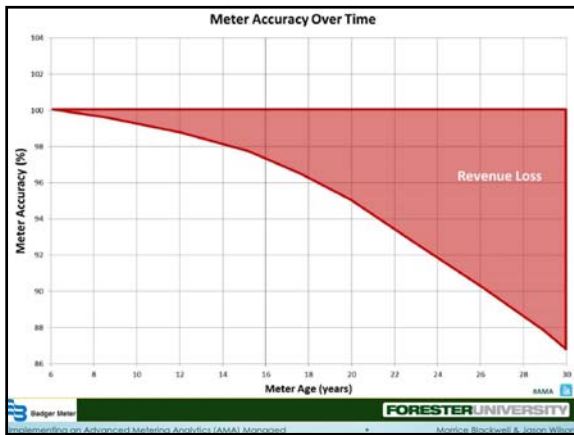
Meter Accuracy



Meter Accuracy

- Meter accuracy > 10 years
- Most meters warranted for accuracy for at least 15 years
 - Example: Sensus warranty
 - Sensus SR11: 15 years
 - Sensus iPERL: 20 years





Meter Accuracy

- Declining meter accuracy = slow meters
- Without regulation, utilities would change meters when revenue loss from slow meters > cost to replace meters



Utilities Achieving Extended Service Life



Warren County Water Dist. v. PSC

- Background
 - Case No. 89-110
 - Requested deviation for 14 years → received deviation for 10 years
 - Case No. 97-434
 - Requested deviation for 13 years → approved
 - Case No. 2003-00391
 - Requested to establish sample group → approved



Warren County Water Dist. v. PSC

- Case No. 2011-00220
 - Joint Applicants sought deviation from 10-year testing requirement based upon results of sample testing from Case No. 2003-00391
 - Testing Results:
 - Meters remained within standards for 15 years
 - Lost revenue from inaccurate meters did not exceed cost of testing until 21 years in service



Warren County Water Dist. v. PSC

- Utility: Cost-effective for meters to remain in service without testing for 21 years
 - KRS 278.210(4)
- PSC authorized deviation to permit meters in service for 15 years without testing
 - KRS 278.160(2): Utility may not charge more or less than filed rate schedules
 - KRS 278.170(1): Utility may not give preference or advantage for performing same service



Warren County Water Dist. v. PSC

- Utility brings action for review → REVERSED
- Franklin Circuit Court found:
 - Significant that meters do not over register
 - Sampling plan was cost-effective → met KRS 278.210(4)

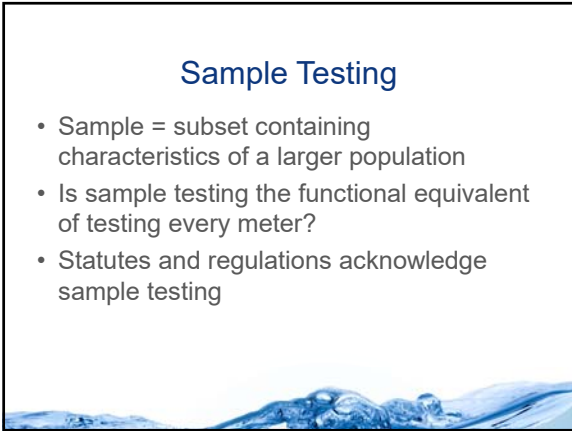


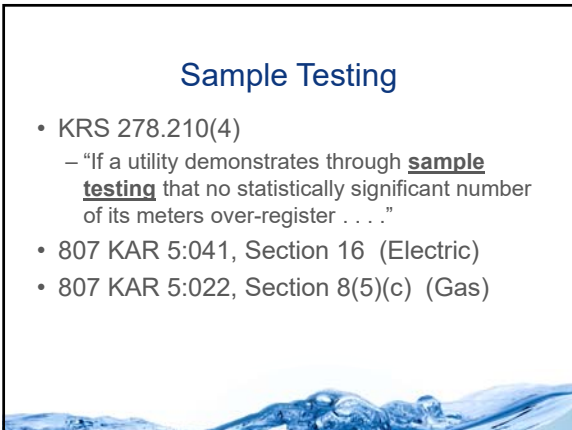
Case No. 2009-00253

- Kentucky-American sample tested group of meters
- Meters tested within standard after 15 years of service
- PSC extended time in service to 15 years for meters
- Estimated annual savings: \$90,000
- Estimated annual capital expenditure savings: \$545,000









Sample Testing

- ANSI/ASQ Z1.9-2003 (R2013), Sampling Procedures and Tables for Inspection by Variables for Percent Nonconforming ["ANSI Standard"]
 - Three Inputs
 - Acceptance Calculation



ANSI Standard

- Three Inputs
 - 1. Acceptance Quality Limit ("AQL")
 - Worst tolerable product average
 - Table A-1
 - PSC Cases
 - Use AQL of 2.0
 - Converts to 2.5

Table A-1
AQL Conversion Table

For specified AQL values falling within these ranges		Use this AQL value
–	to 0.109	0.10
0.110	to 0.164	0.15
0.165	to 0.279	0.25
0.280	to 0.439	0.40
0.440	to 0.669	0.65
0.700	to 1.09	1.0
1.10	to 1.64	1.5
1.65	to 2.79	2.5
2.80	to 4.39	4.0
4.40	to 6.99	6.5
7.00	to 10.9	10.0



ANSI Standard

- Three Inputs
 - 2. Inspection Level
 - Five different inspection levels
 - A7: "Unless otherwise specified, Inspection Level II shall be used."
 - PSC Cases
 - Inspection Level II



ANSI Standard

- Three Inputs
 - 3. Lot Size
 - Size of entire group
 - Example: Total number of meters of a certain age

ANSI Standard

- Variability Unknown – Standard Deviation
 - Double Specification Limit
- Sample Size Code Letter
 - Based upon inputs, Table A-2 provides Letter
 - 555 meters → Letter “J”

Table A-2
Sample Size Code Letters^a

Lot Size	Inspection Levels	
	Special S, S ₁ , S ₂	General I, II, III
2 to 8	B	B B C
9 to 15	B	B B B D
16 to 25	B	B B C E
26 to 30	B	B C D F
31 to 90	B	D E G
91 to 150	B	C E F H
151 to 280	B	D F G I
281 to 400	C	E G H J
401 to 500	C	E G I J
501 to 1,200	D	F H J K
1,201 to 3,200	E	G I K L
3,201 to 10,000	F	H J L M
10,001 to 35,000	G	I K M N
35,001 to 150,000	H	J L N P
150,001 to 500,000	H	K M P P
500,001 and over	H	K N P P

ANSI Standard

- Sample Size
 - Table B-3
 - Sample Size Code Letter “J” = 35
 - Must randomly select sample!
 - PSC has approved selections by Excel, billing software, or other computerized process
- Acceptability Criterion
 - Table B-3
 - Sample Size Code Letter “J” and AQL of 2.5 = 5.58

Case No. 2016-00432

Case No. 2016-00432

- Request: Sample testing satisfies 807 KAR 5:066, Section 16(1)
 - “Each utility shall test periodically all water meters . . .”
 - Does sample testing satisfy this requirement?
- Alternatively: Deviation from regulation requirements

Case No. 2016-00432

- Sample Testing at Minimum Flow Rate
- Yearly Selection of Sample Group
- Soft Cost Savings
- Different Meter Types
- Damaged Meters

Questions?

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Keeping Lead Out of Kentucky's Drinking Water

Presentation
Northern Kentucky
Water Training
Seminar
March 26, 2018

Thomas Gabbard
Kentucky Division of Water

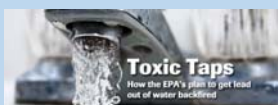


Flint, Michigan

- Population of 100,000 (down from 200,000 in 1970)
- 55% Black, 35% White, 10% Other
- 14.6% unemployment (2014)
- Median Household Income of \$24K; Michigan is \$48K
- 42% living below poverty level (2nd highest in nation)
- Median Home Value of \$29,000
- 10% with college degree



Flint Water Crisis



- Failure of water utility
- Failure of local government
- Failure of state government
- Failure of environmental regulator
- Major breach of public's trust in tap water



Flint Water Crisis

- City in receivership, under Emergency Management of State of Michigan
- Detroit supplied water to Flint since 1967
- Decided in 2013 to switch water supply from Detroit to the Karegnondi Water Authority (KWA) in order to avoid Detroit rate increases.
- Requires a pipeline to KWA to be complete in 2016
- In the interim, Flint reactivated their 1967 water treatment plant until pipeline is completed Lake Huron reactivate a 1972 water treatment plant to save money
- Discontinued Detroit Water Supply in April 2014
- This plan was approved by the State's Emergency Manager



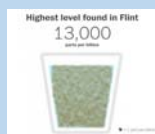
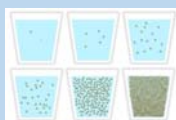
Flint Water Crisis

- In April 2014, water is treated by the Flint Water Plant with source from the Flint River
- Flint River is high in chlorides (corrosive)
- Flint did not treat for corrosion; Detroit used Ortho-phosphates for corrosion control
- Discolored tap water in Flint shows up, water was declared safe to drink by Michigan Regulators
- Flint cited for not meeting Disinfection By Products Rule (high THMs) in 2014



Flint Water Crisis

- High blood lead levels discovered in 2015, after research study by Hurley Medical Center in Flint
- Source determined to be Flint Tap Water
- Estimated 6,000 to 12,000 children affected
- Lead levels in tap water exceeded 13,000 ppb, 800 times EPA action level of 15 ppb
- Flint returned to Detroit Water in October 2015
- March 2016, samples in Flint still exceed 100 ppb (15 ppb is action level)




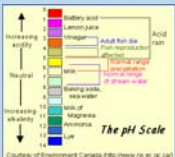
Water Comparison

Detroit Water:

- Source is Lake Huron, a stable, clean source
- Water exceeded EPA regulations
- Practiced corrosion control with ortho-phosphate treatment to coat metallic pipes
- Wholesaled water to Flint and other Michigan cities


Flint Water:

- Source is Flint River
- "Flashy" source water (high turbidity, industrial waste)
- Lower pH, more acidic than Detroit water
- No corrosion treatment to buffer water
- Dissolved the protective coating inside of lead pipes and plumbing fixtures
- Lead levels exceed 13,000 parts per billion (EPA action level at 15 ppb)


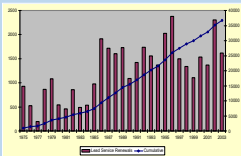
Louisville's Tap Water

- Louisville Pure Tap exceeds all EPA Drinking Water Regulations
- Consistently voted among the best Tap Waters in the United States (1982, 2008, 2013, 2015)
- Treats Ohio River Water (flashy river source like Flint)
- Adjust pH to 8.0 (slightly basic), using lime with a moderate calcium carbonate hardness (150-160 mg/l) to provide protective layer and corrosion control.
- Louisville has always complied with the 1991 EPA Lead and Copper Rule (< 15 ppb)



Louisville's Lead Program

- In 1935, Louisville had approximately 75,000 lead service lines
- Louisville phased out lead service lines beginning in 1937, replaced with copper tubing from water main to meter set to tail piece
- A proactive lead service line replacement program began in 1985, with a goal to replace 1,000 to 1,500 lead service lines each year.
- A lead service line inventory was conducted in 1987 to identify lead pipes from construction records, home age, field surveys and excavations.

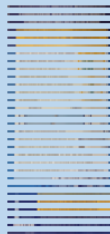
Louisville's Lead Program

- In 1985 a policy was adopted to replace any lead service line whenever discovered (leak, main replacement, excavation), or when customer requested replacement
- Approximately 7,500 lead service lines remain, goal to eliminate by 2025, estimated cost at \$18 to \$20 million
- Less than 10% lead service lines on public side have lead on private side of meter
- LWC has an on-line database for customers to ID lead pipes at www.louisvillewater.com



Louisville's Lead Program

- An active public and consumer education program was developed by LWC, including web site information, fliers, postcards, letters.
- Following the Lead Containment Control Act of 1988, Louisville Water began a partnership with public and private schools for:
 - ✓ Lead sampling
 - ✓ Water coolers/fountains that contained lead line tanks or fittings
- Partnership with schools continues today
 - ✓ Lead
 - ✓ Cross connection
 - ✓ Boil water



Kentucky Lead Workgroup

- Kentucky established a Lead Workgroup in March, 2016
- Diverse representation:
 - ✓ Small, medium and large utilities
 - ✓ Regulators
 - ✓ Academic
 - ✓ Engineering
 - ✓ Public Health
 - ✓ KY-TN AWWA, KY Rural Water, KMUA



Kentucky Lead Workgroup

- First meeting held April 20, 2016
- Workgroup meets monthly
- Sub-teams established in the following areas:
 - ✓ Public health impacts of lead
 - ✓ Kentucky compliance record with Lead and Copper Rule
 - ✓ Treatment/corrosion control
 - ✓ Distribution infrastructure
 - ✓ Financing lead replacement
 - ✓ Future lead regulations and legislation
 - ✓ Communications/Education

Kentucky Lead Workgroup

- Report to Be Issued No Later Than April 1, 2018
- Deliverables:
 - ✓ Power point presentations on each topic area
 - ✓ Briefing report by each sub-team/topic area
- Workgroup report will provide the following:
 - ✓ a summary of Kentucky's compliance with EPA's Lead and Copper Rule
 - ✓ Best practices for treatment of lead in drinking water
 - ✓ Best practices for removal of lead pipes, fixtures, etc.
 - ✓ Preparation for future regulatory changes (lower action levels)
 - ✓ Best practices for sharing lead information and educating consumers
 - ✓ Financing practices to fund replacement programs

Best Practices Emerging

- On-line lead database
- Free water sampling for lead
- Lead education materials
- Proactive lead replacement programs
- Lead replacement subsidy or finance program for homeowner's portion of lead piping
- Optimized water treatment for corrosion
- School partnerships for lead testing and lead plumbing replacement



Regulatory Possibilities:

- Reduction in Action level below 15 ppb
- Possibly a MCL for lead
- Change in sampling (cycles, size, frequency, locations)
- Strict water sampling protocol for lead
- Mandatory replacement programs (xx% per year)
- Mandatory lead education materials provided to for consumers
- Private lead line replacement requirements for homeowners
- Specific lead action steps for schools, daycares and public facilities



Questions ???
