

SUMMARY STATEMENT

Eagle Creek Irrigation Company v. A.C. & C.E. Investments
Docket # 45675

Eagle Creek Irrigation Company (“Eagle Creek”) appealed the Blaine County district court’s award of summary judgment in favor of A.C. & C.E. Investments (“AC&CE Investments”). In 2015, AC&CE Investments acquired title to 15 acres of property within Eagle Creek’s defined area via trustee’s deed. The property’s previous owner held 15 shares of Eagle Creek stock. Shortly after acquiring the land, AC&CE Investments began diverting water. In response, Eagle Creek brought an action for declaratory relief asserting that the trustee’s deed failed to convey any shares. After the parties filed cross motions for summary judgment, the district court held, as a matter of law, that AC&CE Investments acquired both the property and the 15 shares because the shares passed as an appurtenance with the property. Shortly after trial began to resolve other issues, the parties agreed to settle the case. The parties agreed that the district court’s summary-judgment order would be entered as a final appealable judgment, Eagle Creek would issue the 15 shares to AC&CE Investments, and all other claims would be dismissed with prejudice. The district court approved and incorporated the settlement agreement into its final judgment. Eagle Creek timely appealed. In a unanimous decision, the Idaho Supreme Court held that the district court erred in granting summary judgment to AC&CE Investments because determining whether a stock in a mutual irrigation company is appurtenant to a specific tract of land requires a factual inquiry into the company’s governing documents and the individual shares. The Court vacated the portion of the trial court’s judgment which concluded that the 15 shares were appurtenant to the property. The Court declined to award attorney’s fees on appeal and its decision did not affect the settlement agreement.