

SUPERIOR COURT OF ARIZONA
MARICOPA COUNTY

6/20/2006

CLERK OF THE COURT
FORM V000

GEORGE A. SCHADE, JR.,
SPECIAL MASTER

M. L. Smith
Deputy

Contested Case No. W1-104 and
CV 6417-100

FILED: 06/27/2006

In re State Trust Lands

In Re Status Hearing

MINUTE ENTRY

9:00 a.m. This is the time set for a status hearing. Present are Patrick Sigl on behalf of the State of Arizona; Alice E. Walker and Stanley M. Pollack on behalf of the Navajo Nation; M. Byron Lewis and John Weldon on behalf of Salt River Project; Lauren J. Caster on behalf of ASARCO LLC, Arizona Water Company, Abitibi Consolidated Sales Corporation, and Tucson Electric Power Company; Bill Staudenmaier and Michael Kafka on behalf of Arizona Public Service, Phelps Dodge Corporation, and Roosevelt Water Conservation District; Jan Ronald and Scott Deeny on behalf of the Arizona Department of Water Resources; John Hestand on behalf of the Gila River Indian Community; Marilyn D. Cage on behalf of the City of Goodyear; Bill Sullivan on behalf of the City of Gilbert, Bella Vista Water Company, Pueblo del Sol Water Company, and the City of Sierra Vista; Michael Brown on behalf of the City of Show Low, Gila Valley Irrigation District, City of Cottonwood, and others; Bill Anger on behalf of the Cities of Chandler, Glendale, Mesa, and Scottsdale; Riney Salmon on behalf of the San Carlos Irrigation

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District and Maricopa Water District; Stanley B. Lutz on behalf of BHP Copper Inc.; Lee Leininger on behalf of the U.S. Department of Justice; Joe P. Sparks on behalf of the Tonto Apache Tribe, San Carlos Apache Tribe, Pascua Yaqui Tribe, and the Yavapai-Apache Nation; Cynthia Haglin on behalf of the City of Chandler; and M. James Callahan on behalf of the City of Phoenix.

Court reporter, Patty Connolly, is present.

Janet Ronald reports that ADWR was appropriated \$500,000.00 in the budget for next fiscal year. ADWR will begin hiring additional staff within the next few months.

Because they have refused mail, the Special Master wrote to Mr. and Mrs. Marshall L. and Dena L. Hembree, and his letter was returned with a notation that they no longer have water rights. Therefore, they will be removed from the Court-approved mailing lists for this case and for the Little Colorado River Adjudication.

The Special Master inquires as to the status of discovery which should have been completed by May 9, 2006.

Patrick Sigl states that discovery pursuant to the Court's order of May 19, 2005, has been completed. The State is seeking permission to file an Amended Motion for Partial Summary Judgment.

Bill Staudenmaier objects to the State's amended motion because discovery has been completed, and the amended motion will require further discovery regarding the State's claims in regard to the Prescott Active Management Area (AMA).

The last day for filing Responses to the motion for leave to amend is June 28, 2006. The State may file a Reply by July

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24, 2006. The Court questions whether the State wishes to retain this briefing schedule and if anyone else wants to file Responses. ASARCO and Phelps Dodge have already filed a Response. Bella Vista and Sierra Vista will probably file a joinder. The Special Master will rule on the motion for leave to amend by August 11, 2006.

Discussion is held regarding the deadlines already set. The Special Master states that the deadline to file Motions for Summary Judgment is extended to June 30, 2006.

Bill Staudenmaier is concerned that if the Court doesn't rule on the motion for leave to amend until August 11, 2006, he will only have three weeks to respond to the amended motion regarding the Prescott AMA lands.

Patrick Sigl assures the Court the State will make the records available in a timely manner.

The Special Master indicates that the State shall have until Friday, July 7, 2006, to file additional disclosures regarding the Prescott AMA lands, and all discovery shall be completed by August 11, 2006. Discovery cutoff on Prescott AMA issues will be August 11, 2006.

Stanley Lutz suggests that the parties be given time to take additional depositions if needed. The Special Master provides a period of two weeks until August 25, 2006, to take depositions.

The following discovery and disclosure deadlines are set:

June 30, 2006, is the last day for all parties to file Motions for Summary Judgment;

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June 28, 2006, will be the last day to respond to the
State's Motion for Leave to Amend;

July 24, 2006, is the last day the State may file a Reply;

Special Master George A. Schade Jr. will make and
distribute his ruling on or before August 11, 2006;

Discovery regarding the Prescott AMA will be allowed until
August 11, 2006. There will be a two-week period after August
11 for the parties to take depositions. The last date to file
Responses to all Motions for Summary Judgment will be September
15, 2006.

The last date to file Replies to all Motions for Summary
Judgment will be November 3, 2006.

Oral argument will be heard on all Motions for Summary
Judgment on December 7, 2006, beginning at 9:00 a.m. and ending
not later than 5:00 p.m. The parties shall submit a proposed
schedule for oral argument prior to the hearing.

The scope of A.R.S. § 12-1841 is discussed. Larry Caster
provides the following case citations:

1. Naslund v. Indus. Comm'n of Ariz., 210 Ariz. 262,
footnote 4 on page 267, 110 P.3d 363, 368 (Ariz. App.
2005),
2. Grammatico v. Indus. Comm'n of Ariz., 208 Ariz. 10,
footnote 3 on page 12, 90 P.3d 211, 213 (Ariz. App.
2004), and
3. Ethington v. Wright, 66 Ariz. 382, case note 8 on page
383, 189 P.2d 209, 210 (1948).

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Motions to exceed page limitations are discussed. The Special Master states that 30 pages is reasonable for a motion for summary judgment in this matter and has asked Judge Ballinger to grant motions filed to exceed page limitations. Motions to exceed the page limitations on Responses and Replies that are reasonable should also be granted. In future contested cases the Special Master will decide at the beginning what are reasonable page limitations. Counsel are reminded that when submitting a Motion to Exceed Page Limitations to Judge Ballinger, they should also submit a proposed order to be signed by the Court.

9:54 a.m. Hearing concludes.

A copy of this minute entry is mailed to all parties on the Court-Approved Mailing List W1-104 and 6417-100 dated February 28, 2006.