

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ACCREDITATION AND APPROVAL OF A)	
PUBLIC SERVICE COMMISSION WATER)	CASE NO.
PERSONNEL TRAINING SEMINAR AS A)	2021-00477
WATER DISTRICT COMMISSIONER)	
TRAINING PROGRAM)	

ORDER

KRS 74.020(7) requires that this Commission “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.” KRS 74.020(8) requires the Commission to conduct a program of instruction “to train newly appointed commissioners in the laws governing the management and operation of water districts and other subjects that the Public Service Commission deems appropriate.”

Pursuant to these statutory mandates, the Commission conducted a virtual training seminar on July 13-14, September 7, October 5, and December 8-9, 2021. This seminar included instruction regarding trends in applicable laws and regulations, risk management, and utility administration.¹

Based upon a review of the course curriculum, the Commission finds that:

1. The course of instruction provided at this seminar will enhance a water district commissioner’s understanding of his or her duties.

¹ A course syllabus for the training seminar is appended to this Order.

2. The virtual training seminar on July 13-14, September 7, October 5, and December 8-9, 2021, should be approved for six credit hours of water district management training and for six hours of new water district commissioner training per day.

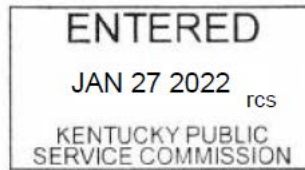
IT IS THEREFORE ORDERED that:

1. The 2021 Water Personnel Training Seminar, which the Commission conducted virtually on July 13-14, September 7, October 5, and December 8-9, 2021, is approved for six credit hours of water district management training and for six hours of new water district commissioner training per day.

2. Within 20 days of the date of this Order, Commission Staff shall file into the post-case referenced correspondence file for this case a list of the names of each attendee, his or her water district, and the number of hours that he or she attended this training program.

3. This case is closed and removed from the Commission's docket.

By the Commission



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2021-00477 DATED JAN 27 2022

FOURTEEN PAGES TO FOLLOW

2021 Virtual Water Training Seminar
Presented by the Public Service Commission
July 13-14, 2021

Day One

8:30 **Welcome/Overview**

8:30 – 10:00 **New and Annual Commissioner Training - PSC Regulatory Requirements** – (Birttany Koenig, Tina Fredrick, Jesse Fries, Ariel Miller, Sam Reid, PSC staff)

This presentation is a review of the Public Service Commission’s jurisdiction over water districts and the statutory and regulatory requirements that are imposed upon water districts as a result of their status as public utilities. The importance of seeking advance PSC approval of financing or for deviations from PSC regulations will be emphasized, as will the criteria which the PSC uses to evaluate such requests. Legal requirements for filings, including the necessity of representation by an attorney, also will be addressed.

10:00 – 11:00 **New and Annual Commissioner Training - Inspections, Water Loss and Physical Asset Management** – Roy Gray, Sam Reid (PSC staff); Kim Padgett (Rural Community Assistance Partnership)

This session will explain how the PSC conducts and follows up on inspection results. The PSC also is placing a greater emphasis on reducing unaccounted-for water loss. This will be a point of emphasis during inspections. The financial consequences of excessive water loss to a utility and to its customers also will be addressed. The session also will cover best practices in managing utility physical assets.

11:00 – 12:00 **Lunch – On Your Own**

12:00 – 1:00 **New and Annual Commissioner Training - Consumer Services** – Rosemary Tutt (PSC staff)

This presentation will focus on the regulatory aspects of customer relations. Topics include the Customer Bill of Rights, customer billing disputes, installation and termination of utility service, and the Commission’s informal and formal complaint processes. Presenter will also address landlord-tenant utility service issues, imputation of utility bills to family members, and the importance of tariffs and water user agreements.

- 1:00 – 2:00 **New and Annual Commissioner Training - Cybersecurity** – David Carter (Commonwealth Office of Technology)
This presentation looks at the emerging threats to utilities posed by hacking or other intrusions into utility computer systems. The presentation will focus on preventing such intrusions, particularly into the outward-facing portions of a utility's system, such as customer service portals or e-mail. Topics covered will include a review of hacking methods such as phishing or spoofing, and what policies should be in place to prevent them.
- 2:00 – 3:00 **New and Annual Commissioner Training - Training and Retaining Your Certificated Workforce** – Dennis Minch (KY Division of Compliance Assistance)
This will be an overview of the importance of proper licensing and training requirements concerning certified operators. This training will also focus on the requirements, job duties, and other functions required by operator certification, as well as the importance of the role of elected officials in this process. The relationship between elected officials and operators will also be discussed.
- 3:00 – 4:00 **New and Annual Training for Returning Commissioners**
Cautionary Tales: Avoiding Litigation – Birttany Koenig, Tina Fredrick, Jesse Fries (PSC staff) Join staff to discuss recent case studies of water districts called before the PSC to show cause as to why they should not be fined for behavior in violation of statutes and investigations of districts with historically poor performance of services and business practices. The discussion will include suggestions for eliminating long-term practices that have led to statutory violations, implementing policies to guard against political pressures that have led to weakening infrastructure, and structuring office management and staff to prevent a culture of "business-as-usual" and minimal oversight.

Day Two

- 8:30 – 9:30 **Annual Training for Returning Commissioners**
The New PSC Water Loss Calculation Form – Birttany Koenig, Tina Fredrick, Jesse Fries, Ariel Miller, Sam Reid (PSC staff)
The PSC is in the process of instituting a uniform requirement for reporting unaccounted-for water loss. This session will take a step-by-step look at the pending new reporting form and the data and calculations necessary to complete the form.
- 9:30 – 10:30 **New and Annual Commissioner Training - Ratemaking Basics** – Ariel Miller, Sam Reid (PSC staff)
PSC staff will discuss ratemaking issues of current interest, including recent changes in Commission treatment of depreciation, Alternative Rate Filing (ARF), and methods for establishing a utility's revenue requirements. Attention will also be given to recurring problems with rate adjustment filings and purchased water adjustment (PWA) applications. The ratemaking consequences of excessive water loss will be covered.
- 10:30 – 11:30 **New and Annual Commissioner Training - Board Operations and Requirements** – Birttany Koenig, Tina Fredrick, Jesse Fries (PSC staff)
This presentation will cover the basic duties and responsibilities of water district commissioners. These include the relationship with the county judge/executive and fiscal court, the hiring and supervision of water district senior staff, the conduct of board meetings, board recordkeeping requirements and other aspects of board operations.
- 11:30 – 12:30 **Lunch – On Your Own**

- 12:30 – 1:30 **New and Annual Commissioner Training - Accounting controls and internal auditing** – Ariel Miller, Sam Reid (PSC staff)
PSC Staff will describe common procedures in the proper management of internal controls applicable to small water districts and associations. Additionally, personnel issues and limitations to internal controls will be covered. The presentation will also briefly discuss KRS 74.050 and the duties of the treasurer of a water district with respect to the statute.
- 1:30 – 2:30 **New and Annual Commissioner Training – Ethics: A Practical Exercise** – Birttany Koenig, Tina Fredrick, Jesse Fries (PSC staff)
This presentation is a review of ethics laws and principles that affect water utility policy makers and managers. The presentation covers the statutory provisions addressing the standards of conduct for water district commissioners and employees as well as directors and officers of nonprofit water associations.
- 2:30 – 3:30 **Annual Commissioner Training - Board meetings, open records and open meetings – common issues** – Marc Manley (KY AG’s Office)
This session will be a participant-driven informal discussion of common problems that arise with respect to board meetings and district documents, particularly in relation to the Kentucky Open Meetings Act and the Kentucky Open Records Act.

2021 Virtual Water Training Seminar
Presented by the Public Service Commission
September 7, 2021

Day One

7:55 - 8:00 Welcome/Overview

8:00 – 9:00 **Annual Commissioner Training - PSC Regulatory Requirements**
Presented by: Brittany Koenig, Ariel Miller, Jason Green (PSC Staff)

This presentation is a review of the Public Service Commission's jurisdiction over water districts and the statutory and regulatory requirements that are imposed upon water districts as a result of their status as public utilities. The importance of seeking advance PSC approval of financing or for deviations from PSC regulations will be emphasized, as will the criteria which the PSC uses to evaluate such requests. Legal requirements for filings, including the necessity of representation by an attorney, also will be addressed.

9:00 – 10:00 **Sustainable Infrastructure through Preventative Maintenance**
Presented By: Kim Pagdett (RCAP)

As a water district board member, your most important responsibility is to ensure your system can deliver a safe and adequate supply of drinking water to your customers. To assist in that endeavor, this session will explore the assets of a drinking water system, the cost effectiveness of asset management and preventative maintenance, and their importance to system sustainability.

10:00 – 11:00 **Annual Commissioner Training – Inspections and Water Loss**
Presented by: Erin Donges, Jason Green (PSC Staff)

This session will explain how the PSC conducts and follows up on inspection results. The PSC also is placing a greater emphasis on reducing unaccounted-for water loss. This will be a point of emphasis during inspections. The financial consequences of excessive water loss to a utility and to its customers also will be addressed.

11:00 – 12:00 **Annual Training for Returning Commissioners - Cautionary Tales: Avoiding Litigation** Presented by: Brittany Koenig, Tina Fredrick (PSC Staff)

Join staff to discuss recent case studies of water districts called before the PSC to show cause as to why they should not be fined for behavior in violation of statutes and investigations of districts with historically poor performance of services and business practices. The discussion will include suggestions for eliminating long-term practices that have led to statutory violations, implementing policies to guard against political pressures that have led to weakening infrastructure, and structuring office management and staff to prevent a culture of “business-as-usual” and minimal oversight.

12:00 – 1:00

Lunch – On Your Own

1:00 – 2:00

Annual Commissioner Training - Ratemaking Basics Presented by: Ariel Miller, Jason Green (PSC Staff)

PSC staff will discuss ratemaking issues of current interest, including recent changes in Commission treatment of certain expenses, Alternative Rate Filing (ARF), and methods for establishing a utility’s revenue requirements. Attention will also be given to recurring problems with rate adjustment filings and purchased water adjustment (PWA) applications. The ratemaking consequences of excessive water loss will be covered.

2:00 – 3:00

Annual Commissioner Training - Accounting controls and internal auditing Presented by: Ariel Miller (PSC staff)

PSC Staff will describe common procedures in the proper management of internal controls applicable to small water districts and associations. Additionally, personnel issues and limitations to internal controls will be covered. The presentation will also briefly discuss KRS 74.050 and the duties of the treasurer of a water district with respect to the statute.

3:00 – 4:00

Annual Commissioner Training – Ethics: A Practical Exercise Presented by: Brittany Koenig, Tina Fredrick (PSC Staff)

This presentation is a review of ethics laws and principles that affect water utility policy makers and managers. The presentation covers the statutory provisions addressing the standards of conduct for water district commissioners and employees as well as directors and officers of nonprofit water associations.

4:00 – 4:30

Annual Commissioner Training – PSC Staff Q&A Presented by:
PSC Staff

This optional session will serve as a catch all for any questions related to the topics presented during the training as well as general questions that can be directed to PSC Staff.

Note: As always, PSC Staff **cannot** speak for the Commission, as the Commission can only speak through its orders. Any opinions or advice only represent the opinion of that Staff member.

2021 Virtual Water Training Seminar
Presented by the Public Service Commission
October 5, 2021

Day One

7:55 - 8:00 Welcome/Overview

8:00 – 9:00 **Annual Commissioner Training - PSC Regulatory Requirements**
Presented by: Brittany Koenig, Ariel Miller, Sam Reid (PSC Staff)

This presentation is a review of the Public Service Commission's jurisdiction over water districts and the statutory and regulatory requirements that are imposed upon water districts as a result of their status as public utilities. The importance of seeking advance PSC approval of financing or for deviations from PSC regulations will be emphasized, as will the criteria which the PSC uses to evaluate such requests. Legal requirements for filings, including the necessity of representation by an attorney, also will be addressed.

9:00 – 10:00 **Sustainable Infrastructure through Preventative Maintenance**
Presented By: Kim Pagdett (RCAP)

As a water district board member, your most important responsibility is to ensure your system can deliver a safe and adequate supply of drinking water to your customers. To assist in that endeavor, this session will explore the assets of a drinking water system, the cost effectiveness of asset management and preventative maintenance, and their importance to system sustainability.

10:00 – 10:30 **Annual Commissioner Training – Inspections and Water Loss**
Presented by: Erin Donges, Sam Reid (PSC Staff)

This session will explain how the PSC conducts and follows up on inspection results. The PSC also is placing a greater emphasis on reducing unaccounted-for water loss. This will be a point of emphasis during inspections. The financial consequences of excessive water loss to a utility and to its customers also will be addressed.

10:30 – 11:00

Annual Commissioner Training – Ethics: A Practical Exercise

Presented by: Brittany Koenig, Tina Fredrick (PSC Staff)

This presentation is a review of ethics laws and principles that affect water utility policy makers and managers. The presentation covers the statutory provisions addressing the standards of conduct for water district commissioners and employees as well as directors and officers of nonprofit water associations.

11:00 – 12:00

Annual Training for Returning Commissioners - Cautionary Tales: Avoiding Litigation

Presented by: Brittany Koenig, Tina Fredrick (PSC Staff)

Join staff to discuss recent case studies of water districts called before the PSC to show cause as to why they should not be fined for behavior in violation of statutes and investigations of districts with historically poor performance of services and business practices. The discussion will include suggestions for eliminating long-term practices that have led to statutory violations, implementing policies to guard against political pressures that have led to weakening infrastructure, and structuring office management and staff to prevent a culture of “business-as-usual” and minimal oversight.

12:00 – 1:00

Lunch – On Your Own

1:00 – 2:00

Annual Commissioner Training - Ratemaking Basics

Presented by: Ariel Miller, Sam Reid (PSC Staff)

PSC staff will discuss ratemaking issues of current interest, including recent changes in Commission treatment of certain expenses, Alternative Rate Filing (ARF), and methods for establishing a utility’s revenue requirements. Attention will also be given to recurring problems with rate adjustment filings and purchased water adjustment (PWA) applications. The ratemaking consequences of excessive water loss will be covered.

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Annual Commissioner Training - Accounting controls and internal auditing

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discuss KRS 74.050 and the duties of the treasurer of a water district with respect to the statute.

3:00 – 4:00

Kentucky's Underground Facilities Protection Law Presented by:
Tina Fredrick (PSC Staff)

This session will detail Kentucky's Underground Facilities Protection Law and changes to the law that go into effect Jan 1, 2021.

4:00 – 4:30

Annual Commissioner Training – PSC Staff Q&A Presented by:
PSC Staff

This optional session will serve as a catch all for any questions related to the topics presented during the training as well as general questions that can be directed to PSC Staff.

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2021 Water Training Seminar
Presented by the Public Service Commission
December 8-9, 2021

Day One

7:55 - 8:00 Welcome/Overview

8:00 – 9:30 **Sustainable Infrastructure through Preventative Maintenance**
Presented By: Kim Pagdett (RCAP)

As a water district board member, your most important responsibility is to ensure your system can deliver a safe and adequate supply of drinking water to your customers. To assist in that endeavor, this session will explore the assets of a drinking water system, the cost effectiveness of asset management and preventative maintenance, and their importance to system sustainability.

9:30 – 10:30 **Inspections and Water Loss** Presented by: Erin Donges, Jason Green (PSC Staff)

This session will explain how the PSC conducts and follows up on inspection results. The PSC also is placing a greater emphasis on reducing unaccounted-for water loss. This will be a point of emphasis during inspections. The financial consequences of excessive water loss to a utility and to its customers also will be addressed.

10:30 – 11:30 **PSC Water Loss Calculation Form** – Ariel Miller, Jason Green (PSC staff)

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imputation of utility bills to family members, and the importance of tariffs and water user agreements.

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This presentation looks at the emerging threats to utilities posed by hacking or other intrusions into utility computer systems. The presentation will focus on preventing such intrusions, particularly into the outward-facing portions of a utility's system, such as customer service portals or e-mail. Topics covered will include a review of hacking methods such as phishing or spoofing, and what policies should be in place to prevent them.

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Ethics: A Practical Exercise Presented by: Brittany Koenig, Tina Fredrick (PSC Staff)

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Day Two

7:55 - 8:00

Welcome/Overview

8:00 – 9:30

Ratemaking Basics Presented by: Ariel Miller, Jason Green (PSC Staff)

PSC staff will discuss ratemaking issues of current interest, including recent changes in Commission treatment of certain expenses, Alternative Rate Filing (ARF), and methods for establishing a utility's revenue requirements. Attention will also be given to recurring problems with rate adjustment filings and purchased water adjustment (PWA) applications. The ratemaking consequences of excessive water loss will be covered.

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1:00 – 2:00

PSC Regulatory Requirements Presented by: Brittany Koenig, Ariel Miller, Jason Green (PSC Staff)

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evaluate such requests. Legal requirements for filings, including the necessity of representation by an attorney, also will be addressed.

2:00 – 3:00

Board Operations and Requirements – Tina Fredrick, Brittany Koenig (PSC staff)

This presentation will cover the basic duties and responsibilities of water district commissioners. These include the relationship with the county judge/executive and fiscal court, the hiring and supervision of water district senior staff, the conduct of board meetings, board recordkeeping requirements and other aspects of board operations.

3:00 – 4:00

Training and Retaining Your Certificated Workforce – John Walker (KY Division of Compliance Assistance)

This will be an overview of the importance of proper licensing and training requirements concerning certified operators. This training will also focus on the requirements, job duties, and other functions required by operator certification, as well as the importance of the role of elected officials in this process. The relationship between elected officials and operators will also be discussed.

4:00 – 4:30

Annual Commissioner Training – PSC Staff Q&A Presented by: PSC Staff

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