



HILL, FARRER & BURRILL LLP

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IMPERIAL IRRIGATION DISTRICT ORDERED TO PAY \$17 MILLION TO COACHELLA VALLEY WATER DISTRICT IN BACK PAYMENTS UNDER POWER RIGHTS AGREEMENT

LOS ANGELES – Following three trials and nearly 10 years of litigation, Judge Michael Smith of the San Bernardino County Court has entered a judgment of approximately \$17 million against the Imperial Irrigation District for its failure to pay the Coachella Valley Water District on a power-related agreement signed in February 1934.

Under the terms of this 99-year agreement, Coachella contracted to lease to Imperial its right to develop power, using water from the All American Canal. In exchange, Imperial agreed to pay Coachella 8 percent of the net proceeds annually from its entire power system. Following completion of the canal in the late 1940s, Imperial began to pay Coachella its share of the net proceeds. However, in reviewing Coachella's legal challenge to the accounting procedures employed by Imperial since the 1950s, the court found that Coachella had been underpaid for the past 50 years, resulting in the \$17 million judgment.

Dean Dennis, a partner in Hill Farrer & Burrill, acted as counsel to the Coachella Valley Water District. As a result of this judgment, Imperial will have to pay the District the \$17 million for past years as well as abide by the terms of their original contract through 2032 when the agreement expires.

About Hill, Farrer & Burrill, LLP

Hill Farrer & Burrill LLP is a full-service California law firm that has served the expanding litigation and transaction needs of the business community for 80 years, working with America's corporate giants, privately held companies and entrepreneurs. The firm offers strong expertise in labor and employment, real property, commercial and corporate law, intellectual property, environmental law, employee benefits, bankruptcy, and tax and estate planning. The firm's attorneys are known for the business perspective they bring to solving complex legal issues and have an outstanding track record in the courts and around the negotiating table.