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May 8, 2012

Mr. Gary Larimore
Ms. Janet Cole
Kentucky Rural Water Association
P.O. Box 1424
Bowling Green, Kentucky 42102-1424

Re: Case No. 2011-00438
Kentucky Rural Water Association

Dear Ms. Cole and Mr. Larimore:

The enclosed documents have been filed in the record of the above-referenced case. Any objections to this action should be submitted to the Commission within five days of receipt of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

gw
Enclosures

From: [Gary Larimore](#)
To: [Wuetcher, Jerry \(PSC\)](#)
Cc: [DAMON TALLEY, PSC](#)
Subject: North Marshall WD Board Training
Date: Tuesday, January 10, 2012 12:52:34 PM
Attachments: [North Marshall Board Training Agenda.docx](#)

Jerry:

Please find attached a summary explanation of the Agenda that was presented to the North Marshall Water District Commissioners on August 11, 2011. I believe it accurately reflects the instruction that was presented by Andy Lange and I during the training session. If appropriate, please include this with the earlier information that was submitted in regard to this matter.

If I need to redirect this correspondence to someone else or if there is need for additional information, please advise.

Gary Larimore
Kentucky Rural Water Association

"Helping Water and Wastewater Utilities Help Themselves"

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Board Commissioner Training
North Marshall Water District

Presented by

Kentucky Rural Water Association

August 11, 2011

AGENDA

9:00 – 11:00 - Welcome / Introduction – Opening Comments and Overview

State of Commonwealth – Kentucky Water Statistics Update

Legal Nature of Water Districts

This session included a short presentation by the Marshall County Judge Executive Mike Miller. Judge Miller expressed his gratitude to each individual for agreeing to serve as Commissioners of the North Marshall Water District. He stressed the importance of their positions and their overall responsibilities to serving the customers and citizenry of Marshall County. Judge Miller spoke briefly of the past history of the water district and its original mission of providing water to Marshall County. Judge Miller stressed the importance of education and commended them for the very positive start of their new roles as water district Commissioners.

Each of those in attendance gave a brief statement about their background, education, vocation and overall experience with governing. This meeting was the first time that several of these individuals had met. The facilitators used this time to interact with the commissioners and to expound on their strengths, weaknesses and expectations.

The new Commissioners had limited knowledge of the water industry and related state and federal regulatory agencies (Division of Water, Public Service Commission, Kentucky Infrastructure Authority, and Rural Development). There were lengthy discussions regarding each agency's jurisdiction and its relationship to Kentucky water utilities. The discussions included overviews of the Safe Drinking Water Act, Clean Water Act, various forms of water utilities in Kentucky, their similarities and differences to the North Marshall Water District, consolidations, and mergers. The facilitators discussed the legal nature of water districts as well as laws affecting public utilities in the Commonwealth of Kentucky (KRS 278, KRS 74, KRS 65, and KRS 96). The emphasis on this part of the discussion was where to locate information for future resource and study.

11:00 – 12:00 - Board and Manager

This session focused on the roles and responsibilities of a Board as a whole and individually. There was detailed discussion regarding the relationship of a Board and Manager and the characteristics of a good board member and a good manager. Various board policies were covered which included, Budgets (operating & capital), Personnel, Compensation & Classification, Purchasing, Investment, Rates and Charges, and Customer Service.

12:00 – 1:00 – Lunch

1:00 – 3:00 - Board and Manager / Boardsmanship

The afternoon session began with an overview of different types of board reports. What types of reports should a board **want** to see? What types of reports does the board **need** to see? Examples of technical reports, financial reports and management reports were distributed and thoroughly discussed. Specific duties of a water district board were highlighted, as well as board officers and their responsibilities. The legal standard of care was discussed. Although there is no statutory standard of care for water districts, the statutory standard of care for water associations is instructive for water districts, “informed basis,” and KRS 273.215(2). Board meetings were discussed, both regular and special meetings. Preparation for meetings, conducting meetings, action by individual board members outside of meetings, preparation of minutes, and the need for the board to adopt a “Board Governance & Policy Manual” were all discussed during this session.

3:00 – 4:00 - Financial Conditions, Rates, Tariff and the PSC, Other issues

This session was devoted to answering commissioner questions that had not been thoroughly answered. North Marshall’s financial trends and rate comparisons were discussed using the two handouts prepared from PSC annual reports and current tariffs. There were still several inquiries regarding the North Marshall Water District’s ongoing personnel issues, job descriptions, current tariffs (non-recurring charges), and territorial, dissolution, consolidation and merger issues.