

SUMMARY STATEMENT

The City of Challis v. Consent of the Governed Caucus, Docket No. 41956

In a 3-2 decision in an appeal of a judicial confirmation case from Custer County, the Supreme Court reversed the district court's judicial confirmation of the City of Challis' (the City) request to incur \$3.2 million in public indebtedness for expenses related to repair and improvement of its water distribution system. The proposed work on the City's water system included three projects: replacing meters and installing a new telemetry system, constructing a new line to the airport, and replacing aging pipes and fire hydrants in Old Town. A group called Consent of the Governed Caucus (Caucus) appeared as respondents in the action to contest the constitutionality of the debt. On February 5, 2014, the district court ruled in favor of the City, entering judgment granting judicial confirmation. The Caucus appealed, and the Supreme Court reversed the decision of the district court. The Supreme Court held that the district court erred because the metering and telemetry, which represented approximately 30% of the project cost, were not urgently needed. The Supreme Court remanded the case to the district court with instructions to award reasonable attorney fees to the Caucus incurred in the proceedings before the district court.