SUPERIOR COURT OF ARIZONA MARICOPA COUNTY

06/11/2002

CLERK OF THE COURT FORM V000

GEORGE A. SCHADE, JR., SPECIAL T. A. Pavia, Deputy Clerk MASTER

CONTESTED CASE NO. W1-11-1174 (Consolidated)

FILED: 6/21/02

IN RE THE GENERAL ADJUDICATION OF ALL RIGHTS TO USE WATER IN THE GILA RIVER SYSTEM AND SOURCE

IN RE PWR 107 CLAIMS

1:30 p.m. This is the date and time set for a Scheduling Conference (Proceeding No. SP-34). Present are Janet L. Ronald and Richard Burtell for ADWR, R. Lee Leininger for U.S. Dept of Justice (BLM), John T. Hestand for Gila River Indian Community, M. Byron Lewis, John Weldon and Jeff Ehlers for Salt River Project, James Callahan for City of Phoenix, William H. Anger for Cities of Mesa, Chandler, Scottsdale and Glendale, Amy Langenfeld for Phelps Dodge Corp., Thomas Shedden for Arizona State Land Dept. and Arizona Game and Fish Dept., Steven Lynn Wene for Rio Rico Properties, Paloma and City of Safford, Thomas Wilmoth for ASARCO, Inc., Cynthia Haglin for City of Chandler, William Quinn for Department of the Interior, and John Ryley and Robyn Kline for the Apache Tribes. Also present is Kathy Dolge, Judicial Assistant.

Docket Code 026

SUPERIOR COURT OF ARIZONA MARICOPA COUNTY

06/11/2002

CLERK OF THE COURT FORM V000

GEORGE A. SCHADE, JR., SPECIAL MASTER

T. A. Pavia, Deputy Clerk

CONTESTED CASE NO. W1-11-1174 (Consolidated)

No court reporter is present. These proceedings were audio taped. Information may be obtained from Kathy Dolge regarding the audio tapes.

Discussion is held regarding claims and objections filed, the issues and the procedures to be followed. Mr. Leininger stated that the BLM would submit a copy of its objection to WFR 115-05-17 to the Special Master and to the other parties. Mr. Lewis stated that SRP would provide a copy of its objection to WFR 115-05-17 to the Special Master. The Special Master asked BLM and SRP to file copies of these objections with the court. Mr. Shedden stated that the Arizona State Land Dept. had not filed any objections to the watershed file reports at issue.

Mr. Leininger stated that the BLM would be amending its claims to remove mineshafts as water sources and wildlife and recreation as claimed uses, and will drop some claims. Mr. Leininger stated that the BLM would require at least 6 months to perform its field investigations and that the BLM and ADWR could work together on the field investigations of the BLM's claims.

Further discussion was held on BLM's need to amend its statements of claimant and ADWR to update the watershed file reports. Mr. Weldon stated that there is no need to amend the statements of claimant, and hearings could be held on the objections. Mrs. Ronald stated that Judge Bolton had ruled in September 2000 that ADWR would update the watershed file reports for a contested case. Mr. Weldon stated he would prefer to proceed on other matters while waiting for the amended statements to eliminate any excess delay. Mr. Leininger stated that some matters are premature until a ruling on Special Master Thorson's de minimis report is issued by Judge Ballinger.

Docket Code 026

SUPERIOR COURT OF ARIZONA MARICOPA COUNTY

06/11/2002

CLERK OF THE COURT FORM V000

GEORGE A. SCHADE, JR., SPECIAL MASTER

T. A. Pavia, Deputy Clerk

CONTESTED CASE NO. W1-11-1174 (Consolidated)

Mrs. Ronald stated that ADWR would require an additional 60 days to update the watershed file reports. The Special Master stated that ADWR is expected to recommend proposed water right attributes for each claim.

Discussion is held regarding the length of time for filing new or amended objections, whether six months pursuant to A.R.S. \$ 45-256(B) or 60 days as recommended by Special Master Thorson.

Discussion is held about identifying issues that could be briefed while the investigations are done. Mr. Ryley stated that the nature and scope of Public Water Reserve 107 should be briefed at this time. Mr. Leininger stated that briefing that issue will require a lot of time and work. The Special Master suggested identifying not more than five issues that could be briefed. Mrs. Ronald, Mr. Weldon, Mr. Callahan, and Mr. Hestand spoke about the issue of the time to file objections and the need to brief that issue. Mrs. Ronald spoke about the distribution of ADWR's report and who should get notice of it. Mr. Hestand stated that these issues should be briefed by a broader group of claimants. Mr. Wilmoth stated that briefing of any issues should not be done until after ADWR issues its updated report and more definite information is known about BLM's claims and the objections.

Discussion is held as to whether settlement negotiations would be helpful. The Special Master asked if he should participate in settlement discussions. Mr. Leininger stated that the parties have worked well in the past to reach settlements and that the Special Master could serve a role in settlement. Mr. Lewis stated that the Special Master should not participate in settlement discussions. Mr. Weldon stated that

SUPERIOR COURT OF ARIZONA MARICOPA COUNTY

06/11/2002

CLERK OF THE COURT FORM V000

GEORGE A. SCHADE, JR., SPECIAL T. A. Pavia, Deputy Clerk MASTER

CONTESTED CASE NO. W1-11-1174 (Consolidated)

there should be two separate tracks, one for litigation and one for settlement. The Special Master stated that he would not participate in settlement negotiations.

A Status Conference will be set. The Special Master suggested setting a conference after the BLM files its amended claims and before ADWR releases its updated report.

The Special Master states that the Court-approved mailing list for this contested case is amended to show a corrected address for Wilford H. Claridge as 3563 West First Street, Thatcher, AZ 85552, and that the law firm of Cox & Cox will not be included in the Court-approved mailing list because its client, Silas Kisto, did not object to the watershed file reports associated with this contested case.

The Special Master takes all matters under advisement.

3:10 p.m. Matter concludes.

A copy of this minute entry is mailed to all parties on the Court-approved W1-11-1174 (Consolidated) mailing list dated June 11, 2002.

Docket Code 026