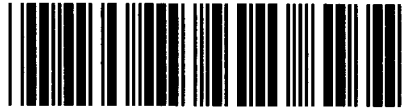


Control Number: 43535



Item Number: 30

Addendum StartPage: 0

House Bill (HB) 1600 and Senate Bill (SB) 567 83rd
Legislature, Regular Session, transferred the functions
relating to the economic regulation of water and sewer
utilities from the TCEQ to the PUC effective
September 1, 2014.

SOAH DOCKET NOS. 582-04-0253 & 582-04-1268
TCEQ DOCKET NOS. 2003-0737-UCR, 2003-0738-UCR, & 2003-1289-UCR

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THE
CITY OF
COLUMBIA

APPLICATION OF THE CITY OF ROYSE CITY TO AMEND WATER CCN AND TO OBTAIN SEWER CCN IN COLLIN, ROCKWALL, AND HUNT COUNTIES

www.pearsoned.com

BEFORE THE STATE OFFICE

OF

APPLICATION OF VERANDAH COMMUNITIES, LP TO OBTAIN SEWER CEN IN HUNT AND ROCKWALL COUNTIES

**APPLICATION OF PARKER CREEK
ESTATES, L.P. TO OBTAIN A WATER
AND SEWER CCN IN ROCKWALL
COUNTY, TEXAS, APPLICATION NOS.
34297-C AND 34301-C**


ADMINISTRATIVE HEARINGS

RESPONSES OF VERANDAH COMMUNITIES, LP TO THE FIRST DISCOVERY
REQUESTS OF THE CITY OF ROYSE CITY

COMES NOW, Verandah Communities, LP (VC) and files its answers to the first discovery requests of the City of Royse City in the above-referenced consolidated certification dockets.

Respectfully submitted,

spectfully submitted,



Mark H. Zeppa
N 22260100

Mark H. Zeppa
SBN 22260100
Law Offices of Mark H. Zeppa, PC
4833 Spicewood Springs Road, #202
Austin, Texas 78759-8436
(512) 346-4011, Fax (512) 346-6847

ATTORNEY FOR VERANDAH
COMMUNITIES, LP

30

INTERROGATORIES

INTERROGATORY NO. 1:

Identify each person(s) answering these interrogatories, supplying information, assisting in any way with the preparation of the answers to these interrogatories, whether or not such answer, information, or assistance was used, and state with specificity the particular interrogatory and, where possible, the particular portion of the answer to which such person(s) answered, informed, or assisted.

ANSWER:

Mark H. Zeppa
Law Offices of Mark H. Zeppa, PC
4833 Spicewood Springs Road, #202
Austin, Texas 78759-8436
(512) 346-4011

Fred Brown, PE
Huffines & Partners, Inc.
8222 Douglas Ave, Ste 660
Dallas, Texas 75225
(214) 526-3000

Donald Huffines
Huffines & Partners, Inc.
8222 Douglas Ave, Ste 660
Dallas, Texas 75225
(214) 526-3000

Phillip Huffines
Huffines & Partners, Inc.
8222 Douglas Ave, Ste 660
Dallas, Texas 75225
(214) 526-3000

Clay E. Crawford
Law Offices of Clay E. Crawford, PC
4265 San Felipe St, Ste 1050
Houston, Texas 77027
(713) 621-3707

Robert Wright, PE
Pate Engineers
8150 Brookriver Dr., Ste S-700
Dallas, Texas 75247
(214) 357-2981

Margaret Sledge Gillentine, PE
Pate Engineers
8150 Brookriver Dr., Ste S-700
Dallas, Texas 75247
(214) 357-2981

Teague Harris, PE
Pate Engineers
13333 Northwest Freeways, Ste 300
Houston, Texas 77040
(713) 462-3178

Angela Stepherson
Law Offices of Clay E. Crawford, PC
3100 McKinnon St., Ste 950
Dallas, Texas 75201
(214) 981-9090

INTERROGATORY NO. 2

With respect to all investigations of any kind conducted by or for you, any other person, or entity, concerning or relating to the Royse City Sewer CCN Application, the Royse City Water CCN Application, the Verandah LP Sewer CCN Application, the Parker Creek L.P. Sewer CCN Application, and/or the Parker Creek L.P. Water CCN Application, please identify the person who initially requested that the investigation be undertaken and give the date when each investigation was initiated and completed.

ANSWER:

Question is vague and ambiguous. VC has not requested retail water or sewer service within the proposed retail certificated utility service area of Parker Creek Estate, LP (Parker Creek) because VC does not have a need for retail utility services service at geographic location. VC is aware that there is a need for service at that location and has worked in coordination to develop regional water and sewer service resources to serve Parker Creek's and VC's needs. These are ongoing activities. They were commenced two years ago and have not been completed.

VC has no knowledge of Royse City's application, as the city has not disclosed anything about its application to VC. VC knows that there is no need for retail public service for much of the City's requested service area because the territory in question is owned by landowners with other service options that are more viable and cost effective than Royse City.

INTERROGATORY NO. 3:

Identify all current and former members, stockholders, partners, proprietors, officers, Boards of Directors, and/or ad hoc advisors of Verandah LP.

ANSWER:

Verandah Communities, L.P. (Partnership)
DBH Enterprises Inc. (General Partner)
Meadowbrook Investments, Inc. (Limited Partner)
ad hoc advisors: individuals listed in Interrogatory No. 1

INTERROGATORY NO. 4:

Identify the date that Verandah LP became aware of Royse City's corporate limits and/or extraterritorial jurisdiction ("ETJ"). If a specific date cannot be identified, provide the month and the year.

ANSWER:

VC was aware of the Royse City corporate limits before the creation of the Verandah Fresh Water Supply District. The exact date or even month is no longer remembered. However, municipal opposition to water districts was well known in this region. For this reason, Pate Engineers measured the exact city limits and ETJ from municipal records. VFWSD boundaries were established outside the Royse City sphere of control for an area subject only to the County Commissioners Court's jurisdiction.

INTERROGATORY NO. 5:

Identify the property development schedule for the areas identified in the Verandah LP sewer CCN application and/or within the boundaries of the Verandah FWSD.

ANSWER:

Development schedule has not been finalized yet. At this time property anticipated to develop from north to south at approximately 150-250 units per year.

INTERROGATORY NO. 6:

Identify the projected retail rates anticipated to be charged by Verandah LP for the area identified in the Verandah LP sewer CCN application.

ANSWER:

Final rate structure and tariff not established yet. Average target rate for single-family residential house anticipated being in \$25 - 30 per month range.

INTERROGATORY NO. 7:

Identify the schedule pursuant to which Verandah LP anticipates providing wastewater treatment services within the area identified in the Verandah LP sewer CCN application.

ANSWER:

Within 9 to 12 months of TCEQ authorization.

INTERROGATORY NO. 8:

Identify all sources of potable water, which Verandah LP anticipates utilizing to provide water service within the area identified in the Verandah LP sewer CCN application.

ANSWER:

Cash WSC
Groundwater
North Texas Municipal Water District (thorough one or more clients or direct)

INTERROGATORY NO. 9:

Identify the schedule pursuant to which Verandah LP anticipates providing water service with the area identified in the Verandah LP sewer CCN application.

ANSWER:

Within 120 to 180 days of filing plans and specs with the TCEQ for the PWS.

REQUESTS FOR PRODUCTION

REQUEST FOR PRODUCTION NO. 1:

Produce all documents identified in Verandah LP's answers to Royse City's First Set of Interrogatories.

RESPONSE:

None

REQUEST FOR PRODUCTION NO. 2:

Produce all documents and tangible things, including, but not limited to, all reports, working papers, notes, calculations, diagrams, photographs, physical models, exhibits, compilations of data, drafts, treatises, rules, regulations, guidelines, statutes, policies, procedures, authoritative materials, or other materials prepared by or reviewed by each fact witness and expert you expect to call to testify during the Hearing on the Merits in this consolidated docket proceeding, and by each consulting expert whose work has been reviewed by a testifying expert.

RESPONSE:

Documents have been provided in response to Request for Disclosure. No additional documents have been identified at this time.

REQUEST FOR PRODUCTION NO. 3:

For each expert you expect to call to testify during the Hearing on the Merits in this consolidated docket proceeding, and for each consulting expert whose opinions or observations a testifying expert will review or has reviewed, produce a curriculum vitae, a list of all cases in which the expert has testified either by deposition or live at trial or hearing, and a list of all articles or publications by the expert.

RESPONSE:

Robert Wright — SOAH DOCKET NO. 582-00-1479; TCEQ DOCKET NO. 2000-0393-UCR; City of Crandall CCN Amendment

Fred Brown and Phillip Huffines — SOAH DOCKET NO. 582-03-2282; TCEQ DOCKET NO. 2003-0033-UCR; Denton County FWSD #10

Mark Zeppa — Mr. Zeppa has testified and/or given depositions in over thirty cases in the past twenty years; however, he has not maintained a list of those individual cases. The attached an updated resume that contains his most recent publications.

REQUEST FOR PRODUCTION NO. 4:

Produce all billing and fee related documents, including, but not limited to, all invoices, bills, or other billing materials for each expert you expect to testify during the Hearing on the Merits in this consolidated docket proceeding, and for each consulting expert whose opinions or observations a testifying expert will review or has reviewed.

RESPONSE:

This information will be produced with the expert's work papers in response to the Responses to Disclosure.

REQUEST FOR PRODUCTION NO. 5:

For each person you expect to call as a fact witness during the Hearing on the Merits in this consolidated docket proceeding, please produce each and every document that has been reviewed by the witness regarding the Royse City Sewer CCN Application, the Royse City Water CCN Application, the Verandah LP Sewer CCN Application, the Parker Creek L.P. Sewer CCN Application, and/or the Parker Creek L.P. Water CCN Application.

RESPONSE:

This request calls for expert work papers that are only discoverable under requests for disclosure. The request will be answered in this manner.

REQUEST FOR PRODUCTION NO. 6:

Produce all agreements for settlement, indemnification, compromise, guarantee, or any other kind of agreement, which you have entered into with any party, or non-party, as a result of, concerning, or relating to the Royse City Sewer CCN Application, the Royse City Water CCN Application, the Verandah LP Sewer CCN Application, the Parker Creek L.P. Sewer CCN Application, and/or the Parker Creek L.P. Water CCN Application.

RESPONSE:

None.

REQUEST FOR PRODUCTION NO. 7:

Produce all documents and tangible things, including, but not limited to, all reports, working papers, notes, calculations, diagrams, photographs, physical models, exhibits, compilations of data, drafts, treatises, rules, regulations, guidelines, statutes, policies, procedures, authoritative materials, or other materials prepared by you or for you, submitted by you, for you, or to you, or reviewed by you or for you relating to or concerning the Royse City Sewer CCN Application, the Royse City Water CCN Application, the Verandah LP Sewer CCN Application, the Parker Creek L.P. Sewer CCN Application, and/or the Parker Creek L.P. Water CCN Application.

RESPONSE:

This request calls for expert work papers that are only discoverable under requests for disclosure. The request will be answered in this manner.

REQUEST FOR PRODUCTION NO. 8:

Produce all documents relating to or concerning any and all investigations made by or for you regarding the Royse City Sewer CCN Application, the Royse City Water CCN Application, the Verandah LP Sewer CCN Application, the Parker Creek L.P. Sewer CCN Application, and/or the Parker Creek L.P. Water CCN Application, including, but not limited to, documents identifying the person who initially requested that the investigation be undertaken, the dates on which the investigation was initiated and completed, all persons who were responsible for conducting the investigation, all

persons who did any work whatsoever in connection with the investigation, every person interviewed or contacted in any manner with regard to the investigation, the current custodian(s) of any written statement or recording, and the date and substance of any oral communication.

RESPONSE:

Question is vague and ambiguous. VC has not requested retail water or sewer service within the proposed retail certificated utility service area of Parker Creek Estate, LP (Parker Creek) because VC does not have a need for retail utility services service at geographic location. VC is aware that there is a need for service at that location and has worked in coordination to develop regional water and sewer service resources to serve Parker Creek's and VC's needs. These are ongoing activities. They were commenced two years ago and have not been completed.

REQUEST FOR PRODUCTION NO. 9:

Produce all documents relating to or concerning the Royse City Sewer CCN Application, the Royse City Water CCN Application, the Verandah LP Sewer CCN Application, the Parker Creek L.P. Sewer CCN Application, and/or the Parker Creek L.P. Water CCN Application, including, but not limited to, all correspondence, notes of telephone conferences or other oral communications, meeting notes, agendas, notices, letters, statements, or any other documents evidencing or relating to communications, whether written or oral, between you and any of the following entities:

- (a) any municipal agency;
- (b) any county agency;
- (c) any state agency;
- (d) any federal agency;
- (e) any testifying or consulting expert;
- (f) any party to this proceeding;
- (g) any elected official;
- (h) any representative(s), agent, or affiliate of any individual or business entity that provides any type of wastewater services; and
- (i) any representative(s), agent, or affiliate of any individual or business entity that provides any type of water services.

RESPONSE:

The documents are all located at the offices of Huffines and Partners, Inc. under Mr. Fred Brown's custody and control. These papers will be made available for inspection and copying subject to claims of privilege for attorney-client communications, which will be removed. The documents are voluminous as determined by stipulated order. The first 100 pages of copies will be provided for free. Thereafter, the inspecting party shall be required to contract with the services of an outside third-party copying service who will pick up the originals, copy them and return them to Mr. Brown. The inspecting party will be billed directly. Original documents will not be released to the inspecting party. Appointments to inspect documents will be made through Mark Zeppa.

REQUEST FOR PRODUCTION NO. 10:

Produce all documents relating to or concerning your position against the Royse City Sewer CCN Application and the Royse City Water CCN Application prepared by you or for you, submitted by you or for you or to you, or reviewed by you or for you.

RESPONSE:

None at this time. This will be up dated with prefiled testimony

Request for Production No. 11:

Produce all documents relating to or concerning your position in support of the Verandah LP sewer CCN application prepared by you or for you, submitted by you or for you or to you, or reviewed by you or for you.

RESPONSE:

The documents are all located at the offices of Huffines and Partners, Inc. under Mr. Fred Brown's custody and control. Other technical documents, including the CCN application and TPDES application, are located in the Pate Engineers offices in the custody of Robert Wright. These papers will be made available for inspection and copying subject to claims of privilege for attorney-client communications, which will be removed. The documents are voluminous as determined by stipulated order. The first 100 pages of copies will be provided for free. Thereafter, the inspecting party shall be required to contract with the services of an outside third-party copying service who will pick up the originals, copy them and return them to Mr. Brown. The inspecting party will be billed directly. Original documents will not be released to the inspecting party. Appointments to inspect documents will be made through Mark Zeppa.

REQUEST FOR PRODUCTION NO. 12:

Produce all documents relating to or concerning your position with regard to the Parker Creek LP. sewer CCN application and the Parker Creek LP. water CCN application prepared by you or for you, submitted by you or for you or to you, or reviewed by you or for you.

RESPONSE:

The documents are all located at the offices of Huffines and Partners, Inc. under Mr. Fred Brown's custody and control. Other technical documents, including the CCN application and TPDES application, are located in the Pate Engineers offices in the custody of Robert Wright. These papers will be made available for inspection and copying subject to claims of privilege for attorney-client communications, which will be removed. The documents are voluminous as determined by stipulated order. The first 100 pages of copies will be provided for free. Thereafter, the inspecting party shall be required to contract with the services of an outside third-party copying service who will pick up the originals, copy them and return them to Mr. Brown. The inspecting party will be billed directly. Original documents will not be released to the inspecting party. Appointments to inspect documents will be made through Mark Zeppa.

REQUEST FOR PRODUCTION NO. 13:

Produce all documents that you will or may use or introduce as exhibits during the Hearing on the Merits in this consolidated docket proceeding.

RESPONSE:

None identified at this time except the applications and TPDES permit applications identified above. This will be supplemented with prefiled testimony.

REQUEST FOR PRODUCTION NO. 14:

Produce all documents relating to or concerning the agreement under which you have engaged the services of your fact witnesses, consultants, and expert witnesses in this consolidated docket proceeding.

RESPONSE:

The engagement agreements will be produced with the expert's work papers.

REQUEST FOR PRODUCTION NO. 15:

Produce all documents relating to or concerning each and every meeting held by or for Verandah LP, including, but not limited to, meeting notices, agendas, minutes, and sign-in sheets.

RESPONSE:

The documents are all located at the offices of Huffines and Partners, Inc. under Mr. Fred Brown's custody and control. These papers will be made available for inspection and copying subject to claims of privilege for attorney-client communications, which will be removed. The documents are voluminous as determined by stipulated order. The first 100 pages of copies will be provided for free. Thereafter, the inspecting party shall be required to contract with the services of an outside third-party copying service who will pick up the originals, copy them and return them to Mr. Brown. The inspecting party will be billed directly. Original documents will not be released to the inspecting party. Appointments to inspect documents will be made through Mark Zeppa.

REQUEST FOR PRODUCTION NO. 16:

Produce all documents created by, received by, or distributed by you relating to or concerning the Royse City Sewer CCN Application, the Royse City Water CCN Application, the Verandah LP Sewer CCN Application, the Parker Creek L.P. Sewer CCN Application, and/or the Parker Creek L.P. Water CCN Application, including, but not limited to, any press release, public relation document, letter to the editor, newspaper article, flyer, information sheet, or background material.

RESPONSE:

The documents are all located at the offices of Huffines and Partners, Inc. under Mr. Fred Brown's custody and control. These papers will be made available for inspection and copying subject to claims of privilege for attorney-client communications, which will

be removed. The documents are voluminous as determined by stipulated order. The first 100 pages of copies will be provided for free. Thereafter, the inspecting party shall be required to contract with the services of an outside third-party copying service who will pick up the originals, copy them and return them to Mr. Brown. The inspecting party will be billed directly. Original documents will not be released to the inspecting party. Appointments to inspect documents will be made through Mark Zeppa.

REQUEST FOR PRODUCTION NO. 17:

Produce all documents concerning or relating to Verandah LP's corporate structure, organization, and operation, including, but not limited to, by-laws, rules, regulations, declarations, articles of incorporation, articles of amendment, and qualifications for membership.

RESPONSE:

N/A - not a corporation

REQUEST FOR PRODUCTION NO. 18:

With respect to all preliminary, final, or other written reports of any kind prepared by or for you, any other person, or entity, concerning or relating to the Royse City Sewer CCN Application, the Royse City Water CCN Application, the Verandah LP Sewer CCN Application, the Parker Creek L.P. Sewer CCN Application, and/or the Parker Creek L.P. Water CCN Application, please identify the person who currently has custody of each report along with the date and author of each report.

RESPONSE:

Verandah Communities sewer CCN application prepared by Pate Engineers at TCEQ
Parker Creek Estates sewer CCN application prepared by Pate Engineers at TCEQ
Parker Creek Estates water CCN application prepared by Pate Engineers at TCEQ
Verandah Communities TPDES application prepared by Pate Engineers at TCEQ
Parker Creek Estates TPDES application prepared by Pate Engineers at TCEQ
Parker Creek Estates groundwater availability study by Collier Consulting at TCEQ and Kerry Russell

REQUEST FOR PRODUCTION NO. 19:

Produce any and all documents purporting to give you authority to participate in this proceeding.

RESPONSE:

Texas Constitution Volumes 1 - 3, the Texas Property Code, the Texas Water Code, the Texas Health & Safety Code and the Procedural Rules of the TCEQ and SOAH, please copy them yourself.

REQUEST FOR PRODUCTION NO. 20:

Produce any and all documents between you and Verandah Freshwater Supply District regarding the provision of water and/or wastewater services.

RESPONSE:

The documents are all located at the Law Offices of Clay E. Crawford, PC in Houston under Mr. Clay Crawford's custody and control. These papers will be made available for inspection and copying subject to claims of privilege for attorney-client communications, which will be removed. The documents are voluminous as determined by stipulated order. The first 100 pages of copies will be provided for free. Thereafter, the inspecting party shall be required to contract with the services of an outside third-party copying service who will pick up the originals, copy them and return them to Mr. Crawford. The inspecting party will be billed directly. Original documents will not be released to the inspecting party. Appointments to inspect documents will be made through Mark Zeppa.

REQUEST FOR PRODUCTION NO. 21:

Produce any and all documents related to the delivery, by purchase or dedication, with Verandah FWSD, of any easements.

RESPONSE:

The documents are all located at the Law Offices of Clay E. Crawford, PC in Houston under Mr. Clay Crawford's custody and control. These papers will be made available for inspection and copying subject to claims of privilege for attorney-client communications, which will be removed. The documents are voluminous as determined by stipulated order. The first 100 pages of copies will be provided for free. Thereafter, the inspecting party shall be required to contract with the services of an outside third-party copying service who will pick up the originals, copy them and return them to Mr. Crawford. The inspecting party will be billed directly. Original documents will not be released to the inspecting party. Appointments to inspect documents will be made through Mark Zeppa.

REQUEST FOR PRODUCTION NO. 22:

Produce any and all documents that show the boundaries and limits of Verandah FWSD.

RESPONSE:

The documents are all located at the Law Offices of Clay E. Crawford, PC in Houston under Mr. Clay Crawford's custody and control. These papers will be made available for inspection and copying subject to claims of privilege for attorney-client communications,

which will be removed. The documents are voluminous as determined by stipulated order. The first 100 pages of copies will be provided for free. Thereafter, the inspecting party shall be required to contract with the services of an outside third-party copying service who will pick up the originals, copy them and return them to Mr. Crawford. The inspecting party will be billed directly. Original documents will not be released to the inspecting party. Appointments to inspect documents will be made through Mark Zeppa.

REQUEST FOR PRODUCTION NO. 23:

Produce all documents concerning or relating to the current and proposed relationship between Verandah LP and Verandah FWSD.

RESPONSE:

The documents are all located at the Law Offices of Clay E. Crawford, PC in Houston under Mr. Clay Crawford's custody and control. These papers will be made available for inspection and copying subject to claims of privilege for attorney-client communications, which will be removed. The documents are voluminous as determined by stipulated order. The first 100 pages of copies will be provided for free. Thereafter, the inspecting party shall be required to contract with the services of an outside third-party copying service who will pick up the originals, copy them and return them to Mr. Crawford. The inspecting party will be billed directly. Original documents will not be released to the inspecting party. Appointments to inspect documents will be made through Mark Zeppa.

REQUEST FOR PRODUCTION NO. 24:

Produce all documents, including, but not limited to contracts, agreements, and correspondence, related to all sources of potable water, which Verandah LP anticipates utilizing to provide water service within the area identified in the Verandah LP Sewer CCN Application.

RESPONSE:

The documents are all located at the offices of Huffines and Partners, Inc. under Mr. Fred Brown's custody and control. These papers will be made available for inspection and copying subject to claims of privilege for attorney-client communications, which will be removed. The documents are voluminous as determined by stipulated order. The first 100 pages of copies will be provided for free. Thereafter, the inspecting party shall be required to contract with the services of an outside third-party copying service who will pick up the originals, copy them and return them to Mr. Brown. The inspecting party will be billed directly. Original documents will not be released to the inspecting party. Appointments to inspect documents will be made through Mark Zeppa.

REQUEST FOR PRODUCTION NO. 25:

Produce all documents concerning or relating to plans for Verandah FWSD to provide water and/or sewer services in the area identified in the Verandah LP Sewer CCN Application.

RESPONSE:

The documents are all located at the offices of Huffines and Partners, Inc. under Mr. Fred Brown's custody and control. Other technical documents, including the CCN application and TPDES application, are located in the Pate Engineers offices in the custody of Robert Wright. These papers will be made available for inspection and copying subject to claims of privilege for attorney-client communications, which will be removed. The documents are voluminous as determined by stipulated order. The first 100 pages of copies will be provided for free. Thereafter, the inspecting party shall be required to contract with the services of an outside third-party copying service who will pick up the originals, copy them and return them to Mr. Brown. The inspecting party will be billed directly. Original documents will not be released to the inspecting party. Appointments to inspect documents will be made through Mark Zeppa.

REQUEST FOR PRODUCTION NO. 26:

Produce all documents identifying how Verandah LP anticipates providing wastewater treatment services to the area identified in the Verandah LP Sewer CCN Application.

RESPONSE:

Previously answered

REQUEST FOR PRODUCTION NO. 27:

Produce all documents identifying and/or supporting the schedules pursuant to which Verandah LP anticipates being able to provide water service within the area identified in the Verandah LP Sewer CCN Application.

RESPONSE:

Previously answered

REQUEST FOR PRODUCTION NO. 28:

Produce all documents identifying and/or supporting the schedules pursuant to which Verandah LP anticipates being able to provide wastewater treatment services within the area identified in the Verandah LP Sewer CCN Application.

RESPONSE:

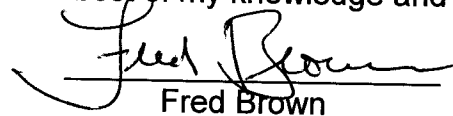
Previously answered

STATE OF TEXAS §

COUNTY OF TRAVIS §

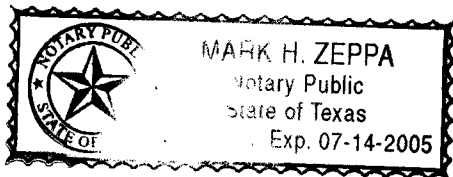
ATTESTATION

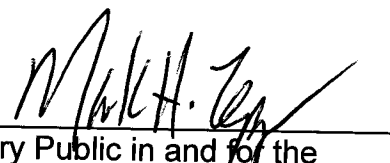
I, Fred Brown, PE, Vice-President of Verandah Communities, LP, swear and attest that I participated in the preparation of the foregoing answers to discovery in consultations with and in reliance on information provided by the individuals indicated therein and the information contained therein is true and correct to the best of my knowledge and belief.


Fred Brown

SWORN AND SUBSCRIBED TO under oath by Fred Brown on February 24, 2004 before the undersigned Notary Public.

SEAL



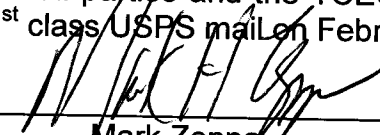

Notary Public in and for the
State of Texas

Name: _____

Commission expires: _____

CERTIFICATE OF SERVICE

I, Mark H. Zeppa, attorney for the Respondents, certify that a true and correct copy of the foregoing discovery answer was served on all parties and the TCEQ Docket Clerk by facsimile transmission, hand delivery and 1st class USPS mail on February 24, 2004


Mark Zeppa

<p>Mr. Geoffrey Kirshbaum Texas Commission on Environmental Quality MC-175 P.O. Box 13087 Austin, Texas 78711-3087 (mail) 12100 Park 35 Circle, Building F Austin, Texas 78753 (delivery) Telephone: (512) 239-0600 Fax: (512) 239-0606</p>	<p>Representing the Executive Director, Texas Commission on Environmental Quality</p>
<p>Mr. Blas Coy Office of the Public Interest Counsel Texas Commission on Environmental Quality MC-103 P.O. Box 13087 Austin, Texas 78711-3087 (mail) 12100 Park 35 Circle, Building F Austin, Texas 78753 (delivery) Telephone: (512) 239-6363 Fax: (512) 239-6377</p>	<p>Representing the Office of Public Interest Counsel, Texas Commission on Environmental Quality</p>
<p>Kerry E. Russell Angela K. Moorman Russell, Moorman & Rodriguez, L.L.P. 102 West Morrow Street, Suite 103 Georgetown, Texas 78626 (512) 930-1317 (512) 864-7744 (Fax)</p>	<p>Representing City of Royse City</p>
<p>Ms. Susan E. Potts Mr. David Klein Potts & Reilly, L.L.P. Attorneys and Counselors 401 West 15th Street, Suite 850 Austin, Texas 78701-1665 Telephone: (512) 469-7474 Fax: (512) 469-7480</p>	<p>Representing Mr. Dean M. Gandy</p>

Mr. Skip Newsom Attorney 3724 Jefferson Street, Suite 200 Austin, Texas 78731 Telephone: (512) 477-4121 Fax: (512) 477-2860	Representing the City of Fate, Texas
Docket Clerk TCEQ Office of Chief Clerk (MC-105) P.O. Box 13087 Austin, Texas 78711-3087 (mail) 12100 Park 35 Circle, Building F Austin, Texas 78753 (delivery) Fax: (512) 239-3311	

MARK H. ZEPPA

**4833 Spicewood Springs Road, Suite 202
Austin, Texas 78759
(512) 346-4011, Fax (512) 346-6847
mhzeppa@attglobal.net**

Education

Doctor of Jurisprudence, University of Texas School of Law, December, 1977

Bachelor of Arts with Honors, University of Texas at Austin, May, 1973

National Association of Regulatory Utility Commissioners Annual Regulatory Studies Program, August, 1978, Michigan State University

Professional Experience

Law Offices of Mark H. Zeppa, P.C., President,
January, 1984 to Present.

President of a private law firm specializing in public utility regulation, environmental, water and administrative law before local, state, and federal agencies, legislative lobbying, and general civil law. Frequent lecturer and expert witness on administrative law and regulatory policies affecting water and sewer utilities.

Public Utility Commission of Texas, Assistant Director of the Office of General Counsel, February 1, 1983 to December 16, 1983.

Public Utility Commission of Texas, Senior Staff Attorney, November 1, 1981 to January 31, 1983.

Public Utility Commission of Texas, Hearings Examiner, June 1, 1978 to October 31, 1981.

Licensed to Practice

All courts of the State of Texas
United States District Court, Western District of Texas
United States District Court, Eastern District of Texas
United States Fifth Circuit Court of Appeals
Not certified by the Texas Board of Legal Specialization

Lecturer and Consultant

Lecturer, consultant and expert witness on matters relating to water, environmental and public utility law, utility ratemaking, utility certification, permitting, and associated topics.

Professional Associations

Texas Bar Association
Public Utility Law Section
Administrative Law Section
Natural Resources Section

Travis County Bar Association
Administrative Law Section

Executive Director of the Independent Water and Sewer Companies of Texas,
state trade association of privately owned water and sewer utilities

Representative to the Texas Water Forum for the Independent Water and Sewer
Companies of Texas

Member of the Texas Rural Water Association

Member of the Texas Water Utilities Association

Member of the American Water Works Association

Member of the American Water Works Association Texas Section

Member Texas Commission on Environmental Quality Drinking Water Advisory
Work Group

Member Texas Commission on Environmental Quality Water Quality Advisory
Work Group

Member Texas Commission on Environmental Quality Water Rights Advisory
Work Group

Member of Numerous Texas Commission on Environmental Quality Ad Hoc
Work Groups and Stakeholder Panels

Recent Publications

WHY DO THE CITIES THINK THEY HAVE A RIGHT TO SERVE? Texas Water
Law, CLE International [October 15-16, 2001]

EVOLVUTION OF CERTIFICATION: The Conflicts Don't Go Away. Water for
Texas Future: The Legal Issues, 2nd Annual TWCA/TRWA Water Law Seminar
[January 24-25, 2002]

*CERTIFICATES OF CONVENIENCE AND NECESSITY (CCNs) and TEXAS
POLLUTANT DISCHARGE ELIMINATION SYSTEM (TPDES)* Public
Improvement District (PID) Land Development Seminar, Associate Professional
Engineering and Construction, LLC [February 18, 2004]

1

INTERROGATORIES

INTERROGATORY NO. 1:

Identify each person(s) answering these interrogatories, supplying information, assisting in any way with the preparation of the answers to these interrogatories, whether or not such answer, information, or assistance was used, and state with specificity the particular interrogatory and, where possible, the particular portion of the answer to which such person(s) answered, informed, or assisted.

ANSWER:

Mark H. Zeppa
Law Offices of Mark H. Zeppa, PC
4833 Spicewood Springs Road, #202
Austin, Texas 78759-8436
(512) 346-4011

Fred Brown, PE
Huffines & Partners, Inc.
8222 Douglas Ave, Ste 660
Dallas, Texas 75225
(214) 526-3000

Donald Huffines
Huffines & Partners, Inc.
8222 Douglas Ave, Ste 660
Dallas, Texas 75225
(214) 526-3000

Phillip Huffines
Huffines & Partners, Inc.
8222 Douglas Ave, Ste 660
Dallas, Texas 75225
(214) 526-3000

Clay E. Crawford
Law Offices of Clay E. Crawford, PC
4265 San Felipe St, Ste 1050
Houston, Texas 77027
(713) 621-3707

Robert Wright, PE
Pate Engineers
8150 Brookriver Dr., Ste S-700
Dallas, Texas 75247

(214) 357-2981

Margaret Sledge Gillentine, PE
Pate Engineers
8150 Brookriver Dr., Ste S-700
Dallas, Texas 75247
(214) 357-2981

Teague Harris, PE
Pate Engineers
13333 Northwest Freeways, Ste 300
Houston, Texas 77040
(713) 462-3178

Angela Stepherson
Law Offices of Clay E. Crawford, PC
3100 McKinnon St., Ste 950
Dallas, Texas 75201
(214) 981-9090

INTERROGATORY NO. 2

With respect to all investigations of any kind conducted by or for you, any other person, or entity, concerning or relating to the Royse City Sewer CCN Application, the Royse City Water CCN Application, the Verandah LP Sewer CCN Application, the Parker Creek L.P. Sewer CCN Application, and/or the Parker Creek L.P. Water CCN Application, please identify the person who initially requested that the investigation be undertaken and give the date when each investigation was initiated and completed.

ANSWER:

Question is vague and ambiguous. VD has not requested retail water or sewer service within the proposed retail certificated utility service area of Parker Creek Estate, LP (Parker Creek) because VD does not have a need for retail utility services service at geographic location. VD is aware that there is a need for service at that location and has worked in coordination to develop regional water and sewer service resources to serve Parker Creek's and VD's needs. These are ongoing activities. They were commenced two years ago and have not been completed.

INTERROGATORY NO. 3:

Identify all current and former members, stockholders, partners, proprietors, officers, Boards of Directors, and/or ad hoc advisors of Verandah FWSD.

ANSWER:

Robert Z. Taylor - President

Joshua J. Wright - Vice-President

James D. Knight - Secretary

Rodney J. Boren - Assist. Secretary/Treasurer

Sarah N. Harper - Supervisor (submitting resignation due to move from district)

INTERROGATORY NO. 4:

Identify the date that Verandah FWSD became aware of Royse City's corporate limits and/or extraterritorial jurisdiction ("ETJ"). If a specific date cannot be identified, provide the month and the year.

ANSWER:

VD was aware of the Royse City corporate limits before its creation. The exact date or even month is no longer remembered. However, municipal opposition to water districts was well known in this region. For this reason, Pate Engineers measured the exact city limits and ETJ from municipal records. VD's boundaries were established outside the Royse City sphere of control for an area subject only to the County Commissioners Court's jurisdiction.

INTERROGATORY NO. 5:

Identify the property development schedule for Verandah FWSD and the area identified in the Verandah LP Sewer CCN Application.

ANSWER:

VD is not a developer and will not develop any property within the district's boundary.

INTERROGATORY NO. 6:

Identify the projected retail rates anticipated to be charged by Verandah FWSD for the area identified in the Verandah LP Sewer CCN Application.

ANSWER:

Final rate structure and tariff not established yet. Average target rate for single-family residential house anticipated being in \$25 - 30 per month range.

INTERROGATORY NO. 7:

Identify the specific date that Verandah FWSD was formed as a district pursuant to Article 16, Section 59 of the Texas Constitution.

ANSWER:

Information will be forthcoming. It was not provided from VD as anticipated.

INTERROGATORY NO. 8:

Identify the specific boundaries and limits of the area included within the district boundaries of the Verandah FWSD.

ANSWER:

The documents are all located at the Law Offices of Clay E. Crawford, PC in Houston under Mr. Clay Crawford's custody and control. These papers will be made available for inspection and copying subject to claims of privilege for attorney-client communications, which will be removed. The documents are voluminous as determined by stipulated order. The first 100 pages of copies will be provided for free. Thereafter, the inspecting party shall be required to contract with the services of an outside third-party copying service who will pick up the originals, copy them and return them to Mr. Crawford. The inspecting party will be billed directly. Original documents will not be released to the inspecting party. Appointments to inspect documents will be made through Mark Zeppa.

INTERROGATORY NO. 9:

Identify all sources of potable water which Verandah FWSD anticipates utilizing to provide water service within the boundaries of Verandah FWSD and/or the area identified in the Verandah LP Sewer CCN Application.

ANSWER:

Cash WSC
Groundwater
North Texas Municipal Water District (thorough one or more clients or direct)

INTERROGATORY NO. 10:

Identify the schedule pursuant to which Verandah FWSD anticipates providing water service within the boundaries of Verandah FWSD and/or the area identified in the Verandah LP Sewer CCN Application.

ANSWER:

Within 120 to 180 days of filing plans and specs with the TCEQ for the PWS.

INTERROGATORY NO. 11:

Identify the schedule pursuant to which Verandah FWSD anticipates providing wastewater treatment services within the boundaries of Verandah FWSD and/or the area identified in the Verandah LP Sewer CCN Application.

ANSWER:

Within 9 to 12 months of TCEQ authorization.

REQUESTS FOR PRODUCTION

REQUEST FOR PRODUCTION NO. 1:

Produce all documents identified in Verandah FWSD's answers to Royse City's First Set of Interrogatories.

RESPONSE:

NONE

REQUEST FOR PRODUCTION NO. 2:

Produce all documents and tangible things, including, but not limited to, all reports, working papers, notes, calculations, diagrams, photographs, physical models, exhibits, compilations of data, drafts, treatises, rules, regulations, guidelines, statutes, policies, procedures, authoritative materials, or other materials prepared by or reviewed by each fact witness and expert you expect to call to testify during the Hearing on the Merits in this consolidated docket proceeding, and by each consulting expert whose work has been reviewed by a testifying expert.

RESPONSE:

Documents have been provided in response to request for disclosure. No additional documents have been identified at this time.

REQUEST FOR PRODUCTION NO. 3:

For each expert you expect to call to testify during the Hearing on the Merits in this consolidated docket proceeding, and for each consulting expert whose opinions or

observations a testifying expert will review or has reviewed, produce a curriculum vitae, a list of all cases in which the expert has testified either by deposition or live at trial or hearing, and a list of all articles or publications by the expert.

RESPONSE:

Robert Wright — SOAH DOCKET NO. 582-00-1479; TCEQ DOCKET NO. 2000-0393-UCR; City of Crandall CCN Amendment

Fred Brown and Phillip Huffines — SOAH DOCKET NO. 582-03-2282; TCEQ DOCKET NO. 2003-0033-UCR; Denton County FWSD #10

Mark Zeppa — Mr. Zeppa has testified and/or given depositions in over thirty cases in the past twenty years; however, he has not maintained a list of those individual cases. The attached an updated resume that contains his most recent publications.

REQUEST FOR PRODUCTION NO. 4:

Produce all billing and fee related documents, including, but not limited to, all invoices, bills, or other billing materials for each expert you expect to testify during the Hearing on the Merits in this consolidated docket proceeding, and for each consulting expert whose opinions or observations a testifying expert will review or has reviewed.

RESPONSE:

This information will be produced with the expert's work papers in response to the Responses to Disclosure.

REQUEST FOR PRODUCTION NO. 5:

For each person you expect to call as a fact witness during the Hearing on the Merits in this consolidated docket proceeding, please produce each and every document that has been reviewed by the witness regarding the Royse City Sewer CCN Application, the Royse City Water CCN Application, the Verandah LP Sewer CCN Application, the Parker Creek L.P. Sewer CCN Application, and/or the Parker Creek L.P. Water CCN Application.

RESPONSE:

This request calls for expert work papers that are only discoverable under requests for disclosure. The request will be answered in this manner. No separate fact witnesses are currently planned to be called.

REQUEST FOR PRODUCTION NO. 6:

Produce all agreements for settlement, indemnification, compromise, guarantee, or any other kind of agreement, which you have entered into with any party, or non-party, as a result of, concerning, or relating to the Royse City Sewer CCN Application, the Royse City Water CCN Application, the Verandah LP Sewer CCN Application, the Parker Creek L.P. Sewer CCN Application, and/or the Parker Creek L.P. Water CCN Application.

RESPONSE:

None

REQUEST FOR PRODUCTION NO. 7:

Produce all documents and tangible things, including, but not limited to, all reports, working papers, notes, calculations, diagrams, photographs, physical models, exhibits, compilations of data, drafts, treatises, rules, regulations, guidelines, statutes, policies, procedures, authoritative materials, or other materials prepared by you or for you, submitted by you, for you, or to you, or reviewed by you or for you relating to or concerning the Royse City Sewer CCN Application, the Royse City Water CCN Application, the Verandah LP Sewer CCN Application, the Parker Creek L.P. Sewer CCN Application, and/or the Parker Creek L.P. Water CCN Application.

RESPONSE:

Verandah Communities, LP CCN and TPDES application being made available as Robert Wright's work papers and his other supporting work papers.

REQUEST FOR PRODUCTION NO. 8:

Produce all documents relating to or concerning any and all investigations made by or for you regarding the Royse City Sewer CCN Application, the Royse City Water CCN Application, the Verandah LP Sewer CCN Application, the Parker Creek L.P. Sewer CCN Application, and/or the Parker Creek L.P. Water CCN Application, including, but not limited to, documents identifying the person who initially requested that the investigation be undertaken, the dates on which the investigation was initiated and completed, all persons who were responsible for conducting the investigation, all persons who did any work whatsoever in connection with the investigation, every person interviewed or contacted in any manner with regard to the investigation, the current custodian(s) of any written statement or recording, and the date and substance of any oral communication.

RESPONSE:

None

REQUEST FOR PRODUCTION NO. 9:

Produce all documents relating to or concerning the Royse City Sewer CCN Application, the Royse City Water CCN Application, the Verandah LP Sewer CCN Application, the Parker Creek L.P. Sewer CCN Application, and/or the Parker Creek L.P. Water CCN Application, including, but not limited to, all correspondence, notes of telephone conferences or other oral communications, meeting notes, agendas, notices, letters, statements, or any other documents evidencing or relating to communications, whether written or oral, between you and any of the following entities:

- (a) any municipal agency;
- (b) any county agency;
- (c) any state agency;
- (d) any federal agency;
- (e) any testifying or consulting expert;
- (f) any party to this proceeding;
- (g) any elected official;
- (h) any representative(s), agent, or affiliate of any individual or business entity that provides any type of wastewater services; and
- (i) any representative(s), agent, or affiliate of any individual or business entity that provides any type of water services.

RESPONSE:

The documents are all located at the Law Offices of Clay E. Crawford, PC in Houston under Mr. Clay Crawford's custody and control. Other documents are located in the Dallas offices of Mr. Crawford in the custody and control of Ms. Angela Stepherson. These papers will be made available for inspection and copying subject to claims of privilege for attorney-client communications, which will be removed. The documents are voluminous as determined by stipulated order. The first 100 pages of copies will be provided for free. Thereafter, the inspecting party shall be required to contract with the services of an outside third-party copying service who will pick up the originals, copy them and return them to Mr. Crawford/Ms. Stepherson. The inspecting party will be billed directly. Original documents will not be released to the inspecting party. Appointments to inspect documents will be made through Mark Zeppa.

REQUEST FOR PRODUCTION NO. 10:

Produce all documents relating to or concerning your position against the Royse City Sewer CCN Application and the Royse City Water CCN Application prepared by you or for you, submitted by you or for you or to you, or reviewed by you or for you.

RESPONSE:

See attached copy of a protest and hearing request letter to Doug Holcomb dated June 19, 2003

REQUEST FOR PRODUCTION NO. 11:

Produce all documents relating to or concerning your position in support of the Verandah LP Sewer CCN Application prepared by you or for you, submitted by you or for you or to you, or reviewed by you or for you.

RESPONSE:

See the work papers of Pate Engineers submitted in response to Requests for Disclosure.

REQUEST FOR PRODUCTION NO. 12:

Produce all documents relating to or concerning your position with regard to the Parker Creek L.P. Sewer CCN Application and the Parker Creek L.P. Water CCN Application prepared by you or for you, submitted by you or for you or to you, or reviewed by you or for you.

RESPONSE:

See the work papers of Pate Engineers, Fred Brown, Hughbert, and Huffines Brothers submitted in response to Requests for Disclosure.

REQUEST FOR PRODUCTION NO. 13:

Produce all documents that you will or may use or introduce as exhibits during the Hearing on the Merits in this consolidated docket proceeding.

RESPONSE:

Unknown at this time. Answer will be supplemented with prefiled testimony when decision is made.

REQUEST FOR PRODUCTION NO. 14:

Produce all documents relating to or concerning the agreement under which you have engaged the services of your fact witnesses, consultants, and expert witnesses in this consolidated docket proceeding.

RESPONSE:

The engagement agreements will be produced with the expert's work papers.

REQUEST FOR PRODUCTION NO. 15:

Produce all documents relating to or concerning each and every meeting held by or for Verandah FWSD, including, but not limited to, meeting notices, agendas, minutes, and sign-in sheets.

RESPONSE:

The documents are all located at the Law Offices of Clay E. Crawford, PC in Houston under Mr. Clay Crawford's custody and control. Other documents are located in the Dallas offices of Mr. Crawford in the custody and control of Ms. Angela Stepherson. These papers will be made available for inspection and copying subject to claims of privilege for attorney-client communications, which will be removed. The documents are voluminous as determined by stipulated order. The first 100 pages of copies will be provided for free. Thereafter, the inspecting party shall be required to contract with the services of an outside third-party copying service who will pick up the originals, copy them and return them to Mr. Crawford/Ms. Stepherson. The inspecting party will be billed directly. Original documents will not be released to the inspecting party. Appointments to inspect documents will be made through Mark Zeppa.

REQUEST FOR PRODUCTION NO. 16:

Produce all documents created by, received by, or distributed by you relating to or concerning the Royse City Sewer CCN Application, the Royse City Water CCN Application, the Verandah LP Sewer CCN Application, the Parker Creek L.P. Sewer CCN Application, and/or the Parker Creek L.P. Water CCN Application, including, but not limited to, any press release, public relation document, letter to the editor, newspaper article, flyer, information sheet, or background material.

RESPONSE:

The documents are all located at the Law Offices of Clay E. Crawford, PC in Houston under Mr. Clay Crawford's custody and control. Other documents are located in the Dallas offices of Mr. Crawford in the custody and control of Ms. Angela Stepherson. These papers will be made available for inspection and copying subject to claims of

privilege for attorney-client communications, which will be removed. The documents are voluminous as determined by stipulated order. The first 100 pages of copies will be provided for free. Thereafter, the inspecting party shall be required to contract with the services of an outside third-party copying service who will pick up the originals, copy them and return them to Mr. Crawford/Ms. Stepherson. The inspecting party will be billed directly. Original documents will not be released to the inspecting party. Appointments to inspect documents will be made through Mark Zeppa.

REQUEST FOR PRODUCTION NO. 17:

Produce all documents concerning or relating to Verandah FWSD's corporate structure, organization, and operation, including, but not limited to, by-laws, rules, regulations, declarations, articles of incorporation, articles of amendment, and qualifications for membership.

RESPONSE:

N/A — not a corporation. VD is a political subdivision governed by an elected board of directors. See Texas Water Code, Chapter 53.

REQUEST FOR PRODUCTION NO. 18:

With respect to all preliminary, final, or other written reports of any kind prepared by or for you, any other person, or entity, concerning or relating to the Royse City Sewer CCN Application, the Royse City Water CCN Application, the Verandah LP Sewer CCN Application, the Parker Creek L.P. Sewer CCN Application, and/or the Parker Creek L.P. Water CCN Application, please identify the person who currently has custody of each report along with the date and author of each report.

RESPONSE:

Verandah Communities sewer CCN application prepared by Pate Engineers at TCEQ
Parker Creek Estates sewer CCN application prepared by Pate Engineers at TCEQ
Parker Creek Estates water CCN application prepared by Pate Engineers at TCEQ
Verandah Communities TPDES application prepared by Pate Engineers at TCEQ
Parker Creek Estates TPDES application prepared by Pate Engineers at TCEQ
Parker Creek Estates groundwater availability study by Collier Consulting at TCEQ and Kerry Russell

REQUEST FOR PRODUCTION NO. 19:

Produce any and all documents purporting to give you authority to participate in this proceeding.

RESPONSE:

Texas Constitution art. 16, §59, Texas Water Code Chapter 53, the TCEQ's and SOAH Procedural Rules and ALJ Craig Bennett's Order No. 3. All parties have copies of these documents. If not, they may come to Mark Zeppa's office and make them. Bring a copier toner cartridge and box of paper. It's and old and cranky machine.

REQUEST FOR PRODUCTION NO. 20:

Produce any and all documents between you and Verandah Communities, LP, regarding the provision of water and/or wastewater services.

RESPONSE:

The documents are all located at the Law Offices of Clay E. Crawford, PC in Houston under Mr. Clay Crawford's custody and control. These papers will be made available for inspection and copying subject to claims of privilege for attorney-client communications, which will be removed. The documents are voluminous as determined by stipulated order. The first 100 pages of copies will be provided for free. Thereafter, the inspecting party shall be required to contract with the services of an outside third-party copying service who will pick up the originals, copy them and return them to Mr. Crawford. The inspecting party will be billed directly. Original documents will not be released to the inspecting party. Appointments to inspect documents will be made through Mark Zeppa.

REQUEST FOR PRODUCTION NO. 21:

Produce any and all documents related to the delivery, by purchase or dedication, with Verandah Communities, LP, of any easements.

RESPONSE:

See No. 20 above.

REQUEST FOR PRODUCTION NO. 22:

Produce any and all documents that show the boundaries and limits of Verandah FWSD.

RESPONSE:

The documents are all located at the Law Offices of Clay E. Crawford, PC in Houston under Mr. Clay Crawford's custody and control. Other documents are located in the Dallas offices of Mr. Crawford in the custody and control of Ms. Angela Stepherson. These papers will be made available for inspection and copying subject to claims of privilege for attorney-client communications, which will be removed. The documents

are voluminous as determined by stipulated order. The first 100 pages of copies will be provided for free. Thereafter, the inspecting party shall be required to contract with the services of an outside third-party copying service who will pick up the originals, copy them and return them to Mr. Crawford/Ms. Stepherson. The inspecting party will be billed directly. Original documents will not be released to the inspecting party. Appointments to inspect documents will be made through Mark Zeppa.

REQUEST FOR PRODUCTION NO. 23:

Produce any and all documents that demonstrate that Verandah FWSD was formed as a district pursuant to Article 16, Section 59 of the Texas Constitution.

RESPONSE:

The documents are all located at the Law Offices of Clay E. Crawford, PC in Houston under Mr. Clay Crawford's custody and control. Other documents are located in the Dallas offices of Mr. Crawford in the custody and control of Ms. Angela Stepherson. These papers will be made available for inspection and copying subject to claims of privilege for attorney-client communications, which will be removed. The documents are voluminous as determined by stipulated order. The first 100 pages of copies will be provided for free. Thereafter, the inspecting party shall be required to contract with the services of an outside third-party copying service who will pick up the originals, copy them and return them to Mr. Crawford/Ms. Stepherson. The inspecting party will be billed directly. Original documents will not be released to the inspecting party. Appointments to inspect documents will be made through Mark Zeppa.

REQUEST FOR PRODUCTION NO. 24:

Produce all documents concerning or relating to the current and proposed relationship between Verandah FWSD and Verandah LP.

RESPONSE:

The documents are all located at the Law Offices of Clay E. Crawford, PC in Houston under Mr. Clay Crawford's custody and control. Other documents are located in the Dallas offices of Mr. Crawford in the custody and control of Ms. Angela Stepherson. These papers will be made available for inspection and copying subject to claims of privilege for attorney-client communications, which will be removed. The documents are voluminous as determined by stipulated order. The first 100 pages of copies will be provided for free. Thereafter, the inspecting party shall be required to contract with the services of an outside third-party copying service who will pick up the originals, copy them and return them to Mr. Crawford/Ms. Stepherson. The inspecting party will be billed directly. Original documents will not be released to the inspecting party. Appointments to inspect documents will be made through Mark Zeppa.

REQUEST FOR PRODUCTION NO. 25:

Produce all documents concerning or relating to plans for the Verandah FWSD to provide water and/or sewer services within the boundaries of the Verandah FWSD and/or the area identified in the Verandah LP Sewer CCN Application.

RESPONSE:

Here's the plan. This is the document as it exists to date. After the TCEQ grants a TPDES and CCNs, they will be transferred to VD. The applications were filed before the VD was created because of the regulatory time lag in the permitting processing, the ease and speed of transfer and because it is long-standing industry practice at the TCEQ. Once the district was in existence, the permitting and licensing was far enough along that it did not warrant restarting the proceedings to make a major amendment to change. The CCN-holder can enter into a §13.248 agreement for the district to provide service under the CCN with TCEQ approval.

REQUEST FOR PRODUCTION NO. 26:

Produce all documents, including, but not limited to contracts, agreements, and correspondence, related to all sources of potable water which Verandah FWSD anticipates utilizing to provide water service within the boundaries of Verandah FWSD and/or the area identified in the Verandah LP Sewer CCN Application.

RESPONSE:

The documents are all located at the offices of Huffines and Partners, Inc. under Mr. Fred Brown's custody and control. These papers will be made available for inspection and copying subject to claims of privilege for attorney-client communications, which will be removed. The documents are voluminous as determined by stipulated order. The first 100 pages of copies will be provided for free. Thereafter, the inspecting party shall be required to contract with the services of an outside third-party copying service who will pick up the originals, copy them and return them to Mr. Brown. The inspecting party will be billed directly. Original documents will not be released to the inspecting party. Appointments to inspect documents will be made through Mark Zeppa.

REQUEST FOR PRODUCTION NO. 27:

Produce all documents identifying how Verandah FWSD anticipates providing wastewater treatment services within the boundaries of the Verandah FWSD and/or to the area identified in the Verandah LP Sewer CCN Application.

RESPONSE:

The documents are all located at the offices of Huffines and Partners, Inc. under Mr. Fred Brown's custody and control. Other technical documents, including the CCN

application and TPDES application, are located in the Pate Engineers offices in the custody of Robert Wright. These papers will be made available for inspection and copying subject to claims of privilege for attorney-client communications, which will be removed. The documents are voluminous as determined by stipulated order. The first 100 pages of copies will be provided for free. Thereafter, the inspecting party shall be required to contract with the services of an outside third-party copying service who will pick up the originals, copy them and return them to Mr. Brown/Mr. Wright. The inspecting party will be billed directly. Original documents will not be released to the inspecting party. Appointments to inspect documents will be made through Mark Zeppa.

REQUEST FOR PRODUCTION NO. 28:

Produce all documents identifying and/or supporting the schedules pursuant to which Verandah FWSD anticipates being able to provide water service within the boundaries of Verandah FWSD and/or the area identified in the Verandah LP Sewer CCN Application.

RESPONSE:

Previously answered in work papers

REQUEST FOR PRODUCTION NO. 29:

Produce all documents identifying and/or supporting the schedules pursuant to which Verandah FWSD anticipates being able to provide wastewater treatment service within the boundaries of Verandah FWSD and/or the area identified in the Verandah LP Sewer CCN Application.

RESPONSE:

Previously answered in work papers

STATE OF TEXAS §

COUNTY OF TRAVIS §


ATTESTATION

I, Fred Brown, PE, consultant to Verandah Fresh Water Supply District, swear and attest that I participated in the preparation of the foregoing answers to discovery in consultations with and in reliance on information provided by the individuals indicated therein and the information contained therein is true and correct to the best of my knowledge and belief.


Fred Brown

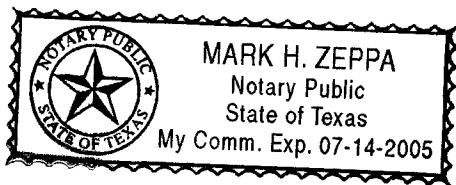
SWORN AND SUBSCRIBED TO under oath by Fred Brown on February 24, 2004 before the undersigned Notary Public.

SEAL


Notary Public in and for the
State of Texas

Name: _____

Commission expires: _____



CERTIFICATE OF SERVICE

I, Mark H. Zeppa, attorney for the Respondent, certify that a true and correct copy of the foregoing discovery answer was served on all parties and the TCEQ Docket Clerk by facsimile transmission, hand delivery and 1st class USPS mail on February 24, 2004


Mark Zeppa

<p>Mr. Geoffrey Kirshbaum Texas Commission on Environmental Quality MC-175 P.O. Box 13087 Austin, Texas 78711-3087 (mail) 12100 Park 35 Circle, Building F Austin, Texas 78753 (delivery) Telephone: (512) 239-0600 Fax: (512) 239-0606</p>	<p>Representing the Executive Director, Texas Commission on Environmental Quality</p>
<p>Mr. Blas Coy Office of the Public Interest Counsel Texas Commission on Environmental Quality MC-103 P.O. Box 13087 Austin, Texas 78711-3087 (mail) 12100 Park 35 Circle, Building F Austin, Texas 78753 (delivery) Telephone: (512) 239-6363 Fax: (512) 239-6377</p>	<p>Representing the Office of Public Interest Counsel, Texas Commission on Environmental Quality</p>
<p>Kerry E. Russell Angela K. Moorman Russell, Moorman & Rodriguez, L.L.P. 102 West Morrow Street, Suite 103 Georgetown, Texas 78626 (512) 930-1317 (512) 864-7744 (Fax)</p>	<p>Representing City of Royse City</p>
<p>Ms. Susan E. Potts Mr. David Klein Potts & Reilly, L.L.P. Attorneys and Counselors 401 West 15th Street, Suite 850 Austin, Texas 78701-1665 Telephone: (512) 469-7474 Fax: (512) 469-7480</p>	<p>Representing Mr. Dean M. Gandy</p>

Mr. Skip Newsom Attorney 3724 Jefferson Street, Suite 200 Austin, Texas 78731 Telephone: (512) 477-4121 Fax: (512) 477-2860	Representing the City of Fate, Texas
Docket Clerk TCEQ Office of Chief Clerk (MC-105) P.O. Box 13087 Austin, Texas 78711-3087 (mail) 12100 Park 35 Circle, Building F Austin, Texas 78753 (delivery) Fax: (512) 239-3311	

MARK H. ZEPPA

**4833 Spicewood Springs Road, Suite 202
Austin, Texas 78759
(512) 346-4011, Fax (512) 346-6847
mhzeppa@attglobal.net**

Education

Doctor of Jurisprudence, University of Texas School of Law, December, 1977

Bachelor of Arts with Honors, University of Texas at Austin, May, 1973

National Association of Regulatory Utility Commissioners Annual Regulatory Studies Program, August, 1978, Michigan State University

Professional Experience

Law Offices of Mark H. Zeppa, P.C., President,
January, 1984 to Present.

President of a private law firm specializing in public utility regulation, environmental, water and administrative law before local, state, and federal agencies, legislative lobbying, and general civil law. Frequent lecturer and expert witness on administrative law and regulatory policies affecting water and sewer utilities.

Public Utility Commission of Texas, Assistant Director of the Office of General Counsel, February 1, 1983 to December 16, 1983.

Public Utility Commission of Texas, Senior Staff Attorney, November 1, 1981 to January 31, 1983.

Public Utility Commission of Texas, Hearings Examiner, June 1, 1978 to October 31, 1981.

Licensed to Practice

All courts of the State of Texas
United States District Court, Western District of Texas
United States District Court, Eastern District of Texas
United States Fifth Circuit Court of Appeals
Not certified by the Texas Board of Legal Specialization

Lecturer and Consultant

Lecturer, consultant and expert witness on matters relating to water, environmental and public utility law, utility ratemaking, utility certification, permitting, and associated topics.

Professional Associations

Texas Bar Association
Public Utility Law Section
Administrative Law Section
Natural Resources Section

Travis County Bar Association
Administrative Law Section

Executive Director of the Independent Water and Sewer Companies of Texas,
state trade association of privately owned water and sewer utilities

Representative to the Texas Water Forum for the Independent Water and Sewer
Companies of Texas

Member of the Texas Rural Water Association

Member of the Texas Water Utilities Association

Member of the American Water Works Association

Member of the American Water Works Association Texas Section

Member Texas Commission on Environmental Quality Drinking Water Advisory
Work Group

Member Texas Commission on Environmental Quality Water Quality Advisory
Work Group

Member Texas Commission on Environmental Quality Water Rights Advisory
Work Group

Member of Numerous Texas Commission on Environmental Quality Ad Hoc
Work Groups and Stakeholder Panels

Recent Publications

WHY DO THE CITIES THINK THEY HAVE A RIGHT TO SERVE? Texas Water
Law, CLE International [October 15-16, 2001]

EVOLVUTION OF CERTIFICATION: The Conflicts Don't Go Away. Water for
Texas Future: The Legal Issues, 2nd Annual TWCA/TRWA Water Law Seminar
[January 24-25, 2002]

*CERTIFICATES OF CONVENIENCE AND NECESSITY (CCNs) and TEXAS
POLLUTANT DISCHARGE ELIMINATION SYSTEM (TPDES)* Public
Improvement District (PID) Land Development Seminar, Associate Professional
Engineering and Construction, LLC [February 18, 2004]

LAW OFFICES OF MARK H. ZEPPA, P.C.

4833 Spicewood Springs Road, Suite 202

Austin, Texas 78759-8436

(512) 346-4011 Fax (512) 346-6847

mhzeppa@attglobal.net

FILE COPY

June 19, 2003

Mr. Doug Holcomb, PE
Utilities & Districts Section
Water Supply Division
Texas Commission on Environmental Quality
P O Box 13087, MC 153
Austin, Texas 78711-3087

Re: Water and Sewer CCN Amendments of the City of Royse City
Protests and Contested Evidentiary Hearing Requests

Dear Mr. Holcomb:

I am filing protests and contested evidentiary hearing requests on behalf on my following clients:

Verandah Communities, LP (Verandah)
Parker Creek Estates, LP (Parker Creek)
Verandah Fresh Water Supply District (District)

Verandah and Parker Creek are each affected landowner development groups owning property in Royse City's proposed service area. Each has its own water and sewer CCN application in process at the TCEQ for service to its respective property. Neither desires nor needs Royse City's utility services nor wants their property encumbered by a Royse City CCN.

The District is a newly established a Constitution art. 16, Section 59 water district created to provide utility services to the Verandah property as may be allowed under Texas Water Code Chapter 13. Working in conjunction with Verandah, the District has already commenced "acts performed by a retail public utility in the performance of its duties under this chapter to its patrons, employees, other retail public utilities and the public." The Board of Directors of the District has authorized the assignment of Verandah's application to the District with re-notification to the public. The necessary agreements for this to occur are being prepared. In the mean while, the District remains an affected neighboring political subdivision and utility purveyor, which does not require a CCN to serve the area in question.

Mr. Doug Holcomb, PE
June 19, 2003
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Sincerely yours,

Mark H. Zeppa

cc: Kerry Russell
Phillip Huffines
Clay Crawford
Angela Stepherson
Robert Wright, PE

SOAH DOCKET NOS. 582-04-0253 & 582-04-1268
TCEQ DOCKET NOS. 2003-0737-UCR, 2003-0738-UCR, & 2003-1289-UCR

**APPLICATION OF THE CITY OF ROYSE CITY
TO AMEND WATER CCN AND TO OBTAIN
SEWER CCN IN COLLIN, ROCKWALL, AND
HUNT COUNTIES**

**APPLICATION OF VERANDAH
COMMUNITIES, LP TO OBTAIN SEWER CCN
IN HUNT AND ROCKWALL COUNTIES**

**APPLICATION OF PARKER CREEK ESTATES,
L.P. TO OBTAIN A WATER AND SEWER CCN
IN ROCKWALL COUNTY, TEXAS,
APPLICATION NOS. 34297-C AND 34301-C**

BEFORE THE STATE OFFICE

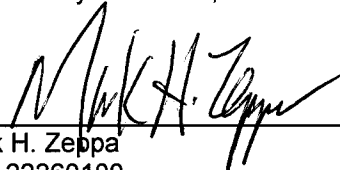
OF

ADMINISTRATIVE HEARINGS

**RESPONSES OF PARKER CREEK ESTATES, LP TO THE FIRST DISCOVERY REQUESTS OF THE
CITY OF ROYSE CITY**

COMES NOW, PARKER CREEK ESTATES, LP (PC) and files its answers to the first discovery requests of the City of Royse City in the above-referenced consolidated certification dockets.

Respectfully submitted,



Mark H. Zeppa
SBN 22260100
Law Offices of Mark H. Zeppa, PC
4833 Spicewood Springs Road, #202
Austin, Texas 78759-8436
(512) 346-4011, Fax (512) 346-6847

ATTORNEY FOR PARKER CREEK ESTATES, LP

Interrogatories

Interrogatory No. 1:

Identify each person(s) answering these interrogatories, supplying information, assisting in any way with the preparation of the answers to these interrogatories, whether or not such answer, information, or assistance was used, and state with specificity the particular interrogatory and, where possible, the particular portion of the answer to which such person(s) answered, informed, or assisted.

Answer:

Mark H. Zeppa
Law Offices of Mark H. Zeppa, PC
4833 Spicewood Springs Road, #202
Austin, Texas 78759-8436
(512) 346-4011

Fred Brown, PE
Huffines & Partners, Inc.
8222 Douglas Ave, Ste 660
Dallas, Texas 75225
(214) 526-3000

Donald Huffines
Huffines & Partners, Inc.
8222 Douglas Ave, Ste 660
Dallas, Texas 75225
(214) 526-3000

Phillip Huffines
Huffines & Partners, Inc.
8222 Douglas Ave, Ste 660
Dallas, Texas 75225
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Clay E. Crawford
Law Offices of Clay E. Crawford, PC
4265 San Felipe St, Ste 1050
Houston, Texas 77027
(713) 621-3707

Robert Wright, PE
Pate Engineers
8150 Brookriver Dr., Ste S-700
Dallas, Texas 75247
(214) 357-2981

Margaret Sledge Gillentine, PE
Pate Engineers
8150 Brookriver Dr., Ste S-700
Dallas, Texas 75247
(214) 357-2981

Teague Harris, PE
Pate Engineers

13333 Northwest Freeways, Ste 300
Houston, Texas 77040
(713) 462-3178

Angela Stepherson
Law Offices of Clay E. Crawford, PC
3100 McKinnon St., Ste 950
Dallas, Texas 75201
(214) 981-9090

Interrogatory No. 2

With respect to all investigations of any kind conducted by or for you, any other person, or entity, concerning or relating to the Royse City sewer CCN application, the Royse City water CCN application, the Verandah LP sewer CCN application, the Parker Creek LP sewer CCN application, and/or the Parker Creek LP water CCN application, please identify the person who initially requested that the investigation be undertaken and give the date when each investigation was initiated and completed.

Answer:

Question is vague and ambiguous. VC has not requested retail water or sewer service within the proposed retail certificated utility service area of Parker Creek Estate, LP (Parker Creek) because VC does not have a need for retail utility services service at geographic location. VC is aware that there is a need for service at that location and has worked in coordination to develop regional water and sewer service resources to serve Parker Creek's and VC's needs. These are ongoing activities. They were commenced two years ago and have not been completed.

Interrogatory no. 3:

Identify all current and former members, stockholders, partners, proprietors, officers, boards of directors, and/or ad hoc advisors of Parker Creek LP

Answer:

Parker Creek Estates, L.P. (Partnership)
Bellaire Oaks, Inc. (General Partner)
Meadowbrook Investments, Inc. (Limited Partner)
ad hoc advisors: individuals listed in Interrogatory No. 1

Interrogatory No. 4:

Identify the date that Parker Creek LP. became aware of Royse City's corporate limits and/or extraterritorial jurisdiction ("ETJ"). If a specific date cannot be identified, provide the month and the year.

Answer:

Unknown. It was known property was outside of City limits and ETJ when acquired.

Interrogatory No. 5:

Identify the property development schedule for the areas identified in the Parker Creek LP water CCN application and the Parker Creek LP sewer CCN application.

Answer:

Development schedule has not been finalized yet. At this time property anticipated to develop from north to south at approximately 150-250 units per year.

Interrogatory No. 6:

Identify the projected retail rates, for both water and sewer services, anticipated to be charged by Parker Creek LP for the area identified in the Parker Creek LP sewer CCN application and the Parker Creek LP water CCN application.

Answer:

Interrogatory No. 7:

Identify the specific boundaries and limits of the area included within the district boundaries of the proposed Parker Creek municipal utility district.

Answer:

Boundaries of proposed sewer CCN and the water CCN except the portion certificated to Blacklands WSC. MUD application is public record at TCEQ and is available for public inspection there.

Interrogatory No. 8:

Identify all sources of potable water, which Parker Creek LP anticipates utilizing to provide water service within the area identified in the Parker Creek LP water CCN application.

Answer:

Cash WSC

Groundwater

North Texas Municipal Water District (thorough one or more clients or direct)

Interrogatory No. 9:

Identify the schedule pursuant to which Parker Creek LP anticipates providing water service with the area identified in the Parker Creek LP water CCN application.

Answer:

Within 120 to 180 days of filing plans and specs with the TCEQ for the PWS.

Interrogatory no. 10:

Identify the schedule pursuant to which Parker Creek LP anticipates providing wastewater treatment services within the area identified in the Parker Creek LP sewer CCN application.

Answer:

Within 9 to 12 months of TCEQ authorization.

Requests for Production

Request for Production No. 1:

Produce all documents identified in Parker Creek LP's answers to Royse City's first set of interrogatories.

Response:

None

Request for Production No. 2:

Produce all documents and tangible things, including, but not limited to, all reports, working papers, notes, calculations, diagrams, photographs, physical models, exhibits, compilations of data, drafts, treatises, rules, regulations, guidelines, statutes, policies, procedures, authoritative materials, or other materials prepared by or reviewed by each fact witness and expert you expect to call to testify during the hearing on the merits in this consolidated docket proceeding, and by each consulting expert whose work has been reviewed by a testifying expert.

Response:

All documents responsive to this request are expert witnesses' work papers that are only discoverable through requests for disclosure. They are being produced in that fashion.

Request for Production No. 3:

For each expert you expect to call to testify during the hearing on the merits in this consolidated docket proceeding, and for each consulting expert whose opinions or observations a testifying expert will review or has reviewed, produce a curriculum vitae, a list of all cases in which the expert has testified either by deposition or live at trial or hearing, and a list of all articles or publications by the expert.

Response:

Robert Wright — SOAH DOCKET NO. 582-00-1479; TCEQ DOCKET NO. 2000-0393-UCR; City of Crandall CCN Amendment

Fred Brown and Phillip Huffines — SOAH DOCKET NO. 582-03-2282; TCEQ DOCKET NO. 2003-0033-UCR; Denton County FWSD #10

Mark Zeppa — Mr. Zeppa has testified and/or given depositions in over thirty cases in the past twenty years; however, he has not maintained a list of those individual cases. The attached an updated resume that contains his most recent publications.

Request for Production No. 4:

Produce all billing and fee related documents, including, but not limited to, all invoices, bills, or other billing materials for each expert you expect to testify during the hearing on the merits in this consolidated docket proceeding, and for each consulting expert whose opinions or observations a testifying expert will review or has reviewed.

Response:

This information will be produced with the expert's work papers in response to the Responses to Disclosure.

Request for Production No. 5:

For each person you expect to call as a fact witness during the hearing on the merits in this consolidated docket proceeding, please produce each and every document that has been reviewed by the witness regarding the Royse City sewer CCN application, the Royse City water CCN application, the Verandah LP sewer CCN application, the Parker Creek LP sewer CCN application, and/or the Parker Creek LP water CCN application.

Response:

This request calls for expert work papers that are only discoverable under requests for disclosure. The request will be answered in this manner. There are no "fact only" witnesses identified at this time.

Request for Production No. 6:

Produce all agreements for settlement, indemnification, compromise, guarantee, or any other kind of agreement, which you have entered into with any party, or non-party, as a result of, concerning, or relating to the Royse City sewer CCN application, the Royse City water CCN application, the Verandah LP sewer CCN application, the Parker Creek LP sewer CCN application, and/or the Parker Creek LP water CCN application.

Response:

None

Request for Production No. 7:

Produce all documents and tangible things, including, but not limited to, all reports, working papers, notes, calculations, diagrams, photographs, physical models, exhibits, compilations of data, drafts, treatises, rules, regulations, guidelines, statutes, policies, procedures, authoritative materials, or other materials prepared by you or for you, submitted by you, for you, or to you, or reviewed by you or for you relating to or concerning the Royse City sewer CCN application, the Royse City water CCN application, the Verandah LP sewer CCN application, the Parker Creek LP sewer CCN application, and/or the Parker Creek LP water CCN application.

Response:

This request calls for expert work papers that are only discoverable under requests for disclosure. The request will be answered in this manner.

Request for Production No. 8:

Produce all documents relating to or concerning any and all investigations made by or for you regarding the Royse City sewer CCN application, the Royse City water CCN application, the Verandah LP sewer CCN application, the Parker Creek LP sewer CCN application, and/or the Parker Creek LP water CCN application, including, but not limited to, documents identifying the person who initially requested that the investigation be undertaken, the dates on which the investigation was initiated and completed, all persons who were responsible for conducting the investigation, all persons who did any work whatsoever in connection with the investigation, every person interviewed or contacted in any manner with regard to the investigation, the current custodian(s) of any written statement or recording, and the date and substance of any oral communication.

Response:

Question is vague and ambiguous. VC has not requested retail water or sewer service within the proposed retail certificated utility service area of Parker Creek Estate, LP (Parker Creek) because VC does not have a need for retail utility services service at geographic location. VC is aware that there is a need for service at that location and has worked in coordination to develop regional water and sewer service resources to serve Parker Creek's and VC's needs. These are ongoing activities. They were commenced two years ago and have not been completed.

Request for Production No. 9:

Produce all documents relating to or concerning the Royse City sewer CCN application, the Royse City water CCN application, the Verandah LP sewer CCN application, the Parker Creek LP sewer CCN application, and/or the Parker Creek LP water CCN application, including, but not limited to, all correspondence, notes of telephone conferences or other oral communications, meeting notes, agendas, notices, letters, statements, or any other documents evidencing or relating to communications, whether written or oral, between you and any of the following entities:

- (a) any municipal agency;
- (b) any county agency;
- (c) any state agency;
- (d) any federal agency;
- (e) any testifying or consulting expert;
- (f) any party to this proceeding;
- (g) any elected official;
- (h) any representative(s), agent, or affiliate of any individual or business entity that provides any type of wastewater services; and
- (i) any representative(s), agent, or affiliate of any individual or business entity that provides any type of water services.

Response:

The documents are all located at the offices of Huffines and Partners, Inc. under Mr. Fred Brown's custody and control. These papers will be made available for inspection