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 CONTINUING)	2025-00260
EDUCATION TRAINING FOR WATER DISTRICT)	
COMMISSIONERS)	

ORDER

On August 5, 2025, 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 September 9, 2025, at the Allen County Water District office in Scottsville, Kentucky.

Having reviewed the KRWA's request and being otherwise sufficiently advised, the Commission approves the Training Program to satisfy the six hours of training described by KRS 74.020(6) and (7), subject to the conditions discussed below. KRWA did not request the Training Program be approved and accredited to satisfy any portion of the 12 hours of initial training for newly appointed commissioners required by KRS 74.020(8).

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.

DESCRIPTION OF THE TRAINING PROGRAM

The Training Program will be conducted in person on September 9, 2025, at the Allen County Water District Office in Scottsville, Kentucky. The Training Program will consist of the following sessions:

- 1. <u>Working Effectively as a Utility Board.</u> Presented by Robert Miller, StraightLine Kentucky, LLC. (1.5 hours): This presentation equips Members of utility boards with the knowledge and tools necessary to fulfill their governance responsibilities with confidence and clarity. Through structured exploration of policy making, strategic planning, regulatory compliance, financial and management oversight, and system performance monitoring, board members will gain a clear understanding of their role in utility governance. Participants will also develop practical skills in setting agendas, documenting decisions, managing stakeholder participation, and fostering effective board dynamics. Using real-world case studies and actionable frameworks, the presentation promotes a culture of accountability, preparedness, and continuous improvement.
- 2. <u>Communications: Day to Day Basics</u>. Presented by Pete Conrad, Kentucky Rural Water Association (1.5 hours): This presentation emphasizes the critical role of clear, respectful communication within utility organizations and with the public. It defines communication as both the exchange of information and the building of personal rapport, highlighting that effective communication begins internally-how staff talk to each other and share essential information affects overall service. Ultimately, the presentation encourages organizations to develop a unified communication strategy, practice active listening, and continually reassess their communication plans to adapt to changing needs.

- 3. What to Expected During a Rate Study. What to Expect During a Rate Study. Presented by Daniel Reetzke, Kentucky Rural Water (1.0 Hour): This training will provide an overview of what to expect during a utility rate study, including its purpose, regulatory background, and key triggers such as mergers, major capital projects, or financial necessity. Participants will learn how to plan and prepare for a rate study by setting a timeline, notifying stakeholders, selecting the appropriate type of study, and designating a point of contact. The session will cover the three main types of rate studies General Rate Case, Alternative Rate Filing (with or without a Cost of Service Study) highlighting their differences in detail, cost, and complexity. Attendees will also review the five phases of the Alternative Rate Filing process: conducting the study, board review, application submission, responding to PSC information requests, and final resolution. The training will emphasize common pitfalls such as missing data, unauthorized spending, or late submissions, and will conclude with a discussion on best practices and the importance of staying in compliance with the Kentucky Public Service Commission's expectations.
- 4. Reducing Water Loss Step by Step. Presented by Mathew R. Curtis, Bluegrass Engineering (1.0 Hour): Excessive water loss is one of the most common regulatory problems among PSC-governed water utilities. This session aims to highlight the value of water and equip decision-makers with tools to manage it effectively. Topics will include water accountability, calculation of the value of lost water, and utilizing reports for tracking water usage, such as monthly and annual reports. The discussion will also cover expected system demand and its implications for utilities, data collection, distribution management, and methods for identifying and addressing water loss;

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inspections are scheduled, conducted, and evaluated, as well as the documentation and records required for compliance. The session also covers key areas of concern particularly excessive water loss-and outlines how utilities can proactively address deficiencies and improve outcomes. Attendees will learn about the PSC's evolving risk-based inspection model, metrics, and regulatory expectations. This presentation is essential for utility managers, board members, and staff seeking to maintain compliance, avoid fo1mal actions, and support the utility's financial and operational stability.

5. What to Expect During a PSC Inspection. Presented by Jason Pennell, Kentucky Rural Water Association (1.0 Hour): This presentation provides utility professionals with a comprehensive overview of the Kentucky Public Service Commission's (PSC) inspection process. Participants will gain an understanding of how inspections are scheduled, conducted, and evaluated, as well as the documentation and records required for compliance. The session also covers key areas of concern particularly excessive water loss-and outlines how utilities can proactively address deficiencies and improve outcomes. Attendees will learn about the PSC's evolving risk-based inspection model, performance metrics, and regulatory expectations. This presentation is essential for utility managers, board members, and staff seeking to maintain compliance, avoid formal actions, and support the utility's financial and operational stability.

DISCUSSION

KRS Chapter 74 authorizes the creation of water districts for the purpose of operating drinking water facilities and wastewater treatment and collection facilities.

Water districts organized under KRS Chapter 74 must be administered by a board of

commissioners that shall control and manage the affairs of the district.² KRS 74.020(8) requires each newly appointed water district commissioner to complete 12 instructional hours of training regarding the laws governing the management and operation of water districts, and other subjects as determined appropriate by the Commission within 12 months of the commissioners' initial appointment.³ 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 the commissioners to receive a raise if they complete the training each year.

KRWA indicates that it is seeking to have the Training Program approved to satisfy six hours of annual training necessary for water district commissioners to satisfy KRS 74.020(6) and (7), but it is not seeking to have it approved to satisfy the initial training requirements of KRS 74.020(8). The Commission has discretion in approving "water district management training" offered by third parties to satisfy the six hours of subsequent training described in KRS 74.020(6) and (7) 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." However, third parties applying for approval of a proposed water district commissioner training program must file their applications, including a detailed description of the program, a description of the qualifications of any presenters,

² KRS 74.020(1).

³ KRS 74.020(8)(b) (discussing the training requirements for new water district commissioners).

⁴ See KRS 74.020(7)(c) (stating that the Commission "shall 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").

and a copy of the written materials to be distributed at the program among other things, 30 days prior to the first date on which the program is to be offered.⁵

KRWA provided the information required by 807 KAR 5:070 and the Commission's Order in Case No. 2018-00085 in a timely manner. The Training Program also covers topics that will be 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.

The Commission finds that the Training Program will provide water district commissioners relevant and useful knowledge that will enhance the quality, management, operation, or maintenance of the water systems they operate, and therefore the Training Program should be conditionally approved to satisfy the training requirements set forth in KRS 74.020(6) and (7) or a portion thereof.

IT IS THEREFORE ORDERED that:

- 1. KRWA's Training Program scheduled to take place on September 9, 2025, 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).

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⁵ Case No. 2018-00085, Review of Training Required and Authorized by KRS 74.020 for the Commission of Water Districts (Ky. PSC Mar. 15, 2018), Order at 4–5.

- KRWA shall retain a record of all water district commissioners attending the
 Training Program.
- 4. No later than 45 days after each 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;
- 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; 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 a representative 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.

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PUBLIC SERVICE COMMISSION

Chairmair

Commissioner

Commission

ATTEST:

Executive Director

ENTERED

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KENTUCKY PUBLIC AB
SERVICE COMMISSION

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