

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	)	2026-00232
COMMISSIONER TRAINING AND CONTINUING	)	
EDUCATION CREDIT	)	

ORDER

On August 20, 2026, 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 19, 2026, at the Purchase Area Development Training in Mayfield, 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 19, 2026, at the Purchase Area Development Training in Mayfield, Kentucky. The Training Program will consist of the following sessions:

1. Updates Affecting Kentucky Utilities (1 Hour) Presented by Jason Pennell: This session reviews recent legal and regulatory developments that affect Kentucky water utilities and the boards that govern them. Topics include recent Kentucky legislation, compliance with Public Service Commission orders, the importance and content of board meeting minutes, utility borrowing and financing considerations, PSC investigations, and significant recent court or Commission decisions. Emphasis will be placed on how these developments affect board actions, documentation, regulatory compliance, and the commissioner's duty to make well-informed decisions on behalf of the utility and its customers.
2. Cyber Hygiene – Part 1 of 2 (1 Hour) Presented by Matt Folker: Part 1 introduces cybersecurity as a governance and operational risk for public utilities. Commissioners will examine common threats facing water systems, including phishing, ransomware, credential theft, weak or reused passwords, social engineering, unpatched software, and outdated technology. The session will explain how cyber incidents can interrupt utility operations, expose sensitive information, create financial losses, and affect public confidence. Special attention will be given to the board's role in establishing expectations for cyber awareness, risk management, and responsible access to utility systems and information.
3. Cyber Hygiene – Part 2 of 2 (1 Hour) Presented by Matt Folker: Part 2 builds on the threat awareness introduced in Part 1 and focuses on practical safeguards and response readiness. Topics include password and account practices, multifactor authentication, software and device updates, backups, employee awareness, vendor access, incident reporting, and basic response planning. Commissioners will consider how policies, training, budgeting, and management accountability can reduce organizational risk and improve the utility's ability to continue serving customers during and after a cyber incident.
4. Understanding Tariffs (1 Hour) Presented by: Jason Pennell: This session explains the role of a utility's PSC-approved tariff as an authoritative statement of rates, charges, rules, and conditions of service. Commissioners will review when tariffs should be updated, the legal and operational importance of following approved tariff provisions, and the appropriate process for proposing revisions. The session also addresses filing requirements, customer notice, nonrecurring charges, consistency between utility practices and approved tariff language, and common filing or implementation issues that can create compliance problems.

5. Can I Do That? A Practical Guide to Open Records & Meetings (1 Hour) Presented by Glenn D. Denton: This practical legal session reviews Kentucky's Open Records Act and Open Meetings Act as they apply to water utility boards. Commissioners will examine what constitutes a public record, responsibilities for responding to records requests, notice and conduct requirements for regular and special meetings, quorum and deliberation issues, appropriate use of closed sessions, and documentation of board actions. Common compliance mistakes and realistic board scenarios will be used to help commissioners distinguish permissible practices from actions that may expose the utility or board to legal challenge.
6. Effective Internal Controls (1 Hour) Presented by: Jason Pennell This session addresses the governing board's responsibility to promote sound financial stewardship and protect utility assets through effective internal controls. Commissioners will review segregation of duties, controls over cash receipts and disbursements, bank and account reconciliations, purchasing and authorization procedures, documentation standards, fraud prevention, and management reporting. The presentation will also discuss how commissioners can provide meaningful financial oversight without assuming day-to-day management responsibilities, including the types of reports, questions, and follow-up actions that support accountability.

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

² KRS 74.020(1).

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

management training approved by the Public Service Commission” in each calendar year by allowing the commissioners the opportunity to receive additional compensation 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.”⁴ 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, 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

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”).

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.

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 19, 2026, 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 shall 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 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.

Entered on this 15th day of September, 2026.

PUBLIC SERVICE COMMISSION



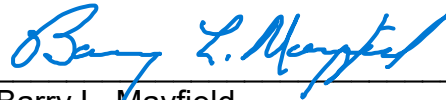
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Chair



Mary Pat Regan
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