

# News Release

## Pioneer Irrigation District

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### **DISTRICT MULLS LAWSUIT'S FINANCIAL IMPACT**

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Pioneer Irrigation District officials say they are still trying to determine just what the potential financial impact could be on District patrons as a direct result of a new lawsuit filed against the District by the City of Caldwell.

The lawsuit seeks to force Pioneer to repay legitimate engineering and legal fees charged by District consultants to developers seeking permission to encroach into Pioneer property. That was to make sure the encroachments did not jeopardize the function of Pioneer facilities. The fees are costs that otherwise would have had to have been borne by District patrons.

Whatever the impact, it will be layered on top of another lawsuit between the District and Caldwell, aimed at protecting Pioneer's property rights, that has consumed significant financial resources in legal fees without any resolution. The costs of that suit already forced Pioneer, last year, to raise its annual irrigation tax assessment on its patrons by about 66 percent.

This year's assessments were left unchanged but the new lawsuit creates a real fiscal dilemma for Pioneer's Board of Directors.

"We simply do not know at this time what the financial impact of defending District patrons against this unreasonable, apparently punitive lawsuit will be. The last thing in the world our patrons need is higher assessments to cover legal bills. But the costs of not defending the District could potentially be disastrous," said Alan Newbill, Chairman of the Pioneer Board. A copy of the latest lawsuit can be viewed on the Pioneer website at [www.pioneerirrigation.com](http://www.pioneerirrigation.com).

Pioneer officials say they believe the lawsuit is totally unjustified. That opens the prospect that this latest move by the City of Caldwell may simply be an attempt to strong arm the District into capitulating in its on-going legal struggle to protect its legal property rights.

Pioneer has been wrestling for more than two years with the serious problems of urban storm water runoff and municipal encroachment by the City of Caldwell through construction of municipal storm water sewers that dump potentially polluted urban runoff directly into Pioneer's canals and drains without permission of the District.

Pioneer sued the City of Caldwell to protect those property rights and has tried for more than 18 months, including mediation, to reach some type of agreement with the City of Caldwell which could resolve the urban storm water-issue but has been unsuccessful.

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