



Control Number: 49225



Item Number: 81

Addendum StartPage: 0

SOAH DOCKET NO. 473-20-1554.WS
PUC DOCKET NO. 49225



PETITION BY OUTSIDE CITY § BEFORE THE STATE OFFICE
RATEPAYERS APPEALING THE §
WATER RATES ESTABLISHED BY § OF
THE CITY OF CELINA §
§ ADMINISTRATIVE HEARINGS

**CITY OF CELINA'S RESPONSE TO
RATEPAYERS' OBJECTIONS TO AND MOTION TO STRIKE PORTIONS OF THE
DIRECT TESTIMONY OF AND ATTACHMENTS OF DAN V. JACKSON**

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE:

NOW COMES the CITY OF CELINA ("City") and files this its Response to RATEPAYERS' Objections to and Motion to Strike Portions of the Direct Testimony and Attachments of Dan V. Jackson and, in support thereof, respectfully shows as follows:

I. Background

The City of Celina timely prefiled the Direct Testimony of Dan V. Jackson on March 17, 2020, pursuant to SOAH Order No. 2.¹ The Ratepayers filed their Objections to this Direct Testimony on March 31, 2020. Pursuant to the aforementioned order, this response is timely filed.

II. Introduction

The Ratepayers' objections to testimony propounded by the City's witness, Dan V. Jackson, are without merit and should be overruled. The Ratepayers' objections to this testimony would strike evidence that is clearly relevant to the affirmative questions that must be addressed in this docket. Specifically, the testimony and attachments are relevant to the determination of the following elements of the Commission's Preliminary Order:

¹ SOAH Order No. 2 Memorializing Prehearing Conferences; Adopting Procedural Schedule; Notice of Hearing (Jan. 29, 2020); *see also* Direct Testimony of Dan V. Jackson on Behalf of the City of Celina (March 17, 2020).

Do the retail water and sewer rates being charged petitioners by the City of Celina fulfill the requirements of TWC § 13.043(j)⁶ and 16 TAC § 24.101(i)? In addressing this question, evaluate the following:

- a. Are the rates just and reasonable?
- b. Are the rates unreasonably preferential, prejudicial, or discriminatory?
- c. Are the rates sufficient, equitable, and consistent in application to each class of customers?
 - i. What factors did the City of Celina consider in distinguishing out-of-city ratepayers from in-city ratepayers for purposes of establishing different customer classes?
 - ii. How does the type of customers within the out-of-city customer class differ from the type of customers within the in-city customer class?⁶ See TWC § 13.043(j); see also Tex. Water Comm'n v. City of Fort Worth, 875 S.W.2d 332, 335-36 (Tex. App.—Austin 1994) (applying TWC § 13.043(j) in an appeal under § 13.043(0). 00000003 PUC Docket No. 49225 Preliminary Order Page 4 of 6 SOAH Docket No. 473-20-1554.WS
 - iii. How does the type of water and sewer utility services provided to the out-of-city customer class differ from the type of water and sewer utility services provided to the in-city customer class?
 - iv. How do the costs of infrastructure, facilities, operations, capital improvements, and administrative services to provide service to the out-of-city customer class differ from those costs to provide service to the in-city customers?
 - v. How do the total revenues received by the City of Celina from out-of-city customers relative to the cost of service to that customer class differ from the total revenues received from in-city customers relative to the cost of service to that customer class?²

Further, Procedural Rule § 22.221(a) states:

When necessary to ascertain facts not reasonably susceptible of proof under the Texas Rules of Civil Evidence, evidence not admissible under those rules may be admitted, except where precluded by statute, if it is of a type commonly relied upon by reasonably prudent persons in the conduct of their affairs.³

² Preliminary Order at 3–4 (Jan. 17, 2020) (establishing the issues to be addressed in this proceeding).

³ 16 Tex. Admin. Code § 22.221(a).

Therefore, even if there had been substance to the Ratepayers' objections (which there is not), Mr. Jackson's testimony provides sufficient information under the Texas Rules of Evidence⁴ to qualify him as an expert on the matters his testimony addresses.

Additionally, ample evidence demonstrates that the attachments (displayed in appendices) reviewed by Mr. Jackson are the type of information reviewed in the course of developing an opinion of this nature.⁵ Further, both Procedural Rule § 22.221(a) and Rule 703 of the Texas Rules of Evidence both allow an expert to rely on certain facts or data in forming his opinion even if the underlying facts or data is inadmissible.⁶ Specifically, the exhibits found within Mr. Jackson's prefiled testimony are not hearsay as they have been prepared by Mr. Jackson and are based on data from Willdan's 2018 Water and Wastewater Rate Study and Financial Forecast for the City of Celina and the water and wastewater rate plan adopted by the City in March 2019.⁷ All Appendices objected to by the Ratepayers as hearsay are excepted from the hearsay rule under Rule 803 of the Texas Rules of Evidence. The appendices objected to by the Ratepayers were each created by Willdan Financial Services (WFS), to which Mr. Jackson serves as the Vice President in charge of Southwest operations, specifically for the City.

It is also worth noting that the Texas Rules of Evidence allow an expert to state his opinion without first disclosing the underlying facts or data. Specifically, the rule states: "Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first

⁴ Tex. R. Evid. 702 ("A witness who is qualified as an expert by knowledge, skill experience, training or education may testify in the form of an opinion or otherwise . . .").

⁵ *Id.* at R. 703 ("An expert may base an opinion on facts or data in the case that the expert has been made aware of, reviewed, or personally observed.").

⁶ *See id.* ("If experts in the particular field would reasonably rely on those kinds of facts or data in forming an opinion on the subject, they need not be admissible for the opinion to be admitted."); 16 Tex. Admin. Code § 22.221(a).

⁷ Tex. R. Evid. 703 (allowing an expert to rely on certain facts or data in forming an opinion even if the facts or data are inadmissible).

testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination.”⁸

III. RESPONSE TO OBJECTIONS AND MOTION TO STRIKE

A. Dan Jackson is a Qualified Expert.

The court should allow the opinion testimony of an expert if the expert is qualified to give an opinion by knowledge, skill, experience, training, or education.⁹ An expert must have a higher degree of knowledge, skill, experience, training, or education about the subject of the testimony than an ordinary person has.¹⁰

1. Education.

Dan Jackson is the Vice President of the southwest operation of Willdan Financial Services. He received his M.B.A. in finance and accounting from the University of Chicago in 1984. He has over thirty-five years professional experience as a consultant, including positions from 1984-1985 for Arthur Anderson & Co, 1988-1990 for Deloitte and Touche, and 1990-1996 for Reed-Stowe & Co., Inc. In 1997, Mr. Jackson co-founded Economists.com, an economic and financial firm providing services primarily to water and wastewater utilities, electric utilities and the telecommunications sector. Willdan Financial Services acquired Economists.com in 1997.

2. Specialized Knowledge and Experience.

Mr. Jackson has provided economic and financial consulting services for water and wastewater utilities across the United States and Pacific region for the past 35 years. His clients have been primarily public entities, ranging in population from less than 1,000 to over 1,000,000. He has prepared or overseen the production of over 300 utility rate studies and long-term financial

⁸ *Id.* at R. 705(a).

⁹ *Id.* at R. 702.

¹⁰ *See id.*; *Roberts v. Williamson*, 111 S.W.3d 113, 121 (Tex. 2003); *Broders v. Heise*, 924 S.W.2d 148, 153 (Tex. 1996).

plans over the last twenty-five years. He has prepared water and wastewater cost of service and rate studies, system privatization analyses, pro forma forecasts of growth and usage, CCN and system valuations, connection and impact fee studies, business and capital improvement plans, alternative water and wastewater treatment sources, contract negotiations, and economic feasibility analyses of desalination as a water treatment option. He has served over 90 separate clients in Texas, and 150 clients across the United States and in five sovereign nations. Mr. Jackson has provided expert witness testimony in numerous cases before the Texas Commission on Environmental Quality, other state public utility commissions, state courts, federal courts and territorial legislatures. He has testified numerous times on the reasonableness of rates. His lengthy resume is included in his prefiled testimony.

B. Responses to Specific Objections

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
III. A.	Dan Jackson	Tables & Charts DVJ-ES1, DVJ-ES2, DVJ-ES3, DVJ-ES4, DVJ-ES5, DVJ-1 through DVJ-46 and Appendices B, I and K	Tables, charts, and appendices do not comply with Commission Procedural Rule 22.72(i).	The City has delivered via courier a CD-ROM to Ratepayers and to Commission Staff containing each of these native format Microsoft Excel spreadsheets showing the "active links and formulas that were used to create and manipulate the data in the spreadsheet" as required by the rule. The City's response has rendered this objection moot.

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
III. B.	Dan Jackson	Page 7, Line 5	TRE 702	<p>Texas Rule of Evidence 705(a) specifically states the following, "Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination." The Ratepayers are free to inquire as to the basis of Mr. Jackson's opinion on his cross-examination.</p> <p>Further, and without waiving the aforementioned, in his direct testimony, Mr. Jackson specifically states that "all data and analysis presented in this testimony will be based on data from Willdan's 2018 Water and Wastewater Rate Study and Financial Forecast for the City of Celina, which includes data up to November 2018." ¹¹</p>
III. C.	Dan Jackson	Page 13, Line 2 through Page 15, Line 5, Tables DVJ-ES3, DVJ-ES4, and DVJ-ES5, Column "Prior 2018"	TRE 801 TRE 702	<p>Texas Rule of Evidence 705(a) specifically states the following: "Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination." The Ratepayers are free to inquire as to the basis of Mr. Jackson's opinion on his cross-examination.</p> <p>Texas Rule of Evidence 703 also allows an expert to base his opinion on inadmissible</p>

¹¹ Direct Testimony of Dan V. Jackson on Behalf of the City of Celina at 6(March 17, 2020).

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
				<p>evidence if “experts in the particular field would reasonably rely on those kinds of facts or data in forming an opinion on the subject.”</p> <p>Further, and without waiving the aforementioned, in his direct testimony, Mr. Jackson specifically states that “all data and analysis presented in this testimony will be based on data from Willdan's 2018 Water and Wastewater Rate Study and Financial Forecast for the City of Celina, which includes data up to November 2018.”¹²</p>
III. D.	Dan Jackson	Page 16, Line 11 through Line 15	<p>TRE 801</p> <p>TRE 702</p> <p>TRE 403</p>	<p>Texas Rule of Evidence 705(a) specifically states the following: “Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination.” The Ratepayers are free to inquire as to the basis of Mr. Jackson’s opinion on his cross-examination.</p> <p>Additionally, Texas Rule of Evidence 703 also allows an expert to base his opinion on inadmissible evidence if “experts in the particular field would reasonably rely on those kinds of facts or data in forming an opinion on the subject.”</p> <p>Further, and without waiving the aforementioned, in his direct testimony, Mr. Jackson</p>

¹² *Id.*

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
				<p>specifically states that "all data and analysis presented in this testimony will be based on data from Willdan's 2018 Water and Wastewater Rate Study and Financial Forecast for the City of Celina, which includes data up to November 2018." ¹³</p> <p>The the testimony is relevant as it will aid the City's argument addressing issues 4, 6, and 7 of the Commission's Preliminary Order.¹⁴</p>
III. E.	Dan Jackson	Page 17, Line 2 through Line 3, Table DVJ-1	TRE 801 TRE 403	<p>The chart objected to by the Ratepayers was created by Mr. Jackson for trial and reflects the expert opinion of Mr. Jackson. Texas Rule of Evidence 703 allows an expert to base his opinion on inadmissible evidence if "experts in the particular field would reasonably rely on those kinds of facts or data in forming an opinion on the subject."</p> <p>Further, and without waiving the aforementioned, in his direct testimony, Mr. Jackson specifically states that "all data and analysis presented in this testimony will be based on data from Willdan's 2018 Water and Wastewater Rate Study and Financial Forecast for the City of Celina, which includes data up to November 2018." ¹⁵</p> <p>The testimony is relevant as it will aid the City's argument addressing issues 4, 6, and 7 of</p>

¹³ *Id.*

¹⁴ Preliminary Order at 3–4 (Jan. 17, 2020).

¹⁵ Direct Testimony of Dan V. Jackson on Behalf of the City of Celina at 6(March 17, 2020).

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
				the Commission's Preliminary Order. ¹⁶
III. F.	Dan Jackson	Page 18, Line 1 through Line 16	TRE 402 TRE 403 TRE 801	<p>The testimony is relevant as it will aid the City's argument addressing issues 4, 6, and 7 of the Commission's Preliminary Order.¹⁷</p> <p>The testimony objected to by the Ratepayers is the opinion of Mr. Jackson. Texas Rule of Evidence 703 allows an expert to base his opinion on inadmissible evidence if "experts in the particular field would reasonably rely on those kinds of facts or data in forming an opinion on the subject."</p> <p>Texas Rule of Evidence 705(a) specifically states the following: "Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination." The Ratepayers are free to inquire as to the basis of Mr. Jackson's opinion on his cross-examination.</p>
III. G.	Dan Jackson	Page 18, Line 33 through Line 34	TRE 801 TRE 702	<p>The referenced testimony is not hearsay as it refers to a specific table created by Mr. Jackson for trial.</p> <p>Texas Rule of Evidence 705(a) specifically states the following: "Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first</p>

¹⁶ Preliminary Order at 3–4 (Jan. 17, 2020).

¹⁷ *Id.*

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
				testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination.” The Ratepayers are free to inquire as to the basis of Mr. Jackson’s opinion on his cross-examination.
III. H.	Dan Jackson	Page 19, Line 16 through Line 17, Table DVJ-2	TRE 801 TRE 702	The table objected to by the Ratepayers was created by Mr. Jackson for trial and reflects the expert opinion of Mr. Jackson. It is not hearsay. Texas Rule of Evidence 705(a) specifically states the following: “Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination.” The Ratepayers are free to inquire as to the basis of Mr. Jackson’s opinion on his cross-examination.
III. I.	Dan Jackson	Page 19, Line 23 through Page 20, Line 1	TRE 402 TRE 403 TRE 801	The testimony is relevant as it will aid the City’s argument addressing issues 4, 6, and 7 of the Commission’s Preliminary Order. ¹⁸ The referenced testimony is not hearsay as it refers to a specific table created by Mr. Jackson for trial.
III. J.	Dan Jackson	Page 21, Line 2 through Page 22, Line 1, Table DVJ-3	TRE 801 TRE 702 TRE 403	The table objected to by the Ratepayers was created by Mr. Jackson for trial and reflects the expert opinion of Mr. Jackson.

¹⁸ *Id.*

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
				<p>Texas Rule of Evidence 705(a) specifically states the following: "Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination." The Ratepayers are free to inquire as to the basis of Mr. Jackson's opinion on his cross-examination.</p> <p>The testimony is relevant as it will aid the City's argument addressing issues 4, 6, and 7 of the Commission's Preliminary Order.¹⁹</p>
III. K.	Dan Jackson	Page 24, Line 6 through Page 25, Line 4, Table DVJ-5 and Chart DVJ-6	TRE 801 TRE 702 TRE 403	<p>The table and chart objected to by the Ratepayers was created by Mr. Jackson for trial and reflects the expert opinion of Mr. Jackson.</p> <p>Texas Rule of Evidence 705(a) specifically states the following: "Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination." The Ratepayers are free to inquire as to the basis of Mr. Jackson's opinion on his cross-examination.</p> <p>The testimony is relevant as it will aid the City's argument addressing issues 4, 6, and 7 of</p>

¹⁹ *Id.*

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
				the Commission's Preliminary Order. ²⁰
III. L.	Dan Jackson	Page 32, Line 17 through Page 34, Line 1, Table DVJ-8	TRE 402 TRE 403 TRE 801 TRE 702	<p>The testimony is relevant as it will aid the City's argument addressing issues 4, 6, and 7 of the Commission's Preliminary Order.²¹</p> <p>The testimony and Table created by Mr. Jackson are based on Mr. Jackson's research. Further, and without waiving the aforementioned, Texas Rule of Evidence 703 allows an expert to base his opinion on inadmissible evidence if "experts in the particular field would reasonably rely on those kinds of facts or data in forming an opinion on the subject."</p> <p>Texas Rule of Evidence 705(a) specifically states the following: "Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination." The Ratepayers are free to inquire as to the basis of Mr. Jackson's opinion on his cross-examination.</p>
III. M.	Dan Jackson	Page 38, Lines 6 through 7	TRE 702	Mr. Jackson is qualified as an expert. His opinion here is based on his specialized knowledge from dealing with Council for the City of Celina. In the alternative, Texas Rule of Evidence 703 allows an expert to base his opinion on inadmissible evidence if "experts in the

²⁰ *Id.*

²¹ *Id.*

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
				particular field would reasonably rely on those kinds of facts or data in forming an opinion on the subject."
III. N.	Dan Jackson	Page 38, Lines 14 through 15	TRE 702	Mr. Jackson is qualified as an expert. His opinion here is based on his specialized knowledge from dealing with Council for the City of Celina. Further, Texas Rule of Evidence 703 allows an expert to base his opinion on inadmissible evidence if "experts in the particular field would reasonably rely on those kinds of facts or data in forming an opinion on the subject."
III. O.	Dan Jackson	Page 38, Lines 19 through 21	TRE 702	Mr. Jackson is qualified as an expert. His opinion here is based on his specialized knowledge from dealing with Council for the City of Celina. Further, Texas Rule of Evidence 703 allows an expert to base his opinion on inadmissible evidence if "experts in the particular field would reasonably rely on those kinds of facts or data in forming an opinion on the subject."
III. P.	Dan Jackson	Page 40, Lines 22 through 24	TRE 401 TRE 402 TRE 702	The testimony is relevant as it will aid the City's argument addressing issues 4, 6, and 7 of the Commission's Preliminary Order. ²² Mr. Jackson's testimony is not speculative as it is based on the comprehensive development agreement with Forestar/RPG Land Company LLC that was reviewed by Mr. Jackson. ²³
III. Q.	Dan Jackson	Page 40, Lines 26 through Page	TRE 801	First, Ratepayers assert that four pages of testimony include

²² *Id.*

²³ Direct Testimony of Dan V. Jackson on Behalf of the City of Celina at 40-44 (March 17, 2020).

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
		44, Line 20, Including Appendix H	TRE 401, 402 TRE 702	<p>prohibited hearsay but fail to identify the specific hearsay. The referenced testimony is not hearsay, but is the specific opinion/testimony of Mr. Jackson provided for trial.</p> <p>The testimony is relevant as it will aid the City's argument addressing issues 4, 6, and 7 of the Commission's Preliminary Order.²⁴</p> <p>Further, Mr. Jackson does not offer testimony outside of his specialized knowledge. His opinion is based off of review of the stated agreement/common sense.</p>
III. R.	Dan Jackson	Page 50, Lines 1 through Page 53, Line 3, including Chart DVJ-12 and Table DVJ-13	TRE 801 TRE 401, 402 TRE 702	<p>The testimony, chart, and table objected to by the Ratepayers were created by Mr. Jackson for trial and reflect the expert opinion of Mr. Jackson. It is not hearsay.</p> <p>The testimony is relevant as it will aid the City's argument addressing issues 4, 6, and 7 of the Commission's Preliminary Order.²⁵</p> <p>Further, Mr. Jackson does not offer testimony outside of his specialized knowledge. His opinion is based off the research he has conducted, including review of certain documents, for this specific cause.</p> <p>Additionally, Texas Rule of Evidence 705(a) specifically states the following: "Unless the court orders otherwise, an expert</p>

²⁴ Preliminary Order at 3–4 (Jan. 17, 2020).

²⁵ *Id.*

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
				may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination.” The Ratepayers are free to inquire as to the basis of Mr. Jackson’s opinion on his cross-examination.
III. S.	Dan Jackson	Page 55, Lines 1 through 2	TRE 702	Texas Rule of Evidence 705(a) specifically states the following: “Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination.” The Ratepayers are free to inquire as to the basis of Mr. Jackson’s opinion on his cross-examination.
III. T.	Dan Jackson	Page 57, Lines 16 through Line 18	TRE 401, 402 TRE 701 TRE 403	The testimony is relevant as it will aid the City’s argument addressing issues 4, 6, and 7 of the Commission’s Preliminary Order. ²⁶ Further, Mr. Jackson does not offer testimony outside of his specialized knowledge. His opinion is rationally based off of his review of the stated agreement—specifically, the fact that the Outside Ratepayers entered into it and have abided by it for the last 13 years. Further, Mr. Jackson is not purporting to have specialized legal knowledge. His statement on waiver is specifically based

²⁶ *Id.*

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
				on the language of the agreement. <i>See</i> TRE 701.
III. U.	Dan Jackson	Page 59, Lines 34 through Page 60, Line 2	TRE 701 TRE 401	<p>Mr. Jackson's testimony is not governed by Rule 701 as Mr. Jackson's testimony is being offered as expert testimony. Mr. Jackson has the sufficient knowledge and experience to form this opinion.</p> <p>The testimony, when viewed as a whole with Mr. Jackson's response to the question posed, is relevant as it will aid the City's argument addressing issues 4, 6, and 7 of the Commission's Preliminary Order.²⁷</p>
III. V.	Dan Jackson	Page 60, Lines 15 through Line 19	TRE 701 TRE 401	<p>Mr. Jackson is not "speculating about what the 'experience' of City Staff might be." Mr. Jackson's opinion is based on facts—that the budget was created by City staff.</p> <p>The testimony, when viewed as a whole with Mr. Jackson's response to the question posed, is relevant as it will aid the City's argument addressing issues 4, 6, and 7 of the Commission's Preliminary Order.²⁸</p>
III. W.	Dan Jackson	Page 63, Lines 10 through 11, Table DVJ-16	TRE 801 TRE 702	<p>The table objected to by the Ratepayers was created by Mr. Jackson for trial and reflects the expert opinion of Mr. Jackson. It is not hearsay.</p> <p>Texas Rule of Evidence 705(a) specifically states the following: "Unless the court orders otherwise, an expert may state an opinion—and give the</p>

²⁷ *Id.*

²⁸ *Id.*

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
				reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination.” The Ratepayers are free to inquire as to the basis of Mr. Jackson’s opinion on his cross-examination.
III. X.	Dan Jackson	Page 64, Line 6 through Line 10	TRE 801 TRE 403 TRE 702	The referenced testimony is not hearsay as it refers to a specific table created by Mr. Jackson for trial. Texas Rule of Evidence 705(a) specifically states the following: “Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination.” The Ratepayers are free to inquire as to the basis of Mr. Jackson’s opinion on his cross-examination. The testimony is relevant as it will aid the City’s argument addressing issues 4, 6, and 7 of the Commission’s Preliminary Order. ²⁹
III. Y.	Dan Jackson	Page 64, Line 11 through Line 12, Table DVJ-17	TRE 801 TRE 403 TRE 702	The table objected to by the Ratepayers was created by Mr. Jackson for trial and reflects the expert opinion of Mr. Jackson. It is not hearsay. Texas Rule of Evidence 705(a) specifically states the following: “Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be

²⁹ *Id.*

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
				<p>required to disclose those facts or data on cross-examination.” The Ratepayers are free to inquire as to the basis of Mr. Jackson’s opinion on his cross-examination.</p> <p>The City’s projected debt service is relevant to determining the reasonableness of the retail water and sewer rates being charged.</p>
III. Z.	Dan Jackson	Page 65, Lines 1 through 30	<p>TRE 402/403</p> <p>TRE 801</p> <p>TRE 702</p>	<p>Mr. Jackson’s opinion on the cost of service is relevant to determining the reasonableness of the retail water and sewer rates being charged. Mr. Jackson’s analysis and opinions on future debt is not confusing the issues. Mr. Jackson is an expert on economic and financial consulting services for water and wastewater utilities. He presenting his opinion on the future cost of data as his findings based on his overall review of the City’s rate study.</p> <p>The testimony objected to by the Ratepayers is the opinion of Mr. Jackson. It is not hearsay as it was specifically given for trial. Texas Rule of Evidence 703 allows an expert to base his opinion on inadmissible evidence if “experts in the particular field would reasonably rely on those kinds of facts or data in forming an opinion on the subject.”</p> <p>Texas Rule of Evidence 705(a) specifically states the following: “Unless the court orders otherwise, an expert may state an opinion—and give the</p>

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
				<p>reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination.”</p> <p>The Ratepayers are free to inquire as to the basis of Mr. Jackson’s opinion on his cross-examination.</p>
III. AA.	Dan Jackson	Page 66, Line 5 through Line 6, Table DVJ-18	<p>TRE 801</p> <p>TRE 402/403</p> <p>TRE 702</p>	<p>The table objected to by the Ratepayers was created by Mr. Jackson for trial and reflects the expert opinion of Mr. Jackson. Texas Rule of Evidence 705(a) specifically states the following: “Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination.”</p> <p>The Ratepayers are free to inquire as to the basis of Mr. Jackson’s opinion on his cross-examination.</p> <p>The testimony is relevant as it will aid the City’s argument addressing issues 4, 6, and 7 of the Commission’s Preliminary Order.³⁰</p>
III. BB.	Dan Jackson	Page 66, Line 9 through Page 67, Line 4	<p>TRE 801</p> <p>TRE 402/403</p> <p>TRE 702</p>	<p>The referenced testimony is not hearsay, but is the specific opinion/testimony of Mr. Jackson provided for trial.</p> <p>Texas Rule of Evidence 703 allows an expert to base his opinion on inadmissible evidence if “experts in the particular field would reasonably rely on those kinds of facts or</p>

³⁰ *Id.*

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
				<p>data in forming an opinion on the subject.”</p> <p>The testimony is relevant as it will aid the City’s argument addressing issues 4, 6, and 7 of the Commission’s Preliminary Order.³¹</p> <p>Finally, Texas Rule of Evidence 705(a) specifically states the following: “Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination.” The Ratepayers are free to inquire as to the basis of Mr. Jackson’s opinion on his cross-examination.</p> <p>Further, and without waiving the aforementioned, in his direct testimony, Mr. Jackson specifically states that “all data and analysis presented in this testimony will be based on data from Willdan's 2018 Water and Wastewater Rate Study and Financial Forecast for the City of Celina, which includes data up to November 2018.”³²</p>
III. CC.	Dan Jackson	Page 67, Lines 6 through 13	TRE 402/403 TRE 702	<p>This testimony is relevant as it will aid the City’s argument addressing issues 4, 6, and 7 of the Commission’s Preliminary Order.³³</p> <p>Finally, Texas Rule of Evidence 705(a) specifically states the</p>

³¹ *Id.*

³² Direct Testimony of Dan V. Jackson on Behalf of the City of Celina at 6(March 17, 2020).

³³ Preliminary Order at 3–4 (Jan. 17, 2020).

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
				<p>following: "Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination."</p> <p>The Ratepayers are free to inquire as to the basis of Mr. Jackson's opinion on his cross-examination.</p>
III. DD.	Dan Jackson	Page 68, Lines 1 through 2, Table DVJ-19	TRE402/403 TRE 702	<p>The table was created by Mr. Jackson in his capacity as an expert on economic and financial consulting services for water and wastewater utilities. The table is relevant as it will aid the City's argument addressing issues 4, 6, and 7 of the Commission's Preliminary Order.³⁴</p> <p>Finally, Texas Rule of Evidence 705(a) specifically states the following: "Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination."</p> <p>The Ratepayers are free to inquire as to the basis of Mr. Jackson's opinion on his cross-examination.</p>
III. EE.	Dan Jackson	Page 70, Lines 5 through Line 6, Table DVJ-20	TRE 801 TRE 402/403 TRE 702	<p>The Table objected to by the Ratepayers reflects the expert opinion of Mr. Jackson specifically made for trial. It is not hearsay. Texas Rule of Evidence 703 allows an expert to base his opinion on inadmissible</p>

³⁴ *Id.*

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
				<p>evidence if “experts in the particular field would reasonably rely on those kinds of facts or data in forming an opinion on the subject.”</p> <p>The testimony is relevant as it will aid the City’s argument addressing issues 4, 6, and 7 of the Commission’s Preliminary Order.³⁵</p> <p>Texas Rule of Evidence 705(a) specifically states the following: “Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination.” The Ratepayers are free to inquire as to the basis of Mr. Jackson’s opinion on his cross-examination.</p> <p>Further, and without waiving the aforementioned, in his direct testimony, Mr. Jackson specifically states that “all data and analysis presented in this testimony will be based on data from Willdan’s 2018 Water and Wastewater Rate Study and Financial Forecast for the City of Celina, which includes data up to November 2018.”³⁶</p>
III. FF.	Dan Jackson	Page 71, Lines 12 through Line 18, Table DVJ-21	TRE 702 TRE 701	Mr. Jackson’s testimony is not governed by Rule 701 as Mr. Jackson’s testimony is being offered as expert testimony. Mr. Jackson is an expert on economic and financial

³⁵ *Id.*

³⁶ Direct Testimony of Dan V. Jackson on Behalf of the City of Celina at 6(March 17, 2020).

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
				<p>consulting services for water and wastewater utilities. Mr. Jackson has the sufficient knowledge and experience to form this opinion and to be able to create this Table.</p> <p>Texas Rule of Evidence 705(a) specifically states the following: "Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination." The Ratepayers are free to inquire as to the basis of Mr. Jackson's opinion on his cross-examination.</p>
III. GG.	Dan Jackson	Page 72, Lines 2 through Line 6	TRE 702 TRE 701	<p>Mr. Jackson's testimony is not governed by Rule 701 as Mr. Jackson's testimony is being offered as expert testimony. Mr. Jackson is an expert on economic and financial consulting services for water and wastewater utilities. Mr. Jackson has the sufficient knowledge and experience to form this opinion.</p> <p>Texas Rule of Evidence 705(a) specifically states the following: "Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination." The Ratepayers are free to inquire as to the basis of Mr. Jackson's opinion on his cross-examination.</p>

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
III. HH.	Dan Jackson	Page 73, Lines 1 through Line 2, Table DVJ-22	TRE 801 TRE 702	<p>The Table objected to by the Ratepayers reflects the expert opinion of Mr. Jackson specifically made for trial. It is not hearsay. Texas Rule of Evidence 703 allows an expert to base his opinion on inadmissible evidence if “experts in the particular field would reasonably rely on those kinds of facts or data in forming an opinion on the subject.”</p> <p>Texas Rule of Evidence 705(a) specifically states the following: “Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination.” The Ratepayers are free to inquire as to the basis of Mr. Jackson’s opinion on his cross-examination.</p>
III. II.	Dan Jackson	Page 73, Line 8 through Page 74, Line 4	TRE 702 TRE 701 TRE 401	<p>Mr. Jackson’s testimony is not governed by Rule 701 as Mr. Jackson’s testimony is being offered as expert testimony. Mr. Jackson is an expert on economic and financial consulting services for water and wastewater utilities. Mr. Jackson has the sufficient knowledge and experience to form this opinion.</p> <p>Texas Rule of Evidence 705(a) specifically states the following: “Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be</p>

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
				<p>required to disclose those facts or data on cross-examination.” The Ratepayers are free to inquire as to the basis of Mr. Jackson’s opinion on his cross-examination.</p> <p>The testimony is relevant as it will aid the City’s argument addressing issues 4, 6, and 7 of the Commission’s Preliminary Order.³⁷ Texas Rule of Evidence 703 allows an expert to base his opinion on inadmissible evidence if “experts in the particular field would reasonably rely on those kinds of facts or data in forming an opinion on the subject.”</p>
III. JJ.	Dan Jackson	Page 74, Line 27 through Page 79, Line 7	TRE 702 TRE 701 TRE 401	<p>Mr. Jackson’s testimony is not governed by Rule 701 as Mr. Jackson’s testimony is being offered as expert testimony. Mr. Jackson is an expert on economic and financial consulting services for water and wastewater utilities. Mr. Jackson has the sufficient knowledge and experience to form this opinion. Further, Texas Rule of Evidence 705(a) specifically states the following: “Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination.” The Ratepayers are free to inquire as to the basis of Mr. Jackson’s opinion on his cross-examination.</p>

³⁷ Preliminary Order at 3–4 (Jan. 17, 2020).

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
				The testimony is relevant as it will aid the City's argument addressing issues 4, 6, and 7 of the Commission's Preliminary Order. ³⁸ Texas Rule of Evidence 703 allows an expert to base his opinion on inadmissible evidence if "experts in the particular field would reasonably rely on those kinds of facts or data in forming an opinion on the subject."
III. KK.	Dan Jackson	Page 80, Lines 3 through 4, Table DVJ-23	TRE 801 TRE 403 TRE 702	<p>The Table objected to by the Ratepayers reflects the expert opinion of Mr. Jackson specifically made for trial. It is not hearsay. Texas Rule of Evidence 703 allows an expert to base his opinion on inadmissible evidence if "experts in the particular field would reasonably rely on those kinds of facts or data in forming an opinion on the subject."</p> <p>The testimony is relevant as it will aid the City's argument addressing issues 4, 6, and 7 of the Commission's Preliminary Order.³⁹</p> <p>Further, Texas Rule of Evidence 705(a) specifically states the following: "Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination." The Ratepayers are free to inquire as to the basis of Mr.</p>

³⁸ *Id.*

³⁹ *Id.*

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
				Jackson's opinion on his cross-examination.
III. LL.	Dan Jackson	Page 82, Line 1 through Page 83, Line 3, Tables DVJ-24 and DVJ-25	TRE 801 TRE 403 TRE 702	<p>The Tables objected to by the Ratepayers reflects the expert opinion of Mr. Jackson specifically made for trial. It is not hearsay. Texas Rule of Evidence 703 allows an expert to base his opinion on inadmissible evidence if "experts in the particular field would reasonably rely on those kinds of facts or data in forming an opinion on the subject."</p> <p>The testimony is relevant as it will aid the City's argument addressing issues 4, 6, and 7 of the Commission's Preliminary Order.⁴⁰</p> <p>Further, Texas Rule of Evidence 705(a) specifically states the following: "Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination." The Ratepayers are free to inquire as to the basis of Mr. Jackson's opinion on his cross-examination.</p>
III. MM.	Dan Jackson	Page 85, Lines 3 through Line 4, Table DVJ-26	TRE 801 TRE 403 TRE 702	<p>The Table objected to by the Ratepayers reflects the expert opinion of Mr. Jackson specifically made for trial. It is not hearsay. Texas Rule of Evidence 703 allows an expert to base his opinion on inadmissible evidence if "experts in the particular field would reasonably</p>

⁴⁰ *Id.*

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
				<p>rely on those kinds of facts or data in forming an opinion on the subject.”</p> <p>The testimony is relevant as it will aid the City's argument addressing issues 4, 6, and 7 of the Commission's Preliminary Order.⁴¹</p> <p>Further, Texas Rule of Evidence 705(a) specifically states the following: “Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination.” The Ratepayers are free to inquire as to the basis of Mr. Jackson's opinion on his cross-examination.</p>
III. NN.	Dan Jackson	Page 7, Line 5	TRE 702	<p>Texas Rule of Evidence 705(a) specifically states the following, “Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination.” The Ratepayers are free to inquire as to the basis of Mr. Jackson's opinion on his cross-examination.</p> <p>Further, and without waiving the aforementioned, in his direct testimony, Mr. Jackson specifically states, “all data and analysis presented in this</p>

⁴¹ *Id.*

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
				testimony will be based on data from Willdan's 2018 Water and Wastewater Rate Study and Financial Forecast for the City of Celina, which includes data up to November 2018.” ⁴²
III. OO.	Dan Jackson	Page 87, Lines 16 through Line 16, Table DVJ-27	TRE 801 TRE 403 TRE 702	<p>The Table objected to by the Ratepayers reflects the expert opinion of Mr. Jackson specifically made for trial. It is not hearsay. Texas Rule of Evidence 703 allows an expert to base his opinion on inadmissible evidence if “experts in the particular field would reasonably rely on those kinds of facts or data in forming an opinion on the subject.”</p> <p>The testimony is relevant as it will aid the City’s argument addressing issues 4, 6, and 7 of the Commission’s Preliminary Order.⁴³</p> <p>Further, Texas Rule of Evidence 705(a) specifically states the following: “Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination.” The Ratepayers are free to inquire as to the basis of Mr. Jackson’s opinion on his cross-examination.</p>
III. PP.	Dan Jackson	Page 89, Lines 3 through 4, Tables DVJ-28	TRE 801 TRE 403	The Table objected to by the Ratepayers reflects the expert opinion of Mr. Jackson specifically made for trial. It is not hearsay. Texas Rule of

⁴² Direct Testimony of Dan V. Jackson on Behalf of the City of Celina at 6(March 17, 2020).

⁴³ Preliminary Order at 3–4 (Jan. 17, 2020).

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
			TRE 702	<p>Evidence 703 allows an expert to base his opinion on inadmissible evidence if "experts in the particular field would reasonably rely on those kinds of facts or data in forming an opinion on the subject."</p> <p>The testimony is relevant as it will aid the City's argument addressing issues 4, 6, and 7 of the Commission's Preliminary Order.⁴⁴</p> <p>Further, Texas Rule of Evidence 705(a) specifically states the following: "Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination." The Ratepayers are free to inquire as to the basis of Mr. Jackson's opinion on his cross-examination.</p>
III. QQ.	Dan Jackson	Page 90 (regarding Wastewater Cost of Service) through Page 115, including Table DVJ-20, DVJ-30, DVJ-31, DVJ-32, DVJ-33, DVJ-34, DVJ-35, DVJ-36, DVJ-37, DVJ-38, DVJ-39, DVJ-40, DVJ-41, DVJ-42, DVJ-43, DVJ-44, DVJ-45, DVJ-46	<p>TRE 801</p> <p>TRE 403</p> <p>TRE 702</p>	<p>The Tables objected to by the Ratepayers reflects the expert opinion of Mr. Jackson specifically made for trial. It is not hearsay. Texas Rule of Evidence 703 allows an expert to base his opinion on inadmissible evidence if "experts in the particular field would reasonably rely on those kinds of facts or data in forming an opinion on the subject."</p> <p>The testimony is relevant as it will aid the City's argument addressing issues 4, 6, and 7 of</p>

⁴⁴ *Id.*

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
				<p>the Commission's Preliminary Order.⁴⁵</p> <p>Further, Texas Rule of Evidence 705(a) specifically states the following: "Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination." The Ratepayers are free to inquire as to the basis of Mr. Jackson's opinion on his cross-examination.</p>
III. RR.	Dan Jackson	Page 90 (regarding Wastewater Utility Cost of Service) through Page 115 (relating to current wastewater rates not including a multiplier as required by the development agreement offered as Appendix H)	<p>Assume Facts Not in Evidence</p> <p>TRE 702</p>	<p>Ratepayers fail to explain how this testimony assumes facts not in evidence. As permitted by Rule 703 of the Texas Rules of Evidence, Mr. Jackson may base his opinions on inadmissible evidence if "experts in the particular field would reasonably rely on those kinds of facts or data in forming an opinion on the subject."</p> <p>Further, Texas Rule of Evidence 705(a) specifically states the following: "Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination." The Ratepayers are free to inquire as to the basis of Mr. Jackson's opinion on his cross-examination.</p>

⁴⁵ *Id*

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
IV. A.	Dan Jackson	Appendix B	TRE 801 TRE 403 TRE 702	<p>Appendix B is the City of Celina's Water and Wastewater Rate Study composed by Willdan Financial Services for the City in 2018. This Study is excepted from the hearsay rule under Texas Rule of Evidence 803.</p> <p>As stated by Mr. Jackson, this study was largely used to compile his testimony for this case in order to address the issues as set forth by the Commission in its Preliminary Order.</p> <p>Texas Rule of Evidence 705(a) specifically states the following: "Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination." The Ratepayers are free to inquire as to the basis of Mr. Jackson's opinion on his cross-examination.</p>
IV. B.	Dan Jackson	Appendix I	TRE 801 TRE 403 TRE 702	<p>Appendix I is Ten Year Rate Analysis and Pro Forma for Fiscal Years 2018-2026 composed by Willdan Financial Services for the City. This Study is excepted from the hearsay rule under Texas Rule of Evidence 803.</p> <p>As stated by Mr. Jackson, this study was used to form the basis of his opinion regarding his cost of service analysis which in turn is used to address the issues as set forth by the Commission in</p>

SPECIFIC OBJECTION	WITNESS	TESTIMONY	PETITIONERS' OBJECTION(S)	CITY'S RESPONSE
				<p>its Preliminary Order, specifically, as to the reasonableness of the rates. This study is extremely relevant to this matter.</p> <p>Texas Rule of Evidence 705(a) specifically states the following: "Unless the court orders otherwise, an expert may state an opinion—and give the reasons for it— without first testifying to the underlying facts or data. But the expert may be required to disclose those facts or data on cross-examination." The Ratepayers are free to inquire as to the basis of Mr. Jackson's opinion on his cross-examination.</p>
IV. C.	Dan Jackson	Appendix K	<p>TRE 801</p> <p>TRE 403</p> <p>TRE 702</p>	<p>Appendix K was composed by Willdan Financial Services for the City. This Study is excepted from the hearsay rule under Texas Rule of Evidence 803.</p> <p>As stated by Mr. Jackson, implementation of a full cost-based rate would result in significantly higher rates for the City's outside customers. To emphasize that the City seeks only to reaffirm its existing plan and to be allowed to continue to adhere to the 2007 development agreement, Mr. Jackson ran a second scenario on his rate model. The second scenario is the information presented in Appendix K of this prefiled testimony. This information is relevant as it demonstrates that the implementation of this alternative would result in significantly higher monthly charges for the City's outside</p>