



Kentucky Public Service Commission
Water Commissioner Training
2022

TEAM
KENTUCKY



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July 19, 2022

2022 TRAINING ATTENDEES

RE: Training Materials

Commission Staff have compiled select statutes and Commission regulations that will be discussed during Water Commissioner Training and have provided current copies in this packet. It is our hope that this will aid our discussion and provide you with a resource as you serve your utility.

Kentucky's legal code, the "Kentucky Revised Statutes," can be accessed free of charge at: <https://apps.legislature.ky.gov/law/statutes>

Commission regulations can be accessed free of charge at:
<https://apps.legislature.ky.gov/law/kar/titles/807/005/>

These statutes and regulations are current as of this training, and may be used as a resource, but they are not an adequate substitute for competent legal representation in any given situation.

The Commission speaks only through its orders. Therefore, the opinions of Staff expressed throughout this training may not accurately reflect the views of the Commission in a matter before the Commission.

Sincerely,

Commission Staff



Action Ideas

ASSET MANAGEMENT PLAN

COST OF WATER LOSS $\frac{1}{2}\%$

COPY OF MIN WATER SALARY WAS APPROVED
RECORDS OF TRAINING

MEETING WITH PSC

FORMAL CONFERENCE TO SETTLE BOUNDARY
DISPUTES
2017-00316

* REVIEW TARIFF

ARF FILING

(BASB-68)

(BONDING AMOUNT FOR TREASURER?)

CALC. WATER LOSS FORM (NEW)

AMIEL MILLER

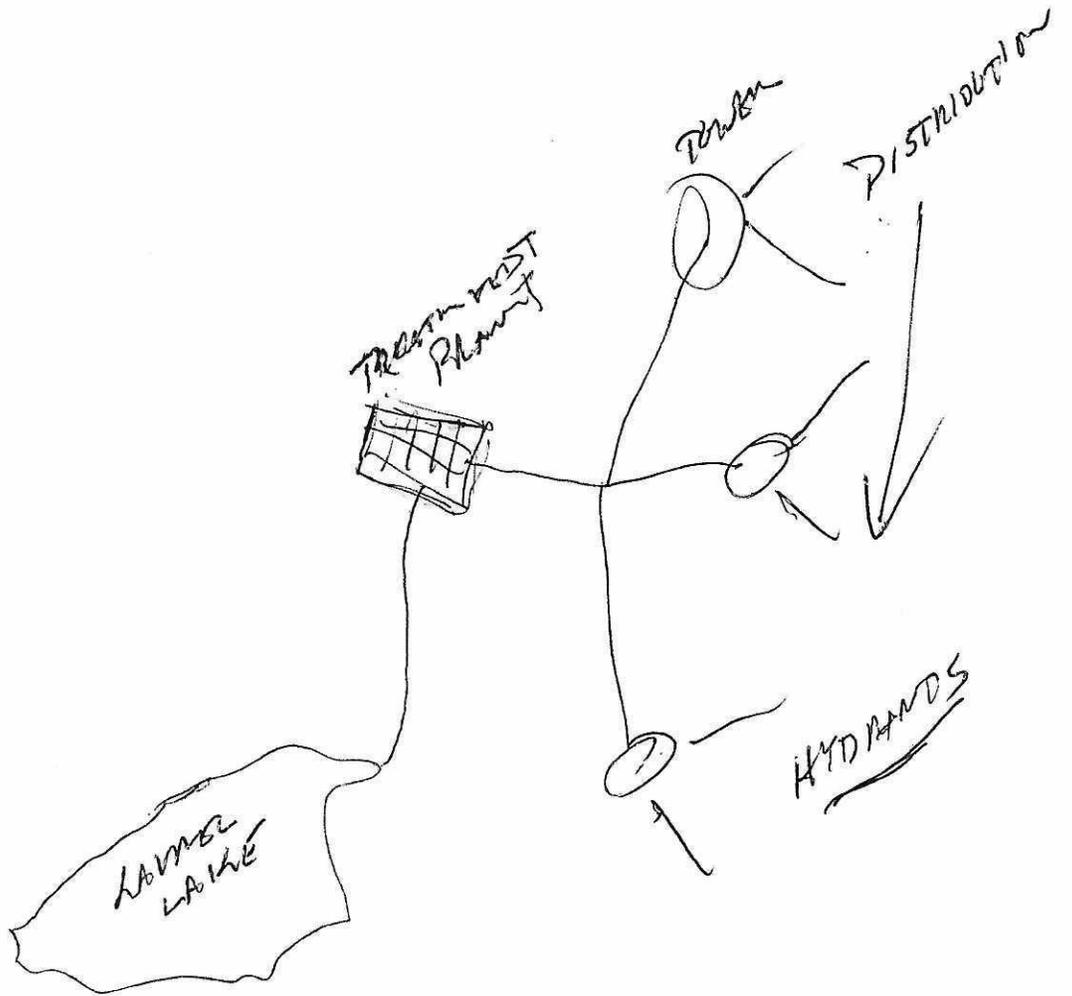
IF F.C. APPROVES INS. CAN BE

TAKEN IN LIEU OF \$

SACRAMENTO

CSUS COURSES

KRW KY APPRENTICESHIP PROGRAM



2022 Water Training Seminar
Pine Mountain State Resort Park
Presented by the Public Service Commission
20-21, 2022

Day One

7:55 - 8:00

Welcome/Overview

8:00 – 9:30

PSC Regulatory Requirements Presented by: Brittany Koenig
(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.

9:30 – 10:30

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.

10:30 – 11:30

Ethics: Practical Examples to Avoid Litigation Presented by:
Brittany Koenig (PSC Staff)

Join staff to discuss the ethics laws and the statutory provisions addressing the standards of conduct for water district commissioners and employees as well as directors and officers of nonprofit water associations. The discussion includes 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. Staff will give suggestions for eliminating long-held practices that have led to statutory violations, implementing policies to guard against political pressures that have led to weakening infrastructure, and structuring office management to implement basic business practices to meet regulatory requirements.

11:30 – 12:30

Lunch – On Your Own

12:30 – 1:30

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.

1:30 – 2:30

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.

2:30 – 3:30

Inspections and Water Loss Presented by: Taylor Stamper, 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.

3:30 – 4:30

PSC Water Loss Calculation Form – Ariel Miller, Jason Green (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.

Day Two

7:55 - 8:00

Welcome/Overview

8:00 – 9:30

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 went into effect Jan 1, 2021.

9:30 – 11:00

Board Operations and Requirements – Tina Fredrick (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.

11:00 – 12:00

Lunch – On Your Own

12:00 – 1:30

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.

1:30 – 3:00

Training and Retaining Your Certificated Workforce – BJ Bland
(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

Consumer Services – Travis Leach (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.