

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

w/o
FILED
DATE: May 24, 2016
10:46 O'Clock A.M.
Donna McQuality, Clerk
BY: *Becky Hamilton*
Deputy ✓

DIVISION 1

HONORABLE DAVID L. MACKEY

CASE NO. P1300CV4772

Donna McQuality, CLERK

BY: Becky Hamilton, Deputy Clerk

DATE: May 24, 2016

TITLE:

GEORGE HANCE, et al,

Plaintiff,

-vs-

WALES ARNOLD, et ux., et al.,

Defendants,

In the matter of the VERDE DITCH
COMPANY,

COUNSEL:

Richard Mabery

L. RICHARD MABERY, P.C. (e)

(For Plaintiff)

HEARING

NATURE OF PROCEEDINGS

COURT REPORTER

Lisa Chaney

START TIME: 10:11 a.m.

APPEARANCES: Mark McGinnis, Counsel for SRP
Patrick Sigl, SRP
Richard Mabery, Counsel for the Verde Ditch Company
John Teague, Verde Ditch Commissioner
Al Dupuy, Verde Ditch Commissioner
Craig Cooley, Verde Ditch Commissioner
Vernon Hilbers, Verde Ditch Commissioner
Mark McGinnis, Counsel for SRP
Patrick Sigl, SRP
Rebecca Davidson, SRP
Janet Miller, Arizona Department of Water Resources
Nicole Klovas, Arizona Department of Water Resources
Peter Mollick, Shareholder on the Verde Ditch

This is the time set for hearing at the request of the Verde Ditch Commissioners.

Mr. Mabery reports this matter is in the middle of the appeal process. With regard to the Memorandum of Understanding (MOU) the commissioners felt it was important to express their current position to the Court and the public.

Mr. Teague addresses the Court on the current status of the matters involving the MOU.

Mr. Mabery provides the current status of the appeal. Oral Argument has been requested and granted, but no date has been set at this time. The Verde Ditch Company will continue in a cooperative manner with Salt River Project and believe great progress has been made. Under the terms of the MOU, the Verde Ditch Company does not feel it can economically undertake the implementation of the MOU at this time, which is the basis for not signing the Amended MOU.

Mr. Teague addresses the Court.

Mr. Dupuy addresses the Court.

Mr. McGinnis reports Salt River Project (SRP) is still willing and interested in trying to cooperate with the commissioners. Counsel believes most of the work on the appeal process is over and what remains is arguing the appeal. It makes sense to wait and see what the results of the appeal are before deciding what to do with the MOU.

Mr. Mollick addresses the Court.

Mr. Mabery agrees that there are provisions of the MOU that cannot be considered during the appeal process until a decision is rendered.

The Court appreciates and supports the position the commissioners have taken at this point, as the Court believes it is in compliance with their duties as commissioners to look out for the shareholders of the Verde Ditch. The Court supports the decision to not sign the MOU at this time. The Court further supports the decision to not consider signing the MOU in the immediate future. The Court agrees with SRP's position that this should not be the final determination. This matter will be reviewed at the conclusion of the appeal process.

END TIME: 10:46 a.m.

cc: John B. Weldon, Jr. / Mark A. McGinnis / Patrick Sigl, Salmon, Lewis & Weldon, P.L.C.,
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