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**Major Victory for California Water Districts
as Federal Circuit Denies Government Petition for Rehearing**

WASHINGTON, DC—The United States Court of Appeals for the Federal Circuit has issued a ruling that puts an end to litigation between the Stockton East Water District, Central San Joaquin Water Conservation District, and the California Water Service Company. The litigation centered on whether the water districts had a contractual right to receive water from the New Melones Reservoir reclamation project. The U.S. Court of Appeals for the Federal Circuit rejected a last-ditch attempt by the government to obtain a rehearing. In denying the petition, the Court held that “there is no denying that the quantities of water promised were not delivered, and that therefore a breach occurred. This is beyond dispute—the evidence is conclusive.” The case is now remanded to the United States Court of Federal Claims for a determination of monetary damages “which to the extent feasible should be expedited.”

“The federal government entered into firm commitments with these water districts to get a permit from the state to fill the New Melones Reservoir,” explained Nancie G. Marzulla, counsel for the water districts. “We are pleased to go on to the damages phase in this case,” she said.

In its seven-page order, the Court found “no valid basis exists for imposing a further delay in vindicating the rights of the non-breaching Districts in this case.” The Court also reasoned that further litigation would be gratuitous: “The issue is whether, as a matter of justice and efficient use of judicial resources, further evidentiary wrangling over liability is appropriate. We think not.”

The case, *Stockton East v. United States*, No. 04-541L, stemmed from a decision by the United States Bureau of Reclamation to deliver far less water to the districts than the federal government had promised to provide under their contracts. The trial court, however, had found in favor of the federal government on the basis of several technical rulings. On appeal, the U.S. Court of Appeals for the Federal Circuit disagreed, ruling for the water districts, and remanding the case to the U.S. Court of Federal Claims for the purpose of deciding damages.

Marzulla Law, LLC is a Washington, D.C.-based law firm. Nancie G. Marzulla and Roger J. Marzulla represent water districts in obtaining money damages from the federal government’s breach of its contractual promises. Nancie Marzulla and Roger Marzulla have been selected by their peers to be included on the list of Best Lawyers in America, and their firm has the highest AV rating from Martindale-Hubbe. For more information, visit <http://www.marzullalaw.com>, or call 202-822-6760. Follow Nancie Marzulla on Twitter at <http://www.twitter.com/takingslawyer>.

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