SUPERIOR COURT OF ARIZONA MARICOPA COUNTY

01/08/2002

CLERK OF THE COURT FORM V000

HONORABLE EDDWARD BALLINGER, JR.

R. Luiszer Deputy

W-1, W-2, W-3, W-4(Consolidated)

FILED: Jan. 22, 2002

In Re the General Adjudication of All Rights to Use Water in The Gila River System and Source

MINUTE ENTRY

2:05 p.m. This is the time set for a report from the Arizona Department of Water Resources. Present are the following: Robert Hoffman and Carlos Ronstadt representing BHP Copper, John Weldon, Frederic Beeson, M. Byron Lewis, and Mark McGinnis representing Salt River Project, Anthony Fines representing Gila Valley Irrigation District and Franklin Irrigation District, Lauren J. Caster and Ruth Graham Kern representing ASARCO, Inc. and Arizona Water Co., Rod Lewis and John Hestand representing Gila River Indian Community, Marilyn D. Cage representing City of Goodyear, Charlotte Benson representing City of Tempe, Cynthia Haglin representing City of Chandler, William Anger representing Cities of Chandler, Glendale, Mesa and Scottsdale, Joe P. Sparks and John Ryley representing San Carlos Apache Tribe, Tonto Apache Tribe, and Yavapai-Apache Nation, Graham M. Clark, Jr. representing Arizona Agency Claimants, Lee Storey and Steve Wene representing City of Safford, Rio Rico Properties and Paloma, Janet Ronald, Michael Pearce and Gregg Houtz from Arizona Department of Water Resources, Lee Leininger and Patrick Barry from the U.S. Department of Justice, Riney Salmon representing San Carlos

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Irrigation District, M. James Callahan representing City of Phoenix, Sally Worthington representing Maricopa County, Bill Staudenmaier representing Arizona Public Service Co., Phelps Dodge Corp. and Roosevelt Water Conservation District, Cindy Chandley representing Phelps Dodge Corp., Bill Sullivan representing Bella Vista Water, Laura Hubbard representing The Nature Conservancy, Jennele O'Hair representing cities of Sierra Vista and Benson, and Special Master, George A. Schade, Jr. and his assistant, Kathy Dolge, are present.

Court Reporter, Jean Villmer, is present.

Arizona Department of Water Resources (ADWR) Report Concerning Implementation of the Arizona Supreme Court's Decision on Subflow (filed December 18, 2001)

Janet Ronald addresses the Court re: the presentation of witnesses and exhibits for the purpose of this hearing.

The Court directs that, where applicable, all parties shall include cites to Arizona reporters on memoranda filed with this Court.

Janet Ronald, on behalf of Arizona Department of Water Resources, submits presentation on proposed criteria for determination of the subflow zone.

Bill Staudenmaier, APS, addresses the Court on his reasons for disagreeing with ADWR's presentation.

The Court directs ADWR to prepare another more specific and detailed report pertaining to the San Pedro River watershed, the specifics which shall be detailed by separate minute entry.

Lee Leininger, US Department of Justice; John Weldon, SRP; Tom Galbraith, Buckeye Irrigation; John Ryley, Apache Tribes; Bill Anger, Cities of Chandler, Glendale, Mesa and Scottsdale; Rod Lewis, GRIC, address the Court re: ADWR's report.

Docket Code 000

Page 2

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01/08/2002

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W-1, W-2, W-3, W-4(Consolidated)

ADWR's Status Report Concerning Hydrographic Survey Report for the Gila River Indian Reservation (filed January 4, 2002)

Janet Ronald explains ADWR's report and status of GRIC HSR.

Rod Lewis for GRIC and Joe Sparks for Apache Tribes address the Court.

John Weldon for SRP requests time to respond to ADWR's report concerning the status of the GRIC HSR.

IT IS ORDERED granting the request to respond. Responses shall be due within 30 days.

Pat Barry, US Department of Justice, suggests the U.S. may amend statements of claimant filed on behalf of GRIC.

IT IS ORDERED the United States shall file a report on or before March 29, 2002, describing its intentions with respect to filing amended claims.

Questions to ADWR's Chief Counsel

The Court addresses several questions to Michael Pearce, ADWR's Chief Counsel, regarding ADWR's participation in settlement activities.

Mr. Rod Lewis comments.

4:30 p.m. Hearing concludes.

* * * *

A copy of this minute entry is mailed to all parties on the Court-approved W-1, W-2, W-3 and W-4 mailing list dated October 30, 2001.