### COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

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ELECTRONIC INVESTIGATION OF THE	)	
JURISDICTIONAL STATUS OF SEVERAL	)	CASE NO.
COMPANIES IN PIKE COUNTY, KENTUCKY	)	2024-00271
AND OF THEIR COMPLIANCE WITH KRS	)	
CHAPTER 278 AND 807 KAR CHAPTER 005	)	

### **RESPONSE TO PUBLIC SERVICE COMMISSION ORDER 10-1-2024**

Comes now Prater Construction, LLC ("Prater Construction") by and through counsel, and for its Response to the Public Service Commission Order, dated 10-01-2024, and respectfully states as follows:

#### INTRODUCTION

Prater Construction wholeheartedly agrees with the Commission that all the homes impacted by this water and sewer service arrangement are located in the Mountain Water District service area. Relying on express and written representations made by Mountain Water District in 2001, Prater Construction installed a wastewater system and wastewater treatment plant for the at-issue residential housing development, Zebulon Heights Community. Mountain Water District expressly agreed to assume ownership and operation of the facility and sewer lines once they were installed. However, more than 20 years later, Mountain Water District never did what they said they would do. As a result, Prater Construction has been providing water and sewer service to the Zebulon Heights Community to ensure that the people that live there have clean water and a sanitary sewage system. Prater Construction has gained no profit providing such services.

Prater Construction prays that as a result of this investigation, Mountain Water District will

finally assume ownership and operation of the water and sewage service. Prater Construction is fully prepared to execute any deeds, agreements, etc. to effectuate the same and seeks the assistance of the Commission with this issue.

### INFORMATION ON THE PUMP HOUSE

The Zebulon Heights Community in Pikeville, Kentucky consists of multiple subdivisions. These subdivisions consist of residential homes and commercial buildings. The subdivisions include Boulders East, Mountain View Drive, Devin Ryans Way, Prater Drive, and Zebulon Heights.

In the early 2000s, Roopani Development Corporation ("Roopani Development") installed and operated the water pump house, which provides services to the property owners on Boulders East, Mountain View Drive, and Devin Ryans Way in Pikeville, Kentucky. Prater Construction had an unwritten agreement with Roopani Development to use water services from their pump house. In 2023, Roopani Development sold the real property that houses the pump house to Twin Diamond, LLC ("Twin Diamond"). When Roopani Development sold the real property and the pump house to Twin Diamond, there was an easement and condition in their deed requiring Twin Diamond to allow Prater Construction to utilize the pump house.

On or about April 22, 2024, Twin Diamond sent a letter to Prater Construction informing them that Twin Diamond is in the process of setting their own meters to determine customer water usage. Furthermore, the letter advises, as of May 1, 2025, Twin Diamond would start billing a surcharge and processing fee for the use of the pump house. The amount of the surcharge would be in the amount of \$450.00 per month, plus any water usage. Finally, the letter advised that if Prater Construction would not pay this surcharge fee, then Twin Diamond would disconnect the pump house. *See* Exhibit 1.

Therefore, on or about May 6, 2024, Prater Construction mailed out letters to all property owners who uses the pump house, informing them that Twin Diamond had purchased the real property that housed the pump house, and due to the Twin Diamond now owning the pump house, every property owner would be responsible for an additional \$64.29 fee per month on their water bill. *See* Exhibit 2. This number was calculated by dividing \$450.00 monthly surcharge by the seven (7) property owners who use the pump house.

Today, Prater Construction reads five (5) water meters for the property owners located on Boulders East, a water meter on Mountain View Drive, and a water meter on Devin Ryans Way. After reading each meter, Prater Construction calculates the total amount of water used by each property owner and sends that information to Twin Diamond. Based on that calculation, Twin Diamond will send an invoice for the water service and the service charge for the pump house. Prater Construction then calculates each property owner's water bill for that month, based upon how much each property owner consumed. Then Prater Construction will send a bill to each property owner. After receiving the property owner's payment, Prater Construction then sends all payments to Twin Diamond, who then sends payment to Mountain Water District.

### WATER AND SEWAGE SERVICE TO ZEBULON HEIGHTS COMMUNITY

In 2001, Prater Construction spoke to Mr. Will Brown with Mountain Water District about bringing water to the Zebulon Heights Community. Mr. Brown informed Prater Construction that they could install water lines, and Mr. Brown recommended Mr. Dan L. Hall at H Design Group to get the water line permitted. Hall Design Group is who Prater Construction used to have the water lines permitted. In those plans, it was stated that Mountain Water District would accept the completed utilities for perpetual operation and maintenance contingent on the construction being performed in accordance with the proposed plans and specifications. The

plans were approved by Department for Environmental Protection, Division of Water. *See* Exhibit 3.

Prater Construction then began work on installing main water lines from Mountain Water District's water tank to every lot located in the Zebulon Heights Community. After installing the water lines, Prater Construction installed water taps, so Mountain Water District could install their water meters when property owners were ready for water to be run to their home. As each home was being built and it was time for water to be hooked up, Mountain Water District would install the water meter and collect a water tap fee. Mountain Water District collected a fee on every home located on Prater Drive and Zebulon Heights. Furthermore, with the advice of Mountain Water District, Prater Construction installed a master water meter, that would be used to bill the property owners on Zebulon Heights.

In addition, Prater Construction installed the main sewage lines in the Zebulon Heights community. The main sewage lines connect to a wastewater treatment plant, located on Emily Drive. Mountain Water District delivered the wastewater treatment plant. Mountain Water District said in writing, that Mountain Water District would assume ownership and operation of the facility and sewer lines once they were installed. *See* Exhibit 4. Prater Construction worked with Mr. Dan L. Hall with H Design Group on the installation of the wastewater treatment plant. Furthermore, Prater Construction received a letter from Kentucky Pollutant Discharge Elimination System (KPDES) that the work on the wastewater treatment plant had been determined complete.

Today, every home located in the Zebulon Heights Community is connected to the wastewater treatment plant. The wastewater treatment plant was originally being maintained by Wastewater Services, Inc. Prater Construction later turned that over to Mr. Johnny Adkins, and

then to Mr. Joe Thompson. Mr. Thompson oversaw the Pike County Schools' Treatment Plant. However, his license expired, so Prater Construction returned to Wastewater Services, Inc. to maintain the wastewater treatment plant.

Furthermore, after more than twenty (20) years, after it was agreed to do so in writing, Mountain Water District still has not assumed ownership and operation of the wastewater treatment plant. Prater Construction is fully prepared to execute any deeds, agreements, etc. to effectuate the transfer of the real property and wastewater treatment plant to Mountain Water District.

## PROCESS OF COLLECTING WATER BILLS FROM PROPERTY OWNER'S IN ZEBULON HEIGHTS COMMUNITY

Prater Construction receives a water bill from Mountain Water District for the water consumed by the homes located on Zebulon Heights. These homes are connected to the master water meter that Prater Construction installed after the advice from Mountain Water District.

Once Prater Construction receives the bill, Prater Construction reads each property owner's water meter, to determine the amount of water consumed that month. After using Mountain Water District's calculations, Prater Construction then sends a bill to each property owner for their portion of the water bill. After receiving those payments, Prater Construction then sends all the payments from the property owners to Mountain Water District. Prater Construction does not gain any profit providing such services. As for the homes located on Prater Drive, and the businesses located in Zebulon Heights Community, Mountain Water District reads the owner's individual water meter and bills them directly.

Prater Construction reserves the right to amend and/or supplement its response.

WHEREFORE, Prater Construction prays for an appropriate Order of the Public Service Commission and for any and all other relief it may be entitled to.

JOHNSON LAW FIRM, PSC 229 MAIN STREET P.O. BOX 1517 PIKEVILLE, KY 41502 TELEPHONE: (606) 437-4488

/s/ Hunter A. Branham
WILLIAM R. JOHNSON
billy@billyjohnsonlaw.com
BRITTNEY N. SCHAEFFER
brittney@billyjohnsonlaw.com
HUNTER A. BRANHAM
hunter@billyjohnsonlaw.com

### **CERTIFICATE OF SERVICE**

This is to certify that foregoing was submitted electronically to the Commission on August 15, 2025 and that there no parties that have been excused from electronic filing. Pursuant to prior Commission orders, no paper copies of this filing will be submitted.

/s/ Hunter A. Branham
WILLIAM R. JOHNSON
BRITTNEY N. SCHAEFFER
HUNTER A. BRANHAM

# Twin Diamond, LLC PO Box 52 Prestonsburg, Kentucky 41653 Email: twindiamondcorporation@gmail.com 606.226.3911

Date: April 22<sup>nd</sup>, 2024

Prater Construction 36 Maple LN Pikeville, KY 41501

Dear Mr. Prater,

We are in the process of setting our own meters for you and/or any customer water usage. Along with this process as of May 01, 2024, we will start billing you a surcharge and processing fee for the use of the pump house. This surcharge will be in the amount of \$450.00 per month plus your water usage.

If you are not in agreement, we will be more than happy to schedule a time for disconnection from the pump house.

Thank you,

Charles M. McCov. Owner



### PRATER CONSTRUCTION 36 Maple Ln. Pikeville, KY 41501

Ph: 606-631-9740

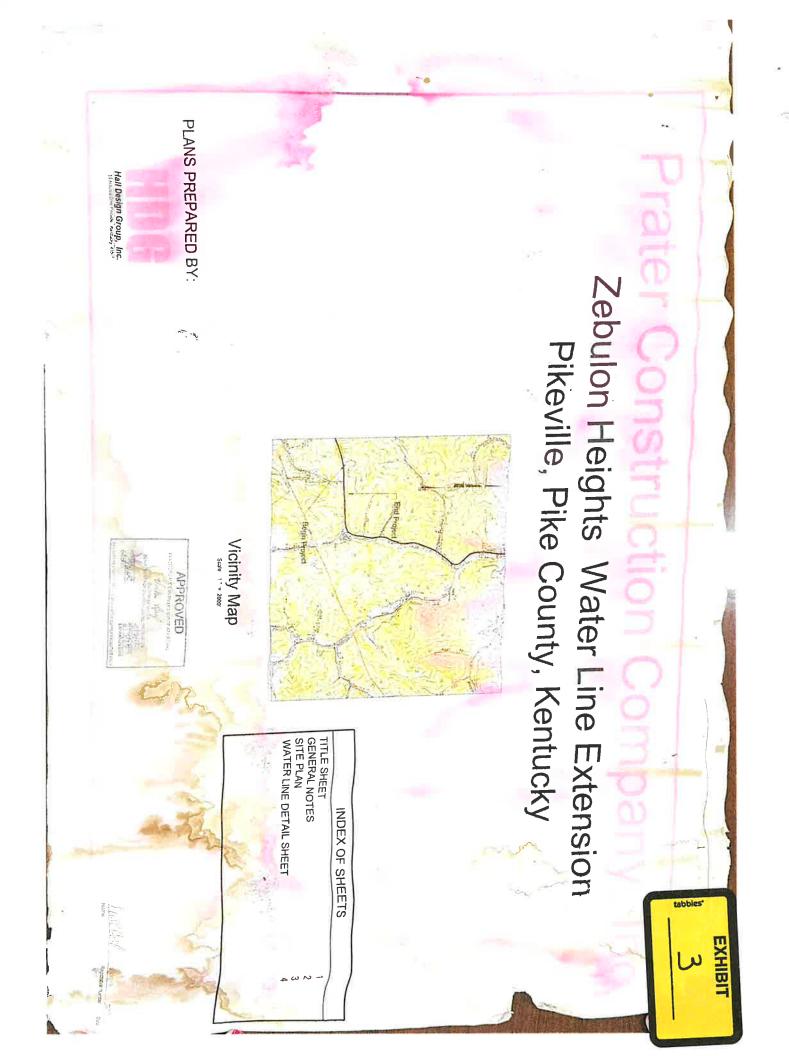
May 6, 2024

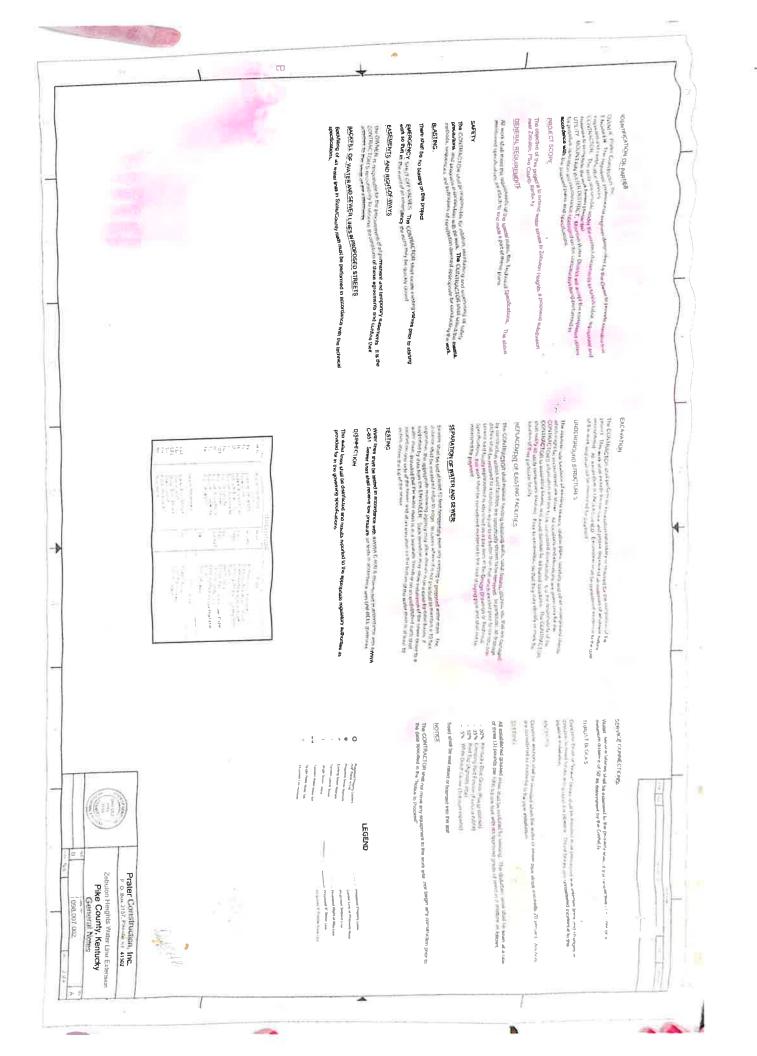
Daniel Isaac 13 Boulders East Pikeville, KY 41501

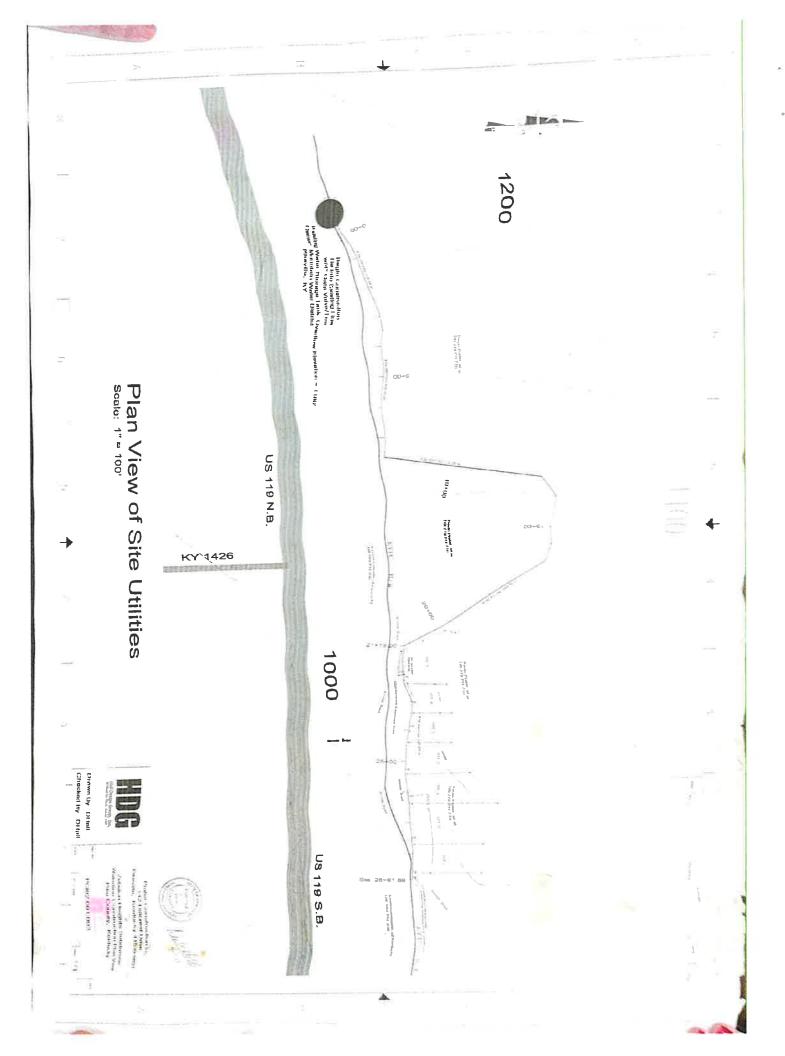
Twin Diamond LLC has purchased the Mountain View Town Houses which also includes the pump house. Unfortunately, this pump house serves the homes on Boulders East as well as Kevin Prater and Kern Weddington. Kevin is currently trying to find a solution to this unforeseen situation. Regrettably, until then we are all going to incur an additional fee on our water bill of \$64.29. As stated in the letter, this went into effect May 1.

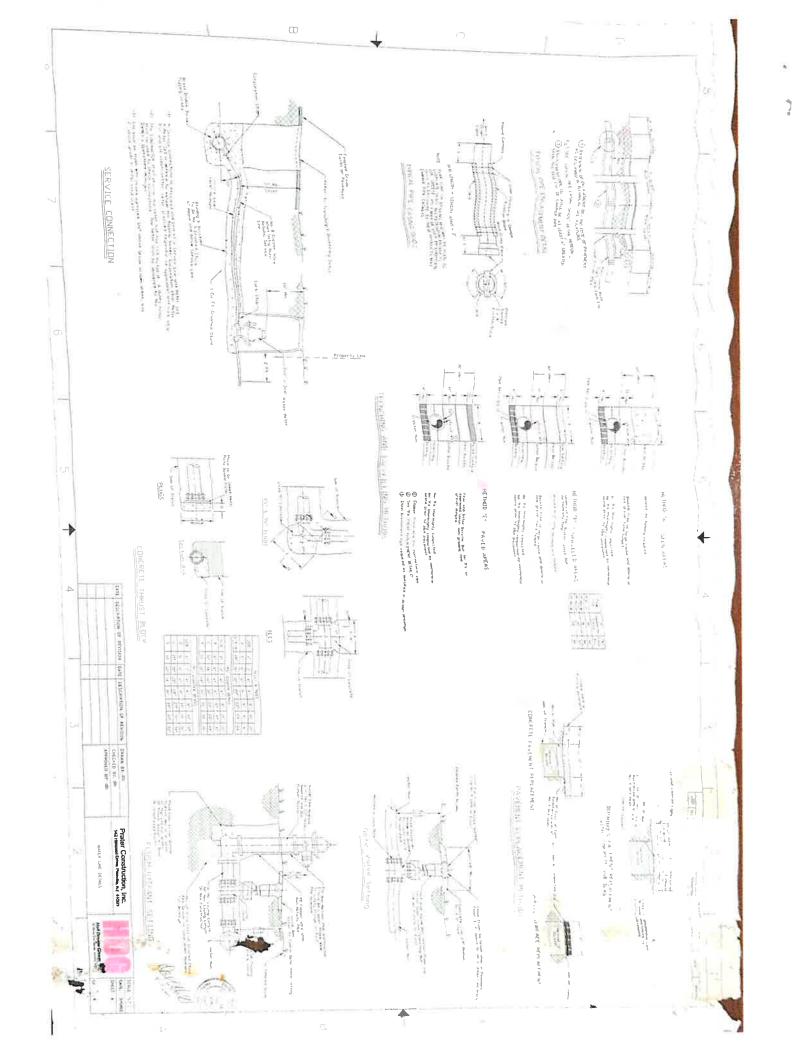
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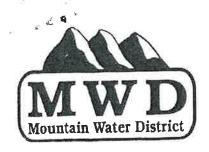












P. O. BOX 3157 PIKEVILLE, KY 41502 PHONE: (606) 631-9162 FAX (606) 631-3087

May 30, 2001

Big Sandy Pumping 36 Maple Lane Pikeville, Kentucky 41501

Re: Operation of Wastewater System

Dear Mr. Prater:

It is my understanding you intend to install a wastewater system, including a wastewater treatment plant, for a residential housing development in Pike County.

It is also my understanding that you desire Mountain Water District to assume ownership and operation of the facility and sewer lines once they are installed. Mountain Water District, upon approval of the Board of Commissioners would be willing to accept ownership and operation of the facility and sewer lines with the following stipulations:

- Prior to installation and construction, Mr. Prater would need to obtain Division of Water approval of the plans and specifications.
- After construction is complete, a licensed engineer registered in the state of Kentucky shall need to certify that the plant and sewer lines were installed in accordance with the plans approved by the Division of Water. The District will need a copy of this certification.
- A final inspection by Mountain Water District personnel will be made prior to recommendation to the Board of Commissioners for acceptance.
- That sufficient revenue from sewer customers on the facility will cover the cost of operations, maintenance and depreciation. Mountain Water District will calculate this from the customer base.
- Big Sandy Pumping shall be responsible for all repairs other than minor, routine repairs for a period of twelve months from the date of acceptance.
- Big Sandy Pumping shall transfer any existing and necessary easements for the operation, maintenance and repair of the wastewater system when ownership is conveyed to the District.

If you have any question, please call me at 606/631-4000 extension 301.

Sincerely,

Will Brown
Superintendent

Brown

CC: Toni Akers – Chairperson Wastewater file

EXHIBIT 4

### **VERIFICATION**

I, KEVIN PRATER, after first being duly sworn, state that the foregoing Response to
October 1, 2024 Order is true and correct to the best of my knowledge, information and belief
Bluir Prade
KEVIN PRATER
STATE OF KENTUCKY)
COUNTY OF Pike
Subscribed and sworn to before me by KEVIN PRATER, on this Lith day of day of the day of
My Commission expires: 9/6/25
NOTARY PUBLIC, STATE AT LARGE