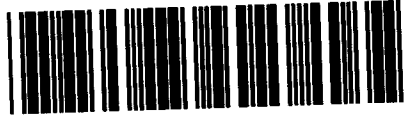


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SOAH DOCKET NO. 582-03-2282
TCEQ DOCKET NOS. 2003-0033-UCR

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PUBLIC UTILITY COMMISSION
FILING CLERK

APPLICATION OF DENTON COUNTY §
FRESH WATER SUPPLY DISTRICT §
NO. 10 TO AMEND WATER AND §
SEWER CERTIFICATES OF §
CONVENIENCE AND NECESSITY NOS. §
13021 AND 20923 IN DENTON §
COUNTY, TEXAS §

BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS

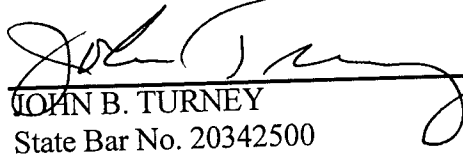
NOTICE OF WRITTEN DISCOVERY

COMES NOW, Mahard Egg Farm, Inc., Intervenor in the above-styled and numbered matter, and states that the following documents have been served on all parties:

1. Response to Applicant's Request for Disclosure;
2. Objections and Responses to Applicant's Request for Production;
3. Objections and Responses to Applicant's Requests for Admissions;
4. Objections and Responses to Applicant's Interrogatories.

Respectfully submitted,

BELL, TURNEY, COOGAN, & RICHARDS, L.L.P.
823 Congress Avenue, Suite 706
Austin, Texas 78701
(512) 476-0005 telephone
(512) 476-1513 telecopier


JOHN B. TURNEY
State Bar No. 20342500

SOAH DOCKET NO. 582-03-2282
TCEQ DOCKET NOS. 2003-0033-UCR

APPLICATION OF DENTON COUNTY
FRESH WATER SUPPLY DISTRICT
NO. 10 TO AMEND WATER AND
SEWER CERTIFICATES OF
CONVENIENCE AND NECESSITY NOS.
13021 AND 20923 IN DENTON
COUNTY, TEXAS

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BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS

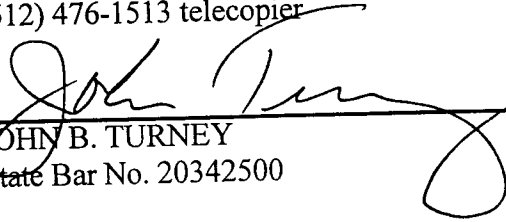
MAHARD EGG FARM'S ANSWERS TO DENTON COUNTY FRESH WATER SUPPLY
DISTRICT NO. 10'S FIRST REQUESTS FOR DISCLOSURE, INTERROGATORIES,
PRODUCTION & ADMISSIONS TO MAHARD EGG FARM, INC.

TO: Denton County Fresh Water Supply District No. 10, by and through its Attorney,
Mark Zeppa, 4833 Spicewood Springs Road, Suite 202, Austin, Texas 78759-8436.

COMES NOW, MAHARD EGG FARM, INC., Intervenor in the above-styled and
numbered cause of action, and files this its Responses to Denton County Fresh Water Supply
District No. 10's Request for Disclosure, Interrogatories, Requests for Production and Requests for
Admission pursuant to the TEXAS RULES OF CIVIL PROCEDURE.

Respectfully submitted,

BELL, TURNEY, COOGAN & RICHARDS, L.L.P.
823 Congress Avenue, Suite 706
Austin, Texas 78701
(512) 476-0005 telephone
(512) 476-1513 telecopier



JOHN B. TURNEY
State Bar No. 20342500

GENERAL OBJECTIONS

Mahard objects to these requests for disclosure, production and admissions, and to these interrogatories, to the extent they seek discovery of information that is protected by the attorney client, party communication or attorney work product privileges. Any documents or information protected by such privileges have been withheld. Subject to these General Objections, and to specific objections set forth in individual responses below, answers and documents will be produced herewith or through supplementation.

REQUEST FOR DISCLOSURE

Pursuant to Texas Rule of Civil Procedure 194, you are requested to disclose the information or material described in Rule 194.2 (c), (e), (f), (h) and (i).

- c. The legal theories and, in general, the factual bases of the Responding Party's claims or defenses.

RESPONSE:

The application is deficient and incomplete. Specifically, those portions of the application based on the 5100 acre proposed service area have not been amended to address the reduction in such proposed service area to approximately 475 acres. Further, the application fails to demonstrate that the requested authorization serves the public interest pursuant to Section 13.246 of the Water Code for reasons including, but not limited to, the need for the requested service by the applicant, the effect of granting the certificate on the District and on the City of Prosper, the ability of the District to provide adequate service to the proposed service area, the need or benefit of excluding the proposed service area from that of the City of Prosper which surrounds it, the infeasibility or unreasonableness of having service provided by the City of Prosper, and the failure to provide for the needs of the Prosper Independent School District. Mahard reserves the right to supplement this response as appropriate.

- e. The name, address, and telephone number of persons having knowledge of relevant facts, and a brief statement of each identified person's connection with the case.

RESPONSE:

Mr. Dan Tolleson, Jr.
MAHARD EGG FARM, INC.
P. O. Box 248
Prosper, Texas 75078-0248
(972) 347-2421

P.O. Drawer 305
Lewisville, Texas 75067
(972) 219-1228

The Upper Trinity Regional Water District would, under the application as proposed, provide wholesale water and wastewater service to the Applicant.

Any and all persons listed by any other party. Mahard will supplement as required.

f. For any testifying expert:

1. The expert's name, address, and telephone;
2. The subject matter on which the expert will testify;
3. The general substance of the expert's mental impressions and opinions and a brief summary of the basis for them, or if the expert is not retained by, employed by, or otherwise subject to control of the Responding Party, documents reflecting such information;
4. If the expert is retained by, employed by, or otherwise subject to the control of the Responding Party:
 - a. All documents, tangible things, reports, models, or data compilations that have been provided to, reviewed by, or prepared by or for the expert in anticipation of the expert's testimony; and
 - b. The expert's current resume and bibliography.

RESPONSE: Mahard is currently seeking an expert and will supplement as required. Mahard retains the right to name additional experts and call as an expert witness any and all of the persons identified by any other party to this litigation as an expert witness although Mahard may or may not agree with the opinions and/or qualifications of such expert witness.

h. Any settlement agreements described in Rule 192.3 (g)

RESPONSE: None at this time. Mahard will supplement as required.

i. Any discoverable witness statements.

RESPONSE: None at this time. Mahard will supplement as required.

If the party to whom these discovery requests are propounded proposes to provide water service only in any of the proposed area, please describe how sewer service will be provided in that area.

ANSWER:

Not Applicable.

INTERROGATORY NO. 4:

If the party to whom these discovery requests are propounded proposes to provide sewer service only in any of the proposed area, please describe how water service will be provided in that area.

ANSWER:

Not Applicable.

INTERROGATORY NO. 5:

Describe in detail how each of the Texas Water Code §13.246(c) certification criteria is factually impacted by the granting of the District's water CCN application.

ANSWER:

Mahard objects to this request in that the application is deficient and incomplete, precluding a response. Specifically, those portions of the application based on the 5100 acre proposed service area have not been amended to address the reduction in such proposed service area to approximately 475 acres. Mahard further objects to this Interrogatory as vague, overly broad confusing and unreasonably burdensome. Subject to the foregoing objection, *see* Mahard's answers to Applicant's Requests for Admissions, Requests for Disclosure and Requests for Production.

INTERROGATORY NO. 6:

Indicate which of these impacts described in your answer to Interrogatory No. 5 negatively impact the party to whom these discovery requests are propounded.

Interrogatory as vague, overly broad confusing and unreasonably burdensome. Subject to the foregoing objections, the failure of the applicant to meet statutory and regulatory requirements negatively impacts Mahard, and *see* Mahard's answers to Applicant's Requests for Admissions, Requests for Disclosure and Requests for Production.

INTERROGATORY NO. 9:

Describe whether the party to whom these discovery requests are propounded has made any written requests for service from potential customers in the proposed area. If so, please identify those requests.

ANSWER:

Not Applicable.

INTERROGATORY NO. 10:

Describe whether the party to whom these discovery requests are propounded has made any written requests for service to the District in the proposed area. If so, please identify those requests and state when they were made and to whom.

ANSWER:

Not Applicable.

INTERROGATORY NO. 11:

If there are no requests for service in the proposed area, please describe in detail the need for retail water utility service in the proposed area of which the party to whom these discovery requests are propounded has actual knowledge.

ANSWER:

Not applicable.

INTERROGATORY NO. 12:

VERIFICATION

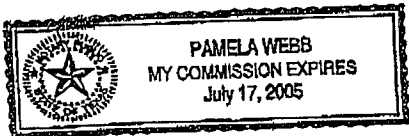
STATE OF TEXAS §

COUNTY OF NUECES §

BEFORE ME, the undersigned authority, on this day personally appeared Dan Tolleson, Jr., who, after being by me duly sworn, stated that he' has read the foregoing Answers to Interrogatories propounded by the Denton County Fresh Water Supply District No. 10 and that the same are true and correct.

Dan Tolleson, Jr.
Dan Tolleson, Jr.

SUBSCRIBED AND SWORN TO BEFORE ME on this the 8th day of August, 2003, to certify which witness my hand and official seal of office.



Pamela Webb
Notary Public in and for the State of Texas

rules and may seek documents, if any, subject to the attorney/client or work product privileges. Mahard further objects to this Request in that it includes documents in the Applicant's possession, in the public domain or to which Applicant has an equal or greater right of access. Subject to these objections, no such materials are presently available, but Mahard will comply with any Scheduling Order of the Administrative Law Judge requiring the listing or exchange of exhibits.

REQUEST FOR PRODUCTION NO. 3:

Provide copies of all documentation in the possession or control of the party to whom these discovery requests are propounded that demonstrates that the District cannot provide continuous and adequate potable drinking water service to any portion of its certificated service area subject to this rate change. Please indicate on the document, if not already discernable, which portion of the District's certificated service area is receiving inadequate service.

RESPONSE:

Mahard objects to this request as having no application to this proceeding. Mahard further objects in that the application is deficient and incomplete, precluding a response. Specifically, those portions of the application based on the 5100 acre proposed service area have not been amended to address the reduction in such proposed service area to approximately 475 acres. Mahard further objects to this Request as overly broad and impermissibly seeking documents from experts contrary to the permissible discovery to experts under Rule 195. Mahard further objects because this requests a marshalling of Mahard's evidence contrary to the rules and may seek documents, if any, subject to the attorney/client or work product privileges. Mahard further objects to this Request in that it includes documents in the Applicant's possession, in the public domain or to which Applicant has an equal or greater right of access. Subject to these objections, no other such materials are presently available, but Mahard will comply with any Scheduling Order of the Administrative Law Judge requiring the listing or exchange of exhibits.

REQUEST FOR PRODUCTION NO. 4:

Provide copies of all documents, studies, treatises, reports, compilations, computer programs,(with associated data bases), charts, diagrams, maps, pictures, textbooks and other tangible materials reviewed by each testifying expert witness for the party to whom these discovery requests are propounded used or relied upon by that The party to whom these discovery requests are propounded's expert witness in formulating any opinion to be offered at trial by the party to whom these discovery requests are propounded as expert witness testimony. "Expert witness" shall be defined by Tex. R. Evid. 702 subject to the Texas Supreme Court's holding in *E.I. DuPont de*

area have not been amended to address the reduction in such proposed service area to approximately 475 acres. Mahard further objects to this Request as vague, confusing, overly broad and impermissibly seeking documents from experts contrary to the permissible discovery to experts under Rule 195. Mahard further objects because this requests a marshalling of Mahard's evidence contrary to the rules and may seek documents, if any, subject to the attorney/client or work product privileges. Mahard further objects to this Request in that it is inclusive of documents in the Applicant's possession, in the public domain or to which Applicant has an equal or greater right of access. Subject to these objections, no such materials are presently available, but Mahard will comply with any Scheduling Order of the Administrative Law Judge requiring the listing or exchange of exhibits.

REQUEST FOR PRODUCTION NO. 6:

Provide copies of all documentation in possession or control of the party to whom these discovery requests are propounded that demonstrates that any cost, tax, assessment or expense in the District's proposed water utility cost of service (or revenue requirement) is not reasonable and necessary. With respect to each item produced, identify with specificity which cost or expense is being challenged and the expert witness that will sponsor that document and this opinion evidence at trial.

RESPONSE:

Mahard objects to this request in that the application is deficient and incomplete, precluding a response. Specifically, those portions of the application based on the 5100 acre proposed service area have not been amended to address the reduction in such proposed service area to approximately 475 acres. Mahard further objects to this Request as overly broad and impermissibly seeking documents from experts contrary to the permissible discovery to experts under Rule 195. Mahard further objects because this requests a marshalling of Mahard's evidence contrary to the rules and may seek documents, if any, subject to the attorney/client or work product privileges. Mahard further objects to this Request in that it includes documents in the Applicant's possession, in the public domain or to which Applicant has an equal or greater right of access. Subject to these objections, no such materials are presently available, but Mahard will comply with any Scheduling Order of the Administrative Law Judge requiring the listing or exchange of exhibits.

REQUEST FOR PRODUCTION NO. 7:

Provide copies of all documentation in the possession or control of the party to whom these discovery requests are propounded that demonstrates that any item or plant or investment in the District's proposed water or sewer utility systems are reasonably necessary for prudent utility service purposes. With respect to each item produced, identify with specificity which individual item of

REQUEST FOR PRODUCTION NO. 9:

Provide copies of all documents in the possession or control of the party to whom these discovery requests are propounded that demonstrates that the District has or will have facilities used to provide public wastewater service to the public that do not meet public health, service or environmental standards of the TCEQ found in 30 TAC §317 *et. seq.* Identify where these facilities are located and when your documents indicate this deficiency.

RESPONSE:

Mahard objects to this request in that the application is deficient and incomplete, precluding a response. Specifically, those portions of the application based on the 5100 acre proposed service area have not been amended to address the reduction in such proposed service area to approximately 475 acres. Mahard further objects to this Request as overly broad and impermissibly seeking documents from experts contrary to the permissible discovery to experts under Rule 195. Mahard further objects because this requests a marshalling of Mahard's evidence contrary to the rules and may seek documents, if any, subject to the attorney/client or work product privileges. Mahard further objects to this Request in that it includes documents in the Applicant's possession, in the public domain or to which Applicant has an equal or greater right of access. Mahard further objects to this Request as vague, confusing and contradictory. Subject to the foregoing objections, none at this time. Mahard will supplement as required.

REQUEST FOR PRODUCTION NO. 10:

Provide copies of all documents in the possession or control of the party to whom these discovery requests are propounded that demonstrates that any individual or entity represented by the party to whom these discovery requests are propounded has ever received poor water quality or inadequate water service from The District. With respect to each item produced, identify with specificity which customer was poorly served, when and the expert witness that will sponsor that document and this opinion evidence at trial.

RESPONSE:

Not applicable.

REQUEST FOR PRODUCTION NO. 11:

Provide copies of all documents in the possession or control of the party to whom these discovery requests are propounded that demonstrates that any individual or entity represented by the party to whom these discovery requests are propounded has ever received poor water quality sewer or

area have not been amended to address the reduction in such proposed service area to approximately 475 acres. Mahard further objects to this Request as overly broad and impermissibly seeking documents from experts contrary to the permissible discovery to experts under Rule 195. Mahard further objects because this requests a marshalling of Mahard's evidence contrary to the rules and may seek documents, if any, subject to the attorney/client or work product privileges. Mahard further objects to this Request in that it includes documents in the Applicant's possession, in the public domain or to which Applicant has an equal or greater right of access. Subject to these objections, none at this time. Mahard will comply with any Scheduling Order of the Administrative Law Judge requiring the listing or exchange of exhibits.

REQUESTS FOR ADMISSIONS

1. In light of the settlement between the District and the City of Prosper there is no other water and sewer service provider willing to serve the District's requested service area.

Admit _____ Deny X

Cannot admit or deny because: _____

2. The District currently holds a water and sewer utility certificate of convenience and necessity in Denton County, Texas.

Admit X Deny _____

Cannot admit or deny because: _____

3. The party to whom these discovery requests are propounded does not currently own or operate a public drinking system providing potable domestic retail water utility service to the public for compensation in proximity to the proposed area.

Admit X Deny _____

Cannot admit or deny because: _____

4. The party to whom these discovery requests are propounded does not currently own or operate a public utility system providing state and federal licensed wastewater utility service to the public for compensation in proximity to the proposed area.

Cannot admit or deny because: _____

10. The ED is not in the public utility business and is not capable of providing water or sewer utility service to the proposed area.

Admit X Deny _____

Cannot admit or deny because: _____

11. Mahard's objections to the District's application relate to the development of the proposed area and not to the operation of a water or sewer utility that complies with TCEQ regulations, permits and standards of operations.

Admit _____ Deny X

Cannot admit or deny because: _____

12. PISD's objections to the District's application relate to the development of the proposed area and not to the operation of water or sewer utility that complies with TCEQ regulations, permits and standards of operations.

Admit _____ Deny X

Cannot admit or deny because: _____

13. The rates and terms of service of a district are set by its board of directors subject to appeal to the TCEQ.

Admit X Deny _____

Cannot admit or deny because: _____

14. The SOAH judge will not set the District's rates in this proceeding.

Admit X Deny _____

Cannot admit or deny because: _____