

## **JUDGMENT SUMMARY**

The Court of Appeals in the case of *Moore v. Irish Beach Water District* issued its final decision on November 30, 2021. The following is an initial **summary** of the various rulings in that final decision. The District is continuing to analyze the Appellate Court's ruling.

### **Inverse Condemnation**

**-Liability** - The Appeals Court determined that the District exceeded scope of the Soderberg Easement when it built the T5 Well in 2008. The Court, however, determined that the District did not take any water rights or water-related facilities from the Moores when it built the T5 Well.

**-Damages** - The damages and attorney's fees awarded to Moores by the trial court, which included water rights, is reversed by the Court of Appeals. The Court of Appeals found that valuations offered at trial by the Moores violated applicable valuation law and principles by valuing water rights and water-related facilities that the Moores did not own. The Appellate Court set forth certain criteria applicable to the valuation of the well-site easement.

### **Trespass and Unjust Enrichment**

The Court of Appeal found in the District's favor on the issues of Trespass and Unjust Enrichment and reversed the trial court's judgment. The final decision notes that the Moores may not seek damages under either of these legal theories when remanded back to the trial court.

### **Breach of Contract**

As to the trial court's finding that the District had breached the 2002 Settlement Agreement with the Moores when the State Water Resources Control Board revoked the Mallo Pass Permit, the Appellate Court reversed the judgment against the District (including damages) and directed that judgment be entered in favor of District. The Appellate Court determined, in part, that the damages sought by the Moores were not related to the 2002 Settlement Agreement and that the language of the 2002 Settlement Agreement waived any claims to damages prior to 2002.

### **Reserve Ceiling – Greater than 40 (Capital Replacement)**

Reversed and judgment in favor of the District

The trial court determined that the "reserve" ceiling for the greater than 40 year Capital replacement assessment is 10% of 100% of "replacement value of District's assets" as the District had asserted during trial and not 10% of 50% of the replacement value as the Moores had asserted.

### **Statute of Limitations -**

The court agreed with the District as to the proper statute of limitations and overturned the trial court's judgment in favor of the District.

### **Cross-Appeal**

The Moores Cross-Appealed the trial court's determination that the District did not take certain water-related facilities and access rights from the Moores associated with the District's use of the T5 Well. The Court of Appeals found that the Moores did not own the facilities they claim were taken by the District – rather, such facilities are owned by the District. The Appeals Court also determined that the valuation methodologies used by the Moores' valuation experts were invalid.

## **Attorney's Fees under Code of Civil Procedure 1021.5**

The Court of Appeals upheld the trial court's decision to not award attorney's fees to the Moores with respect to their actions against the District's assessments. The Court of Appeals agreed with the trial court that the Moores' action against the District was primarily motivated by their personal financial interest rather than the interest of the public.

### **Next Steps**

The valuation of the T5 Well easement has been remanded back to the trial court for further proceedings relating to proper valuation as outlined in the Appellate Court's decision. This process could take weeks to months following remand. All other issues are resolved per the Appellate Decision.