



## **Filing Receipt**

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**PUC DOCKET NO. 52310  
SOAH DOCKET NO. 473-23-02390.WS**

**PETITION OF ROSE HILL SPECIAL §  
UTILITY DISTRICT FOR CEASE AND §  
DESIST ORDER AGAINST THE CITY §  
OF TERRELL FOR UNAUTHORIZED §  
WATER SERVICE §**

**ROSE HILL SPECIAL UTILITY DISTRICT'S RESPONSES TO AMENDED AND  
RESTATED CITY OF TERRELL'S FIRST REQUEST FOR ADMISSIONS**

TO: City of Terrell ("City"), by and through its attorneys of record, LLOYD GOSSELINK ROCHELLE & TOWNSEND, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

COMES NOW, Rose Hill Special Utility District ("District"), by and through its undersigned attorneys of record, and files its Responses to Amended and Restated City's First Request for Admissions. On February 2, 2024, the parties filed a Joint Third Amended Rule 11 Agreement for Extension of Time, agreeing that, subject to its objections, the District's response to City's above-referenced requests for discovery would be due on February 16, 2024. Therefore, these Responses are timely filed.

On January 22 and 23, 2024, the District's counsel and the City's counsel discussed the District's Responses through written communications and a teleconference. On January 23, 2024, the City amended and restated its First and Second Requests for Admission and Information, and the District timely filed its Objections to the City's above-referenced requests the following day. On January 31, 2024, the City filed its Motion to Compel the District's Responses to the above-mentioned requests ("Motion to Compel"). The District filed its Response to the City's Motion to Compel on February 7, 2024, and withdrew several of its objections. In this Response, the District will be responding to the City's requests that were not objected to by the District.

In accordance with 16 Tex. Admin. Code ("TAC") § 22.144(c)(2)(F), District stipulates that all parties may treat the following responses as if the answers were filed under oath.

Respectfully submitted,



By: \_\_\_\_\_

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**ATTORNEYS FOR ROSE HILL SPECIAL  
UTILITY DISTRICT**

### **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing document was transmitted to counsel of record in this proceeding via email on February 16, 2024.



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Sergio Estrada

**ROSE HILL SPECIAL UTILITY DISTRICT'S RESPONSES TO CITY OF TERRELL'S  
AMENDED AND RESTATED FIRST REQUEST FOR ADMISSIONS**

**CITY RFA 1-1** Admit or deny that the Rose Hill Water Supply Corporation signed the 2005 MOA with the City.

Response: Admit only that Attachment A is purportedly a Memorandum of Agreement Regarding the Creation of the Rose Hill Special Utility District entered into between the City of Terrell and Rose Hill Water Supply Corporation and signed by Homer Norville as the authorized representative for Rose Hill Water Supply Corporation. Discovery is ongoing and the District will amend or supplement this response as necessary.

Prepared by: Nanci Essary, General Manager for Rose Hill Special Utility District.  
Sponsored by: Nanci Essary, General Manager for Rose Hill Special Utility District.

**CITY RFA 1-2**

- (A) Admit or deny that the City transferred to Rose Hill Water Supply Corporation the rights to 39 million gallons per year of water supply capacity from North Texas Municipal Water District.
- (B) Admit or deny that Rose Hill Water Supply Corporation assigned to Rose Hill Special Utility District the rights to 39 million gallons per year of water supply capacity from North Texas Municipal Water District.

Response RFA 1-2(A): Deny. Discovery is ongoing and the District will amend or supplement this response as necessary.

Response RFA 1-2(B): Deny. Discovery is ongoing and the District will amend or supplement this response as necessary.

Prepared by: Nanci Essary, General Manager for Rose Hill Special Utility District.  
Sponsored by: Nanci Essary, General Manager for Rose Hill Special Utility District.

**CITY RFA 1-3** Admit or deny that the District has accepted the assignment of Rose Hill Water Supply Corporation's rights and obligations under the 2005 MOA.

Response: Admit only that Attachment A is purportedly a Memorandum of Agreement Regarding the Creation of the Rose Hill Special Utility District entered into between the City of Terrell and Rose Hill Water Supply Corporation and signed by Homer Norville as the authorized representative for Rose Hill Water Supply Corporation. Discovery is ongoing and the District will amend or supplement this response as necessary.

Prepared by: Nanci Essary, General Manager for Rose Hill Special Utility District.  
Sponsored by: Nanci Essary, General Manager for Rose Hill Special Utility District.

**CITY RFA 1-4** Admit or deny that the 2005 MOA provides that the District will allow the City to acquire the portion of the District' s CCN covering the 2005 MOA Area.

Response: Admit only that Attachment A is purportedly a Memorandum of Agreement Regarding the Creation of the Rose Hill Special Utility District entered into between the City of Terrell and Rose Hill Water Supply Corporation and signed by Homer Norville as the authorized representative for Rose Hill Water Supply Corporation. Discovery is ongoing and the District will amend or supplement this response as necessary.

Prepared by: Nanci Essary, General Manager for Rose Hill Special Utility District.  
Sponsored by: Nanci Essary, General Manager for Rose Hill Special Utility District.

**CITY RFA 1-5** [Withdrawn by City]

**CITY RFA 1-6** Admit or deny that the District executed the 2008 MOA with the City.

Response: Admit only that Attachment B is purportedly a Memorandum of Agreement Regarding the Rose Hill Special Utility District entered into between the City of Terrell and Rose Hill Special Utility District and signed by Homer Norville as the authorized representative for the Rose Hill Special Utility District. Discovery is ongoing and the District will amend or supplement this response as necessary.

Prepared by: Nanci Essary, General Manager for Rose Hill Special Utility District.  
Sponsored by: Nanci Essary, General Manager for Rose Hill Special Utility District.

**CITY RFA 1-7** Admit or deny that the District has accepted from the City the rights to an 61 million gallons per year of water supply capacity from North Texas Municipal Water District.

Response: Admit only that the North Texas Municipal Water District assigned 100 million gallons per year, per Amendment No. 1 of the Water Supply Contract dated October 20, 2009. Discovery is ongoing and the District will amend or supplement this response as necessary.

Prepared by: Nanci Essary, General Manager for Rose Hill Special Utility District.  
Sponsored by: Nanci Essary, General Manager for Rose Hill Special Utility District.

**CITY RFA 1-8** Admit or deny that the 2008 MOA provides that the District will decertify the portion of its CCN covering the area north of CR 205 and west of CR 304 but

south of IH 20 (approximately 250 acres) as shown in Exhibit A of the 2008 MOA.

**Response:** Admit only that Attachment B is purportedly a Memorandum of Agreement Regarding the Rose Hill Special Utility District entered into between the City of Terrell and Rose Hill Special Utility District and signed by Homer Norville as the authorized representative for the Rose Hill Special Utility District. Discovery is ongoing and the District will amend or supplement this response as necessary.

**Prepared by:** Nanci Essary, General Manager for Rose Hill Special Utility District.  
**Sponsored by:** Nanci Essary, General Manager for Rose Hill Special Utility District.

**CITY RFA 1-9** Admit or deny that the 2008 MOA provides that the District will decertify the portion of its CCN located south of The Shops at Terrell (also known as Tanger Outlet Mall) as shown in Exhibit A of the 2008 MOA in exchange for a 680 foot long water line easement that runs under IH-20 at CR 305.

**Response:** Admit only that Attachment B is purportedly a Memorandum of Agreement Regarding the Rose Hill Special Utility District entered into between the City of Terrell and Rose Hill Special Utility District and signed by Homer Norville as the authorized representative for the Rose Hill Special Utility District. Discovery is ongoing and the District will amend or supplement this response as necessary.

**Prepared by:** Nanci Essary, General Manager for Rose Hill Special Utility District.  
**Sponsored by:** Nanci Essary, General Manager for Rose Hill Special Utility District.

**CITY RFA 1-10 [Withdrawn by City]**

**CITY RFA 1-11**

- (A) Admit or deny that the District accepted from the City the rights to 39 million gallons per year of water supply capacity from North Texas Municipal Water District.
- (B) Admit or deny that the District accepted from the City the rights to 61 million gallons per year of water supply capacity from North Texas Municipal Water District.
- (C) Admit or deny that the District accepted from the City a 680 foot long, 30 inch diameter water encasement that runs under Interstate 20 at CR 305.

**Response RFA 1-11(A):** Admit only that Attachment B is purportedly a Memorandum of Agreement Regarding the Rose Hill Special Utility District entered into between the City of Terrell and Rose Hill Special Utility District and signed by Homer Norville as the authorized representative for

the Rose Hill Special Utility District. Discovery is ongoing and the District will amend or supplement this response as necessary.

**Response RFA 1-11(B):** Admit only that Attachment B is purportedly a Memorandum of Agreement Regarding the Rose Hill Special Utility District entered into between the City of Terrell and Rose Hill Special Utility District and signed by Homer Norville as the authorized representative for the Rose Hill Special Utility District. Discovery is ongoing and the District will amend or supplement this response as necessary.

**Response RFA 1-11(C):** Admit only that Attachment B is purportedly a Memorandum of Agreement Regarding the Rose Hill Special Utility District entered into between the City of Terrell and Rose Hill Special Utility District and signed by Homer Norville as the authorized representative for the Rose Hill Special Utility District. Discovery is ongoing and the District will amend or supplement this response as necessary.

**Prepared by:** Nanci Essary, General Manager for Rose Hill Special Utility District.

**Sponsored by:** Nanci Essary, General Manager for Rose Hill Special Utility District.

**CITY RFA 1-12** Admit or deny that the District has not allowed the City to acquire the portion of the District's CCN covering the 181.5 acre area described in the 2005 MOA.

**Response:** Admit only that Attachment A is purportedly a Memorandum of Agreement Regarding the Creation of the Rose Hill Special Utility District entered into between the City of Terrell and Rose Hill Water Supply Corporation and signed by Homer Norville as the authorized representative for Rose Hill Water Supply Corporation. As to the remainder of the request, after a diligent inquiry, the District lacks sufficient information to either admit or deny; therefore, denied. Discovery is ongoing and the District will amend or supplement this response as necessary.

**Prepared by:** Nanci Essary, General Manager for Rose Hill Special Utility District.

**Sponsored by:** Nanci Essary, General Manager for Rose Hill Special Utility District.

#### **CITY RFA 1-13**

- (A)** Admit or deny that the District has not decertified the portion of the District's retail water CCN covering the area north of CR 305 and west of CR 304 but south of Interstate 20 as illustrated in Exhibit A-Tracts 1-11 in the 2008 MOA.
- (B)** Admit or deny that the District has not decertified the portion of the District's retail water CCN covering the acreage, formerly owned by Randall Noe, at the southeast intersection of Rose Hill Road and Interstate 20 as illustrated in Exhibit A-Tracts 12-13 in the 2008 MOA.



(C) Admit or deny that the District has not decertified the CCN area, currently or formerly owned by Estess, Sheid, and Arnold, located south of the Tanger Outlet Mall as illustrated in Exhibit A-Tracts 14-16 in the 2008 MOA.

Response RFA 1-13(A): Admit. Discovery is ongoing and the District will amend or supplement this response as necessary.

Response RFA 1-13(B): Admit. Discovery is ongoing and the District will amend or supplement this response as necessary.

Response RFA 1-13(C): Admit. Discovery is ongoing and the District will amend or supplement this response as necessary.

**CITY RFA 1-14** For the location of any Disputed Customer, admit or deny that the District had any knowledge that the City was providing retail water service to that location before January 10, 2021.

Response: Deny. Furthermore, please see the District's Second Amended Petition for Cease and Desist Order Against City of Terrell at page 7 and Exhibit A, Affidavit of Nanci Essary, paragraph 12. Discovery is ongoing and the District will amend or supplement this response as necessary.

Prepared by: Nanci Essary, General Manager for Rose Hill Special Utility District.

Sponsored by: Nanci Essary, General Manager for Rose Hill Special Utility District.

**CITY RFA 1-15** Admit or deny that the District had any knowledge that the City was providing retail water service within the Encroachment Area before January 10, 2021.

Response: Deny. Furthermore, please see the District's Second Amended Petition for Cease and Desist Order Against City of Terrell at page 7 and Exhibit A, Affidavit of Nanci Essary, paragraph 12. Discovery is ongoing and the District will amend or supplement this response as necessary.

Prepared by: Nanci Essary, General Manager for Rose Hill Special Utility District.

Sponsored by: Nanci Essary, General Manager for Rose Hill Special Utility District.

**CITY RFA 1-17** Admit or deny that the District's CCN fully encompasses the boundaries of all property tracts in the Encroachment Area.

Response: Admit. Discovery is ongoing and the District will amend or supplement this response as necessary.

Prepared by: Nanci Essary, General Manager for Rose Hill Special Utility District.

Sponsored by: Nanci Essary, General Manager for Rose Hill Special Utility District.