

SUPREME COURT OF THE STATE OF IDAHO

Eagle Creek Irrigation Co. v. A.C. & C.E. Invs., Inc., 165 Idaho 467

447 P.3d 915 (2019) · No. 45675 · Decided August 27, 2019

SUMMARY

The Idaho Supreme Court considered whether 15 shares in a mutual irrigation company automatically passed as an appurtenance to 15 acres of land acquired by A.C. & C.E. Investments, Inc. The court held that appurtenancy of the shares required a factual inquiry into the corporation's governing documents and the history of the water right, distinct from the general appurtenancy of the company's water right. It vacated the portion of the district court's judgment holding that the shares and water right were appurtenant to the property.

CASE DETAILS

COURT	Supreme Court of the State of Idaho
WRITING FOR THE COURT	Burdick, Chief Justice; Bevan; Stegner; Moeller; Melanson, Justice pro tem
JURISDICTION	Idaho
DECIDED	August 27, 2019
DOCKET	45675
DISPOSITION	vacated
PROCEDURAL POSTURE	Eagle Creek appealed from a partial summary judgment entered in favor of A.C. & C.E. Investments concerning whether fifteen shares of stock in a mutual irrigation company passed as appurtenances to real property. The parties later settled the remaining claims, agreeing that the summary-judgment ruling would be final and appealable.
STANDARD OF REVIEW	Summary judgment is reviewed under the same standard applied by the district court: it must be granted when there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law, with reasonable inferences drawn in favor of the nonmoving party. Whether water rights pass as appurtenances is a question of law reviewed de novo.
PRECEDENTIAL VALUE	Published precedential opinion
PARTIES	Eagle Creek Irrigation Company, Inc. v. A.C. & C.E. Investments, Inc.

TOPICS

real estate

title disputes

corporate law

standard of review

appellate procedure

PRACTICE AREAS

real estate

water rights

corporate law

commercial litigation

appellate procedure

QUESTIONS PRESENTED

1. Whether shares in a mutual irrigation company pass as an appurtenance to property when neither the water right nor the corporate documents specifically identify the shares with the property conveyed.
2. Whether A.C. & C.E. Investments was entitled to costs and attorney's fees on appeal.

HOLDINGS

1. Shares in a mutual irrigation company do not automatically pass as appurtenances to a specific tract of land merely because the company supplies water to that land. Whether the shares are appurtenant to the particular property is a factual inquiry requiring examination of the company's governing documents and the history by which the company acquired its water rights.
2. A.C. & C.E. Investments was not entitled to attorney's fees on appeal because it was not the prevailing party and the governing law was not well settled.

KEY QUOTATIONS

“Determining whether a particular share is appurtenant to a specific tract of land depends upon the factual inquiry into the mutual irrigation company’s governing documents and the history of the water right.” (at 8)

“Because no appurtenancy statutes apply specifically to mutual irrigation companies, whether a share is appurtenant to specific tract of land is a matter of contract and corporate governance.” (at 12)

“The district court erred in granting summary judgment to AC&CE Investments because the district court did not look to Eagle Creek’s governing documents.” (at 20-21)

FACTUAL BACKGROUND

Eagle Creek is a nonprofit mutual irrigation corporation that holds water rights in trust for shareholders and delivers water within a defined service area. The Enrights owned fifteen shares of Eagle Creek stock associated with a fifteen-acre property, but Eagle Creek's water right was a single right covering the company's service area, and the governing documents and stock certificates did not specifically identify the shares with the property. After foreclosure, A.C. & C.E. Investments acquired the property and claimed that the fifteen shares passed automatically as appurtenances.

PROCEDURAL HISTORY

The district court granted partial summary judgment to A.C. & C.E. Investments, ruling that fifteen shares of Eagle Creek stock passed with the property as an appurtenance. The case proceeded toward trial, but the parties settled all unresolved matters and stipulated that the summary-judgment ruling would be entered as a final

appealable judgment. The Idaho Supreme Court vacated the portion of the judgment concerning appurtenancy and declined to award attorney's fees on appeal.

DISPOSITION

vacated

REMAND INSTRUCTIONS

The portion of the district court's final judgment stating that the fifteen Eagle Creek shares were appurtenant to the property was vacated. The parties' settlement agreement remained unaffected. Costs were awarded to Eagle Creek.

CASES CITED

- Monitor Fin., L.C. v. Wildlife Ridge Estates, LLC, 164 Idaho 555, 433 P.3d 183 (2019)
- Ireton v. Idaho Irrigation Co., 30 Idaho 310, 164 P. 687 (1917)
- A & B Irrigation District v. Idaho Department of Water Resources, 153 Idaho 500, 284 P.3d 225 (2012)
- Gasser v. Garden Water Co., 81 Idaho 421, 346 P.2d 592 (1959)
- Joyce Livestock Co. v. United States, 144 Idaho 1, 156 P.3d 502 (2007)
- Fed. Land Bank of Spokane v. Union Cent. Life Ins. Co., 54 Idaho 161, 29 P.2d 1009 (1934)
- Wells v. Price, 6 Idaho 490, 56 P. 266 (1899)
- Watson v. Molden, 10 Idaho 570, 79 P. 503 (1905)
- Bagley v. Thomason, 149 Idaho 799, 241 P.3d 972 (2010)
- Bagley v. Thomason, 149 Idaho 806, 241 P.3d 979 (2010)
- Bagley v. Thomason, 155 Idaho 193, 307 P.3d 1219 (2013)
- Brown v. Portneuf-Marsh Valley Irr. Co., 299 F. 338 (D. Idaho 1924)
- Berg v. Yakima Valley Canal Co., 83 Wash. 451, 145 P. 619 (1915)
- Thomas v. Bryant, 147 Cal. 236, 81 P. 539 (1905)
- United States v. Pioneer Irr. Dist., 144 Idaho 106, 157 P.3d 600 (2007)
- In re Johnston, 69 Idaho 139, 204 P.2d 434 (1949)
- Jacobucci v. District Court in & for Jefferson County, 189 Colo. 380, 541 P.2d 667 (1975)
- Yaden v. Gem Irr. Dist., 37 Idaho 300, 216 P. 250 (1923)
- In re Robinson, 61 Idaho 462, 103 P.2d 693 (1940)
- In re Johnston, 69 Idaho 139, 204 P.2d 434 (1949)
- Scona, Inc. v. Green Willow Trust, 133 Idaho 283, 985 P.2d 1145 (1999)
- Carrillo v. Boise Tire Co., Inc., 152 Idaho 741, 274 P.3d 1256 (2012)