New Commissioner Sworn In

Dr. Troy M. Stewart, Jr. is the Public Service Commission’s newest Commissioner. He was appointed by Governor Cecil Underwood in May 2000. Dr. Stewart has an extensive knowledge of public utilities and is aware of the need for continuing infrastructure improvements in West Virginia.

Dr. Stewart taught political science at Marshall University and has served in the academic arena for more than 30 years. He was a graduate assistant in the 1960’s, began teaching Political Science at Marshall University in 1972 and served as Chair of the Department of Political Science. In the early 1980’s, Dr. Stewart developed and administered a student intern program for the WV Legislature. He acted as interim director for the Office of Public Information in 1981, acted previously as a member of the Judicial Ethics Commission and acted as a consultant for the WV Supreme Court of Appeals.

He attended Marshall University as an undergraduate and received his master’s degree in Political Science in 1969. He went on to obtain a Ph.D in Political Science from WVU in 1973. Troy served from 1961 to 1967 as a Non-Commissioned Officer performing classified work for the U. S. Army.

Commissioner Stewart resides with his family in Huntington.

RUS Announces Loan Rates

By: David H. Wagner

While browsing through the Rural Utilities Service Summer 2000 edition of their newsletter On Tap, I encountered the following article. Since it relates to the criteria for a utility obtaining funding through RUS loans, I thought it might provide insight as to how the various loans and their interest rates are determined.

Of particular interest to me was that the poverty level interest rate, if the applicant meets the other criteria, could be applied to a loan for an area where the median household income falls below the federal poverty level of $17,050 for a family of four. Since the average income for West Virginia is $24,943, I believe a significant number of West Virginia communities would qualify.

Following is the article printed verbatim:

...All three of the interest rates for Rural Utilities Service (RUS) water and wastewater loans increased slightly this quarter.

RUS interest rates are issued quarterly at three different levels: the poverty line rate, the intermediate rate, and the market rate. The rate applied to a particular project depends on community income and the type of project being funded.

To qualify for the poverty line rate, two criteria must be met. First, the loan must primarily be used for facilities required to meet health and sanitary standards. Second, the median household income of the area being served must be below 80 percent of the state’s non-metropolitan median income or fall below the federal poverty level. As (Continued on Page 4)
In recent news reports we have heard of people who died from E-Coli bacteria transmitted in the drinking water, and of drinking water polluted by sewage. These crises place a large burden on the utility’s management and employees. Sometimes it is not clear who is authorized to make decisions. Therefore, it is important that the utility has a plan in place for emergencies that outline the steps to take when the crisis occurs, because at that stage, we cannot rely on our intuition to choose the best course of action. While developing a plan of action for an emergency, be sure and check with the County Office of Emergency Services (COES). Their plan may not only give you a starting point, but your plan must dovetail with their emergency plan since the COES will be responsible for coordinating the management of the crisis at the local level. Identify hazards that may pose a major threat to your system including public health hazards and property damage. Identify all other agencies that must be notified immediately, such as West Virginia Bureau of Public Health (WVBPH) and WV Department of Environmental Protection (DEP). WVBPH, as part of its overall duties, has assessed potential threats to public and private water and sewer systems. It is important to write down each local agency that is able to assist in managing the immediate crisis (crisis management) or coordinate efforts to protect the public, restore utility services, and provide emergency relief to the public affected (consequence management). Crisis and consequence management can be carried on simultaneously, however, crisis management is always the priority. For instance, the crisis management’s objective is to stop the pollution of a stream by a WW treatment plant or to stop the E-Coli contamination of drinking water. Consequence management centers around emergency relief work to the public, restoration of utility service, protection of public health and property from further danger.

One good article on how water utilities can prepare for floods and what the consequences of the flood might be, appeared in the Summer 2000 issue of ON TAP, National Drinking Water Clearinghouse, by Marilyn Noah. The article is detailed and may help in formulating your plan. If you wish to receive that newsletter (4 issues per year) call (800) 624-8301, (304) 293-4191 or www.ndwc.wvu.edu. It is well worth the effort, because the Staff and the website are an excellent resource for small water and sewer utilities. COES, local hospitals, health departments, fire departments, sheriff and police are examples of local agencies that may be involved when emergencies occur. Many areas in WV rely on volunteer fire departments, which may complicate matters if adequate manpower and/or training is not available. Identify the closest hospital that can facilitate patients with injuries anticipated during a crisis. The primary local agency in most emergencies will be the police or the sheriff; in case of a fire, the fire department is the primary agency. However, when public health is at stake the local and state health departments are the primary agencies in crisis management or for any emergency medical incidents. There are many volunteer and private organizations that provide invaluable help in times of distress, such as churches and civic organizations. Other groups or agencies with specialized equipment can help your recovery efforts or help contacting customers by providing information quickly by mass media, such as radio, TV and newspapers. Even the internet, when accessible, must be considered as an information source for your customers.

Your plan must identify all hazards that pose a major threat to your service area and utility plant. Develop maps of the territory showing areas subject to disasters and develop a plan of action for each hazard identified. The plan should identify steps to take to remedy the immediate problem and which agencies to contact first. Additionally, employee training may be needed for utility personnel, possibly in coordination with the fire department, police or emergency medical technicians (EMT).

The West Virginia Office of Emergency Services (WVOES) is currently in the process of evaluating its “Counter-Terrorism Emergency Operation Plan”. The WVOES, the State Police and the National Guard are part of the Department of Military Affairs and Public Safety, so during any disaster in this State, the Governor will look for answers from these departments. This “Counter-Terrorism Program” program was recently presented to representatives of numerous state agencies, members of local police and fire departments, and officials of county emergency services departments. Although any disaster utilities might experience could be less in scope than described in the plan, some features will apply to some jurisdictional level for all kinds of emergencies. We have outlined just some of the

(Continued on Pg. 5)
KEEPPING ADEQUATE RECORDS

By: Bill Nelson

There are a number of utilities which for some reason or another do not keep adequate records of their financial operations. These utilities tend to be the smaller ones that have limited resources and infrequent dealings with the Commission. It is not uncommon to find a utility whose financial records consist of a check book and a billing journal. It is a legal requirement that all utilities establish and maintain a system of books and records in accordance with this Commission’s Uniform System of Accounts. Apart from that, the Commission expects utilities to have a reasonable set of records that will collect the financial information that is essential for the operation of its business.

The need for keeping adequate records is well founded as a means of providing essential management information. The bookkeeping system should capture financial and other information and categorize it in a manner that makes it useful to management. This information is essential if management is to plan for the future, to trouble-shoot current operations and to make other necessary business decisions. Without adequate records, utilities have no tools with which to sufficiently provide water and sewer service as they were established to do.

The smaller utilities throughout the state typically possess the following characteristics:

1. Records for billing and recording customer information are already well developed. In fact, most utilities have computer generated billing systems which automatically develop accounts receivable records.
2. A full accrual system of accounting is not used when making disbursements. Most recognize expenses when the invoices are paid rather than when the payables are incurred thereby ignoring the relative complexities of setting up payables and materials and supply inventory procedures.
3. The costs of making individual service connections is not properly booked and, as a result, do not account for tap fees and the cost of taps in the preferred manner. Consequently, this Commission has developed an alternative manner for handling tap fees where costs are not separated. Given these characteristics, utilities should maintain at least the following records:
   1. A General Ledger with a separate page for each account that is the main controlling record for the district’s balance sheet and income statement accounts. This record would be posted from each of the subsidiary records no less than once a month.
   2. Billing records and an accounts receivable record by customer to capture revenues and amounts due the district from its customers as well as payments made.
   3. A Cash Disbursements Journal to record the credit or outgoing side of the cash account and categorize the expenditures made. This record should be posted as soon as possible after checks are written.
   4. A Cash Receipts Journal to record the debit or receipts side of the cash account and to categorize within the accounts the various cash received transactions. This could also include deposit records for amounts placed in the bank. This record should also be posted as soon as possible after the day’s cash received transactions are completed.

I believe by maintaining the above system of records, small utilities can meet the legal requirement and develop the necessary information to adequately manage its systems and provide data sufficient for rate making and collections.

TAPPER SAYS:
The Executive Secretary’s office appreciates the fact that many of the cases that have been filed lately have contained all the appropriate documentation. Filing cases completely and accurately facilitates processing so that time is saved for everyone involved, including the utility.
Providing Service With Style

By: Joan Stiltner

Everywhere you turn today you hear about the importance of customer satisfaction. This is also true with water and sewer customers who are the utility’s bread and butter. This does not mean that the “Customer is King”, however, it does mean that “People Are Our Business”. The utility needs its customers and they need you. The utility’s goal should be “Customer Satisfaction is Our Goal”.

Although the utility might think it is providing service which is better with each passing moment, complaints suggest otherwise. What’s wrong? One answer is that too many times the utility views the customer as someone who needs the service, not the utility needing the customer. Many times we see delinquent customers as repeaters and we tend to get hard hearted in our approach.

One reason for poor service is that customers are treated as if they’re all the same. Utilities must apply the rules equally and uniformly to all customers, but each customer has individualities which have to be understood to deal with them effectively to reduce stress....yours and theirs.

Complainants can be pushy and sometimes aggressive. Some complainants become intrusive and demand to see someone in charge immediately, or respond with “you’ll hear from my lawyer in the morning”. Haven’t we all heard that comment? To keep yourself under control, don’t show tangible signs of frustration, show only evidence that you are in control and refer them to the supervisor only if you can’t handle the situation.

Never refuse the customer the right to go one step higher. You can feel comfortable in doing so as long as you have committed yourself to working out the problem to the best of your ability without losing your composure.

On the other hand, there may be a complainant who may appear to be hesitant, wishy-washy, or even apologetic. Worse yet, a complainant that may not even come to you but just voice dissatisfaction to neighbors. You may never suspect a problem until you hear from the Commission. You need to make this type of complainant feel comfortable talking to you about their situation with a promise that you will work on the problem. Once you have shown them you are willing to work with them, you have developed a relationship that can be life long.

There will always be the complainant who can recite the chronology of events and provide data and documentation with all the details. When dealing with someone this organized, you must document what you have done. You should explain the process and details, and show appreciation for the customer’s accuracy and thoroughness.

So, look at your complainants from the concept that this is an opportunity for you and your staff to show that you care about the customer. Remember, your customers aren’t just part of your job, they are the reason for your job.

RUS Announces Loan Rates

(Continued from page 1)

of April 1, 2000, the federal poverty level was $17,050 for a family of four.

To qualify for the intermediate rate, the service area’s median household income cannot exceed 100 percent of the state’s non-metropolitan median income.

The market rate is applied to projects that don’t qualify for either the poverty or intermediate rates. The market rate is based on the average of the Bond Buyer Index.

The rates for the second quarter of fiscal year 2000, which apply to all loans issued from April 1, 2000, through June 30, 2000, are:

- Poverty line: 4.5 percent,
- Intermediate: 5.125 percent, and
- Market: 5.875 percent.

RUS loans are administered through the state Rural Development offices, which can provide specific information concerning RUS loan requirements and application procedures.

For the phone number of your state Rural Development office, contact the NDWC at (800)624-8301 or (304) 293-4191. The list is also available on the RUS Web site at www.usda.gov/rus/water/states/usamap.htm.
The U.S. Environmental Protection Agency (EPA) is proposing a rule about groundwater disinfection. The rule addresses other components of ground water systems to assure public health protection. The Groundwater Rule (GWR) establishes multiple barriers to protect against bacteria and viruses in groundwater sources and a strategy to identify groundwater systems at high risk for fecal contamination. EPA plans to issue the GWR as a final regulation in November 2000.

Historically, groundwater has been considered free of microbial contamination; however, recent research indicates that some groundwaters are a source of waterborne disease.

Gastrointestinal symptoms, such as diarrhea and vomiting, characterize most cases of waterborne disease. And these symptoms seldom cause problems in healthy individuals and rarely require medical treatment.

However, these same symptoms are much more serious and can be fatal for persons in sensitive subpopulations, such as young children, the elderly, and persons with compromised immune systems. In addition, research indicates that some viral pathogens found in groundwater are linked to long-term health effects, such as adult onset diabetes and myocarditis.

The GWR applies to public groundwater systems (systems with at least 15 service connections, or that regularly serve at least 25 individuals daily at least 60 days out of the year).

This rule also applies to any system that mixes surface water and groundwater—if the groundwater is added directly to the distribution system and provided to consumers without treatment. The GWR does not apply to privately owned wells. However, EPA recommends that private well owners test for coliform bacteria once each year.

The GWR will require states to:
- *conduct system sanitary surveys and identify significant deficiencies; and*
- *assess hydrogeologic sensitivity for undisinfected systems.*

Systems will be required to:
- *monitor source water microbials if they do not disinfect and draw from hydrogeologically sensitive aquifers or have detected fecal indicators within the system’s distribution system;*
- *correct any significant deficiencies or positive microbial samples indicating fecal contamination; and*
- *comply with and reliably 4-log (99.99 percent) inactivation or removal of viruses— even if systems do disinfect.*

For information, please contact the Safe Drinking Water Hotline at (800)426-4791.

For technical inquiries, contact Eric Burneson, Office of Ground Water Drinking Water (MC 4607), U.S. Environmental Protection Agency, 1200 Pennsylvania Avenue, NW, Washington, DC 20460; or
Water & Wastewater Division
Public Service Commission
201 Brooks Street, P.O. Box 812
Charleston, WV 25323