

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
RURAL WATER ASSOCIATION FOR)	CASE NO.
ACCREDITATION APPROVAL OF)	2024-00292
COMMISSIONER TRAINING AND CONTINUING)	
EDUCATION CREDIT)	

ORDER

On September 11, 2024, Kentucky Rural Water Association (KRWA) filed an application¹ for approval and accreditation, pursuant to KRS 74.020(6) and (7) and 807 KAR 5:070, for the proposed water district management training titled *Water Commissioner Training* (Training Program) scheduled to take place on October 19, 2024, at the Purchase Area Development District, in Mayfield, Kentucky.²

DESCRIPTION OF THE TRAINING PROGRAM

KRWA provided the agenda, the PowerPoints and biographical information for the speakers. Pursuant to the agenda, the proposed Training Program will consist of the following sessions:

1. Issues Facing Our Industry: Addressing Utility Needs (1 hour): This presentation focuses on preparing water utilities to meet the demands of aging

¹ All applications should be filed in an optimized pdf format (searchable or OCR) and include bookmarks to distinguish sections. Any future applications from KRWA not meeting this requirement will be rejected as deficient.

² Application (filed Sept. 11, 2024) at 2.

infrastructure, stricter regulations, competitive funding, and workforce shortages.³ This includes offering water district commissioners' strategies to ensure the future viability of their utility.⁴

2. It's a Sunshine Day: An Overview of Sunshine Laws in Kentucky (1 hour):

This presentation provides water district commissioners with an overview of the Kentucky Open Records Act and Kentucky Open Meetings Act and explains the obligations of water districts to comply with those laws.⁵

3. Asset Management and Financing (1 hour): This presentation provides guidance to water district commissioners on determining the current state of assets, managing maintenance, and long-term capital funding strategies.⁶ This includes an overview of how asset management and financing decisions impact customer rates and the viability of the utility.⁷

4. What to Expect During a Rate Study (45 minutes): This presentation defines a rate study, describes the first steps of getting started with a rate study and describes three types of rate studies.⁸ This includes an overview of the role of the water

³ Application at 3.

⁴ Application, Exhibit 1.

⁵ Application, Exhibit 1.

⁶ Application at 3.

⁷ Application, Exhibit 1.

⁸ Application, Exhibit 1.

district Board of Commissioners and the role of the PSC during a rate study⁹ and provides lessons learned for water district commissioners to consider.¹⁰

5. The Value of Water: A Commissioner's Guide to Water Accountability Success (45 minutes): This presentation explores the impact of excessive water loss and provides water district commissioners with tools to identify and reduce water loss.¹¹ This includes an overview of water accountability, calculating the value of lost water and utilizing monthly and annual reports for tracking water usage.¹²

6. GIS with Benefits: What Commissioners Need to Know (1.5 hours): This presentation explores the use of Geographic Information Systems (GIS) and Global Positioning Systems (GPS) to improve operations of a utility by improving efficiency, reducing costs, and providing better customer service.¹³ Presenters will explain how water utilities throughout Kentucky have implemented GPS and GIS to improve operations at their utility.¹⁴

LEGAL STANDARD

KRS 74.020(6) and (7) encourage water district commissioners to complete six instructional hours of "water district management training approved by the Public Service Commission" in each calendar year by allowing commissioners, with appropriate approval, to receive an annual salary of not more than \$6,000 to be paid out of the water

⁹ Application at 4.

¹⁰ Application, Exhibit 1.

¹¹ Application, Exhibit 1.

¹² Application, Exhibit 1.

¹³ Application at 4.

¹⁴ Application, Exhibit 1.

district fund. Pursuant to KRS 74.020(7)(c), the Commission has discretion in approving “water district management training” offered by third parties to satisfy the six hours of subsequent training if it determines that the programs are “high quality” and “will enhance a water district commissioner’s understanding of his or her responsibilities and duties.”

Commission regulation 807 KAR 5:070, Section 2, states as follows about the programs:

- Program hours consisting of one (1) or more of the following areas of instruction shall be approved as to subject matter:
- (1) Federal and state law regarding safety standards for drinking water;
 - (2) Management techniques;
 - (3) Accounting standards and treatment of costs;
 - (4) Financing principles;
 - (5) Rate design;
 - (6) Water technology and system facilities;
 - (7) Ethics; and
 - (8) Other areas of instruction related to, and calculated to enhance the quality of, the management, operation, and maintenance of a water system.

In Case No. 2018-00085,¹⁵ the Commission clarified what training was expected of commissioners of water districts pursuant to KRS 74.020 as well as the time a third-party has to apply for accreditation of a program.

DISCUSSION AND FINDINGS

Having reviewed the record and being otherwise sufficiently advised, the Commission finds that KRWA provided the information required by 807 KAR 5:070 and the Commission’s Order in Case No. 2018-00085 in a timely manner.

¹⁵ Case No. 2018-00085, *Review of Training Required and Authorized by KRS 74.020 for the Commissioners of Water Districts* (Ky. PSC Mar. 15, 2018).

The Commission finds that the proposed six hours of training will provide water district commissioners relevant and useful knowledge that will enhance the quality, management, operation, or maintenance of the water systems they operate.

Therefore, the Commission finds that it should conditionally approve the Training Program to satisfy up to six hours of training described by KRS 74.020(6) and (7). The Training Program covers topics relevant and useful to water district commissioners. Moreover, the presenters appear to have knowledge of the topics they intend to discuss, and based on a review of the materials provided, the Training Program appears to be well developed and of a high quality. KRWA may switch the order of the presentations, if needed. This training is not approved to satisfy any portion of the initial training requirement for water district commissioners required by KRS 74.020(8).

The Commission finds that final approval is conditioned on KRWA following through with the following conditions as set forth in its application. KRWA stated that it would provide the written materials to each attendee and that if any presentations are amended prior to the training, KRWA will include a copy of any revisions to the presentations with its sworn statement and report regarding the instruction.¹⁶ KRWA stated it will retain a record of all water utility commissioners that attend the proposed Training Program and the hours attended.¹⁷ KRWA stated that it would, within 30 days of the proposed Training Program's completion, file a sworn statement: (1) attesting that the accredited instruction was performed; (2) describing any changes in the presenters or the proposed Training Program curriculum that occurred after certification; and (3)

¹⁶ Application at 4.

¹⁷ Application at 5.

containing the name of each water commissioner who attended, their water district, and the number of hours attended.¹⁸ KRWA should admit representatives of the Commission or the Office of Attorney General to the proposed Training Program at no charge to permit such representatives to assess the quality of the instruction, monitor the compliance with Commission decisions, regulations, or other requirements, should the Commission deem it necessary.¹⁹

IT IS THEREFORE ORDERED that:

1. KRWA's Training Program scheduled to take place on October 19, 2024, is hereby conditionally approved and accredited for up to six hours of annual water district management training for water district commissioners seeking to satisfy training requirements set forth in KRS 74.020(6) and (7).

2. KRWA's Training Program may not be used by water district commissioners seeking to satisfy any portion of the initial training requirement for water district commissioners required by KRS 74.020(8).

3. KRWA shall retain a record of all water district commissioners attending the Training Program.

4. No later than 45 days after the scheduled offering of the Training Program, KRWA shall file with the Commission:

a. A sworn statement attesting that the accredited instruction was performed, including a statement that the materials regarding each session were distributed as required by the Commission herein;

¹⁸ Application at 5.

¹⁹ Application at 5–6.

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

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

d. A copy of any written material given to water district commissioners attending the sessions that was not previously provided to the Commission.

5. Upon receipt of the materials identified in ordering paragraph 4 and provided there are no material changes to the program, the Commission shall issue a final order approving and accrediting the Training Program.

6. KRWA shall permit one or more representatives of the Commission to attend the Training Program at the Commission's discretion, without charge, to assess compliance with this Order or the quality of instruction for any other purpose deemed necessary by the Commission.

PUBLIC SERVICE COMMISSION

Chairman

Commissioner

Commissioner

ENTERED
SEP 27 2024
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KENTUCKY PUBLIC
SERVICE COMMISSION

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