

SUPERIOR COURT OF ARIZONA
MARICOPA COUNTY

Date 01/31/2020

CLERK OF THE COURT
FORM V000

SPECIAL WATER MASTER
SUSAN HARRIS

A. Hatfield

Deputy

In re: Eldon J. and Shirley Barney
Contested Case No. W1-11-1898

FILED: 02/04/2020

In Re: The General Adjudication
of All Rights to Use Water in the
Gila River System and Source
W-1, W-2, W-3 and W-4 (Consolidated)

In re: Scheduling Conference

MINUTE ENTRY

Courtroom: CCB 301

1:30 p.m. This is the time set for a Scheduling Conference set to schedule proceedings for the adjudication of water rights claimed by Karma Foods, LLC.

The following attorneys and parties appear telephonically: Manoj K. Tyagi, representative of Claimant Karma Foods, LLC; Laurel Herrmann on behalf of San Carlos Apache Tribe; Mark McGinnis on behalf of Salt River Project; Kimberly Parks on behalf of AZ Department of Water Resources; Bradley Pew on behalf of ASARCO; and Jay Tomkus on behalf of the Yavapai-Apache Nation.

A record of the proceedings is made digitally in lieu of a court reporter.

Mr. Tyagi states that he does not understand the nature of the proceedings. Discussion is held.

The Court suggests the following deadlines to proceed with litigation of the objections to the watershed filed report 112-17-BAD-001:

- Disclosure statements due April 30, 2020.
- Discovery completed July 5, 2020
- Trial to commence October 1, 2020

Mr. McGinnis and Mr. Pew state their respective client's position. They have no objections to participating in another meeting with ADWR, the other objectors, and Mr. Tyagi before dates are set to litigate this claim.

Mr. Tyagi agrees to participate in another meeting with the objectors and Arizona Department of Water Resources.

The Court does not set due dates for Disclosure Statements or Discovery or a trial date and there being no objection from the other parties to attending a second meeting with Mr. Tyagi,

IT IS ORDERED directing Ms. Parks to schedule a meeting with ADWR, the objectors and Mr. Tyagi by **May 31, 2020**. Arizona Department of Water Resources shall file a Meeting Report with the Court within five days of the meeting.

IT IS FURTHER ORDERED that each objector provide a list to Mr. Tyagi requesting specific information relevant to the objections to ADWR's report thirty (30) days before the meeting with ADWR so that Mr. Tyagi will have an opportunity to prepare for the meeting.

Mr. Tyagi provides his mailing address and email address.

1:47 p.m. Matter concludes.

LATER:

Purpose of Case

The purpose of this proceeding is to adjudicate rights to water for use on land that Karma Foods LLC, an Arizona limited liability company, acquired from the Marco Family Partnership, an Arizona limited partnership.

History of Case

This contested case has been actively in process since October 2018. At the status conference on December 13, 2018, Joe Marco, managing partner of the Marco Family Partnership, stated that he intended to pursue water rights for land owned by the Marco Family Partnership. Mr. Marco subsequently filed a Statement of Claimant claiming rights to water rights for stock watering, domestic use, and irrigation. On July 24, 2019, an assignment of the Statement of Claimant to Karma Foods, LLC signed by Marco Family Partnership and Karma Foods LLC was filed with ADWR along with a copy of a Warranty Deed.

On August 13, 2019, ADWR organized a meeting between Karma Foods, LLC and the objectors in this case to discuss the claims for water rights that Karma Foods LLC intended to assert and the objections to the report filed by ADWR. Arizona Department of Water Resources prepared and filed a report about the meeting, which was attended by

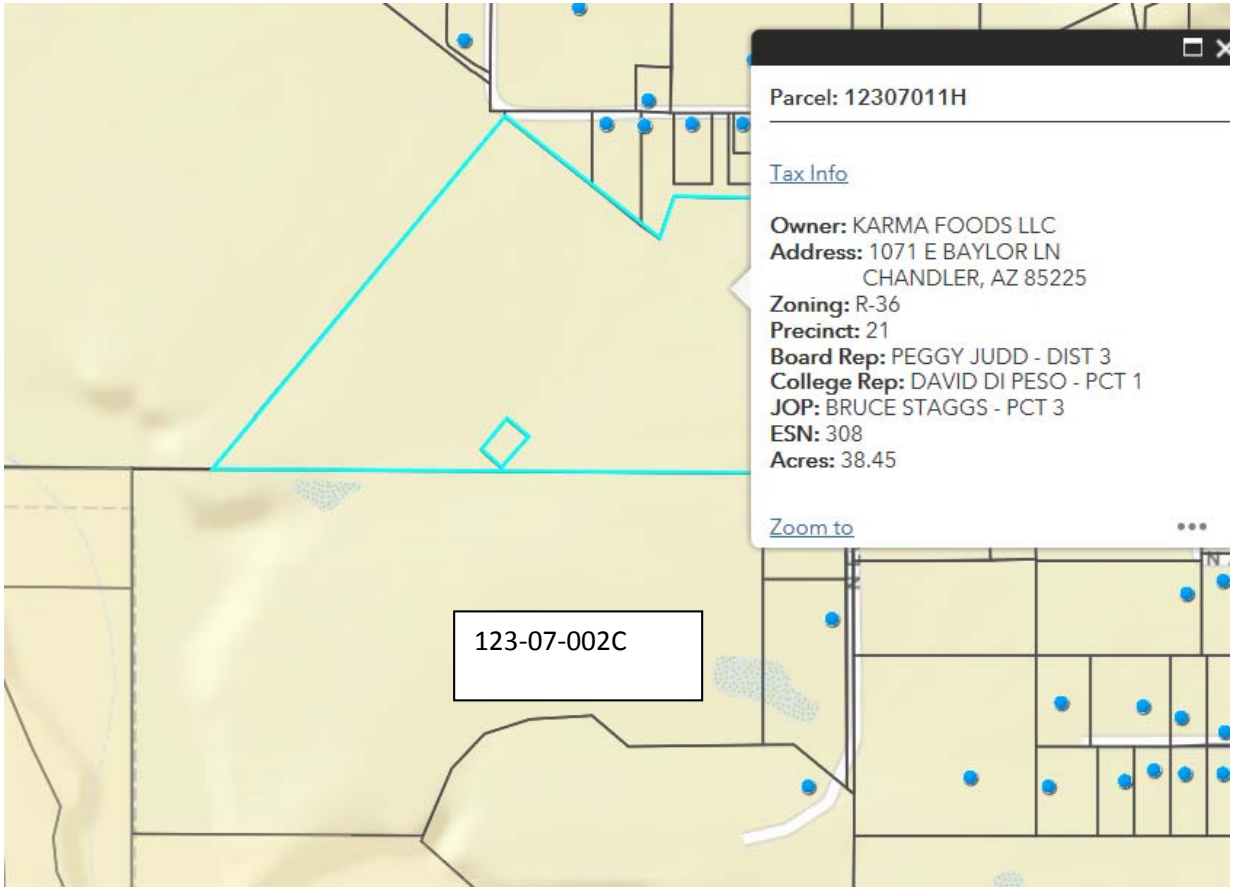
a representative of Karma Foods, LLC. Based on ADWR's meeting report, the court scheduled a status conference on October 23, 2019, to give Manoj K. Tyagi, the manager of Karma Foods, LLC, the opportunity to explain the water claims that Karma Foods LLC intends to pursue and determine dates by which any required forms were to be filed. Mr. Tyagi telephonically appeared at the status conference but stated that he was in a hospital emergency room. Due to those circumstances, Mr. Tyagi was advised that the status conference would be rescheduled for December 2019 to again give him the opportunity to discuss the claims for water rights on land owned by Karma Foods LLC.

On October 29, 2019, the court issued a Case Management Order resetting the status conference for December 11, 2019, and directing ADWR to map the irrigated acreage referenced in the watershed file report and the current tax parcels. On December 5, 2019, ADWR timely filed the requested map. On December 11, 2019, the status conference was held, but a representative of Karma Foods LLC did not appear. Consequently, the Court set a Scheduling Conference for January 31, 2020 to set dates for the proceedings necessary to determine water rights for Karma Foods LLC. No dates were set at the Scheduling Conference except the date by which ADWR will organize a second meeting between Karma Foods LLC and the objectors.

Scheduling Conference

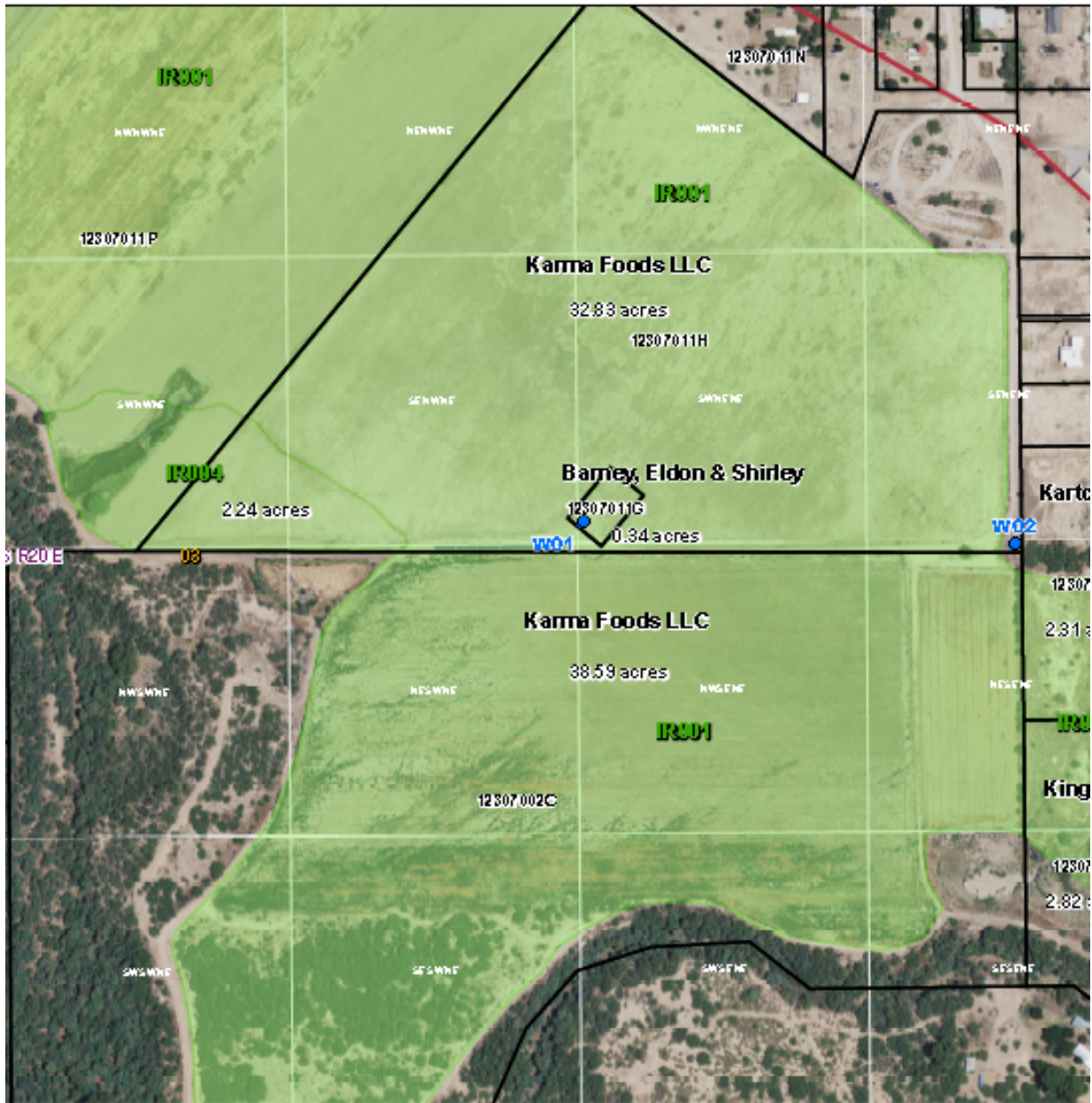
Mr. Tyagi represented during the Scheduling Conference that Karma Foods, LLC acquired two contiguous parcels of land from Marco Family Partnership. A deed recorded on July 17, 2019, with the Cochise County Recorder lists Karma Foods, LLC as the grantee of property acquired from Marco Family Limited Partnership that is legally described as four parcels of land. Parcel 3 is an easement for an irrigation ditch and Parcel 4 is an easement for ingress and egress over a strip of land.

The Cochise County Assessor names Karma Foods, LLC as the owner of two tax parcels, 123-07-011H and 123-07-002C, shown below:



The Cochise County Assessor states that tax parcel 123-07-011H consists of 38.51 acres and tax parcel 123-07-002C includes 58.63 acres.

On December 5, 2019, ADWR filed a map that allocated the land included in the Watershed File Report among the current owners. According to ADWR's map, duplicated below, the land in tax parcels 123-07-011H and 123-07-002C include 71.42 acres of land shown as irrigated in ADWR's original report filed in 1990.



The determination of a water right requires information about the water use. In this case, information must be provided about:

1. the legal basis of the water right;
2. the priority date of the claimed right;
3. the quantity or amount of water used;
4. the place where the water is used;
5. the point of diversion of the water; and,
6. the source of water.

Disputes may exist between the landowner and the objectors about any of the information listed above. Disputes may be resolved by agreement of the parties or by the court after a hearing where the parties will have an opportunity to present evidence about the claimed water right.

When disputes about the information are resolved either by agreement of the parties or by the court, the necessary information will be included in a document, known as an abstract, and shown on a map. A form of an abstract appears on the attached page.

A copy of this order is mailed to all persons listed on the Court-approved mailing list.

1. Proposed Water Right No.:	112-17-BAD-IR001_
2. Owner of Water Right:	Karma Foods, LLC
3. Landowner:	Karma Foods, LLC
4. Statement of Claimant No.(s):	39-18015
5. Statement of Claimant Name(s):	Karma Foods, LLC
6. Lessee or Permittee:	None
7. Basis of Right:	
8. Beneficial Use:	Irrigation
9. Priority Date:	
10. Quantity:	
11. Place of Use:	
12. Point of Diversion:	
13. Source of Water:	