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2006 OCT 25 P 2: 54

ARIZONA CORPORATION COMMISSION  
DOCUMENT CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF )  
LIVCO WATER COMPANY FOR AN )  
EXTENSION OF ITS CERTIFICATE OF )  
CONVENIENCE AND NECESSITY FOR THE )  
PROVISION OF WATER SERVICE IN )  
PORTIONS OF APACHE COUNTY, )  
ARIZONA, )

DOCKET NO. W-02121A-06-0316

Arizona Corporation Commission  
DOCKETED

OCT 25 2006

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IN THE MATTER OF THE APPLICATION OF )  
LIVCO SEWER COMPANY FOR AN )  
EXTENSION OF ITS CERTIFICATE OF )  
CONVENIENCE AND NECESSITY FOR THE )  
PROVISION OF WASTEWATER SERVICE IN )  
PORTIONS OF APACHE COUNTY, )  
ARIZONA, )

DOCKET NO. SW-02563A-06-0316

OBJECTIONS TO STAFF REPORT

Livco Water Company and Livco Sewer Company (collectively referred to as "LIVCO" or the "Company") hereby submit their Objections to the Staff Report issued October 18, 2006 pursuant to the Procedural Order dated September 11, 2006.

1. The Staff Report recommends approval of the Application with several Conditions. Condition 2 recommends requiring the Company to file as a compliance item Letters of Adequate Water Supply ("LAWS") for Units 1, 3 and 33 as well as Concho Shores West Subdivision.

2. Attachment A to the Staff Report, the Memorandum from Marlin Scott in the Engineering Division, at Page 3, recommends requiring a LAWS for ONLY Concho West Shore

1 Subdivision. The Company believes Mr. Scott's recommendation is the appropriate  
2 recommendation.

3 3. In response to a Staff's Data Request, the Company providing an explanation of the  
4 LAWS the Developer of Concho Shores West Subdivision will obtain (See attached Data  
5 Response dated July 6, 2006 with only Item 1 attached). Concho Shores West Subdivision is the  
6 only new subdivision in the requested extension area.

7 4. Units 1 and 3 were subdivided in 1970, before the enactment of the 1980 Groundwater  
8 Code that established, among other things, the LAWS requirement for NEW subdivisions. The  
9 attached Item 1 to the Company's Data Response is the best evidence available to the Company  
10 and the Arizona Department of Water Resources ("ADWR") and shows the status of Units 1 and  
11 3 as "Ret-Sub". We are advised by ADWR that the pre-1980 Groundwater Code "Retired" status  
12 is equivalent to the present-day LAWS. Neither the Company nor ADWR have any further  
13 evidence of the status, other than this ADWR data base entry, which we all have the right to rely  
14 upon.

15 5. Item 1 shows the status of Unit 33 as "Issued". Also attached is a January 15, 1985  
16 letter from ADWR showing the adequacy for Unit 33.

17 6. LAWS are not required for existing subdivisions. ARS §45-108 imposes the  
18 requirement for a LAWS on "...the developer of a PROPOSED subdivision...prior to recording  
19 the plat..." (See Subsection (A), emphasis added). All units, except Concho West Shores  
20 Subdivision, presently have ADWR's approval of water adequacy.

21 7. The Company agrees with all other Conditions recommended by Staff.  
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