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IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF MARICOPA

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

W-1 (Salt)
W-2 (Verde)
W-3 (Upper Gila)
W-4 (San Pedro)
(Consolidated)

ORDER TRANSFERRING FUNDS FOR
PAYMENT OF THE SPECIAL MASTER'S
EXPENSES

THIS MATTER COMING before the Court on its own motion to transfer funds from the Office of the Clerk of the Maricopa County Superior Court to the Administrative Office of the Courts ("AOC") for the purpose of compensating and paying the expenses of the Special Master appointed in this proceeding;

THE COURT FINDS that:

1. The approximate sum of \$1,273,688.85 is the balance as of June 30, 2003, of the fund of filing fees paid by claimants in this adjudication pursuant to A.R.S. section 45-254(H).
2. The Clerk of the Maricopa County Superior Court administers the fund.
3. Pursuant to A.R.S. section 45-255(B), the Superior Court shall fix the compensation and expenses of a master who is appointed to report on legal and factual issues in this adjudication.

1 4. On May 8, 1990, pursuant to A.R.S. section 45-255(A), the Arizona Supreme Court
2 appointed a Special Master for this proceeding and for the Little Colorado River Adjudication. The
3 Special Master began his employment and began incurring expenses on May 1, 1990.

4 5. In 1995, A.R.S. section 45-255(A) was amended to provide that "The superior court judge
5 assigned to the adjudication may appoint a master or masters under Rule 53 of the Arizona Rules of
6 Civil Procedure to report on legal or factual issues designated under a specific order of reference."
7 This Court entered such an order on September 21, 1990, confirmed that order on April 4, 1995, and
8 entered an order of appointment and reference on March 13, 2001.

9 6. The sum of \$2,027,837.00 has previously been transferred from the Clerk of the Maricopa
10 County Superior Court to the AOC, which acts as the fiscal agent for the compensation and payment
11 of expenses of the Special Master.

12 7. The AOC has requested a transfer of \$141,562.38 from the funds of filing fees collected in
13 this adjudication to pay for compensation and expenses of the Special Master incurred in fiscal year
14 2003 and estimated for the first half of fiscal year 2004.

15 8. The expenditure of this money for the compensation and expenses of the Special Master
16 remains appropriate under A.R.S. section 45-255(B).

17 9. Certain expenses are directly related to the Gila River Adjudication. These expenses are the
18 travel expenses of the settlement judge and office expenses paid solely for the benefit of this
19 adjudication. The Court finds that on an interim basis payment of these expenses from the fees paid in
20 this adjudication is reasonable. During fiscal year 2003, which ended on June 30, 2003, these
21 expenses were \$909.19, and this amount should be transferred to the AOC.

22 10. The number of statements of claimant filed in the Gila River Adjudication is 86,601. The
23 number of statements of claimant filed in the Little Colorado River Adjudication is 12,657. The
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1 number of statements of claimant filed in the Gila River Adjudication is approximately 87 percent of
2 the total number of statements of claimant filed in both proceedings (99,258). The Court finds that,
3 on an interim basis, allocation of the compensation and expenses of the Special Master based on the
4 proportion of claims filed in both adjudications is reasonable. The common expenses incurred in this
5 adjudication during fiscal year 2003 were \$152,562.38. On August 28, 2002, this Court ordered the
6 transfer of \$91,000.00 to the AOC for partial payment of estimated expenses during fiscal year 2003.
7 The balance of \$61,562.38 owed for common expenses incurred in fiscal year 2003 should be
8 transferred to the AOC.

9 11. The sum of \$80,000.00, which is approximately one-half of the expenses estimated for the
10 first half of fiscal year 2004, should be transferred to the AOC.

11 12. The transfer of \$141,562.38 to the AOC is timely and in accordance with law.

12 132. Final determination of the basis for allocating the Special Master's compensation and
13 expenses between the two adjudications should be made at a later date.

14 **IT IS ORDERED:**

15 1. The Clerk of the Maricopa County Superior Court shall immediately transfer the sum of
16 \$141,562.38 from the account maintained for the filing fees in this proceeding to the Administrative
17 Office of the Courts, Attn: Ms. Candy Frazier.

18 2. The AOC shall establish adequate and necessary procedures to account for these funds and
19 to ensure that the funds are used only for the compensation and expenses of the Special Master as
20 fixed by this Court.

21 3. This transfer is not a final determination of the question of what proportion of the Special
22 Master's compensation and expenses should be paid from the filing fees collected in this adjudication.
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1 The Court specifically reserves final determination of the basis for allocating the Special Master's
2 compensation and expenses between the two adjudications.

3 DATED this 15th day of August 2003.

4
5 /s/ Eddward P. Ballinger, Jr. _____
6 The Honorable Eddward P. Ballinger, Jr.
7 Judge of the Superior Court

8 The original was filed with the Clerk of the
9 Maricopa County Superior Court on August
10 15, 2003, and was delivered to the
11 Distribution Center for copying and mailing
12 to those parties who appear on the Court-
13 approved mailing list for Case No. W-1, W-
14 2, W-3, and W-4 (Consolidated) dated May
15 6, 2003, as modified.

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/s/ KDolge _____
Kathy Dolge