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**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF MONTEREY**

14 RICHARDS J. HEUER III, an individual,  
15 on behalf of himself and all others similarly  
situated.

17 Plaintiff,

18 |

19 MONTEREY PENINSULA WATER  
20 MANAGEMENT DISTRICT, a California  
public agency; and DOES through 10,

z1 || Defendants.

CASE NO. 24 CV002642

### *Unlimited Jurisdiction*

## CLASS ACTION

(Case assigned to Hon. Carrie M. Panetta)  
Dept 14)

**DECLARATION OF PRESCOTT W.  
LITTLEFIELD IN SUPPORT OF  
PLAINTIFF'S MOTIONS FOR  
ATTORNEY'S FEES, REIMBURSEMENT  
OF EXPENSES AND SERVICE AWARD  
AND FINAL APPROVAL**

Date: December 19, 2025

Time: 8:30 a.m.

Dept. 14

Complaint Filed: June 25, 2024

## DECLARATION OF PRESCOTT W. LITTLEFIELD

I, Prescott W. Littlefield, declare as follows:

1. I am one of the attorneys for Plaintiff Richards J. Heuer III (“Plaintiff”) in the above-entitled action. I submit this declaration in support of Plaintiff’s Motion for Final Approval of Class Action Settlement. I have personal knowledge of the facts stated below and if called upon, I could and would testify competently thereto.

2. On or about April 22, 2025, Plaintiff and Defendant, the Monterey Peninsula Water Management District (“District”), entered into a Class Action Settlement Agreement and Stipulation (the “Settlement”), a true and correct copy of which, inclusive of exhibits, is attached hereto as **Exhibit 1**. On July 1, 2025, this Court entered an Order granting preliminary approval of the Settlement.

## I. Background:

3. I represented Plaintiff and the Monterey Peninsula Taxpayers’ Association, Inc. (“MPTA”) in *Monterey Peninsula Taxpayers’ Association, Inc. et al. v. the Monterey Peninsula Water Management District, et al.*, Monterey County Superior Court Case No. 21CV003066 (the “2021 Action”). The 2021 Action sought a writ of mandate and declaratory relief that the District was required to sunset a Water Supply Charge imposed via District Ordinance No. 152 (the “Water Supply Charge”) to the extent a user fee imposed by the District and collected through California-American Water Company, an investor-owned utility (the “User Fee”) was being collected on Cal-Am customer bills. Cal-Am is the company that provides water service within the District’s jurisdiction.

4. On March 3, 2023, this Court entered an Order Granting Petition for Writ of Mandate and Request for Declaratory Relief in the 2021 Action prohibiting collection of the Water Supply Charge by the District to the extent the charge was offset by User Fee revenue. The District appealed from this Court's judgment. We disagreed with the District as to whether or not the appeal automatically stayed the judgment. Rather than litigate the issue, the parties stipulated that the

1 District would sequester Water Supply Charges imposed and/or collected from June 23, 2023  
2 through remittitur. A true and correct copy of this stipulation is attached hereto as **Exhibit 2**.

3       5. Prior to the Court entering judgment, the District had argued in the 2021 Action that  
4 the claims asserted therein were required to be brought as challenges to the District's budget-setting  
5 decision through the validation statutes, California Code of Civil Procedure section 860 et seq.

6       6. Although this Court rejected that argument, out of an abundance of caution, Plaintiff  
7 and MPTA filed three validation cases challenging the next three yearly budgets set by the District  
8 (the "Validation Actions"). Each of the three cases were captioned *Monterey Peninsula Taxpayers'*  
9 *Association, Inc. et al. v. the Monterey Peninsula Water Management District, et al.*, and filed in  
10 the Monterey County Superior Court, case numbers: 22CV002113, 23CV002453, and  
11 24CV002642. The Validation Actions were all stayed as the appeal was litigated.

12       7. On September 11, 2024, the Sixth District issued its Opinion in the appeal, affirming  
13 the trial court's judgment in the 2021 Action (including affirming that the challenge need not have  
14 been brought through validation) and issued its remittitur on November 14, 2024. There is nothing  
15 further to litigate in the 2021 Action, and, as part of the settlement agreement, the Validation Actions  
16 have been dismissed. Thus, this is the last remaining case between the parties regarding Ordinance  
17 No. 152 and the Water Supply Charges.

18       8. On December 1, 2023, with the assistance of counsel, Plaintiff transmitted a class-  
19 wide government claim to the District seeking refunds of the Water Supply Charge on behalf of all  
20 property owners in the County of Monterey who had paid the Water Supply Charge during the  
21 period December 1, 2022 forward.

22       9. On December 27, 2023, the District rejected the claim.

23       10. On June 25, 2024, Plaintiff filed the present class action seeking refunds of the Water  
24 Supply Charges paid from December 1, 2022 forward.

25       11. On July 19, 2024, the Parties stipulated to stay this Action until the Sixth District  
26 decided the appeal of the 2021 Action.

27

28

12. Following the decision on appeal and remittitur in, on January 17, 2025, the District filed its Answer generally denying the allegations and asserting numerous defenses.

## II. The Settlement Process

4       13. In October 2024, after the conclusion of the appeal of the 2021 Action and the trial  
5 court's judgment was affirmed, Eric Benink and I began discussing resolution of the various matters  
6 involving the Water Supply Charge with counsel for the District.

7       14. I was confident in the merits of this lawsuit. However, even with the substantive  
8 merits on our side, we were still cognizant of defenses that could (and probably would) be raised by  
9 the District. One such defense is the statute of limitations. The District's counsel indicated that they  
10 believed the statute of limitations in this matter began to run when the District made the decision to  
11 impose the Water Supply Charge each time. That decision was made in June of each year the Charge  
12 was imposed. If the District were correct, then the Water Supply Charge imposed in FY 22-23 would  
13 fall outside of the statute of limitations for the government claim submitted here. In addition, refund  
14 cases like this can be fraught with procedural hurdles and traps, some of which are unclear. Some  
15 local agencies had raised a defense that each individual payor must first submit a protest with their  
16 payment before seeking refund or must exhaust administrative remedies (some of which are not  
17 clearly defined). Recently, a local water district argued that no tax refund was due as a result of a  
18 constitutional violation; rather only injunctive relief was proper (the Court of Appeal did not agree,  
19 but this reflects on how this area is susceptible to new defenses).

20       15. The District also indicated to us that it intended to pursue a replacement Water  
21 Supply Charge. Attached hereto as **Exhibit 3** is a true and correct copy of board meeting notes from  
22 November 18, 2024, wherein the District discussed, *inter alia*, the lost revenue from having  
23 discontinued the Water Supply Charge and that it may seek to replace some or all of the lost revenue  
24 with a new replacement fee. I obtained Exhibit 2 from the District's website, at:  
25 <https://www.mpwmd.net/wp-content/uploads/Nov-18-2024-Final-Minutes.pdf> (last visited May 6,  
26 2025.) These meeting notes reflect that the board voted to approve funding to hire a rate consultant  
27 to study the District's rates. Based on my experience litigating with local agencies regarding rates,

1 such rate studies are often the first step in a local agency’s implementation of a new Proposition 218  
2 charge. I have no reason here to doubt that the District intended to implement a new Proposition  
3 218 process to impose a replacement charge for the Water Supply Charge.

4       16.     The District’s website also publishes audited financial reports for past years.  
5 According to the audited financial report for FY 23-24, the District collected \$3,363,928 in Water  
6 Supply Revenues that year. However, as explained to me by the District’s counsel and confirmed in  
7 the Declaration of Nishil Bali, filed herewith, \$10,682.86 of that amount is actually includes a  
8 “Water Supply Charge Equivalent” for recycled water sold to golf course customers, which was  
9 negotiated with those customers, was not imposed under Ordinance No. 152, and those funds were  
10 not collected on property tax bills. Thus, subtracting that amount from the audited financials for the  
11 Water Supply Charges at issue in this case were \$3,353,245 in FY 23-24. The total Water Supply  
12 Charge reported for FY 22-23 was also reported as \$3,394,345. These figures (sans the “equivalent”)  
13 can be found on the District’s website at: <https://www.mpwmd.net/wp-content/uploads/MPWMD-2024-ACFR.pdf> (last visited May 6, 2025.)

15       17.     As described below, I have extensive experience in class actions. I have been  
16 involved in scores of class actions that have settled and hired third-party settlement administrators  
17 to administer settlements. I have reviewed the District’s proposed Administrative Expenses in this  
18 matter, and understand them to be \$147,077. I am familiar with the District’s duties under the  
19 Settlement Agreement, including mailing the short form notice, calculating refunds amounts and  
20 mailing checks to approximately 31,000 Class Members. In my experience, this amount is  
21 reasonable. For example, in a recent wage and hour class action settlement/PAGA case in which I  
22 participated as Class Counsel, we had a quote from a settlement administrator to administer a  
23 settlement on behalf of just under 2,000 class members for a total of \$15,000. That is about \$7.50  
24 per class member, compared to the District’s administrative costs here, which are approximately  
25 \$4.75 per Class Member. Granted, a typical claim administrator handles more than what the District  
26 is handling here (for example, receiving and remitting objections and opt-outs), but nevertheless, I  
27 am of the opinion that the District’s administrative expenses here are reasonable.

1       18.    On April 25, 2025, I purchased the website domain: [www.wsc-settlement.com](http://www.wsc-settlement.com) for  
2   \$34.00.

3       19.    I hired a vendor to develop and maintain the settlement website according to the  
4   terms of the Settlement Agreement. The vendor agreed to do these tasks for no more than \$500, and  
5   the actual amount charged was \$269.50. I worked with the vendor after the Court entered  
6   Preliminary Approval to post: (1) the Settlement Agreement; (2) the Preliminary Approval Order;  
7   (3) the Long Form Notice; and (4) contact information for myself and my co-counsel. The website  
8   was live with these documents available by July 17, 2025. Attached hereto as **Exhibit 4** is a true  
9   and correct copy of the Long Form Notice that was posted to the settlement website. When the  
10   motions this declaration supports are filed, I will have copies posted on the website.

11       20.   The Settlement Agreement does not fix a fee for Class Counsel to seek. Here, we  
12   intend to seek 16.5% of the Settlement Fund for our fee.

13       21.   In my experience, no matter the efforts undertaken, some percentage of the  
14   Settlement Class will not cash their settlement checks. For example, some Class Members have  
15   moved and not updated their forwarding addresses. Others simply do not bother cashing the checks  
16   for some reason.

17       **III.    Experienced Counsel Recommend this Settlement**

18       22.   Together with my co-counsel, I have extensive experience litigating Proposition  
19   26/218 and agency fee cases throughout this State. We keep watch on both published and  
20   unpublished cases as they are decided by the various Courts of Appeal in this area of the law, as  
21   well as trial court decisions (when we are aware of them). We are currently litigating numerous  
22   other Proposition 26/218/fee cases in jurisdictions throughout this State. Many of these cases  
23   involve novel theories and arguments, where trial courts are deciding arguments as a matter of first  
24   impression. It often takes years for cases to work their way through the appellate process, and  
25   Supreme Court review is always a potential.

26       23.   In evaluating a potential settlement, we considered the significant delays that could  
27   ensue should full-blown litigation be necessary, as well as potential changes in the law when it

1 comes to class-wide refunds in fee cases. I am quite familiar with the attorneys for the District in  
2 this case. I have litigated numerous cases, both at the trial court level and the Courts of Appeal  
3 against the District's counsel and respect them as thoughtful, diligent attorneys. They are highly-  
4 experienced in these types of actions and have a long track record of representing government  
5 entities at all levels of litigation, including at the California Supreme Court. I believe the settlement  
6 benefits here far outweigh not obtaining the two full years of refunds, particularly given that the  
7 District agreed to forbear from imposing a new Proposition 218 fee for a year. I believe the  
8 settlement is fair, reasonable, and in the best interests of the class.

9        24. I have the experience necessary to evaluate whether the proposed Settlement is fair  
10 and reasonable. I graduated from law school at the University of California Los Angeles in 2008  
11 and was sworn as a member of the Bar in December of that year. I have represented plaintiffs  
12 exclusively since 2010. During this time, I have been certified as class counsel on a number of class  
13 actions, including *Villegas v. ADT Security Services, Inc.*, Los Angeles County Superior Court Case  
14 No. BC510665 (consumer class action) as well as *Do Rights Plaintiff Growers v. RSM EquiCo, et al.*,  
15 Superior Court for the State of California, County of Orange, Case No. 06CC00137 (consumer fraud  
16 class action), *Pompa v. Target Corp.*, United States District Court for the Central District of  
17 California, Case No. 10-cv-0634 (wage and hour class action) and *Paladini v. Nordstrom, Inc.*,  
18 Superior Court for the State of California, Los Angeles County, Case No. BC394603 (wage and  
19 hour class action); *Nader v. Capital One Bank (U.S.A.), N.A.* United States District Court for the  
20 Central District of California, Case No. CV-12-01265-DSF (privacy class action); *Estes, et al. v.*  
21 *Abercrombie and Fitch Stores, Inc.*, Superior Court for the State of California, Sacramento County,  
22 Case No. CV-34-2013-00151787 (wage and hour class action); *Delfierro v. White House Black  
23 Market, Inc.*, Superior Court for the State of California, Sacramento County, Case No. CV-34-2014-  
24 00159390 (wage and hour class action); *Angelone v. Midway Rent A Car, Inc., et al.*, Superior Court  
25 for the State of California, Los Angeles County Case No. BC 485275 (consumer class action);  
26 *Graehl v. WellPoint, Inc.*, United States District Court, Central District of Los Angeles, Case No.  
27 14-0421 BRO (wage and hour class action); *Thomas v. Commercial Protective Services, Inc.*, San

1 Bernardino County Superior Court Case No. CIVDS1821925 (wage and hour class action);  
2 *Komesar v. City of Pasadena*, Los Angeles County Superior Court Case No. BC677632 (Prop 218  
3 class action; resulted in voter approval of taxes); *Lopez-Burton v. Town of Apple Valley*, San  
4 Bernardino County Superior Court Case No. CIVDS1725027 (Prop 218 class action); *Linderman v.*  
5 *City of Los Angeles*, Los Angeles County Superior Court Case No. BC650785 (Prop 26 class action);  
6 *Palmer v. City of Anaheim*, Orange County Superior Court Consolidated Case Nos. 30-2017-  
7 00938646-CU-JR-CRX and 30-2018-01013732-CU-JR-CRX (Prop 26 class action); *Lopez-*  
8 *Hernandez v. Mi Piaice III, LTD.*, Los Angeles County Superior Court Case No. BC609465 (wage  
9 and hour class action); *Ashlee Palmer v. Pier 1 Imports US Inc. et al.*, United States District Court  
10 for the Central District of California, Case No. 8:16-cv-01120-JLS-DFM (wage and hour class  
11 action); *Seksinsky v. Botanical Hospitality Group LLC*, Los Angeles County Superior Court Case  
12 No. BC700061 (wage and hour class action); *Delman v. J. Crew Group, Inc. et al.*, United States  
13 District Court for the Central District of California, Case No. 2:16-cv-09219-MWF-AS (consumer  
14 class action); *Guess Outlet Stores Pricing*, Judicial Council Coordinated Proceedings Case No. 4883  
15 (consumer class action); *Ramos v. PVH Corporation*, Sacramento County Superior Court Case no.  
16 34-2018-00234829-CU-NP-GDS (consumer class action); *Beck v. Canyon Lake*, Riverside County  
17 Superior Court Case No. RIC2003025 (Prop 218 writ of mandate); *Beck v. Canyon Lake*, Riverside  
18 County Superior Court Case No. CVRI2202608 (Prop 218 writ of mandate; judgment affirmed on  
19 appeal [unpublished]); *Esquenazi v. County of Los Angeles*, Los Angeles Superior Court Case No.  
20 19STCP02885 (class action and writ of mandate for extraterritorial taxes); *Hobbs v. Modesto*  
21 *Irrigation District*, Stanislaus Superior Court Case No. 2019186 (Prop 26 class action tried to  
22 judgment after two phase trial); *Green v. City of Palo Alto*, Santa Clara Superior Court Case No.  
23 16CV300760 (Prop 26 class action and writ of mandate, settled on appeal after two phase trial);  
24 *Rogers v. City of Redlands*, San Bernardino Superior Court Case No. CIVSB2126031 (illegal fee  
25 writ of mandate/class action; pending decision on appeal). My partner Thomas A. Kearney and I  
26 are currently representing plaintiffs in other class actions, in addition to the current one.

27 **IV. Opt-outs and objections**

25. We received three opt-outs from Class Members. Two reached out directly, and one reached out through the District. These three opt-outs are:

- a. Hockersmith Douglas E & Diane J Trs;
- b. Philip Michael Anastasia; and
- c. Robert N Silverman

26. In addition to the opt-outs, I received one communication requesting that the Class Member's contact information be updated. I forwarded that information to counsel for the District, who confirmed that the Class Member's information was in fact updated.

27. Zero Class Members objected to the Settlement.

## V. Miscellaneous

28. Plaintiff assisted in the prosecution of this Action, as well as the 2021 Action and the Validation Actions. He has informed us of developments at the District and has been in contact with counsel throughout the entire litigation process.

29. I am not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

30. I am not aware of any conflicts of interest with absent Class members.

## VI. Fees

31. I track my time in 1/10 increments. I enter my time contemptuously or as close as to the date it was incurred as practical. Attached hereto as **Exhibit 5** is a true and correct itemization of my time expended in the above-entitled action. In addition to the time listed, I anticipate that I will expend 10 more hours working on this matter through its completion. This may include the preparation of a reply brief; preparing for and attending the final approval hearing; attention to the final judgment; communicating with class members; coordinating with the District on making distributions from the Settlement Fund and verifying refunds; filing a report to the Court regarding refunds (120 days after effective date); and facilitating payment of undistributed amounts to cy pres recipient. Thus, the number of hours sought to be compensated in this case is 121.6.

1       32. The work sought to be compensated includes, but is not limited to: preparing a  
2 Government Claims Act claim on behalf of a class; preparing and filing the class action complaint;  
3 researching various issues related to procedural defenses; negotiating and corresponding with the  
4 District's counsel on various settlement issues over an extended period of time; preparing  
5 numerous drafts of the settlement agreement and extensive exhibits; preparing a motion for  
6 preliminary approval of settlement; and preparing the motion for final approval. All of these hours  
7 were necessary to the prosecution of this lawsuit.

8       33. An hourly rate of \$650 for the work performed in this case is fair and reasonable. I  
9 have been practicing for 18 years. After graduating from UCLA Law School, I began my career  
10 with Morgan Lewis & Bockius. Within a few years, I took a job offer at Ringler Kearney &  
11 Alvarez where my practice focused solely on class actions and catastrophic personal injury. Since  
12 that time, my practice has focused on complex litigation, including consumer protection,  
13 securities, Proposition 218 / 26 litigation and class actions. I have tried multiple Proposition 218 /  
14 26 cases to judgment. I have been involved in numerous appeals in Proposition 218 / 26 litigation  
15 over the past few years, in which I have both prevailed and lost. In recent years, I have had trial  
16 courts approve me at hourly rates of \$700 per hour and \$750 in class actions.

17       34. On August 13, 2025, my firm paid \$269.50 for the establishment of the settlement  
18 website, and on April 25, 2025, my firm paid \$34.00 for the domain [www.wsc-settlement.com](http://www.wsc-settlement.com). In  
19 total, my firm is seeking reimbursement of \$303.50 in costs advanced.

20       35.     Benink & Slavens, LLP and Kearney Littlefield, LLP agreed to split attorney's fees  
21 recovered in this action 50-50. This fee split was disclosed to Plaintiff in writing and he provided  
22 his written consent to it.

23 I declare under penalty of perjury under the laws of California that the foregoing is true and  
24 correct.

25 Executed on November 21, 2025 in Valencia, CA

Prescott W. Littlefield

# Exhibit 1

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF MONTEREY**

RICHARDS J. HEUER III, an individual, on behalf of himself and all others similarly situated,

Plaintiff,

MONTEREY PENINSULA WATER  
MANAGEMENT DISTRICT, a California  
public agency; and DOES through 10,

## Defendants.

CASE NO. 24 CV002642

## *Unlimited Jurisdiction*

(Case assigned to Hon. Carrie M. Panetta)  
Dept 14)

## **CLASS ACTION SETTLEMENT AGREEMENT AND STIPULATION**

**[CLASS ACTION]**

Complaint Filed: June 25, 2024

## **EXHIBIT LIST**

**EXHIBIT "B" PROPOSED SUMMARY CLASS NOTICE**

**EXHIBIT "C" PROPOSED PRELIMINARY APPROVAL ORDER**

EXHIBIT "D" PROPOSED FINAL ORDER AND JUDGMENT

## **CLASS ACTION SETTLEMENT AGREEMENT AND STIPULATION**

Plaintiff Richards J. Heuer III (“Plaintiff”), on behalf of himself and the Class Members, on the one hand, and the Monterey Peninsula Water Management District (the “District”), on the other hand, in consideration for and subject to the promises, terms, and conditions contained in this Class Action Settlement Agreement and Stipulation, hereby stipulate and agree, subject to Court approval, as follows:

I.

## RECITALS

9        WHEREAS, on September 28, 2021, Plaintiff, together with the Monterey Peninsula  
10 Taxpayers' Association, Inc. ("MPTA," and together with Plaintiff, the "Petitioners") filed a  
11 Verified Petition for Writ of Mandate & Complaint for Declaratory Relief against the District  
12 entitled *Monterey Peninsula Taxpayers' Association, Inc. et al. v. the Monterey Peninsula Water*  
13 *Management District, et al.* in Monterey County Superior Court Case No. 21CV003066 (the "2021  
14 Action") challenging, among other things, the validity of the District's collection of a charge under  
15 District Ordinance No. 152 (the "Water Supply Charge") simultaneously with a user fee imposed  
16 by the District and collected through California-American Water Company, an investor-owned  
17 utility (the "User Fee"). The 2021 Action did not seek refunds of any kind.

18        **WHEREAS**, on July 20, 2022, Petitioners filed an action entitled *Monterey Peninsula*  
19 *Taxpayers' Association, Inc., et al. v. the Monterey Peninsula Water Management District, et al.*,  
20 Monterey County Superior Court Case No. 22CV002113, under section 860 et seq. of the California  
21 Code of Civil Procedure asserting substantive allegations similar to the allegations in the 2021  
22 Action (the "Validation I Action").

23       **WHEREAS**, on March 3, 2023, the trial court entered an Order Granting Petition for Writ  
24 of Mandate and Request for Declaratory Relief in the 2021 Action prohibiting collection of the  
25 Water Supply Charge by the District to the extent the charge was offset by User Fee revenue.

26       **WHEREAS**, the District timely noticed an appeal of the 2021 Action in the Sixth District  
27 Court of Appeal, Case No. H051128 (the “Appeal”).

1                   **WHEREAS**, on July 31, 2023, Petitioners filed an action entitled *Monterey Peninsula*  
2 *Taxpayers' Association, Inc., et al. v. the Monterey Peninsula Water Management District, et al.*,  
3 Monterey County Superior Court Case No. 23CV002453, under section 860 et seq. of the California  
4 Code of Civil Procedure (the "Validation II Action").

5                   **WHEREAS**, on December 1, 2023, Plaintiff transmitted to the District a class-wide claim  
6 seeking refunds of the Water Supply Charge on behalf of all property owners in the County of  
7 Monterey who had paid the Water Supply Charge.

8                   **WHEREAS**, on December 27, 2023, the District notified Plaintiff, though his counsel, that  
9 it had rejected the claim.

10                  **WHEREAS**, on June 25, 2024, Plaintiff filed the present class action entitled *Richards J.*  
11 *Heuer III v. The Monterey Peninsula Water Management District*, Monterey County Superior Court  
12 Case No. 24CV002642 (the "Class Action"), seeking, among other things, refunds of the Water  
13 Supply Charge.

14                  **WHEREAS**, on August 13, 2024, Petitioners filed an action entitled *Monterey Peninsula*  
15 *Taxpayers' Association, Inc., et al. v. the Monterey Peninsula Water Management District, et al.*,  
16 Monterey County Superior Court Case No. 24CV003408, under section 860 et seq. of the California  
17 Code of Civil Procedure (the "Validation III Action"). The Validation I Action, Validation II  
18 Action, and Validation III Action are referred to together as the "Validation Actions."

19                  **WHEREAS**, on September 11, 2024, the Sixth District issued its Opinion in the Appeal,  
20 affirming the trial court's judgment in the 2021 Action and issued its remittitur on November 14,  
21 2024.

22                  **WHEREAS**, the 2021 Action has been fully litigated and the judgment therein is final.

23                  **WHEREAS**, on January 17, 2025, the District filed an answer to the Class Action generally  
24 denying the allegations and asserting numerous affirmative defenses.

25                  **WHEREAS**, the Water Supply Charge is billed and collected through property tax bills  
26 issued by the County of Monterey.

27                  **WHEREAS**, the District imposed the Water Supply Charge in FY 22-23 and FY 23-24, but  
28 did not impose it in FY 24-25.

1                   **WHEREAS**, this Class Action seeks to certify a class defined as follows:

2                   All County of Monterey property owners who paid the Water Supply Charge  
3                   authorized and established by Monterey Peninsula Water Management District  
4                   Ordinance No. 152 during the Class Period (the “Class”). Expressly excluded from  
5                   the Class are (a) all persons who make a timely election to be excluded from the  
6                   Class, and (b) the judge(s) to whom this Class Action is assigned and any immediate  
7                   family members thereof.

8                   **WHEREAS**, the Class Period is defined as the period from December 1, 2022 through the  
9                   date the Court enters its Preliminary Approval Order.

10                  **WHEREAS**, the District collected \$3,353,245 in Water Supply Charges from putative class  
11                  members in FY 23-24 and \$3,394,345 in Water Supply Charges from putative class members in FY  
12                  22-23.

13                  **WHEREAS**, on November 18, 2024, the District approved funds for a rate design consultant  
14                  for purposes of replacing the Water Supply Charge with a new charge that would be subject to a  
15                  Proposition 218 approval process. The District represents that, in the absence of this Settlement  
16                  Agreement, it intends to pursue through a Proposition 218 approval process a new charge that funds  
17                  some or many of the projects and activities that the Water Supply Charge previously funded and to  
18                  place such charge on property tax bills in FY 25-26.

19                  **WHEREAS**, before entering into this Settlement Agreement, and in addition to fully  
20                  litigating the 2021 Action through judgment and the Appeal, Plaintiff, by and through his counsel,  
21                  conducted a thorough examination, investigation, and evaluation of the relevant law, facts, and  
22                  allegations to assess the merits of the claims and potential claims and the District’s defenses to  
23                  determine the strength of the matters alleged in the Class Action.

24                  **WHEREAS**, this Settlement was reached as a result of extensive arm’s-length negotiations  
25                  between the Parties and their counsel, including over the course of several months. Before and  
26                  during these settlement discussions, the Parties had litigated the 2021 Action through judgment and  
27                  appeal and exchanged sufficient information to permit the Parties and their counsel to evaluate the

1 risks of appeal and to meaningfully conduct informed settlement discussions with respect to the  
2 Class Action.

3 **WHEREAS**, as a result of extensive arm's-length negotiations, Plaintiff and proposed Class  
4 Counsel, on behalf of the Class, and the District entered into the Agreement to settle and resolve the  
5 Class Action.

6 **NOW, THEREFORE**, in consideration of the mutual covenants and terms contained  
7 herein, and subject to court approval of this Settlement Agreement, and entry of a judgment  
8 consistent with this Settlement Agreement, the undersigned Plaintiff and Class Counsel, on behalf  
9 of the proposed Class, and the District stipulate and agree to compromise, resolve and otherwise  
10 settle their dispute as follows:

11 **II.**

12 **DEFINITIONS**

13 For the purposes of this Settlement only, as used in this Agreement and the exhibits attached  
14 hereto (which are an integral and material part of this Agreement and incorporated in their entirety  
15 herein by reference), the following terms have the following meanings, unless this Agreement  
16 specifically provides otherwise. The plural of any defined term includes the singular, and the  
17 singular of any defined term includes the plural, as the case may be:

18 1. “2021 Action” means the case entitled *Monterey Peninsula Taxpayers’ Association, Inc. et al. v. the Monterey Peninsula Water Management District, et al.*, Monterey County Superior  
19 Court Case No. 21CV003066, filed September 8, 2021.

21 2. “Agreement” or “Settlement Agreement” means this Class Action Settlement  
22 Agreement and Stipulation and the exhibits attached hereto, including any subsequent amendments  
23 and any exhibits to such amendments.

24 3. “Appeal” means the appeal of the judgment in the 2021 Action, Sixth District Court  
25 of Appeal, Case No. H051128.

26 4. “Attorneys’ Fees and Expenses” means such funds as may be approved and awarded  
27 by the Court to Class Counsel and Plaintiffs’ Counsel to compensate them for conferring the benefits  
28 upon the Class under this Settlement Agreement and for their professional time, fees, costs, advances

1 and expenses incurred in connection with or in furtherance of the Class Action, the Validation  
2 Actions and the Settlement Agreement as approved by the Court.

3       5.     “Class Action” means the present class action entitled *Richards J. Heuer III v. The*  
4 *Monterey Peninsula Water Management District*, Monterey County Superior Court Case No.  
5 24CV002642, filed June 25, 2024.

6       6.     “Class Counsel” means Kearney Littlefield, LLP and Benink & Slavens, LLP.

7       7.     “Class Member” means any member of the Settlement Class, not an Excluded  
8 Person.

9       8.     “Class Member Information” shall mean the first and last name and physical mailing  
10 address of each Class Member.

11       9.     “Class Notice” or “Settlement Class Notice” means collectively the proposed Long  
12 Form Notice and proposed Summary Notice (attached in substantial form hereto as Exhibits A and B  
13 respectively).

14       10.    “Class Period” means the period from December 1, 2022 through the date the Court  
15 enters the Preliminary Approval Order.

16       11.    “Class Representative” means Plaintiff.

17       12.    “Court” means the Superior Court of the State of California for the County of  
18 Monterey.

19       13.    “Court of Appeal” means the Court of Appeal of the State of California, Sixth  
20 Appellate District.

21       14.    “Defendant” means the District.

22       15.    “Defendant’s Counsel” means counsel of record for the District: Colantuono,  
23 Highsmith & Whatley, PC.

24       16.    “District” means the Monterey Peninsula Water Management District.

25       17.    “District Administration Expenses” means any and all fees, costs, charges, advances  
26 and expenses of the District for the dissemination of the Summary Notice and the disbursement of  
27 Net Settlement Funds to class members, as approved by the Court.

28       18.    “Effective Date” means the date on which the Final Order and/or Final Judgment in

1 the Class Action has been entered and the time to appeal or otherwise challenge the judgment has  
2 expired or, in the event of any appeal, the date upon remittitur following the affirmance of the Final  
3 Judgment on appeal.

4       19.    “Excluded Person” means any person or putative class member who timely and  
5 effectively opted out and the judge(s) to whom this Class Action is assigned and any immediate  
6 family members thereof.

7       20.    “Exclusion Deadline” or “Opt-Out Deadline” means the date that falls on the day  
8 that is sixty (60) calendar days after the Notice Date, or as ordered by the Court.

9       21.    “Fairness Hearing” means the hearing that is to take place after the entry of the  
10 Preliminary Approval Order, the Notice Date, the Exclusion Deadline, and the Objection Deadline  
11 for purposes of: (i) entering the Final Order and Final Judgment; (ii) determining whether the  
12 Settlement should be approved as fair, reasonable, and adequate; (iii) ruling upon an application for  
13 Service Awards by the Class Representatives; and (iv) ruling upon an application by Class Counsel  
14 for Attorneys’ Fees and Expenses.

15       22.    “Final Order and Final Judgment” means the Court’s order and judgment finally  
16 approving the Settlement, substantially in the form attached hereto as Exhibit D.

17       23.    “Forbearance Period” shall mean and include the time period of February 5, 2025  
18 through June 30, 2026.

19       24.    “Litigation” shall refer to all causes of action and/or claims that have been or could  
20 be asserted in connection with the Class Action on behalf of Plaintiff and/or members of the  
21 Settlement Class.

22       25.    “Long Form Notice” means the long form notice of settlement, substantially in the  
23 form attached hereto as Exhibit A which shall be disseminated via website publication as set forth  
24 in Paragraph 68.

25       26.    “Net Settlement Fund” means the Settlement Fund less (i) District Administration  
26 Expenses approved by the Court in its Final Order and Final Judgment, (ii) any Service Award(s)  
27 approved by the Court in its Final Order and Final Judgment, and (iii) any Attorneys’ Fees and  
28 Expenses approved by the Court in its Final Order and Final Judgment.

1        27. “Notice Date” means the first date upon which the Settlement Class Notice is  
2 disseminated.

3        28. “Notice Plan” shall mean the manner by which Class Notice is to be disseminated  
4 and the timelines for such as set forth in Paragraphs 67 through 70.

5        29. “Objection Deadline” means the date that falls on the day that is sixty (60) calendar  
6 days after the Notice Date, or as otherwise ordered by the Court.

7        30. “Parties” means Plaintiff and the District.

8        31. “Petitioners” means Plaintiff and the Monterey Peninsula Taxpayers’ Association,  
9 Inc.

10        32. “Plaintiff” means the plaintiff in this Class Action, Richards J. Heuer III.

11        33. “Preliminary Approval Date” means the date the Court enters the Preliminary  
12 Approval Order.

13        34. “Preliminary Approval Order” means the order preliminarily approving the  
14 Settlement, certifying a Settlement Class, and approving the Notice Plan and Class Notice  
15 substantially in the form attached hereto as Exhibit C.

16        35. “Pro Rata Participation” means the quotient of the sum of an individual Class  
17 Member’s FY 22-23 and FY 23-24 Water Supply Charge payments divided by \$6,747,590.

18        36. “Pro Rata Refund” for a particular Class Member means the product of the Net  
19 Settlement Fund multiplied by the Class Member’s Pro Rata Participation. The total amount of all  
20 of the Class Members’ Pro Rata Refunds shall equal the Net Settlement Fund.

21        37. “Release” means the release and waiver set forth in Paragraphs 81 through 89 herein  
22 and in the Final Order and Final Judgment.

23        38. “Released Claims” means any claims that can be or were asserted, or that could  
24 reasonably be or have been asserted, in the Litigation against the Released Party and that arise out  
25 of, or relate to any or all of the acts, omissions, facts, matters, transactions, or occurrences that were  
26 alleged in the Litigation, as more fully described in Paragraphs 81 through 89 herein.

27        39. “Released Party” means the District, including but not limited to its past, present and  
28 future officers, board members, employees, subsidiaries, affiliates, partners, predecessors and

1 successors in interest, and assigns.

2       40. “Service Award” means such funds as may be awarded by the Court to the Class  
3 Representative in recognition of his time, effort, and service to the Class expended in pursuing the  
4 Litigation, and in fulfilling his obligations and responsibilities as the Class Representative.

5       41. “Settlement” means the settlement embodied in this Settlement Agreement and its  
6 exhibits.

7       42. “Settlement Class” means and is comprised of the following:

8           All County of Monterey property owners who paid the Water Supply Charge  
9           authorized and established by Monterey Peninsula Water Management District  
10           Ordinance No. 152 during the Class Period.

11 Expressly excluded from the Class are (a) all persons who make a timely election to be excluded  
12 from the Class, and (b) the judge(s) to whom this Class Action is assigned and any immediate family  
13 members thereof.

14       43. “Settlement Fund” or “Gross Settlement” means an amount equal to \$3,353,245.

15       44. “Settlement Website” shall mean the URL: [www.wsc-settlement.com]

16       45. “Summary Notice” means the summary notice of settlement substantially in the form  
17 attached hereto as Exhibit B which shall be disseminated *via* U.S. Mail as set forth in Paragraph 68  
herein.

18       46. “Validation I Action” means the case entitled *Monterey Peninsula Taxpayers’*  
19 *Association, Inc., et al. v. the Monterey Peninsula Water Management District, et al.*, Monterey  
20 County Superior Court Case No. 22CV002113, filed July 20, 2022.

21       47. “Validation II Action” means the case entitled *Monterey Peninsula Taxpayers’*  
22 *Association, Inc., et al. v. the Monterey Peninsula Water Management District, et al.*, Monterey  
23 County Superior Court Case No. 23CV002453, filed July 31, 2023.

24       48. “Validation III Action” means the case entitled *Monterey Peninsula Taxpayers’*  
25 *Association, Inc., et al. v. the Monterey Peninsula Water Management District, et al.*, Monterey  
26 County Superior Court Case No. 24CV003408, filed August 13, 2024.

27       49. “Validation Actions” means the Validation I Action, the Validation II Action, and  
28 the Validation III Action.

50. “Water Supply Charge” means the charge imposed / levied by the District under the authority provided by District Ordinance No. 152 adopted on June 27, 2012.

### III.

## **COMPROMISE OF HIGHLY CONTESTED ISSUES**

51. This Settlement represents the compromise of highly contested issues in the Litigation such as the propriety of class certification, the proper method to seek refunds of the Water Supply Charge, and the application of the statute of limitations, among other issues.

8       52. The Parties recognize that there exist significant risks and delays inherent in the  
9 litigation relating to the Class Action and therefore agree to the terms of this Settlement Agreement  
10 to resolve this hard-fought, highly-disputed and significant litigation in light of the risks and  
11 uncertainties faced by Plaintiff and the District.

IV.

## **BENEFITS OF SETTLEMENT**

14       53. Class Counsel have fully litigated the 2021 Action through judgment. To achieve the  
15 judgment in the 2021 Action, Class Counsel investigated the law and the facts and reviewed and  
16 analyzed thousands of pages of documents on the key issues in the case, and successfully defended  
17 the Appeal. Class Counsel have taken into account, *inter alia*, the expense and length of any  
18 potential appeal in the Litigation that could be necessary to defend a successful result in the  
19 Litigation; the uncertain outcome and the risk of continued and protracted litigation and appeals; the  
20 difficulties and delays inherent in complex litigation; and the inherent uncertainty and problems of  
21 proof of, and available defenses to, the claims asserted in the Litigation. Plaintiff and Class Counsel  
22 believe that considering the foregoing, the Settlement set forth herein represents a reasonable  
23 compromise of highly disputed and uncertain legal, factual and procedural issues, confers  
24 substantial benefits upon the Class and provides a result and recovery that is certain to be provided  
25 to Class Members, when any recovery should the Litigation continue is not certain. Based on their  
26 evaluation of all of these factors, Plaintiff and Class Counsel have determined that the settlement of  
27 the Litigation, on the terms set forth herein, is in the best interests of the Class and is fair, reasonable,  
28 and adequate.

1       54. The District and the Defendant’s Counsel have also considered applicable risks and  
2 consequences to them if Plaintiff were to prevail in the Litigation, including certifying the class and  
3 potentially prevailing on the merits of all class claims at a trial and appeal. Defendant has considered  
4 and analyzed legal, factual, and procedural defenses to the claims alleged, as well as other options.  
5 Defendant and its counsel have determined that the Settlement set forth herein provides a certain  
6 result, when the outcome, should the Litigation continue, is uncertain.

V.

## PROVISIONAL CERTIFICATION OF SETTLEMENT CLASS

9       55. Plaintiff shall move for preliminary approval of this Settlement forthwith pursuant  
10 to California Code of Civil Procedure section 382 *et seq.* and California Rules of Court, Rule  
11 3.769(c).

12       56. In the motion for preliminary approval, Plaintiff shall request that the Court make  
13 preliminary findings and enter the Preliminary Approval Order (substantially in the form attached  
14 as Exhibit C) granting provisional certification of the Settlement Class, which is subject to final  
15 findings and ratification in the Final Order and Final Judgment, and appointing the Class  
16 Representative as the representative of the Settlement Class and Class Counsel as counsel for the  
17 Settlement Class.

18        57. If this Agreement is terminated, disapproved by any court (including any appellate  
19 court), and/or not consummated for any reason, or the Effective Date for any reason does not occur,  
20 the order provisionally certifying the Settlement Class and all preliminary and/or final findings  
21 regarding that certification order, shall be automatically vacated upon notice of the same to the  
22 Court.

VI.

## **DEFENDANT'S SETTLEMENT OBLIGATIONS**

25        58.      In consideration of the entry of the Final Judgment and Final Order in the Class  
26 Action, Defendant will provide the following consideration, payment, and benefits to the Settlement  
27 Class:

28 59. The District warrants and represents that it has access to Class Member Information

1 and the amount of the Water Supply Charge that each Class Member paid in FY 22-23 and FY 23-  
2 24.

3       **60. Distribution of the Settlement Fund.** The District shall create a Settlement Fund  
4 in the amount of \$3,353,245. It shall distribute the Settlement Fund to Class Members in the  
5 following manner:

6           a.       First, no later than thirty (30) days after the Effective Date, it shall pay from  
7 the Settlement Fund the Service Award and the Attorney's Fees and Expenses approved by the  
8 Court.

9           b.       Second, it shall deduct from the Settlement Fund, the District's  
10 Administration Costs approved by the Court.

11           c.       After the Service Award and Attorney's Fees are paid and District  
12 Administration Costs are deducted from the Settlement Fund, the balance shall be the Net Settlement  
13 Fund.

14           d.       Third, no later than twenty-one (21) days after the Effective Date, it shall  
15 confirm to Class Counsel in writing the amount of the Net Settlement Fund and provide to Class  
16 Counsel a spreadsheet that identifies each Class Member's Pro Rata Refund proposed to be  
17 distributed under subdivision (e) below.

18           e.       Fourth, within thirty (30) calendar days after the Effective Date, the District  
19 shall mail a check payable to each Class Member in the amount of the Class Member's Pro Rata  
20 Refund which shall be calculated as follows: The District shall identify each Class Member's Pro  
21 Rata Participation which shall be the quotient of the sum of the Class Member's FY 22-23 and 23-  
22 24 Water Supply Charge payments divided by \$6,747,590. The Pro Rata Refund shall be the product  
23 of the Net Settlement Fund multiplied by the Pro Rata Participation. In the case where a check is  
24 returned to the District undelivered, the District shall endeavor to obtain accurate Class Member  
25 Information in the same manner as the dissemination of notices described in Paragraph 68, below.  
26 Such checks shall remain negotiable for one year from the date the checks are drafted.

27       **61. Uncashed Refund Checks:** One year after issuance of any refund check required by  
28 this Agreement, any uncashed checks shall be voided and the remaining funds shall be remitted to

1 the United Way Monterey County for Cal-Am's Hardship Benefit Program ("United Way"). In no  
2 event shall any portion of the Net Settlement Fund revert to the District. Within thirty (30) days  
3 after uncashed checks are voided and funds are remitted to the United Way, the District shall provide  
4 a statement to Class Counsel, verified under penalty of perjury, affirming (i) the number of checks  
5 that went uncashed; (ii) the cumulative dollar amount of the uncashed checks; and (iii) the amount  
6 of money remitted to the United Way and date of remittance.

7       **62. Accounting and Verification:** Within ninety (90) calendar days after the refunds  
8 are distributed, the District shall provide a statement to Class Counsel affirming (i) the date that it  
9 mailed checks representing each Class Member's Share and (ii) the gross amount distributed.

10       **63. Agreement to Forbear:** The District agrees to forbear until June 30, 2026, imposing,  
11 levying or collecting any fees or charges that are subject to the procedures and restrictions provided  
12 in Proposition 218 unless that fee or charge existed as of February 5, 2025. Should the District  
13 determine that it cannot reasonably forbear due to an emergency or unforeseen event, the District  
14 will pay to Class Members a second payment by July 31, 2026. The second payment shall be made  
15 pursuant to the provisions of Paragraph 60, but the Net Settlement Fund shall be the lesser of the  
16 amount the District newly imposes, levies, or collects during the Forbearance Period or \$3,400,000.  
17 The Parties agree that the second payment, if necessary, is an alternative means of performance.

18       **64. Liquidated Damages:** Should any court determine that the second payment as  
19 described in Paragraph 63 is not an alternative means of performance, but instead, the District's  
20 decision to not forbear is a breach of this Settlement Agreement, the Parties seek now to determine  
21 a reasonable value of such breach, which is a genuine attempt to estimate the damages that would  
22 flow therefrom and is not intended to be punitive. The Parties agree that a reasonable estimate of  
23 the damages that would flow therefrom is the amount that the District newly imposes, levies, or  
24 collects via any fees or charges subject to the procedures and restrictions provided in Proposition  
25 218 prior to June 30, 2026, but not to exceed \$3,400,000.

26       **65. Mutual Cooperation to Ensure Full Distribution of Net Settlement Fund:** The  
27 Parties shall act in good faith to employ the foregoing procedures to ensure that the full refund due  
28 to each Class Member is paid to the benefit of each Class Member. In the event of any unexpected

1 complications or events impacting the distribution of the Net Settlement Fund to Class Members,  
2 the Parties shall fully and reasonably cooperate to ensure that all Net Settlement Funds are  
3 distributed to Class Members on a timely basis.

4

**VII.**

5

**CONDITION FOR SETTLEMENT**

6 66. This Settlement and all obligations herein are fully conditioned on Petitioners filing  
7 a request for dismissal of the Validation Actions with prejudice within five (5) court days after the  
8 date this Settlement Agreement is fully executed.

9

**VIII.**

10

**NOTICE OF SETTLEMENT**

11 The Parties agree that notice of the Settlement will be provided under the terms stated  
12 herein.

13 67. Class Notice will be disseminated through a combination of the Summary Notice  
14 (substantially in the form of Exhibit B attached hereto), notice through the Settlement Website in  
15 the form of the Long Form Notice (substantially in the form of Exhibit A attached hereto), and other  
16 applicable notice as ordered by the Court, in order to comply with all applicable laws, including, but  
17 not limited to, California Code of Civil Procedure Section 38 *et seq.*, the Due Process Clause of the  
18 United States Constitution, and any other applicable statute, law or rule.

19

**68. Dissemination of the Class Notice**

20 a. *Class Member Information:* No later than fifteen (15) calendar days after  
21 entry of the Preliminary Approval Order, the District shall gather the Class Member Information.  
22 The District warrants and represents that it will endeavor to obtain the most current Class Member  
23 Information for all Class Members.

24 b. *Direct Notice Via U.S. Mail:* Within forty-five (45) days, or as otherwise  
25 ordered by the Court, after the entry of the Preliminary Approval Order and subject to the  
26 requirements of this Settlement and the Preliminary Approval Order, the District, shall provide  
27 notice to the Class as follows: The District shall send the Summary Notice by First Class U.S. Mail,  
28 proper postage prepaid, to each Class Member. Prior to the transmission of any Summary Notice

1 via the U.S. Mail, the District shall update the mailing address of each Class Member using the  
2 United States Postal Service's National Change of Address System. Summary Notice will be mailed  
3 to the updated addresses. In the event a Class Member's Summary Notice is returned by the United  
4 States Postal Service with a forwarding address, the District shall re-mail the Summary Notice once  
5 to such Class Members at the forwarding address.

6 c. *Settlement Website:* Prior to the Notice Date, the Plaintiff shall establish the  
7 Settlement Website. The Settlement Website shall include, in .pdf format, the following: (i) the  
8 Long Form Notice; (ii) the Preliminary Approval Order; (iii) this Agreement (including all of its  
9 Exhibits); (iv) contact information, including at least one telephone number for Class Counsel; and  
10 (v) any other materials agreed upon by the Parties and/or required by the Court. The Settlement  
11 Website may also have a section for frequently asked questions. The District shall have the right to  
12 review and consent to the form of the publicly available frequently asked questions and answers  
13 section, consent for which shall not be unreasonably withheld.

14 69. Not later than seven (7) days before the date of the Fairness Hearing, the District and  
15 Plaintiff's Counsel shall submit declarations to the Court outlining their respective efforts to comply  
16 with these notice requirements.

17       70.     The Parties agree that the notice contemplated by this Settlement is valid and  
18 effective, that if effectuated, it would provide reasonable notice to the Settlement Class, and that it  
19 represents the best practicable notice under the circumstances.

IX.

## **ADMINISTRATION OF THE SETTLEMENT**

22 71. The Parties agree to work together to administer and effectuate the Settlement.

23        72.      The District shall be responsible for printing and disseminating the Summary Notice  
24 as described in Paragraph 68 and for distributing the Settlement Fund as stated in Paragraph 60.  
25 The District shall submit a declaration with the motion for preliminary approval that identifies the  
26 estimated amount, and an explanation, of the costs of such administrative work.

27        73. Class Counsel shall be responsible for: (i) responding to requests for the Long Form  
28 from Class Members; (ii) receiving and maintaining on behalf of the Court any correspondence with

1 Class Members regarding requests for exclusion and/or objections to the Settlement; and (iii)  
2 maintaining telephone number, voicemail and electronic mailboxes, as necessary, for the receipt of  
3 any correspondence from Class Members.

4       74. At the same time that Class Counsel files the motion for Final Approval of Settlement  
5 and Attorneys' Fees and Expenses and Service Awards, Class Counsel shall file with the Court a  
6 declaration: (i) attaching a list of those persons who timely opted out or excluded themselves from  
7 the Settlement Class; (ii) attaching a list of those persons who timely objected to the Settlement,  
8 along with a copy of their written objections; and (iii) any response to those objections from Class  
9 Counsel and/or Plaintiff.

X.

## **REQUESTS FOR EXCLUSION**

12       75. Any Class Member who wishes to be excluded from the Settlement Class must do  
13 one of the following: (1) mail a written request for exclusion to Class Counsel at the address  
14 provided in the Notice, postmarked by the Exclusion Deadline; or (2) send a written request for  
15 exclusion to Class Counsel at the e-mail address provided in the Long Form Notice on or before  
16 11:59 p.m. Pacific Time on the Exclusion Deadline. Except as otherwise ordered by the Court, the  
17 request must (a) state the Class Member's name and address; (b) reference *Heuer v. Monterey*  
18 *Peninsula Water Management District*; and (c) clearly state that the Class Member wants to be  
19 excluded from the Settlement Class. If a potential Class Member files a request for exclusion, he or  
20 she may not file an objection under Paragraphs 77 through 80 herein. If any Class Member files a  
21 timely request for exclusion, he/she will not be a member of the Settlement Class, will not release  
22 any Released Claims pursuant to this Settlement or be subject to the Release, and will preserve all  
23 claims he or she may have.

24        76. Any potential Settlement Class Member who does not file a timely written request  
25 for exclusion as provided in Paragraph 75 herein shall be bound by all subsequent proceedings,  
26 orders and judgments, including, but not limited to, the Release and the Final Order and Final  
27 Judgment in the Action.

XI.

## **OBJECTIONS TO THE SETTLEMENT**

3       77. Any eligible Class Member who has not requested to be excluded who wishes to  
4 object to the fairness, reasonableness, or adequacy of this Agreement, or to the award of Attorneys'  
5 Fees and Expenses, or to the Service Awards to the Class Representative, must do one of the  
6 following: (1) mail an objection to Class Counsel at the address provided in the Notice, postmarked  
7 by the Objection Deadline or (2) e-mail an objection to Class Counsel at the e-mail address provided  
8 in the Notice, on or before 11:59 p.m. Pacific Time on the Objection Deadline. Any such objection  
9 shall include: (1) the full name of Objector; (2) the current address of Objector; (3) the property  
10 address that was subject to the Water Supply Charge; (4) the specific reason(s), if any, for the  
11 objection, including any legal support the Class Member wishes to bring to the Court's attention;  
12 (5) copies of any evidence or other information the Class Member wishes to introduce in support of  
13 the objections; (6) a statement of whether the Class Member intends to appear and argue at the  
14 Fairness Hearing; (7) the individual Class Member's written signature, with date; and (8) a reference  
15 to *Heuer v. Monterey Peninsula Water Management District* on the envelope and written objection  
16 or in the subject line of the e-mail. Class Members may personally object or object through an  
17 attorney retained at their own expense. The objection must also include an explanation of why he or  
18 she falls within the definition of the Class. In addition, any Class Member objecting to the Settlement  
19 shall provide a list of all other objections submitted by the objector, or the objector's counsel, to any  
20 class action settlements submitted in any state or federal court in the United States in the previous  
21 five years. If the Class Member, or his, her or its counsel, has not objected to any other class action  
22 settlement in the United States in the previous five years, he, she or it shall affirmatively so state in  
23 the objection. Class Members who submit an objection may be subject to discovery, including  
24 written discovery and depositions, on whether he or she is a class member, and any other topic that  
25 the Court deems appropriate.

26        78. Any eligible Class Member may appear at the Fairness Hearing, whether or not they  
27 have submitted a written objection, either in person or through personal counsel hired at the Class  
28 Member's own expense, to object to the fairness, reasonableness, or adequacy of this Agreement or

1 the proposed Settlement, or to the award of Attorneys' Fees and Expenses, or Service Awards to the  
2 individual Plaintiffs and/or the Class Representatives.

3       79. Plaintiff designated as Class Representative by the Court maintains his right to  
4 support or object to the Settlement terms and may petition the Court for a Service Award, which is  
5 not guaranteed in any amount, but awarded, if at all, by the Court in its discretion.

6       80. Any Class Member (including any Plaintiff or Class Representative) who objects to  
7 the Settlement shall be entitled to all benefits of the Settlement if this Agreement and the terms  
8 contained herein are approved, as long as the objecting Class Member complies with all  
9 requirements of this Agreement applicable to Class Members.

XII.

## RELEASE AND WAIVER

12        81.      The Parties agree to the following release and waiver, which shall take effect upon  
13 the Effective Date.

14        82.     In consideration for the Settlement, Plaintiff, Class Representative, and each Class  
15 Member, on behalf of themselves and any other legal or natural persons who may claim by, through  
16 or under them, agree to fully, finally and forever release, relinquish, acquit, discharge and hold  
17 harmless the Released Parties from any and all claims, demands, suits, petitions, liabilities, causes  
18 of action, rights, and damages of any kind and/or type relating to the subject matter of the Litigation  
19 arising during the period between December 1, 2022 through the date the date the Court enters  
20 Preliminary Approval Order including, but not limited to, compensatory, exemplary, punitive,  
21 expert, and/or attorneys' fees, or by multipliers, whether past, present, or future, mature, or not yet  
22 mature, known or unknown, suspected or unsuspected, contingent or non-contingent, derivative or  
23 direct, asserted or unasserted, whether based on federal, state or local law, statute, ordinance,  
24 regulation, code, contract, common law, or any other source, or any claim of any kind related, arising  
25 from, connected with, and/or in any way involving the Litigation, including, but not limited to,  
26 claims regarding payments made to the District pursuant to the District's Ordinance No. 152.

27       83. Plaintiff, Class Representative, and each Class Member, on behalf of themselves and  
28 any other legal or natural persons who may claim by, through or under them, expressly waive any

1 and all rights and benefits conferred by the provisions of Section 1542 of the California Civil Code,  
2 and expressly consent that this Agreement shall be given full force and effect according to each and  
3 all of its express terms and provisions, including those relating to unknown and unsuspected claims,  
4 if any, from the facts alleged in the Litigation. Section 1542 provides:

5 "A general release does not extend to claims which the creditor does not know or  
6 suspect to exist in his or her favor at the time of executing the release, which if  
7 known by him or her must have materially affected his or her settlement with the  
8 debtor."

9 Thus, notwithstanding California Civil Code Section 1542, Plaintiff, Class Representative,  
10 and each Class Member, expressly acknowledges and agree that the releases in this Agreement are  
11 also intended to include claims which they do not know or suspect to exist at the time of the  
12 execution of this Agreement that arise from the facts alleged in the Litigation.

13 84. Notwithstanding the release in Paragraph 82, any Class Member who timely opted  
14 out of the Settlement Class, shall not be deemed to release any claims, rights or other causes of  
15 action, with respect to the Litigation or otherwise.

16 85. Plaintiff, Class Members and the Class Representative expressly agree that this  
17 Release, the Final Order, and/or the Final Judgment are, will be, and may be raised as a complete  
18 defense to, and will preclude any action or proceeding encompassed by, this Release.

19 86. Plaintiff, Class Members and the Class Representative shall not, now or hereafter,  
20 institute, maintain, prosecute, and/or assert, any suit, action, and/or proceeding, against the Released  
21 Parties, either directly or indirectly, on their own behalf, on behalf of a class or on behalf of any  
22 other person or entity with respect to the claims, causes of action and/or any other matters released  
23 through this Settlement.

24 87. In consideration for the Settlement, the District and its past or present officers,  
25 directors, council members, employees, agents, attorneys, predecessors, successors, affiliates,  
26 subsidiaries, divisions, and assigns shall be deemed to have, and by operation of the Final Approval  
27 Order shall have, released Plaintiff, Class Counsel, Class Representative and each Class Member  
28 from any and all causes of action that were or could have been asserted pertaining solely to the

conduct in filing and prosecuting the Litigation or in settling the Litigation.

88. To avoid doubt, nothing in this Release shall release or otherwise relieve any Party of any of the terms or obligations set forth in this Settlement Agreement or preclude any action to enforce the terms of the Agreement, including participation in any of the processes detailed herein. Any motion or proceeding to enforce the terms of the Settlement Agreement, in whole or in part, shall be before the Court, which shall retain jurisdiction over the matter for such purposes. Moreover, the Court retains jurisdiction to adjudicate any dispute between the Parties regarding the terms and conditions of this Agreement.

89. Plaintiff, Class Representative and Class Counsel hereby agree and acknowledge that the provisions of this Release together constitute an essential and material term of the Agreement and shall be included in any Final Order and Final Judgment entered by the Court.

XIII.

## **REVIEW, APPROVAL AND RELATED ORDERS**

90. As soon as practicable following the full execution of this Settlement Agreement, Class Counsel shall apply to the Court for entry of the Preliminary Approval Order (substantially in the form attached as Exhibit C), for the purpose of, among other things:

a. Approving the Class Notice, substantially in the form set forth at Exhibits (Long Form Notice, Exhibit A) and (Summary Notice, Exhibit B) attached hereto;

b. Finding that the requirements for provisional certification of the Settlement Class have been satisfied, appointing Plaintiff as the representatives of the Class and Class Counsel as counsel for the Class, and preliminarily approving the Settlement as being within the range of reasonableness such that the Class Notice should be provided pursuant to this Agreement;

c. Scheduling the Fairness Hearing on a date ordered by the Court, provided in the Preliminary Approval Order, and in compliance with applicable law, to determine whether the Settlement should be approved as fair, reasonable, and adequate, and to determine whether a Final Order and Final Judgment should be entered;

d. Determining that the notice of the Settlement and of the Fairness Hearing, as set forth in this Agreement, complies with all legal requirements, including, but not limited to, the

1 Due Process Clause of the United States Constitution;

2                   e.     Preliminarily approving the form of the Final Order and Final Judgment;

3                   f.     Directing that Class Notice shall be given to the Settlement Class as provided

4 in Paragraph 68 herein;

5                   g.     Providing that any objections by any Class Member to the certification of the

6 Settlement Class and the proposed Settlement contained in this Agreement, and/or the entry of the

7 Final Order and Final Judgment, shall be heard and any papers submitted in support of said

8 objections shall be considered by the Court at the Fairness Hearing only if, on or before the date(s)

9 specified in the Class Notice and Preliminary Approval Order, such objector submits to the Court a

10 written objection, and otherwise complies with the requirements in Paragraphs 77 through 80 herein;

11                   h.     Establishing dates by which the Parties shall file and serve all papers in

12 support of the application for final approval of the Settlement and in response to any valid and timely

13 objections;

14                   i.     Providing that all Class Members will be bound by the Final Order and Final

15 Judgment unless such Class Members timely file valid written requests for exclusion or opt out in

16 accordance with this Settlement and the Class Notice;

17                   j.     Providing that Class Members wishing to exclude themselves from the

18 Settlement will have until the date specified in the Class Notice and the Preliminary Approval Order

19 to submit a valid written request for exclusion or opt out;

20                   k.     Providing a procedure for Class Members to request exclusion or opt out from

21 the Settlement;

22                   l.     Directing the Parties, pursuant to the terms and conditions of this Agreement,

23 to take all necessary and appropriate steps to establish the means necessary to implement the

24 Settlement;

25                   m.     Authorizing the Parties and Class Counsel to take all necessary and

26 appropriate steps to establish the means necessary to implement the Agreement;

27                   n.     Adopting all deadlines set forth herein a description of which are attached

28 hereto as Exhibit E; and

3        91. Following the entry of the Preliminary Approval Order, Class Notice shall be given  
4 in the manner directed and approved by the Court.

5       92. Any motion or petition in support of final approval of this Settlement shall be filed  
6 no earlier than seventy-five (75) days after the mailing of Notice pursuant to Paragraph 68, and at  
7 least sixteen (16) Court days before the Final Fairness Hearing, and be made available on the  
8 Settlement Website.

9        93. At the Fairness Hearing, the Parties shall seek to obtain from the Court a Final Order  
10 and Final Judgment. The Final Order and Final Judgment shall, among other things:

11 a. Enter judgment for Plaintiff and the Settlement Class on all claims in the  
12 Litigation consistent with the terms of this Settlement Agreement;

20 e. Find that the Class Notice and the Notice Plan comply with all laws,  
21 including, but not limited to, the Due Process Clause of the United States Constitution;

22 f. Preserve all claims of persons not within the Settlement Class definition as  
23 well as those who have timely excluded themselves from the Settlement Class;

24 g. Adjudicate any objections that have been presented to the Settlement;

7        94. To avoid any doubt, if the Settlement Agreement is not finally approved or the  
8 Effective Date does not occur for any reason, this Agreement shall terminate and the Litigation shall  
9 return to the procedural status quo ante and the Parties retain all rights, arguments and objections  
10 they have regarding the Litigation.

XIV.

## **MODIFICATION OR TERMINATION OF THIS AGREEMENT**

13        95. The terms and provisions of this Agreement may be amended, modified, or  
14 expanded by written agreement of the Parties and approval of the Court; provided, however, that  
15 after entry of the Final Order and Final Judgment, the Parties may by written agreement effect such  
16 amendments, modifications, or expansions of this Agreement and its implementing documents  
17 (including all exhibits attached hereto) without further notice to the Class or approval by the Court  
18 if such changes are consistent with the Court's Final Order and Final Judgment and do not limit the  
19 rights of Class Members under this Agreement.

XV.

## **SERVICE AWARDS AND ATTORNEYS' FEES AND EXPENSES**

22        96.     In recognition of the time and effort the representative Plaintiff expended in pursuing  
23 this action and in fulfilling his obligations and responsibilities as class representative, and of the  
24 benefits conferred on all Class Members by the Settlement, Class Counsel may ask the Court for the  
25 payment of a Service Award from the Settlement Fund to the Class Representative. The District will  
26 not take a position on the application for Service Award by Class Counsel to the extent that the  
27 award requested does not exceed Five Thousand Dollars and No Cents (\$5,000.00). Class Counsel  
28 may apply to the Court for a Service Award to be paid from the Settlement Fund for the Class

1 Representative's time, effort and risk in connection with the Litigation and related litigation. No  
2 amount has been guaranteed or promised to the Class Representative. The Court shall determine  
3 the final amount of any such Service Award, in its discretion, based on the request filed by or on  
4 behalf of the Class Representative.

5       97.     The ability of the Class Representative to apply to the Court for a Service Award is  
6 not conditioned on his support of the Settlement.

7       98.     The amount of the Service Award payment to be applied for as set forth herein was  
8 negotiated independently from the other terms of the Settlement. Further, the allowance or  
9 disallowance by the Court of a Service Award will be considered and determined by the Court  
10 separately from the Court's consideration and determination of the fairness, reasonableness, and  
11 adequacy of the Settlement.

12       99.     Class Counsel will make an application to the Court for an award of Attorneys' Fees  
13 and Expenses at least sixteen (16) Court Days prior to the Fairness Hearing. The amount of the  
14 Attorneys' Fees and Expenses to be awarded will be determined by the Court.

15       100.    Any Service Award and any Attorneys' Fees and Expenses awarded by the Court  
16 shall be paid at the same time as the Distribution of the Settlement Fund described in Paragraph 60  
17 above. Class Counsel shall have the sole and absolute discretion to allocate the Attorneys' Fees and  
18 Expenses amongst Class Counsel and any other attorneys for Plaintiff, including Plaintiff's Counsel.  
19 The District shall have no liability or other responsibility for allocation of any such Attorneys' Fees  
20 and Expenses awarded.

21       101.    The procedure for and the allowance or disallowance by the Court of any application  
22 for attorneys' fees, costs, expenses, or reimbursement to be paid to Class Counsel are not part of the  
23 settlement of the Released Claims as set forth in this Settlement Agreement, and are to be considered  
24 by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy  
25 of the settlement of the Released Claims as set forth in this Settlement Agreement. Any such separate  
26 order, finding, ruling, holding, or proceeding relating to any such applications for attorneys' fees  
27 and expenses, or any separate appeal from any separate order, finding, ruling, holding, or proceeding  
28 relating to them or reversal or modification of them, shall not operate to terminate or cancel this

1 Settlement Agreement or otherwise affect or delay the finality of the Final Order and Final Judgment  
2 or the Settlement.

3       102. Any petition for Attorneys' Fees and Expenses or for a Class Representative Service  
4 Award shall be filed at least sixteen (16) Court days before the Final Fairness Hearing and made  
5 available for viewing and download on the Settlement Website. Updated or supplemental petition(s)  
6 by those making initial timely petitions only, limited to reporting new and additional professional  
7 time and expenses incurred in relation to the Settlement and claims administration process after the  
8 filing of the initial petition, shall be permitted to be filed after that date to ensure that the new  
9 professional time, costs and expenses on a going-forward basis in the Litigation are fairly accounted  
10 for by the Court and remain compensable, subject to the Court's approval.

11        103. Other than as provided in this Agreement, each Party shall bear its own attorney's  
12 fees and costs related to the Litigation and the Validation Actions.

XVI.

## GENERAL MATTERS AND RESERVATIONS

15        104. Class Counsel shall take all necessary actions to accomplish approval of the  
16 Settlement, the Class Notice, and entry of the Final Order and Final Judgment. The Parties  
17 (including their counsel, successors, and assigns) agree to cooperate fully and in good faith with one  
18 another and to use their best efforts to effectuate the Settlement, including without limitation in  
19 seeking preliminary and final Court approval of this Agreement and the Settlement embodied herein,  
20 carrying out the terms of this Agreement, and promptly agreeing upon and executing all such other  
21 documentation as may be reasonably required to obtain final approval by the Court of the  
22 Settlement. In the event that the Court fails to issue a Preliminary Approval Order, approve the  
23 Settlement, or issue the Final Order and Final Judgment, the Parties agree to use all reasonable  
24 efforts, consistent with this Settlement Agreement to cure any defect identified by the Court.

25        105. All Class Members have the right to enter an appearance in the Litigation through  
26 their own counsel of choice, at their own expense. If they do not enter an appearance through their  
27 own counsel, they will be represented by Class Counsel, who will support the Settlement and argue  
28 in favor of its approval by the Court.

1       106. Plaintiff represents that he: (1) has agreed to serve as the representative of the Class  
2 proposed to be certified herein; (2) is willing, able, and ready to perform all of the duties and  
3 obligations of a representative of the Class, including, but not limited to, being involved in discovery  
4 and fact finding; (3) has read the relevant pleadings in the Litigation, or has had the contents of such  
5 pleadings described to him; (4) is generally familiar with the results of the fact-finding undertaken  
6 by Plaintiff's Counsel; (5) has been kept apprised of settlement negotiations among the Parties, and  
7 has either read this Agreement, including the exhibits annexed hereto, or has received an adequate  
8 description of it from Plaintiff's Counsel, and has agreed to its terms; (6) has consulted with  
9 Plaintiff's Counsel about the Litigation and this Agreement and the obligations imposed on  
10 representatives of the Class; and (7) shall remain and serve as the representative of the Class until  
11 the terms of this Agreement are effectuated, this Agreement is terminated in accordance with its  
12 terms, or the Court at any time determines that Plaintiff cannot represent the Class.

13       107. Without affecting the finality of the Final Order and Final Judgment in any way and  
14 even after the Effective Date, pursuant to Code of Civil Procedure section 664.6, the Court shall  
15 retain continuing jurisdiction over (a) implementation of the Settlement; and (b) the Parties for the  
16 purpose of enforcing and administering this Agreement.

17       108. The Parties acknowledge and agree that no opinion concerning the tax consequences  
18 of the proposed Settlement to Class Members is given or will be given by the Parties, nor are any  
19 representations or warranties in this regard made by virtue of this Agreement. Each Class Member's  
20 tax obligations, and the determination thereof, are the sole responsibility of the Class Member, and  
21 it is understood that the tax consequences may vary depending on the particular circumstances of  
22 each individual Class Member.

23       109. The District represents and warrants that the individual(s) executing this Agreement  
24 is/are authorized to enter into this Agreement on behalf of the District and to bind the District to the  
25 terms, conditions, and obligations of this Agreement. The District represents and warrants that the  
26 execution and delivery of this Agreement and the performance of such party's obligations hereunder  
27 have been duly authorized and that the Agreement is a valid and legal agreement binding on the  
28 District and enforceable in accordance with its terms.

1           110. This Agreement, complete with its exhibits, sets forth the sole and entire agreement  
2 among the Parties with respect to its subject matter, and it may not be altered, amended, or modified  
3 except by written instrument of the Parties. The Parties expressly acknowledge that no other  
4 agreements, arrangements, or understandings not expressed in this Agreement exist among or  
5 between them, and that in deciding to enter into this Agreement, they rely solely upon their judgment  
6 and knowledge. This Agreement supersedes any prior agreements, understandings, or undertakings  
7 (written or oral) by and between the Parties regarding the subject matter of this Agreement.

8           111. In the event that any of the benefits and/or obligations are implemented or completed  
9 prior to the Effective Date, the Parties expressly agree and hereby acknowledge that said benefits  
10 and/or obligations are a result of arm's-length negotiation and settlement of this Litigation.

11           112. This Agreement and any amendments thereto shall be governed by and interpreted  
12 according to the law of the State of California notwithstanding any conflict of laws issues and that  
13 the Parties are deemed to be jointly the drafters of this Settlement Agreement.

14           113. Any disagreement and/or action to enforce this Agreement shall be commenced and  
15 maintained only in the Superior Court of the State of California for the County of Monterey.

16           114. The Parties agree that the recitals are contractual in nature and form a material part  
17 of this Settlement Agreement.

18           115. Whenever this Agreement requires or contemplates that one of the Parties shall or  
19 may give notice to the other, notice shall be provided by e-mail and/or next-day (excluding  
20 Saturdays, Sundays and Federal Holidays) express delivery service as follows:

21           Upon Class Counsel:  
22           **KEARNEY LITTLEFIELD, LLP**  
23           Prescott W. Littlefield, Esq.  
24           655 N. Central Ave, 17th Floor  
25           Glendale, CA 91203  
26           Tel: (213) 473-1900; Fax: (213) 473-1919  
27           E-mail: [pwl@kearneylittlefield.com](mailto:pwl@kearneylittlefield.com)

28

1                   Upon Defense Counsel:

2                   **COLANTUONO, HIGHSMITH & WHATLEY, PC**

3                   Michael G. Colantuono, Esq.

4                   420 Sierra College Drive, Suite 140

5                   Grass Valley, CA 95945-5091

6                   Tel: (530) 432-7357; Fax: (530) 432-7356

7                   E-mail: [mcolantuono@chwlaw.us](mailto:mcolantuono@chwlaw.us)

8

9

10                 116. All time periods set forth herein shall be computed in calendar days unless otherwise  
11 expressly provided. In computing any period of time prescribed or allowed by this Agreement or by  
12 order of the Court, the day of the act, event, or default from which the designated period of time  
13 begins to run shall not be included. The last day of the period so computed shall be included, unless  
14 it is a Saturday, a Sunday, or any holiday observed by the court.

15                 117. The Parties reserve the right, subject to the Court's approval, to agree to any  
16 reasonable extensions of time that might be necessary to carry out any of the provisions of this  
17 Agreement.

18                 118. The Class, Plaintiff, Plaintiff's Counsel, District and/or District's Counsel shall not  
19 be deemed to be the drafter of this Agreement or of any particular provision, nor shall they argue  
20 that any particular provision should be construed against its drafter. All Parties agree that this  
21 Agreement was drafted by counsel for the Parties during extensive arm's-length negotiations. No  
22 parol or other evidence may be offered to explain, construe, contradict, or clarify its terms, the intent  
23 of the Parties or their counsel, or the circumstances under which this Agreement was made or  
24 executed.

25                 119. The Parties expressly acknowledge and agree that this Agreement and its exhibits,  
26 along with all related drafts, motions, pleadings, conversations, negotiations, and correspondence,  
27 constitute an offer of compromise and a compromise within the meaning of California Evidence  
28 Code section 1152. In no event shall this Agreement, any of its provisions or any negotiations,  
statements or court proceedings relating to its provisions in any way be construed as, offered as,  
received as, used as, or deemed to be evidence of any kind in the Litigation, any other action, or in  
any judicial, administrative, regulatory or other proceeding, except in a proceeding to enforce this  
Agreement or the rights of the Parties or their counsel. Without limiting the foregoing, neither this

1 Agreement nor any related negotiations, statements, or court proceedings shall be construed as,  
2 offered as, received as, used as, or deemed to be evidence of, an admission or concession of any  
3 liability or wrongdoing whatsoever on the part of any person or entity, including, but not limited to,  
4 the Released Parties, Plaintiff, or the Class or as a waiver by the Released Parties, Plaintiff or the  
5 Class of any applicable privileges, claims or defenses.

6       120. Plaintiff expressly affirms that the allegations contained in the complaint filed were  
7 made in good faith, but considers it desirable for the Litigation to be settled because of the substantial  
8 benefits that the proposed Settlement will provide to Class Members.

9       121. The Parties, their successors and assigns, and their counsel undertake to implement  
10 the terms of this Agreement in good faith, and to use good faith in resolving any disputes that may  
11 arise in the implementation of the terms of this Agreement.

12       122. The waiver by one Party of any breach of this Agreement by another Party shall not  
13 be deemed a waiver of any prior or subsequent breach of this Agreement.

14       123. If one Party to this Agreement considers another Party to be in breach of its  
15 obligations under this Agreement, that Party must provide the breaching Party with written notice  
16 of the alleged breach and provide a reasonable opportunity to cure the breach before taking any  
17 action to enforce any rights under this Agreement.

18       124. The Parties, their successors and assigns, and their counsel agree to cooperate fully  
19 with one another in seeking Court approval of this Agreement and to use their best efforts to effect  
20 the prompt consummation of this Agreement and the proposed Settlement.

21       125. This Agreement may be signed with a facsimile or PDF signature, or other form of  
22 electronic signature and in counterparts, each of which shall constitute a duplicate original.

23       126. The terms “he” or “she” and “his” or “her” include “it” or “its” where applicable.

24       127. In the event any one or more of the provisions contained in this Agreement shall for  
25 any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality,  
26 or unenforceability shall not affect any other provision if District’s Counsel, on behalf of the District,  
27 and Plaintiff’s Counsel, on behalf of Plaintiff and Class Members, mutually agree in writing to  
28 proceed as if such invalid, illegal, or unenforceable provision had never been included in this

1 Agreement. Any such agreement shall be reviewed and approved by the Court before it becomes  
2 effective.

3 *[signature pages to follow]*

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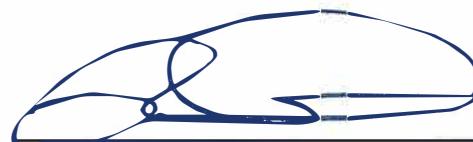
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1           **IN WITNESS WHEREOF**, the Parties hereto, by and through their respective attorneys,  
2 and intending to be legally bound hereby, have duly executed this Class Action Settlement  
3 Agreement and Stipulation as of the date set forth below.  
4

5           **PLAINTIFF**

6

7           Dated: 4/21/25



8

9           Richards J. Heuer III  
10           Plaintiff/Class Representative

11           **MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**

12

13           Dated: \_\_\_\_\_

14           MONTEREY PENINSULA WATER  
15           MANAGEMENT DISTRICT  
16           By:

17           **CLASS COUNSEL**

18

19           Dated: 4/22/25

20           *Prescott W. Littlefield*  
21           By: Prescott W. Littlefield  
22           **KEARNEY LITTLEFIELD, LLP**  
23           Attorneys for Plaintiff and the Class

24

25           Dated: 4/22/25

26

27           *Eric J. Benink*  
28           By: Eric J. Benink  
29           **BENINK & SLAVENS, LLP**  
30           Attorneys for Plaintiffs and the Class

1       **IN WITNESS WHEREOF**, the Parties hereto, by and through their respective attorneys,  
2 and intending to be legally bound hereby, have duly executed this Class Action Settlement  
3 Agreement and Stipulation as of the date set forth below.

5 | **PLAINTIFF**

8 | Dated: \_\_\_\_\_

Richards J. Heuer III  
Plaintiff/Class Representative

11 | MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

13 | Dated: April 21, 2025

MONTEREY PENINSULA WATER  
MANAGEMENT DISTRICT  
By: David J. Stoldt

17 CLASS COUNSEL

19 | Dated: \_\_\_\_\_

---

By: Prescott W. Littlefield  
**KEARNEY LITTLEFIELD, LLP**  
Attorneys for Plaintiff and the Class

23 | Dated: \_\_\_\_\_

---

By: Eric J. Benink  
**BENINK & SLAVENS, LLP**  
Attorneys for Plaintiffs and the Class

1 **DEFENSE COUNSEL**

2

3

4

5 Dated: 4/21/25

6   
7 By: Michael G. Colantuono

8 Mathew C. Slentz

9 **COLANTUONO, HIGHSMITH &**  
10 **WHATLEY, PC**

11 Attorneys for Defendant and Respondent Monterey Peninsula  
12 Water Management District

## **EXHIBIT A**

***The Superior Court of California for the County of Monterey  
Authorized this Notice***

**NOTICE OF CLASS ACTION SETTLEMENT**

*Heuer III v. Monterey Peninsula Water Management District,  
Case No. 24CV002642*

IF YOU OWNED PROPERTY IN THE COUNTY OF MONTEREY AND PAID A WATER SUPPLY CHARGE IMPOSED BY THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT THROUGH YOUR PROPERTY TAX BILL BETWEEN DECEMBER 1, 2022 AND [DATE OF PRELIMINARY APPROVAL], A LEGAL SETTLEMENT WILL AFFECT YOUR RIGHTS

*A court authorized this notice. This is not a solicitation from a lawyer.*

**Please Read This Notice Carefully – Your Legal Rights are Affected  
Even if You Do Not Act**

Richards J. Heuer III (hereafter, “Plaintiff”), a water customer within the jurisdiction of the Monterey Peninsula Water Management District (the “District”), has sued the District on behalf of himself and all others similarly situated, claiming that, during Fiscal Years 2022-2023 and 2023-2024, the District violated the law by collecting a water supply charge authorized by District Ordinance No. 152 (the “Water Supply Charge”) without offsetting the amounts collected by a user fee imposed by the District and collected through California-American Water Company (the “User Fee”).

The parties have settled this case without the District admitting fault. The District has agreed to create a Settlement Fund in the gross amount of \$3,353,245 that, after attorney’s fees, a service award and expenses are deducted, will be refunded directly to a settlement class identified as: All County of Monterey property owners who paid the Water Supply Charge authorized and established by Monterey Peninsula Water Management District Ordinance No. 152 during the Class Period. The Class Period is December 1, 2022 through [Date of Preliminary Approval]. The Water Supply Charge was included on and collected through property tax bills.

In addition, the District intended to begin a Proposition 218 process to implement a new fee to replace the Water Supply Charge that would have been imposed beginning Fiscal Year 2025-2026. As part of the settlement, the District has

agreed not to impose any new Proposition 218 fees until at least Fiscal Year 2026-2027.

**PLEASE DO NOT TELEPHONE THE COURT OR THE DISTRICT'S COUNSEL FOR INFORMATION REGARDING THIS SETTLEMENT.**

You must now decide whether you wish to remain in the Settlement Class (with the option of being heard on the attorney's fees/costs/service award motions) or be excluded from the Class.

<b>YOUR LEGAL RIGHTS AND OPTIONS</b>	
<b>You Can <u>Do Nothing</u> and Remain in the Settlement Class</b>	<p>You may choose to do nothing and stay in the Settlement Class. If you stay in the Settlement Class, you will receive your share of the class recovery. However, you will give up any right to file your own lawsuit against the District on the legal issues in this case.</p> <p>No action is required to remain in the Class.</p>
<b>You May <u>Opt Out</u> – Exclude Yourself from the Settlement Class</b>	<p>You may opt out of the Settlement Class. If you do, you will not share in the settlement, but you will be free to pursue your own claims against the District, subject to defenses the District may raise against you, including statute of limitations (timeliness) defenses. If you are considering opting out to pursue your own suit against the District, you should consult a lawyer of your choosing, at your own cost.</p> <p><b>To exclude yourself from the Class, you must send a <u>Request to Be Excluded from the Class</u> to Class Counsel no later than <b>XXXXXXXX</b>, 2025.</b> For more information, see section 14 of this Notice.</p>

<p><b>If You Do Not Opt Out of the Settlement Class, You May <u>Object</u> to Any or All of the Settlement Terms by Submitting an Objection to Class Counsel</b></p>	<p>If you do not opt out of the Settlement Class, you have the right to object to any or all terms of the Settlement and appear at the Fairness Hearing scheduled on _____, 2025. If you object and the Settlement still becomes final, you will still receive the benefits of the Settlement and be bound by the terms of the Settlement including the general release set forth therein.</p> <p><b>To object to the Settlement, you must submit written objections to Class Counsel no later than XXXXXXXX, 2025.</b> For more information, see section 14 of this Notice.</p>
--	--

## BASIC INFORMATION – PLEASE READ

### 1. Why did I get a notice?

This Notice explains that the Parties have reached a class-wide settlement on behalf of a class of property owners in the County of Monterey and the Court has provisionally certified the settlement class while it considers whether to finally approve the settlement agreement. If you received this notice, then the District's records show that you are a member of the Settlement Class defined above. Accordingly, you have legal rights and options that you may exercise before this case becomes final.

### 2. Where is this lawsuit pending?

This lawsuit is currently pending in Department 14 of the Superior Court of California for the County of Monterey before the Honorable Carrie M. Panetta. It is titled: *Heuer III v. Monterey Peninsula Water Management District*, Case No. 24CV002642.

### **3. What is a class action and who is involved?**

In a class action lawsuit, one or more named parties called “Class Representatives” sue a defendant on behalf of other people who have similar claims against that defendant. Once the court certifies the class, each such person is a member of the Class, unless he or she is expressly excluded or specifically asks to be excluded from the Class before a deadline the court sets. All claims brought on behalf of the Class are resolved for all members of the Class in a single case before a single judge, and all Class members will be bound by the outcome. Entities such as businesses and non-profits can also be members of the Class.

Plaintiff Richards J. Heuer III is the Class Representative in this case. The Monterey Peninsula Water Management District is the defendant.

### **4. Why is this lawsuit a class action?**

Plaintiff filed this action as a class action. The Court has provisionally decided that this lawsuit may be settled as a class action because it provisionally meets the requirements of California Code of Civil Procedure, section 382, which governs class actions in California state courts. More information about why the Court has provisionally certified the settlement class in this case can be found in the Court’s Order Preliminarily Approving the Settlement, which is available at [www.wsc-settlement.com](http://www.wsc-settlement.com).

## **THE CLAIMS IN THE LAWSUIT**

### **5. What is the lawsuit about?**

Plaintiff and the Monterey Peninsula Taxpayers Association, represented by Class Counsel here, previously filed a separate lawsuit alleging that the District was violating the law by collecting the Water Supply Charge without offsetting the amounts collected by the User Fee. The court entered judgment in their favor and the judgment was upheld on appeal. In the current lawsuit, Plaintiff alleges that the District owes refunds to all persons for the amounts it collected in Water Supply Charges while it also collected the User Fee.

## 6. What are the terms of settlement?

Rather than continuing to litigate the claims, the parties have agreed to settle their dispute, subject to Court approval, with District providing a Settlement Fund to compensate class members for the alleged illegal charges and the class agreeing to give up any further claims challenging the Water Supply Charge. The District has also agreed to forebear implementing any new fees subject to Proposition 218 (similar to the Water Supply Charge) through June 30, 2026.

The amount of the Settlement Fund that the District will provide is \$3,353,245. The Settlement Fund will be used to pay attorney's fees and expenses, a service award to the Class Representative, and the District's costs of administering the settlement in the following estimated amounts:

Attorney's Fees \$xxxxx

Attorney's Expenses \$xxxxx

Service Award \$xxxxx

Administrative Costs \$xxxxx

After deducting such amounts, the net amount of \$xxxxx ("Net Settlement") will be refunded directly to Class Members on a pro rata basis as determined by their total Water Supply Charges paid during the Class Period.

For residential customers, the estimated refund amount is \$xxxxx.

In consideration for the Settlement, Plaintiff, Class Representative, and each Class Member, on behalf of themselves and any other legal or natural persons who may claim by, through or under them, agree to fully, finally and forever release, relinquish, acquit, discharge and hold harmless the Released Parties from any and all claims, demands, suits, petitions, liabilities, causes of action, rights, and damages of any kind and/or type relating to the subject matter of the Litigation arising during the period between December 1, 2022 through the date the Court enters Preliminary Approval Order including, but not limited to, compensatory, exemplary, punitive, expert, and/or attorneys' fees, or by multipliers, whether past, present, or future, mature, or not yet mature, known or unknown, suspected or unsuspected, contingent or non-contingent, derivative or direct, asserted or unasserted, whether based on federal, state or local law, statute, ordinance, regulation, code, contract, common law, or any other source, or any claim of any kind related, arising from, connected with, and/or in any way involving the Litigation, including, but not limited to, claims

regarding payments made to the District pursuant to the District's Ordinance No. 152. A full description of the release can be found in paragraphs 81-89 of the Settlement Agreement at [www.wsc-settlement.com](http://www.wsc-settlement.com).

## **7. Why are the parties settling?**

Class Counsel have fully litigated a related lawsuit through judgment and appeal. To achieve the original judgment, Class Counsel investigated the law and the facts and reviewed and analyzed thousands of pages of documents on the key issues in the case. However, issues regarding refunds were not addressed in prior litigation, and the District and Plaintiff disagree about the availability of, and potential scope of, any refunds to any Class Members.

Class Counsel have taken into account, *inter alia*, the expense and length of the litigation process that will be necessary to secure refunds to a class through trial and any potential appeal; the uncertain outcome and the risk of continued and protracted litigation and appeals, especially in complex actions such as this; the difficulties and delays inherent in complex litigation; and the inherent uncertainty and problems of proof of, and available defenses to, the claims asserted in the litigation. Plaintiff and Class Counsel believe that considering the foregoing, the Settlement represents a reasonable compromise of highly disputed and uncertain legal, factual and procedural issues, confers substantial benefits upon the Class and provides a result and recovery that is certain to be provided to Class Members, when any recovery should the Litigation continue is not certain. Based on their experienced evaluation of all of these factors, Plaintiff and Class Counsel have determined that the settlement of the Litigation, on the terms set forth herein, is in the best interests of the Class and is fair, reasonable, and adequate.

The Settlement is the result of arm's-length settlement negotiations and discussion between Class Counsel and the District's Counsel.

## **8. Will current rates be impacted?**

The District is not currently imposing the Water Supply Charge. The District maintains that but for this settlement, it would seek to impose a new Proposition 218 fee for Fiscal Year 2025-2026.

## WHO IS IN THE CLASS?

### 9. Am I part of the Class?

The Class includes all property owners who paid the Water Supply Charge from December 1, 2022 through [DATE]. Any judges assigned to the case, as well as their immediate family members, are excluded from the Class.

If you received a mailed notice regarding this class action settlement, according to the District's records, you are a member of the Class, and unless you ask to be excluded from the Settlement Class, you will be bound by the Settlement and receive all of the benefits therefrom. For information on how to be excluded from the Class, see section 14 of this Notice.

If you are unsure whether you are a member of the Class, you can review your property tax bills for Fiscal Year 22-23 and 23-24, or contact Class Counsel at the email or phone numbers listed in section 11 of this Notice.

### 10. Who is the Class Representative?

The Court has appointed Plaintiff Richards J. Heuer III to serve as the Class Representative. Mr. Heuer is a property owner in Monterey who has paid the Water Supply Charge during the relevant period.

## THE LAW FIRMS REPRESENTING THE CLASS

### 11. Is a law firm representing the Class in this case?

The Court has appointed the law firms of Kearney Littlefield, LLP and Benink & Slavens, LLP as "Class Counsel." If you remain in the Class, these firms will represent your interests in this case. Class Counsel may be reached by the following methods:

Prescott W. Littlefield  
*pwl@kearneylittlefield.com*  
KEARNEY LITTLEFIELD, LLP  
655 N. Central Ave, 17th Fl.  
Glendale, CA 91203  
Tel: (213) 473-1900

Eric J. Benink  
*eric@beninkslavens.com*  
BENINK & SLAVENS, LLP  
8880 Rio San Diego Drive, 8th Fl.  
San Diego, CA 92108  
Tel: (619) 369-5252

## 12. Should I get my own lawyer?

Because Class Counsel are working on your behalf, you do not need to hire your own lawyer. If you would like a different lawyer to represent you, you may hire one. However, you will have to pay that lawyer yourself.

## 13. How will Class Counsel be paid?

Class Counsel intend to seek their fees and reimbursement for costs from the settlement fund that the District has agreed to provide, as the Court orders.

Class Counsel will move for attorney's fees and costs in the amount of **xxxxx** in fees and **xxxxxx** in costs. In addition, Plaintiff will seek a service award of **\$5,000** for his efforts to secure the recovery in this matter.

A hearing on the motion for fees, costs, and the service award is set for **xxxxxx** at 1:30 p.m. in Department 14 of the Superior Court for the County of Monterey, Monterey Courthouse, 2nd Floor, 1200 Aguajito Road, Monterey, CA 93940, the Honorable Carrie M. Panetta, presiding.

Class Counsel's attorneys' fees motion will be posted to [www.wsc-settlement.com](http://www.wsc-settlement.com) on or before **xxxxxxx**. Any Class Member may object to the award or the amount awarded by following the objection procedure outlined in section 14(c) of this Notice.

## YOUR RIGHTS AND OPTIONS

## 14. Do I need to do anything now?

**IMPORTANT:** You must decide now whether you want to remain in the Settlement Class or Opt Out. If you do not Opt Out of the Settlement Class, you may also object to any or all terms of the Settlement. Your options are as follows:

### **(a) NO ACTION REQUIRED to remain in the Settlement Class**

You do not need to do anything to remain in the Settlement Class. If you do not take any action and the Settlement is approved and becomes final, you will automatically be deemed a member of the Settlement Class as of **XXXXXXXXXX**. A refund check will automatically be sent to you at the District's address for you.

**(b) ACTION REQUIRED to be excluded from the Settlement Class**

To exclude yourself from the Settlement Class, you must mail or email a request to be excluded from the settlement class to Class Counsel at the following address:

Prescott W. Littlefield  
[pwl@kearneylittlefield.com](mailto:pwl@kearneylittlefield.com)  
KEARNEY LITTLEFIELD, LLP  
655 N. Central Ave, 17th Fl.  
Glendale, CA 91203

Your request must be in writing and (a) state your name and address; (b) reference *Heuer v. Monterey Peninsula Water Management District*; and (c) clearly state that you want to be excluded from the Settlement Class. IF MAILED, IT MUST BE POSTMARKED NO LATER THAN **XXXXXXX** TO BE VALID. IF SENT BY EMAIL IT MUST BE SENT NO LATER THAN 11:59 p.m. PST ON **XXXXXXX** TO BE VALID. ANY LATE REQUESTS TO BE EXCLUDED FROM THE SETTLEMENT CLASS WILL NOT BE ACCEPTED. Class Counsel will submit to the Court all opt out requests received before the deadline.

If you are considering excluding yourself from the Settlement Class, any legal claims that you make against the District separately may be barred by statutes of limitation which would prevent you from securing relief.

**(c) ACTION REQUIRED to object to any terms of the Settlement**

To object to all or part of the Settlement terms, you must mail or email your written objection(s) to Class Counsel as follows:

Prescott W. Littlefield  
[pwl@kearneylittlefield.com](mailto:pwl@kearneylittlefield.com)  
KEARNEY LITTLEFIELD, LLP  
655 N. Central Ave, 17th Fl.  
Glendale, CA 91203

IF MAILED, YOUR WRITTEN OBJECTION(S) MUST BE POSTMARKED NO LATER THAN **XXXXXXX** TO BE VALID. IF SENT BY EMAIL YOUR OBJECTION(S) MUST BE SENT NO LATER THAN 11:59 p.m. PST ON **XXXXXXX** TO BE VALID. LATE OBJECTIONS

**WILL NOT BE CONSIDERED BY THE COURT.** Class Counsel will submit to the Court all valid objections it received before the deadline.

**For your objection to be valid, you must include your full name and full address, the specific reason(s), if any, for your objection, including any legal support you wish to bring to the Court's attention; copies of any evidence or other information you wish to introduce in support of the objection(s); a statement of whether you intend to appear and argue at the Fairness Hearing; and your signature and date.**

**You must also provide a list of all other objections you, or your attorney, have submitted to any class action settlement in any state or federal court in the United States in the previous five years. If you or your counsel have not objected to any other class action settlement in the United States in the previous five years, you must affirmatively so state in the objection.**

**You must sign and date the Objection and reference *Heuer v. Monterey Peninsula Water Management District* on the envelope *and* on the written objection.**

**You also have the right to appear personally or through an attorney at your own expense at the Fairness Hearing at which time the Court will consider the Settlement, any valid and timely objections received, prior to deciding whether to approve the Settlement.**

#### **15. What are the risks if I remain in the Settlement Class?**

If you stay in the Settlement Class, you will be bound by the settlement, including the release described in Section 6 and as more fully described in paragraphs 81-89 of the Settlement Agreement, and you will not be able to pursue a separate lawsuit against the District based on the same claims the Plaintiff has alleged against the District for the Class.

#### **16. What are the benefits if I remain in the Settlement Class?**

If you stay in the Settlement Class, you do not have to sue on your own for any of the claims Plaintiff has brought against the District in this case and you will receive a proportionate share of the funds the District is providing in the Settlement.

## 17. Do I have to come to any hearings?

No. You do not have to come to any hearings in this case. Class Counsel and Plaintiff will represent you. You are welcome to come at your own expense.

You may object to the proposed settlement in writing. You may also appear at the Fairness Hearing at your expense, either in person, telephonically, or through an attorney, provided you notify the Court of your intention to do so.

**18. Can I attend the hearing for attorney's fees/service award?**

Yes. A hearing on the motion for fees, costs, and the service award is set for 1:30 p.m. in Department 14 of the Superior Court for the County of Monterey, Monterey Courthouse, 2nd Floor, 1200 Aguajito Road, Monterey, CA 93940, the Honorable Carrie M. Panetta, presiding. If you choose to remain in the Class, you may attend the hearing and be heard.

**19. Will I get money or other benefits from this case?**

You are entitled to a refund because you are part of the Settlement Class. The amount of that refund will depend on the dollar amount of Water Supply Charges you paid in Fiscal Years 22-23 and 23-24. The District will distribute these funds directly to each Class Member via a check.

## FAIRNESS HEARING

## 20. What is the Fairness Hearing?

The Court has preliminarily approved the Settlement and will hold a hearing to decide whether to give final approval to the Settlement. You may attend, but you do not have to. The purpose of the Fairness Hearing will be for the Court to determine whether the Settlement should be approved as fair, reasonable, adequate, and in the best interests of the Settlement Class; to consider the award of attorneys' fees and reimbursement of expenses to Class Counsel; and to consider the request for service award to the Class Representative. At the hearing, the Court will be available to hear any objections and arguments concerning the proposed Settlement's fairness.

## 21. When and where is the Fairness Hearing?

On \_\_\_\_\_, at \_\_\_\_\_, a hearing will be held on the fairness of the proposed Settlement. The hearing will take place before the Honorable Carrie

M. Panetta in Department 14 of the Superior Court of California for the County of Monterey, Monterey Courthouse, 2<sup>nd</sup> Floor, 1200 Aguajito Rd., Monterey CA, 93940. The hearing may be postponed to a different date or time or location without notice. Please check [www.wsc-settlement.com](http://www.wsc-settlement.com) for any updates about the Settlement generally or the Fairness Hearing specifically. If the date or time of the Fairness Hearing changes, an update to the Settlement website will be the only way you will be informed of the change.

## **22. May I speak at the hearing?**

At the Fairness Hearing, the Court will be available to hear any objections and arguments concerning the fairness of the Settlement. If you have requested exclusion from the Settlement, you may not speak at the hearing.

## **GETTING MORE INFORMATION**

More information, relevant documents, including the full Settlement Agreement can be viewed and downloaded at [www.wsc-settlement.com](http://www.wsc-settlement.com). The pleadings and other records in this litigation, including the Settlement Agreement, may be examined (a) online on the Superior Court of California, County of Monterey's website at <https://www.monterey.courts.ca.gov> or (b) in person at Records, Superior Court of California, County of Monterey, Monterey Courthouse, 2nd Floor, 1200 Aguajito Road, Monterey, CA 93940, between the hours of 8:30 a.m. and 4:00 p.m., Monday through Friday.

If you have any questions, you may contact Class Counsel by any of the methods identified in section 14 of this Notice.

***Please do not contact the Judge or the Court.***

## **EXHIBIT B**

**\*\*Legal Notice\*\***

**If You Paid the Monterey Peninsula Water Management District's Water Supply Charge on Your Property Tax Bill Between December 1, 2022 and DATE, A Class Action Settlement May Affect Your Rights.**

*A court authorized this Notice. It is not a solicitation from a lawyer.*

A settlement has been proposed in class action lawsuit brought by Richards J. Heuer III against the Monterey Peninsula Water Management District, claiming that the District must refund a Water Supply Charge paid by property owners in the County of Monterey because it violated District Ordinance No. 152. The settlement will affect your legal rights.

**What relief does the Settlement provide?** The settlement provides for a cash payment. You do not need to do anything to receive this payment. More details about the terms of the settlement can be found at the settlement website:

[www.wsc-settlement.com](http://www.wsc-settlement.com)

**What are your options?** You can stay in the Settlement Class by doing nothing, or you can elect not to be in the Settlement Class by submitting a request to be excluded. If you do nothing and the settlement is approved, you will remain in the Settlement Class and be bound by the settlement, and will receive a cash payment. If you timely request to be excluded from the Settlement Class, you will not receive any benefits from the settlement and may, if you choose, pursue your own claims against the District. You also have a right to object to all or any part of the settlement. You must submit any objections to the settlement, or request to be excluded from the settlement, on or before **DEADLINE**.

The Court will hold a fairness hearing on \_\_\_\_\_ at \_\_\_\_\_ to consider whether to approve the settlement. Visit the settlement website for further information.

## **EXHIBIT C**

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF MONTEREY**

RICHARDS J. HEUER III, an individual, on behalf of himself and all others similarly situated,

Plaintiff,

MONTEREY PENINSULA WATER  
MANAGEMENT DISTRICT, a California  
public agency; and DOES through 10,

## Defendants.

**CASE NO. 24 CV002642**  
*Unlimited Jurisdiction*

(Case assigned to Hon. Carrie M. Panetta)  
Dept 14)

**[PROPOSED] ORDER GRANTING  
MOTION FOR PRELIMINARY  
APPROVAL OF CLASS ACTION  
SETTLEMENT**

Complaint Filed: June 25, 2024

This matter came before the Court as Plaintiff's Motion for Preliminary Approval of a Class Action Settlement ("Motion") on \_\_\_\_\_, 2025 in Department 14 of the Superior Court of California for the County of Monterey, the Honorable Carrie M. Panetta presiding.

Appearing for Plaintiff Richards J. Heuer III (“Plaintiff”) were Prescott W. Littlefield of Kearney Littlefield, LLP and Eric J. Benink of Benink & Slavens, LLP.

Appearing for Defendant, the Monterey Peninsula Water Management District (“District”), was Matthew C. Slentz of Colantuono, Highsmith & Whatley, PC.

**[PROPOSED] ORDER FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT**

1 Plaintiff and the District are referred herein together as “Parties.” Upon reviewing the motion,  
2 the Class Settlement Agreement and Stipulation and exhibits attached thereto (“Settlement Agreement”  
3 or “Settlement”), filed concurrently with the Motion, and accompanying supporting declaration and  
4 pleadings, and good cause appearing thereon, IT IS HEREBY ORDERED that the Motion is granted,  
5 on the following terms and conditions:

6 1. The Court, for purposes of this Order, adopts all defined terms as set forth in the  
7 Settlement Agreement.

8 2. The Court preliminarily finds the Settlement to be fair, just, reasonable, and adequate,  
9 and therefore preliminarily approves the Settlement, subject to further consideration by the Court at the  
10 time of the Fairness Hearing.

11 3. The Court, for purposes of this Settlement only, pursuant to California Code of Civil  
12 Procedure section 382 and Rule 3.769(c) and (d) of the California Rules of Court, finds that the  
13 requirements for provisional certification of the Settlement Class have been satisfied, and conditionally  
14 certifies the following Settlement Class:

15 All County of Monterey property owners who paid the Water Supply Charge  
16 authorized and established by Monterey Peninsula Water Management  
District Ordinance No. 152 during the Class Period.

17 4. The Class Period is December 1, 2022 through \_\_\_\_\_ . (*Date of Order*)

18 5. Expressly excluded from the Settlement Class are (a) all persons who timely elect to  
19 be excluded from the Settlement Class, and (b) the judge(s) to whom this case is assigned and any  
20 immediate family members thereof.

21 6. Plaintiff Richards J. Heuer III is hereby appointed Class Representative for the  
22 Settlement Class.

23 7. Prescott W. Littlefield of Kearney Littlefield, LLP and Eric J. Benink of Benink &  
24 Slavens, LLP are hereby appointed Class Counsel for the Settlement Class.

25 8. The Court approves the District to administer the settlement, and the District shall  
26 comply with the terms and conditions of the Settlement Agreement in carrying out its administrative  
27 duties pursuant to the Settlement. The Court preliminarily approves the District’s administrative  
28

1 expenses in the amount of \$ \_\_\_\_\_ as set forth in the Declaration of **XXXXXX**, filed in support  
2 of the motion for preliminary approval.

3       9.       A Fairness Hearing shall be held before this Court on \_\_\_\_\_, 2025 at  
4 \_\_\_\_\_ a.m. / p.m. before the Honorable Carrie M. Panetta in Department 14 of the Superior Court for  
5 the County of Monterey, Monterey Courthouse, 2nd Floor, 1200 Aguajito Road, Monterey, CA 93940,  
6 to determine: (a) whether the proposed settlement of this action on the terms and conditions provided  
7 for in the Settlement Agreement should be given final approval as fair, just, reasonable; (b) whether a  
8 Final Order and Final Judgment should be entered; and (c) whether Class Counsel's application for  
9 Attorney's Fees and Expenses and Class Representatives' request for a Service Award to be paid from  
10 the Common Fund, should be approved. The Fairness Hearing may be postponed, adjourned or  
11 continued by further order of the Court, without further notice to the Parties or the Settlement Class  
12 Members.

13        10. The form, manner, and content of the Class Notice, attached to the Settlement  
14 Agreement as Exhibits A and B will provide the best notice practicable to the Settlement Class under  
15 the circumstances, constitutes valid, due, and sufficient notice to all Settlement Class Members, and  
16 fully complies with California Code of Civil Procedure section 382, the Constitution of the State of  
17 California, the Constitution of the United States, and other applicable law.

18        11. The Parties shall, through the District, disseminate Class Notice as provided in the  
19 Settlement Agreement. The “Notice Date” means the first date upon which the Settlement Class  
20 Notice is disseminated. The District shall complete the notice no later than forty five (45) days after  
21 the date of the issuance of this Preliminary Approval Order (“Preliminary Approval Date”).

22        12. Any Settlement Class Member who wishes to be excluded from the Settlement Class  
23 must do one of the following: (1) mail a written request for exclusion to Class Counsel at the address  
24 provided in the Notice, postmarked no more than sixty (60) calendar days from the Notice Date,  
25 which is to be extended by seven (7) calendar days if a second Notice was sent to a forwarding  
26 address (the “Exclusion Deadline”); or (2) send a written request for exclusion to Class Counsel by  
27 e-mail, at the address provided in the Notice, on or before 11:59 Pacific Time on the Exclusion

1 Deadline. The request must (a) state the class member's name and address; (b) reference *Heuer v.*  
2 *Monterey Peninsula Water Management District*; and (c) clearly state that class member wants to  
3 be excluded from the Settlement Class. A list reflecting all requests for exclusion shall be filed with  
4 the Court by Class Counsel, *via* declaration, no later than sixteen (16) court days before the Fairness  
5 Hearing. If a potential Settlement Class Member files a request for exclusion, they may not file an  
6 objection to the Settlement. If any Class Member files a timely request for exclusion, they will not  
7 be a member of the Settlement Class, will not release any Released Claims pursuant to this  
8 Settlement or be subject to the Release, and will reserve all Released Claims they may have. All  
9 Settlement Class Members will be bound by the Final Order and Final Judgment unless such Settlement  
10 Class Members timely file valid written requests for exclusion or opt out in accordance with this Order.

11       13. Any Settlement Class Member who has not filed a timely written request for  
12 exclusion and who wishes to object to the fairness, reasonableness, or adequacy of this Agreement  
13 or the proposed Settlement, or to the award of Attorneys' Fees and Expenses, or to the Service  
14 Awards to the Class Representative, must do one of the following: (1) mail a written statement,  
15 describing the Class Member's objections in the specific manner set forth in this Section, to Class  
16 Counsel at the address provided in the Notice, postmarked no later than sixty (60) calendar days  
17 after the Notice Date, which is to be extended by seven (7) calendar days if a second Notice was  
18 sent to a forwarding address (the "Objection Deadline"); or (2) send a written statement, describing  
19 the Class Member's objections in the specific manner set forth in this section, to Class Counsel by  
20 e-mail, at the address provided in the Notice, on or before 11:50 Pacific Time on the Objection  
21 Deadline. Any such objection shall include: (1) the full name of Objector; (2) the current address  
22 of Objector; (3) the property address that was subject to the Water Supply Charge; (4) the specific  
23 reason(s), if any, for the objection, including any legal support the Class Member wishes to bring to  
24 the Court's attention; (5) copies of any evidence or other information the Class Member wishes to  
25 introduce in support of the objections; (6) a statement of whether the Class Member intends to  
26 appear and argue at the Fairness Hearing; (7) the individual Class Member's written signature, with  
27 date; and (8) a reference to *Heuer v. Monterey Peninsula Water Management District* on the

1 envelope and written objection or in the subject line of the e-mail. Settlement Class Members may  
2 personally object or object through an attorney retained at their own expense, however, each  
3 individual Settlement Class Member objecting to the Settlement, in whole or part, shall personally  
4 sign the objection. The objection must also include an explanation of why the objector falls within  
5 the definition of the Settlement Class. In addition, any Settlement Class Member objecting to the  
6 Settlement shall provide a list of all other objections submitted by the objector, or the objector's  
7 counsel, to any class action settlements submitted in any state or federal court in the United States  
8 in the previous five years. If the Settlement Class Member, or their counsel, has not objected to any  
9 other class action settlement in the United States in the previous five years, they shall affirmatively  
10 so state in the objection. Settlement Class Members who submit an objection may be subject to  
11 discovery, including written discovery and depositions, on whether they are a Settlement Class  
12 Member, and any other topic that the Court deems appropriate. All objections received shall be filed  
13 with the Court by Class Counsel, via declaration, no later than sixteen (16) court days before the  
14 Fairness Hearing.

14. Any Settlement Class Member who files and serves a written objection, as described in  
15 paragraph 13, may appear at the Fairness Hearing, either in person or through personal counsel hired at  
16 the Settlement Class Member's own expense, to object to the fairness, reasonableness, or adequacy of  
17 the Settlement Agreement or the proposed Settlement, or to the award of Attorneys' Fees and Expenses,  
18 or Service Awards to the Class Representative.

20        15. Plaintiff shall file and serve papers in support of final approval of the Settlement and/or  
21 Class Counsel's application for an award of Attorneys' Fees and reimbursement of expenses, and Class  
22 Representative's Service Award on or before sixteen (16) court days prior to the date of the Fairness  
23 Hearing. Class counsel shall file two (2) memoranda of law, with the first addressing arguments in favor  
24 of final approval of the Settlement and certification of the Settlement Class; and the second  
25 memorandum of law addressing Class Counsel's application for an award of Attorneys' Fees and  
26 reimbursement of expenses, and Service Award. Each memorandum shall not exceed twenty-five (25)  
27 pages in length.

16. The Parties may file replies/responses to objections on or before sixteen (16) court days before the Fairness Hearing.

17. The District shall file its declaration affirming that notice was given in accordance with this Order and the Settlement Agreement on or before seven (7) court days before the Fairness Hearing.

18. If the proposed Settlement is finally approved, the Court shall enter a separate order finally approving the Settlement and entering judgment.

19. The Parties are hereby ordered, pursuant to the terms and conditions of this Settlement Agreement, to take all necessary and appropriate steps to establish the means necessary to implement the Settlement.

20. Pending the Fairness Hearing, all proceedings in this Action, other than proceedings necessary to carry out or enforce the terms and conditions of this Settlement Agreement and this Order are hereby stayed.

21. Pending the Fairness Hearing, a preliminary injunction is hereby issued enjoining Settlement Class Members who did not seek exclusion from the Class, pending the Court's determination of whether the Settlement should be given final approval, from challenging in any action or proceeding any matter covered by this Settlement, except for proceedings in this Court to determine whether the Settlement of the Action will be given final approval.

IT IS SO ORDERED.

DATED:

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### Judge of the Superior Court

## **EXHIBIT D**

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF MONTEREY**

RICHARDS J. HEUER III, an individual, on behalf of himself and all others similarly situated,

Plaintiff,

MONTEREY PENINSULA WATER  
MANAGEMENT DISTRICT, a California  
public agency; and DOES through 10,

## Defendants.

**CASE NO. 24 CV002642**  
*Unlimited Jurisdiction*

(Case assigned to Hon. Carrie M. Panetta)  
Dept 14)

**[PROPOSED] ORDER GRANTING  
FINAL APPROVAL OF CLASS  
ACTION SETTLEMENT AND  
JUDGMENT**

Complaint Filed: June 25, 2024

This matter came before the Court as Plaintiff's Motion for Final Approval of a Class Action Settlement ("Motion") and Class Counsel's application for Attorneys' Fees and reimbursement of costs, and Class Representative's application for a Service Award on \_\_\_\_\_, 2025 in Department 14 of the Superior Court of California for the County of Monterey, the Honorable Carrie M. Panetta presiding.

Appearing for Plaintiff Richards J. Heuer III (“Plaintiff”) were Prescott W. Littlefield of Kearney Littlefield, LLP and Eric J. Benink of Benink & Slavens, LLP.

[PROPOSED] ORDER FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT

1       Appearing for Defendant, the Monterey Peninsula Water Management District (“District”), was  
2 Matthew C. Slentz of Colantuono, Highsmith & Whatley, PC. Plaintiff and the District are referred  
3 herein together as “Parties.”

4       Upon reviewing the Motion and supporting papers and declarations, including the pleadings  
5 filed in support of the Motion for Final Approval of Class Action Settlement, Class Counsel's application  
6 for Attorneys' Fees and reimbursement of costs, and Class Representative's application for a Service  
7 Award, and having reviewed and considered the Class Action Settlement Agreement and exhibits  
8 attached thereto filed in this Action ("Settlement Agreement"), and any timely and proper objections,  
9 and good cause appearing thereon, the Court makes the following findings and determinations, and

## 10 ORDERS, ADJUDGES, AND DECREES as follows:

11       1. The Court, for purposes of this Final Order and Final Judgment, adopts all defined terms  
12 as set forth in the Settlement Agreement.

13       2.     The Court has continuing and exclusive jurisdiction over the Settlement Agreement and  
14 the Parties thereto for the purpose of construing, enforcing and administering the Settlement Agreement.

15       3.       The Court finally certifies, pursuant to California Code of Civil Procedure section 382,  
16 the following Settlement Class:

17 All County of Monterey property owners who paid the Water Supply Charge  
18 authorized and established by Monterey Peninsula Water Management  
District Ordinance No. 152 during the Class Period.

4. The Class Period is December 1, 2022 through (Date of Order)

20       5.       Expressly excluded from the Settlement Class are (a) all persons who timely elect to  
21 be excluded from the Settlement Class, and (b) the judge(s) to whom this case is assigned and any  
22 immediate family members thereof.

23       6. Plaintiff Richards J. Heuer III is hereby appointed Class Representative for the  
24 Settlement Class.

25       7.       Prescott W. Littlefield of Kearney Littlefield, LLP and Eric J. Benink &  
26       Slavens, LLP are hereby appointed Class Counsel for the Settlement Class.

27 8. The Court approves the District to administer the settlement, and the District shall

1 comply with the terms and conditions of the Settlement Agreement in carrying out its duties pursuant to  
2 the Settlement.

3       9. With respect to the Settlement Class, the Court finds that: (a) the members of the  
4 Settlement Class are so numerous that their joinder is impracticable; (b) there are questions of law and  
5 fact common to the Settlement Class which predominate over any individual questions; (c) the claims  
6 of the Class Representatives are typical of the claims of the Settlement Class; and (d) for purposes of  
7 settlement, a class action is superior to other available methods for the fair and efficient adjudication of  
8 the controversy considering: (i) the interest of the Settlement Class in individually controlling the  
9 prosecution of the separate actions, (ii) the extent and nature of any litigation concerning the controversy  
10 already commenced by the Settlement Class, (iii) the desirability or understandability of concentrating  
11 the litigation of these claims in the particular forum, and (iv) the difficulties likely to be encountered in  
12 the management of the action.

13        10.      Class Notice to the Settlement Class was provided in accordance with the Preliminary  
14 Approval Order and satisfied the requirements of due process, California Code of Civil Procedure  
15 section 382 and Rule 3.766 of the California Rules of Court and (a) provided the best notice practicable,  
16 and (b) was reasonably calculated under the circumstances to apprise Settlement Class Members of the  
17 pendency of the Action, the terms of the Settlement, their right to appear at the Fairness Hearing, their  
18 right to object to the Settlement, and their right to exclude themselves from the Settlement.

19       11. The Settlement Agreement was arrived at following serious, informed, adversarial, and  
20 arm's length negotiations conducted in good faith by counsel for the parties and is supported by the  
21 majority of the members of the Settlement Class. This Court hereby finally approves the Settlement as  
22 fair, adequate, reasonable, and in the best interests of the Settlement Class.

23        12. Upon the Effective Date of this Final Order and Final Judgment, the District shall  
24 commence paying all consideration, including the Settlement Fund in the amount of \$3,353,245.00, in  
25 accordance with the timing, terms and conditions set forth in the Settlement Agreement.

13. Upon the Effective Date of this Final Order and Final Judgment, Plaintiff, Class  
Representative, and each Class Member, on behalf of themselves and any other legal or natural

1 persons who may claim by, through or under them, agree to fully, finally and forever release,  
2 relinquish, acquit, discharge and hold harmless the Released Parties from any and all claims,  
3 demands, suits, petitions, liabilities, causes of action, rights, and damages of any kind and/or type  
4 relating to the subject matter of the Litigation arising during the period between December 1, 2022  
5 through the date the date the Court enters Preliminary Approval Order including, but not limited to,  
6 compensatory, exemplary, punitive, expert, and/or attorneys' fees, or by multipliers, whether past,  
7 present, or future, mature, or not yet mature, known or unknown, suspected or unsuspected,  
8 contingent or non-contingent, derivative or direct, asserted or unasserted, whether based on federal,  
9 state or local law, statute, ordinance, regulation, code, contract, common law, or any other source,  
10 or any claim of any kind related, arising from, connected with, and/or in any way involving the  
11 Litigation, including, but not limited to, claims regarding payments made to the District pursuant to  
12 the District's Ordinance No. 152. Plaintiff, Class Representative, and each Class Member, on behalf  
13 of themselves and any other legal or natural persons who may claim by, through or under them,  
14 expressly waive any and all rights and benefits conferred by the provisions of Section 1542 of the  
15 California Civil Code, and expressly consent that this Agreement shall be given full force and effect  
16 according to each and all of its express terms and provisions, including those relating to unknown  
17 and unsuspected claims, if any, from the facts alleged in the Litigation.

18       14. Persons who timely and properly excluded themselves, as set forth in Exhibit A, attached  
19 hereto, are not Settlement Class Members and not bound by this Final Order and Final Judgment or the  
20 Release.

21        15. For the reasons set forth in their application for attorney's fees, the Court hereby awards  
22 Class Counsel attorney's fees in the amount of \$ \_\_\_\_\_ and reimbursement of  
23 expenses in the amount of \$ \_\_\_\_\_. For the reasons set forth in the Class  
24 Representative's Request for Service Awards, the Court hereby awards the Class Representative  
25 \$ \_\_\_\_\_ as a Service Award. The foregoing sums shall be paid from the Settlement Fund  
26 in accordance with the Settlement Agreement.

16. The District may deduct from the Settlement Fund the amount of \$

1 for its administrative services.

2       17. Plaintiff and the Settlement Class, on the one hand, and the District, on the other, shall  
3 take nothing further from the other side except as expressly set forth in the Settlement Agreement and  
4 this Final Order and Final Judgment.

5 18. The Parties are authorized to implement the terms of the Settlement Agreement.

6 19. Pursuant to California Code of Civil Procedure section 664.6 and rule 3.769(h) of the  
7 California Rules of Court, the Court reserves exclusive and continuing jurisdiction over this Action, the  
8 Plaintiff, the Class Members, and Defendant for purposes of administrating, consummating, enforcing,  
9 and interpreting the Settlement Agreement, the Final Order and Final Judgment, and for any other  
10 necessary purpose, and to issue related orders necessary to effectuate the final approval of the Settlement  
11 Agreement.

12        20. The parties are hereby ordered, pursuant to the terms and conditions of this Settlement  
13 Agreement, to take all necessary and appropriate steps to establish the means necessary to implement  
14 the Settlement.

15        21. The District shall file a report with the Court no later than 120 days after this judgment  
16 is entered stating the aggregate amounts disbursed to Class Members and the dates of such  
17 disbursements. The Parties shall jointly file a report with the Court no later than eighteen months after  
18 this judgment is entered stating the amount disbursed to United Way Monterey County for Cal-Am's  
19 Hardship Benefit Program representing the amounts of the checks that were not ultimately cashed by  
20 class members including those checks for Class Members who could not be located.

21        22. This document shall constitute a Judgment for purposes of California Rule of Court  
22 3.769(h). The Court is directed to enter this Final Order and Final Judgment forthwith.

24 | IT IS SO ORDERED.

26 | DATED:

---

Judge of the Superior Court

## **EXHIBIT E**

<u>Actor</u>	<u>Event</u>	<u>Time</u>	<u>Reference</u>
The Court	Enter Preliminary Approval (PA)		¶ 34
District	Gather Class Member Information	PA + 15 days	¶ 68(a)
Plaintiff	Establish Settlement Website	Prior to PA	¶ 68(c)
District	Mail Notice	PA + 45 days	¶ 68(b)
Class Member	Exclusion Deadline	Notice + 60 days	¶ 20
Class Member	Objection Deadline	Notice + 60 days	¶ 29
Plaintiff	File for Final Approval/Attorney Fees and Expenses/Service Award	At least Notice + 75 Days [and no later than] Fairness Hearing (-) 16 Court Days	¶¶ 92 (Final Approval); 96 (Service Award); 99 (Atty Fees)
Plaintiff	Declaration re optouts and objections and responses to objections	At least Notice + 75 Days [and no later than] Fairness Hearing (-) 16 Court Days	¶ 74
District and Plaintiff	Submit Declarations re Notice	Fairness Hearing (-) 7 days	¶ 69
Court	Fairness Hearing	At least PA + 120 days + 16 Court days	¶ 21
Court	Enters Final Judgment	TBD	
	Effective Date	(Likely) 60 days after Entry of Final Judgment	¶ 18
District	Confirm Net Settlement Fund Remaining	Effective Date + 21 days	¶ 60(d)
District	Pay Service Award, Attorney Fees and Expenses, deduct District Admin Costs	Effective Date + 30 days	¶ 60(a) & (b)
District	Mail Refund Checks	Effective Date + 30 days	¶ 60(e)
District	Verify Refunds	Effective Date + 90 days	¶ 62
District	Report to Court re: Refunds	Effective Date + 120 days	Final Approval Order, ¶ 21
District	Remit Cy Pres	Refund + 1 year	¶ 61

# Exhibit 2

1 Eric J. Benink, Esq., SBN 187434  
2 eric@beninkslavens.com  
3 BENINK & SLAVENS, LLP  
4 8885 Rio San Diego Dr., Suite 207  
5 San Diego, CA 92108  
6 (619) 369-5252 (ph)  
7 (619) 369-5253 (fax)

5      Prescott Littlefield, Esq., SBN 259049  
6      [pwl@kearneylittlefield.com](mailto:pwl@kearneylittlefield.com)  
7      KEARNEY LITTLEFIELD, LLP  
8      100 N. Brand Blvd., Suite 424  
9      Glendale, CA 91203  
10     (213) 473-1900 (ph)  
11     (213) 473-1919 (fax)

9 || Attorneys for Petitioners/Plaintiffs

10

SUPERIOR COURT OF THE STATE OF CALIFORNIA

12 FOR THE COUNTY OF MONTEREY

13 MONTEREY PENINSULA TAXPAYERS'  
14 ASSOCIATION, INC., a California nonprofit  
corporation; and RICHARDS J. HEUER III, an  
15 individual,

Case No.: 21CV003066

## 16 || Petitioners and Plaintiffs.

*Assigned for all purposes to Honorable Carrie  
M. Panetta, Dept. 14*

17

**NOTICE OF ENTRY OF ORDER RE:  
STAY OF JUDGMENT AND  
SEQUESTRATION OF WATER SUP-  
PLY CHARGE**

18 THE MONTEREY PENINSULA WATER  
19 MANAGEMENT DISTRICT, a California  
public agency; and DOES through 10,

Complaint Filed: September 28, 2021

**22 TO THE COURT AND ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

23 NOTICE IS HEREBY GIVEN that on July 19, 2023 the Honorable Carrie M. Panetta  
24 entered the Order Re: Stay of Judgment and Sequestration of Water Supply Charge as set forth in  
25 the order attached hereto as Exhibit 1

26 || Dated: July 19, 2023.

Eric J. Korn

Eric J. Benink, Esq.  
Attorney for Petitioners/Plaintiffs

# EXHIBIT 1

1 Eric J. Benink, Esq., SBN 187434  
2 eric@beninkslavens.com  
3 BENINK & SLAVENS, LLP  
4 8885 Rio San Diego Dr., Suite 207  
San Diego, CA 92108  
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(619) 369-5253 (fax)

ELECTRONICALLY FILED BY  
Superior Court of California,  
County of Monterey  
On 07/19/2023  
By Deputy: DeMers, Kristen

5      Prescott Littlefield, Esq., SBN 259049  
6      [pwl@kearneylittlefield.com](mailto:pwl@kearneylittlefield.com)  
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(213) 473-1919 (fax)

9 || Attorneys for Petitioners/Plaintiffs

10

SUPERIOR COURT OF THE STATE OF CALIFORNIA

12

FOR THE COUNTY OF MONTEREY

13

MONTEREY PENINSULA TAXPAYERS' ASSOCIATION, INC., a California nonprofit corporation; and RICHARDS J. HEUER III, an individual.

Case No.: 21CV003066

*Assigned for all purposes to Honorable Carrie  
M. Panetta, Dept. 14*

16

### Petitioners and Plaintiffs.

**STIPULATION AND AGREEMENT RE:  
STAY OF JUDGMENT AND  
SEQUESTRATION OF WATER SUPPLY  
CHARGE**

17

THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT, a California public agency; and DOES 1 through 10,

Complaint Filed: September 28, 2021

20

## Respondents and Defendants.

1                   **Whereas**, on March 3, 2023, the Court entered an Order Granting Petition for Writ of  
2 Mandate and Request for Declaratory Relief (the “Order”) in the above-captioned action.

3                   **Whereas**, the Order ordered the Respondent Monterey Peninsula Water Management  
4 District (“District”) “to cease the imposition and collection of the Water Supply Charge by the  
5 amount of the User Fee.”

6                   **Whereas**, on May 25, 2023, the District filed a Notice of Appeal of the Order.

7                   **Whereas**, a dispute has arisen between Petitioners Monterey Peninsula Taxpayers’  
8 Association, Inc. and Richards J. Heuer III (together as “Petitioners”) and the District over  
9 whether the Order is stayed during the pendency of the appeal. The District contends that the  
10 Order is automatically stayed and that it is not required to cease the imposition and collection of  
11 the Water Supply Charge by the amount of the User Fee pending appeal. Petitioners contend that  
12 the Order is not automatically stayed.

13                  **Whereas**, to satisfy the concerns of both sides and to avoid litigation over the matter,  
14 the Parties have reached an agreement regarding the stay and on conditions for the imposition and  
15 collection of the Water Supply Charge.

16                  **WHEREFORE**, the Parties, by and through their counsel of record, hereby **STIPULATE**  
17 and agree as follows:

- 18                  1. Petitioners shall not take any action in the Superior Court for the County of Monterey  
19                    or in the Sixth District Court of Appeal to challenge, oppose, or contest the District’s  
20                    contention that the Order is stayed during the pendency of the appeal (i.e. through the  
21                    remittitur to the Superior Court).
- 22                  2. The Order shall be deemed stayed, such that the District may continue to impose and  
23                    collect the Water Supply Charge, during the pendency of the appeal (i.e. through the  
24                    remittitur to the Superior Court) on the following conditions:
  - 25                    a. The District shall sequester all revenues from the Water Supply Charge imposed  
26                    and/or collected from the date of this Stipulation through the remittitur. The  
27                    sequestration shall be effectuated by segregating said revenues in a separately  
28                    designated account.

14 | SO STIPULATED AND AGREED.

# **BENINK & SLAVENS, LLP**

DATED: June 23, 2023

Eric J. Benink, Esq.  
Attorneys for Petitioners/Plaintiffs

## COLANTUONO HIGHSMITH & WHATLEY, PC

DATED: June 23, 2023

*Matthew Slentz*  
Matthew C. Slentz, Esq.  
Attorneys for Defendant/Respondent

~~PROPOSED~~ ORDER

Based on the foregoing stipulation and agreement and good cause appearing thereon,

IT IS HEREBY ORDERED that:

1. Petitioners shall not take any action in the Superior Court for the County of Monterey or in the Sixth District Court of Appeal to challenge, oppose, or contest the District's contention that the Order is stayed during the pendency of the appeal (i.e. through the remittitur to the Superior Court).
2. The Order shall be deemed stayed, such that the District may continue to impose and collect the Water Supply Charge, during the pendency of the appeal (i.e. through the remittitur to the Superior Court) on the following conditions:
  - i. The District shall sequester all revenues from the Water Supply Charge imposed and/or collected from the date of this Stipulation through the remittitur. The sequestration shall be effectuated by segregating said revenues in a separately designated account.
  - ii. The District shall not expend the sequestered revenues from the Water Supply Charge until the Order is reversed or, if the Order is affirmed, no earlier than 60 days after the remittitur. During this 60-day period, the District and Petitioners shall meet and confer about how the Water Supply revenues so sequestered shall be deployed.
3. By the foregoing stipulation and agreement, the Parties have neither waived nor forfeited any rights they may have to seek or oppose the refund of Water Supply Charge revenues.
4. ~~By the foregoing stipulation and agreement, the District has neither waived nor forfeited the right to assert Water Supply Charge revenues may be used to satisfy legal fees and costs incurred in this lawsuit or in any other lawsuit challenging the validity of the Water Supply Charge and/or its continued collection.~~

**SO ORDERED.**

DATED: 7/12/2023

  
Hon. Carrie M. Panetta  
Judge of the Superior Court

# Exhibit 3



**Final Minutes  
Special and Regular Meeting  
Board of Directors  
Monterey Peninsula Water Management District  
November 18, 2024 at 5:00 p.m.**

Meeting Location: District Office, Main Conference Room  
5 Harris Court, Building G, Monterey, CA 93940 AND  
By Teleconferencing Means - *Zoom*

**CLOSED SESSION AT 5:00 p.m.**

**CALL TO ORDER:**

Vice Chair Riley called the meeting to order at 5:02 p.m.

**ROLL CALL**

**Board Members Present**

George Riley, Vice Chair  
Karen Paull  
Supervisor Mary Adams  
Alvin Edwards  
Marc Eisenhart  
Mayor Ian Oglesby

**Board Members Absent**

Amy Anderson, Chair

**District Staff Members Present**

David Stoldt, General Manager  
Nishil Bali, Chief Financial Officer / Administrative Services Manager  
Jonathan Lear, Water Resources Manager  
Stephanie Locke, Water Demand Manager  
Thomas Christensen, Environmental Resources Manager  
Sara Reyes, Executive Assistant/Board Clerk

**District Staff Members Absent**

None

**District Counsel Present**

Michael Laredo, De Lay & Laredo  
David Laredo, De Lay & Laredo

Fran Farina, De Lay & Laredo (*via Zoom*)

**ADDITIONS AND CORRECTIONS TO THE AGENDA**

None

**PUBLIC COMMENT ON THE CLOSED SESSION AGENDA**

Vice Chair Riley opened the Public Comment period; however, no comments were made to the Board.

**CLOSED SESSION**

District Counsel David Laredo led the Board into Closed Session.

CS 1. Conference with Legal Counsel – Existing Litigation (§54956.9(d)(1)):

- a. Monterey Peninsula Taxpayers' Association, Inc., et al. v. the Monterey Peninsula Water Management District, Case No. 21CV003066.
- b. Monterey Peninsula Taxpayers' Association, Inc., et al. v. the Monterey Peninsula Water Management District, et al., Case No. 22CV002113.
- c. Monterey Peninsula Taxpayers' Association, Inc., et al. v. the Monterey Peninsula Water Management District, et al., Case No. 23CV002453.
- d. Richards J. Heuer III v. the Monterey Peninsula Water Management District, Case No. 24CV002642.
- e. Monterey Peninsula Taxpayers' Association, Inc., et al v. the Monterey Peninsula Water Management District, et al., Case No. 24CV003408.

CS 2. Conference with Legal Counsel – Existing Litigation (§54956.9(d)(1)), MPWMD v. Cal-Am – Case No. 23 CV 004102

CS 3. Conference with Legal Counsel – Existing Litigation (§54956.9(d)(1)), City of Marina; MPWMD, et al, v. California Coastal Commission (CCC); Cal-Am; 22CV004063

**RECESS TO CLOSED SESSION**

At 5:03 p.m. the Board went into Closed Session.

**REGULAR SESSION AT 6:00 p.m.**

**CALL TO ORDER**

Vice Chair Riley called the meeting to order at 6:02 p.m.

**ROLL CALL**

**Board Members Present**

George Riley, Vice Chair

Karen Paull

Supervisor Mary Adams

Alvin Edwards

Marc Eisenhart

Mayor Ian Oglesby

**Board Members Absent**

Amy Anderson, Chair

**District Staff Members Present**

David Stoldt, General Manager

Nishil Bali, Administrative Services Manager/ Chief Financial Officer

Jonathan Lear, Water Resources Manager

Stephanie Locke, Water Demand Manager

Thomas Christensen, Environmental Resources Manager

Sara Reyes, Executive Assistant/Board Clerk

**District Staff Members Absent**

None

**District Counsel Present**

Michael Laredo, De Lay & Laredo

David Laredo, De Lay & Laredo

Fran Farina, De Lay & Laredo (*via Zoom*)

**PLEDGE OF ALLEGIANCE**

The assembly recited the Pledge of Allegiance.

**PRESENTATIONS TO OUTGOING DIRECTORS MARY ADAMS, MONTEREY COUNTY BOARD OF SUPERVISORS REPRESENTATIVE, AND MARC EISENHART, DIVISION 3**

General Manager David Stoldt presented plaques to Directors Adams and Eisenhart in appreciation of their exceptional

service on the Board of Directors. Accolades were given by both the Board and the General Manager.

#### **ADDITIONS AND CORRECTIONS TO THE AGENDA**

General Manager David Stoldt reported there were no additions or corrections to the agenda.

#### **ORAL COMMUNICATIONS**

Vice Chair Riley opened Oral Communications period, and the following comments were made to the Board:

- (1) Margaret Anne Coppernoll notified the Board of an upcoming community outreach meeting on December 6 at Marina City Hall, sponsored by the California State Lands Commission. She mentioned that three panelists focusing on land management, environment, and environmental justice, will be participating. Ms. Coppernoll thanks the Board for their work to support water issues and the community.

#### **CONSENT CALENDAR**

Vice Chair Riley introduced the item.

Vice Chair Riley pulled Item 4 for comment.

Director Oglesby offered a motion, seconded by Director Adams, to approve Consent Calendar items 1, 2, 3, and 5. The motion passed by a voice vote of 5 Ayes (Oglesby, Adams, Paull, Edwards, and Riley), 0 Noes, 1 Abstention on Item 1 (Eisenhart), and 1 Absent (Anderson).

Vice Chair Riley offered a motion, seconded by Director Paull, to approve Consent Calendar item 4. The motion passed by a voice vote of 6 Ayes (Eisenhart, Riley, Adams, Paull, Edwards and, Oglesby), 0 Noes, and 1 Absent (Anderson).

**The following agenda items were accepted as part of the Consent Calendar:**

1. Consider Adoption of Minutes of the Special Board Meeting on October 11, 2024, and the Regular Board Meeting on October 21, 2024
2. Consider Adoption of Treasurer's Report for September 2024
3. Receive and File First Quarter Financial Activity Report for Fiscal Year 2024-2025
4. Consider Approval of First Quarter Fiscal Year 2024-2025 Investment Report
5. Receive Government Accounting Standards Board (GASB) Statement No. 75 Accounting and Financial Reporting for Post-Employment Benefits Other Than Pension

#### **GENERAL MANAGER'S REPORT**

Vice Chair Riley introduced the item.

#### **6. Status Report on California American Water Compliance with State Water Resources Control Board Order 2016-0016 and Seaside Groundwater Basin Adjudication Decision**

- General Manager Stoldt provided information on the status of this agenda item via slide-deck presentation titled "Status Report on Cal-Am Compliance with SWRCB Orders and Seaside Basin Decision as of November 1, 2024". The board engaged in discussions. *A copy of the presentation is available at the District office and can be found on the District website.*

#### **REPORT FROM DISTRICT COUNSEL:**

Vice Chair Riley introduced the matter.

#### **7. Report From District Counsel**

District Counsel Michael Laredo reported that the Board met in Closed Session and discussed three items, all regarding existing litigation. He referenced the litigation report on page 77 of the meeting packet and provided a brief overview.

**DIRECTORS' REPORTS (INCLUDING AB 1234 REPORTS ON TRIPS, CONFERENCE ATTENDANCE AND MEETINGS)**

Vice Chair Riley introduced the matter.

**8. Oral Reports on Activities of County, Cities, Other Agencies/Committees/Associations**

- Director Paull reported that she attended a media fundraiser for the Waterkeeper Alliance, an organization focused on communities lacking safe drinking water.
- Vice Chair Riley noted his attendance at the Seaside Groundwater Basin Watermaster meeting on November 13, 2024.

**ACTION ITEM:**

Vice Chair Riley introduced the matter.

**9. Consider Approval of Funds for Rate Design Consultant for Replacement Water Supply Charge Subject to a Proposition 218 Approval Process**

General Manager Stoldt presented this item, reporting that staff is seeking consultant services to prepare an updated rate study. He stated that work would not begin until the Board decides to move forward with establishing a new replacement charge. The Board then engaged in discussions.

Vice Chair Riley opened the public comment period, and the following comment was made to the Board:

- (1) Tom Rowley, Vice President of the Monterey Peninsula Taxpayers Authority, commented that he found it interesting the Board is still considering a refund and emphasized that any actions should be done legally and correctly.

A motion was made by Director Paull, seconded by Director Edwards, to approve an amount not to exceed \$47,250 and direct staff to select the most qualified consultant. The motion passed by a voice vote of 6 Ayes (Oglesby, Adams, Paull, Eisenhart, Edwards, and Riley) 0 Noes, and 1 Absent (Anderson).

**10. Consider Approval of Funds for Engineering and Utility Operations Consultants in Support of the Public's Acquisition of the Monterey Water System**

General Manager Stoldt presented an overview of this item. He reported that: 1) the current utility consultant with Close & Associates was originally contracted through the District's General Counsel and should now be contracted directly through the District, and 2) the District is seeking a new civil engineering consultant.

Vice Chair Riley opened the public comment period, and the following comment was made to the Board:

- (1) Tom Rowley, Vice President of the Monterey Peninsula Taxpayers Authority, commented that it would have been helpful for the public to know about these costs in advance when the acquisition of the Monterey Water System was presented as a ballot measure. He emphasized that Cal-Am is not for sale, that the acquisition will cost the District more than anticipated, and encouraged the Board to stop the process.

A motion was made by Director Edwards, seconded by Director Eisenhart, to approve an amount not to exceed \$965,000 for a contract with Close & Associates and direct staff to select the most qualified civil engineering consultant and enter into a contract with an amount not to exceed \$1,200,000. The motion passed by a voice vote of 6 Ayes (Oglesby, Adams, Paull, Eisenhart, Edwards, and Riley) 0 Noes, and 1 Absent (Anderson).

**DISCUSSION ITEM**

**11. Update on Water Allocation Process**

General Manager Stoldt provided a brief update, reporting that he gave a presentation to the Monterey City

Council on November 5, 2024. On November 12, 2024, the District received a letter from the City of Monterey supporting the proposed water allocation. Mr. Stoldt noted that he will be meeting with other agencies in November and December and will provide an update at the December Board meeting.

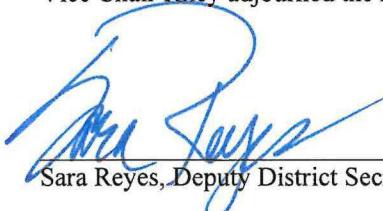
**INFORMATIONAL ITEMS/STAFF REPORTS:**

- 12. Report on Activity/Progress on Contracts Over \$25,000**
- 13. Status Report on Spending – Public’s Ownership of Monterey Water System**
- 14. Letters Received and Sent**
- 15. Committee Reports**
- 16. Monthly Allocation Report**
- 17. Water Conservation Program Report for October 2024**
- 18. Carmel River Fishery Report for October 2024**
- 19. Monthly Water Supply and California American Water Production Report**

*These items were informational only and no action was taken. Copies of these reports are available at the District office and can be found on the District website.*

**ADJOURNMENT**

Vice Chair Riley adjourned the meeting at 7:42 p.m.



Sara Reyes, Deputy District Secretary

Minutes approved by the MPWMD Board of Directors on December 16, 2024

# Exhibit 4

*The Superior Court of California for the County of Monterey  
Authorized this Notice*

**NOTICE OF CLASS ACTION SETTLEMENT**

*Heuer III v. Monterey Peninsula Water Management District,  
Case No. 24CV002642*

IF YOU OWNED PROPERTY IN THE COUNTY OF MONTEREY AND PAID A WATER SUPPLY CHARGE IMPOSED BY THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT THROUGH YOUR PROPERTY TAX BILL BETWEEN DECEMBER 1, 2022 AND JULY 1, 2025, A LEGAL SETTLEMENT WILL AFFECT YOUR RIGHTS

*A court authorized this notice. This is not a solicitation from a lawyer.*

**Please Read This Notice Carefully – Your Legal Rights are Affected Even if You Do Not Act**

Richards J. Heuer III (hereafter, “Plaintiff”), a water customer within the jurisdiction of the Monterey Peninsula Water Management District (the “District”), has sued the District on behalf of himself and all others similarly situated, claiming that, during Fiscal Years 2022-2023 and 2023-2024, the District violated the law by collecting a water supply charge authorized by District Ordinance No. 152 (the “Water Supply Charge”) without offsetting the amounts collected by a user fee imposed by the District and collected through California-American Water Company (the “User Fee”).

The parties have settled this case without the District admitting fault. The District has agreed to create a Settlement Fund in the gross amount of \$3,353,245 that, after attorney’s fees, a service award and expenses are deducted, will be refunded directly to a settlement class identified as: All County of Monterey property owners who paid the Water Supply Charge authorized and established by Monterey Peninsula Water Management District Ordinance No. 152 during the Class Period. The Class Period is December 1, 2022 through July 1, 2025. The Water Supply Charge was included on and collected through property tax bills.

In addition, the District intended to begin a Proposition 218 process to implement a new fee to replace the Water Supply Charge that would have been imposed beginning Fiscal Year 2025-2026. As part of the settlement, the District has agreed not to impose any new Proposition 218 fees until at least Fiscal Year 2026-2027.

**PLEASE DO NOT TELEPHONE THE COURT OR THE  
DISTRICT’S COUNSEL FOR INFORMATION REGARDING  
THIS SETTLEMENT.**

You must now decide whether you wish to remain in the Settlement Class (with the option of being heard on the attorney's fees/costs/service award motions) or be excluded from the Class.

<b>YOUR LEGAL RIGHTS AND OPTIONS</b>	
<b>You Can <u>Do Nothing</u> and Remain in the Settlement Class</b>	<p>You may choose to do nothing and stay in the Settlement Class. If you stay in the Settlement Class, you will receive your share of the class recovery. However, you will give up any right to file your own lawsuit against the District on the legal issues in this case.</p> <p>No action is required to remain in the Class.</p>
<b>You May <u>Opt Out</u> – Exclude Yourself from the Settlement Class</b>	<p>You may opt out of the Settlement Class. If you do, you will not share in the settlement, but you will be free to pursue your own claims against the District, subject to defenses the District may raise against you, including statute of limitations (timeliness) defenses. If you are considering opting out to pursue your own suit against the District, you should consult a lawyer of your choosing, at your own cost.</p> <p><b>To exclude yourself from the Class, you must send a <u>Request to Be Excluded from the Class</u> to Class Counsel no later than October 14, 2025.</b> For more information, see section 14 of this Notice.</p>

<p><b>If You Do Not Opt Out of the Settlement Class, You May <u>Object</u> to Any or All of the Settlement Terms by Submitting an Objection to Class Counsel</b></p>	<p>If you do not opt out of the Settlement Class, you have the right to object to any or all terms of the Settlement and appear at the Fairness Hearing scheduled on December 19, 2025. If you object and the Settlement still becomes final, you will still receive the benefits of the Settlement and be bound by the terms of the Settlement including the general release set forth therein.</p> <p><b>To object to the Settlement, you must submit written objections to Class Counsel no later than October 14, 2025.</b> For more information, see section 14 of this Notice.</p>
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## BASIC INFORMATION – PLEASE READ

### 1. Why did I get a notice?

This Notice explains that the Parties have reached a class-wide settlement on behalf of a class of property owners in the County of Monterey and the Court has provisionally certified the settlement class while it considers whether to finally approve the settlement agreement. If you received this notice, then the District's records show that you are a member of the Settlement Class defined above. Accordingly, you have legal rights and options that you may exercise before this case becomes final.

### 2. Where is this lawsuit pending?

This lawsuit is currently pending in Department 14 of the Superior Court of California for the County of Monterey before the Honorable Carrie M. Panetta. It is titled: *Heuer III v. Monterey Peninsula Water Management District*, Case No. 24CV002642.

### 3. What is a class action and who is involved?

In a class action lawsuit, one or more named parties called “Class Representatives” sue a defendant on behalf of other people who have similar claims against that defendant. Once the court certifies the class, each such person is a member of the Class, unless he or she is expressly excluded or specifically asks to be excluded from the Class before a deadline the court sets. All claims brought on behalf of the Class are resolved for all members of the Class in a single case before a single judge, and all Class members will be bound by the outcome. Entities such as businesses and non-profits can also be members of the Class.

Plaintiff Richards J. Heuer III is the Class Representative in this case. The Monterey Peninsula Water Management District is the defendant.

#### **4. Why is this lawsuit a class action?**

Plaintiff filed this action as a class action. The Court has provisionally decided that this lawsuit may be settled as a class action because it provisionally meets the requirements of California Code of Civil Procedure, section 382, which governs class actions in California state courts. More information about why the Court has provisionally certified the settlement class in this case can be found in the Court’s Order Preliminarily Approving the Settlement, which is available at [www.wsc-settlement.com](http://www.wsc-settlement.com).

#### **THE CLAIMS IN THE LAWSUIT**

#### **5. What is the lawsuit about?**

Plaintiff and the Monterey Peninsula Taxpayers Association, represented by Class Counsel here, previously filed a separate lawsuit alleging that the District was violating the law by collecting the Water Supply Charge without offsetting the amounts collected by the User Fee. The court entered judgment in their favor and the judgment was upheld on appeal. In the current lawsuit, Plaintiff alleges that the District owes refunds to all persons for the amounts it collected in Water Supply Charges while it also collected the User Fee.

#### **6. What are the terms of settlement?**

Rather than continuing to litigate the claims, the parties have agreed to settle their dispute, subject to Court approval, with District providing a Settlement Fund to compensate class members for the alleged illegal charges and the class agreeing to give up any further claims challenging the Water Supply Charge. The District has also agreed to forebear implementing

any new fees subject to Proposition 218 (similar to the Water Supply Charge) through June 30, 2026.

The amount of the Settlement Fund that the District will provide is \$3,353,245. The Settlement Fund will be used to pay attorney's fees and expenses, a service award to the Class Representative, and the District's costs of administering the settlement in the following estimated amounts:

Attorney's Fees	\$553,285.00
Attorney's Expenses	\$7,500.00 (Not to exceed)
Service Award	\$5,000.00
Administrative Costs	\$147,077.00

After deducting such amounts, the net amount of \$2,613,383.00 ("Net Settlement") will be refunded directly to Class Members on a pro rata basis as determined by their total Water Supply Charges paid during the Class Period.

For a typical residential customer (1,200-1,999 sq ft home), the estimated refund amount is \$43.41. Individual refunds will vary based on actual Water Supply Charges charged.

In consideration for the Settlement, Plaintiff, Class Representative, and each Class Member, on behalf of themselves and any other legal or natural persons who may claim by, through or under them, agree to fully, finally and forever release, relinquish, acquit, discharge and hold harmless the Released Parties from any and all claims, demands, suits, petitions, liabilities, causes of action, rights, and damages of any kind and/or type relating to the subject matter of the Litigation arising during the period between December 1, 2022 through the date the Court enters Preliminary Approval Order including, but not limited to, compensatory, exemplary, punitive, expert, and/or attorneys' fees, or by multipliers, whether past, present, or future, mature, or not yet mature, known or unknown, suspected or unsuspected, contingent or non-contingent, derivative or direct, asserted or unasserted, whether based on federal, state or local law, statute, ordinance, regulation, code, contract, common law, or any other source, or any claim of any kind related, arising from, connected with, and/or in any way involving the Litigation, including, but not limited to, claims regarding payments made to the District pursuant to the District's Ordinance No. 152. A full description of the release can be found in paragraphs 81-89 of the Settlement Agreement at [www.wsc-settlement.com](http://www.wsc-settlement.com).

## **7. Why are the parties settling?**

Class Counsel have fully litigated a related lawsuit through judgment and appeal. To achieve the original judgment, Class Counsel investigated the law and the facts and reviewed and analyzed thousands of pages of documents on the key issues in the case.

However, issues regarding refunds were not addressed in prior litigation, and the District and Plaintiff disagree about the availability of, and potential scope of, any refunds to any Class Members.

Class Counsel have taken into account, *inter alia*, the expense and length of the litigation process that will be necessary to secure refunds to a class through trial and any potential appeal; the uncertain outcome and the risk of continued and protracted litigation and appeals, especially in complex actions such as this; the difficulties and delays inherent in complex litigation; and the inherent uncertainty and problems of proof of, and available defenses to, the claims asserted in the litigation. Plaintiff and Class Counsel believe that considering the foregoing, the Settlement represents a reasonable compromise of highly disputed and uncertain legal, factual and procedural issues, confers substantial benefits upon the Class and provides a result and recovery that is certain to be provided to Class Members, when any recovery should the Litigation continue is not certain. Based on their experienced evaluation of all of these factors, Plaintiff and Class Counsel have determined that the settlement of the Litigation, on the terms set forth herein, is in the best interests of the Class and is fair, reasonable, and adequate.

The Settlement is the result of arm's-length settlement negotiations and discussion between Class Counsel and the District's Counsel.

## **8. Will current rates be impacted?**

The District is not currently imposing the Water Supply Charge. The District maintains that but for this settlement, it would seek to impose a new Proposition 218 fee for Fiscal Year 2025-2026.

## **WHO IS IN THE CLASS?**

## **9. Am I part of the Class?**

The Class includes all property owners who paid the Water Supply Charge from December 1, 2022 through July 1, 2025. Any judges assigned to the case, as well as their immediate family members, are excluded from the Class.

If you received a mailed notice regarding this class action settlement, according to the District's records, you are a member of the Class, and unless you ask to be excluded from the Settlement Class, you will be bound by the Settlement and receive all of the benefits

therefrom. For information on how to be excluded from the Class, see section 14 of this Notice.

If you are unsure whether you are a member of the Class, you can review your property tax bills for Fiscal Year 22-23 and 23-24, or contact Class Counsel at the email or phone numbers listed in section 11 of this Notice.

## **10. Who is the Class Representative?**

The Court has appointed Plaintiff Richards J. Heuer III to serve as the Class Representative. Mr. Heuer is a property owner in Monterey who has paid the Water Supply Charge during the relevant period.

## **THE LAW FIRMS REPRESENTING THE CLASS**

### **11. Is a law firm representing the Class in this case?**

The Court has appointed the law firms of Kearney Littlefield, LLP and Benink & Slavens, LLP as “Class Counsel.” If you remain in the Class, these firms will represent your interests in this case. Class Counsel may be reached by the following methods:

Prescott W. Littlefield  
*[pwl@kearneylittlefield.com](mailto:pwl@kearneylittlefield.com)*  
KEARNEY LITTLEFIELD, LLP  
655 N. Central Ave, 17th Fl.  
Glendale, CA 91203  
Tel: (213) 473-1900

Eric J. Benink  
*[eric@beninkslavens.com](mailto:eric@beninkslavens.com)*  
BENINK & SLAVENS, LLP  
8880 Rio San Diego Drive, 8th Fl.  
San Diego, CA 92108  
Tel: (619) 369-5252

### **12. Should I get my own lawyer?**

Because Class Counsel are working on your behalf, you do not need to hire your own lawyer. If you would like a different lawyer to represent you, you may hire one. However, you will have to pay that lawyer yourself.

### **13. How will Class Counsel be paid?**

Class Counsel intend to seek their fees and reimbursement for costs from the settlement fund that the District has agreed to provide, as the Court orders.

Class Counsel will move for attorney’s fees and costs in the amount of \$553,285 in fees and not to exceed \$7,500 in costs. In addition, Plaintiff will seek a service award of \$5,000 for his efforts to secure the recovery in this matter.

A hearing on the motion for fees, costs, and the service award is set for December 19, 2025 at 8:30 a.m. in Department 14 of the Superior Court for the County of Monterey, Monterey Courthouse, 2nd Floor, 1200 Aguajito Road, Monterey, CA 93940, the Honorable Carrie M. Panetta, presiding.

Class Counsel's attorneys' fees motion will be posted to [www.wsc-settlement.com](http://www.wsc-settlement.com) on or before November 26, 2025. Any Class Member may object to the award or the amount awarded by following the objection procedure outlined in section 14(c) of this Notice.

## YOUR RIGHTS AND OPTIONS

### 14. Do I need to do anything now?

**IMPORTANT:** You must decide now whether you want to remain in the Settlement Class or Opt Out. If you do not Opt Out of the Settlement Class, you may also object to any or all terms of the Settlement. Your options are as follows:

#### **(a) NO ACTION REQUIRED to remain in the Settlement Class**

You do not need to do anything to remain in the Settlement Class. If you do not take any action and the Settlement is approved and becomes final, you will automatically be deemed a member of the Settlement Class as of **October 14, 2025**. A refund check will automatically be sent to you at the District's address for you.

#### **(b) ACTION REQUIRED to be excluded from the Settlement Class**

To exclude yourself from the Settlement Class, you must mail or email a request to be excluded from the settlement class to Class Counsel at the following address:

**Prescott W. Littlefield  
pwl@kearneylittlefield.com  
KEARNEY LITTLEFIELD, LLP  
655 N. Central Ave, 17th Fl.  
Glendale, CA 91203**

**Your request must be in writing and (a) state your name and address; (b) reference *Heuer v. Monterey Peninsula Water Management District*; and (c) clearly state that you want to be excluded from the Settlement Class. IF MAILED, IT MUST BE POSTMARKED NO LATER THAN OCTOBER 14, 2025, TO BE VALID. IF SENT BY EMAIL IT MUST BE SENT NO LATER THAN 11:59 P.M. PST ON OCTOBER 14, 2025, TO BE VALID. ANY LATE REQUESTS TO BE EXCLUDED FROM THE SETTLEMENT CLASS WILL NOT BE ACCEPTED.**

**Class Counsel will submit to the Court all opt out requests received before the deadline.**

If you are considering excluding yourself from the Settlement Class, any legal claims that you make against the District separately may be barred by statutes of limitation which would prevent you from securing relief.

**(c) ACTION REQUIRED to object to any terms of the Settlement**

To object to all or part of the Settlement terms, you must mail or email your written objection(s) to Class Counsel as follows:

**Prescott W. Littlefield  
pwl@kearneylittlefield.com  
KEARNEY LITTLEFIELD, LLP  
655 N. Central Ave, 17th Fl.  
Glendale, CA 91203**

**IF MAILED, YOUR WRITTEN OBJECTION(S) MUST BE POSTMARKED NO LATER THAN OCTOBER 14, 2025, TO BE VALID. IF SENT BY EMAIL YOUR OBJECTION(S) MUST BE SENT NO LATER THAN 11:59 P.M. PST ON OCTOBER 14, 2025, TO BE VALID. LATE OBJECTIONS WILL NOT BE CONSIDERED BY THE COURT.** Class Counsel will submit to the Court all valid objections it received before the deadline.

**For your objection to be valid, you must include your full name and full address, the specific reason(s), if any, for your objection, including any legal support you wish to bring to the Court's attention; copies of any evidence or other information you wish to introduce in support of the objection(s); a statement of whether you intend to appear and argue at the Fairness Hearing; and your signature and date.**

**You must also provide a list of all other objections you, or your attorney, have submitted to any class action settlement in any state or federal court in the United States in the previous five years. If you or your counsel have not objected to any other class action settlement in the United States in the previous five years, you must affirmatively so state in the objection.**

**You must sign and date the Objection and reference *Heuer v. Monterey Peninsula Water Management District* on the envelope *and* on the written objection.**

**You also have the right to appear personally or through an attorney at your own expense at the Fairness Hearing at which time the Court will consider the Settlement, any valid and timely objections received, prior to deciding whether to approve the Settlement.**

## **15. What are the risks if I remain in the Settlement Class?**

If you stay in the Settlement Class, you will be bound by the settlement, including the release described in Section 6 and as more fully described in paragraphs 81-89 of the Settlement Agreement, and you will not be able to pursue a separate lawsuit against the District based on the same claims the Plaintiff has alleged against the District for the Class.

## **16. What are the benefits if I remain in the Settlement Class?**

If you stay in the Settlement Class, you do not have to sue on your own for any of the claims Plaintiff has brought against the District in this case and you will receive a proportionate share of the funds the District is providing in the Settlement.

## **17. Do I have to come to any hearings?**

No. You do not have to come to any hearings in this case. Class Counsel and Plaintiff will represent you. You are welcome to come at your own expense.

You may object to the proposed settlement in writing. You may also appear at the Fairness Hearing at your expense, either in person, telephonically, or through an attorney, provided you notify the Court of your intention to do so.

## **18. Can I attend the hearing for attorney's fees/service award?**

Yes. A hearing on the motion for fees, costs, and the service award is set for December 19, 2025 at 8:30 a.m. in Department 14 of the Superior Court for the County of Monterey, Monterey Courthouse, 2nd Floor, 1200 Aguajito Road, Monterey, CA 93940, the Honorable Carrie M. Panetta, presiding. If you choose to remain in the Class, you may attend the hearing and be heard.

## **19. Will I get money or other benefits from this case?**

You are entitled to a refund because you are part of the Settlement Class. The amount of that refund will depend on the dollar amount of Water Supply Charges you paid in Fiscal Years 22-23 and 23-24. The District will distribute these funds directly to each Class Member via a check.

## **FAIRNESS HEARING**

## **20. What is the Fairness Hearing?**

The Court has preliminarily approved the Settlement and will hold a hearing to decide whether to give final approval to the Settlement. You may attend, but you do not have to. The purpose of the Fairness Hearing will be for the Court to determine whether the Settlement should be approved as fair, reasonable, adequate, and in the best interests of the Settlement Class; to consider the award of attorneys' fees and reimbursement of expenses to Class Counsel; and to consider the request for service award to the Class Representative. At the hearing, the Court will be available to hear any objections and arguments concerning the proposed Settlement's fairness.

## **21. When and where is the Fairness Hearing?**

On December 19, 2025 at 8:30 a.m., a hearing will be held on the fairness of the proposed Settlement. The hearing will take place before the Honorable Carrie M. Panetta in Department 14 of the Superior Court of California for the County of Monterey, Monterey Courthouse, 2<sup>nd</sup> Floor, 1200 Aquajito Rd., Monterey CA, 93940. The hearing may be postponed to a different date or time or location without notice. Please check [www.wsc-settlement.com](http://www.wsc-settlement.com) for any updates about the Settlement generally or the Fairness Hearing specifically. If the date or time of the Fairness Hearing changes, an update to the Settlement website will be the only way you will be informed of the change.

## **22. May I speak at the hearing?**

At the Fairness Hearing, the Court will be available to hear any objections and arguments concerning the fairness of the Settlement. If you have requested exclusion from the Settlement, you may not speak at the hearing.

## **GETTING MORE INFORMATION**

More information, relevant documents, including the full Settlement Agreement can be viewed and downloaded at [www.wsc-settlement.com](http://www.wsc-settlement.com). The pleadings and other records in this litigation, including the Settlement Agreement, may be examined (a) online on the Superior Court of California, County of Monterey's website at <https://www.monterey.courts.ca.gov> or (b) in person at Records, Superior Court of California, County of Monterey, Monterey Courthouse, 2nd Floor, 1200 Aguajito Road, Monterey, CA 93940, between the hours of 8:30 a.m. and 4:00 p.m., Monday through Friday.

If you have any questions, you may contact Class Counsel by any of the methods identified in section 14 of this Notice.

***Please do not contact the Judge or the Court.***

# Exhibit 5

**Kearney Littlefield LLP Time**  
*Heuer III v. MPWMD, Monterey County Superior Court Case No. 24 CV002642*

<b>Date</b>	<b>Keeper</b>	<b>Rate</b>	<b>Time</b>	<b>Total</b>	<b>Description</b>
7/19/2024	PWL	\$650	0.2	\$ 130.00	Finalize stip to stay and file
10/8/2024	PWL	\$650	0.8	\$ 520.00	Call with co-counsel and client re settlement proposal
10/28/2024	PWL	\$650	0.4	\$ 260.00	Call re settlement with defense counsel (.2); debrief with EB (.2)
11/21/2024	PWL	\$650	0.1	\$ 65.00	Email to Eric re request for extension
11/25/2024	PWL	\$650	0.5	\$ 325.00	Call re settlement proposal from defendant
11/27/2024	PWL	\$650	0.5	\$ 325.00	Call with defense counsel re settlement (.3); debrief with Eric (.1); email re district's proposed stip re timing (.1)
12/17/2024	PWL	\$650	0.8	\$ 520.00	Call to discuss potential settlement and how it all fits together
12/18/2024	PWL	\$650	0.9	\$ 585.00	Call with client re settlement negotiations and debrief with co-counsel (.7); review draft email to defendant (.1); review response thereto (.1)
1/7/2025	PWL	\$650	0.4	\$ 260.00	Call with Eric re possible settlement terms (.3); review proposed email to Slentz (.1)
1/8/2025	PWL	\$650	0.4	\$ 260.00	Zoom call with defendant (.3); debrief with Eric (.1)
1/13/2025	PWL	\$650	0.5	\$ 325.00	Call with Eric re Zoom call re settlement with client (.2); call with client re settlement (.2); review email re settlement position (.1)
1/22/2025	PWL	\$650	0.8	\$ 520.00	Prepare for call with E.B. re settlement (.2); call with E.B. (.5); follow up with a plan (.1)
1/23/2025	PWL	\$650	0.5	\$ 325.00	Zoom call with client (.3); call with E.B. beforehand (.2)
1/24/2025		\$650	0.6	\$ 390.00	Call with E.B. re today's Zoom with defendant (.4); zoom meeting with defendant (.2)
1/26/2025	PWL	\$650	2	\$ 1,300.00	Work on MOU
1/27/2025	PWL	\$650	0.1	\$ 65.00	Email MOU to defendant (.1)
1/31/2025	PWL	\$650	0.3	\$ 195.00	Call with EB re edits (.2); make further edits to LOI (.1)
2/6/2025	PWL	\$650	4.5	\$ 2,925.00	Work on long form settlement agreement
2/7/2025	PWL	\$650	5	\$ 3,250.00	Work on long form settlement agreement
2/10/2025	PWL	\$650	5	\$ 3,250.00	Work on long form settlement agreement
2/11/2025	PWL	\$650	6	\$ 3,900.00	Work on long form settlement agreement
2/18/2025	PWL	\$650	0.9	\$ 585.00	Call with Eric re draft settlement agreement
2/20/2025	PWL	\$650	0.5	\$ 325.00	Call with Eric re settlement (.5)
2/26/2025	PWL	\$650	2.5	\$ 1,625.00	Work on settlement agreement and exhibits
2/27/2025	PWL	\$650	5	\$ 3,250.00	Work on settlement agreement
3/25/2025	PWL	\$650	3	\$ 1,950.00	Work on exhibits to settlement agreement

**Kearney Littlefield LLP Time**  
*Heuer III v. MPWMD, Monterey County Superior Court Case No. 24 CV002642*

3/27/2025	PWL	\$650	1.5	\$	975.00	Work on notices
3/28/2025	PWL	\$650	2.4	\$	1,560.00	Work on exhibits to settlement agreement
4/10/2025	PWL	\$650	0.1	\$	65.00	Email to defendant re status
4/14/2025	PWL	\$650	1.5	\$	975.00	Work on finalizing settlement agreement
4/15/2025	PWL	\$650	1.5	\$	975.00	Work on further edits to settlement agreement
4/16/2025	PWL	\$650	3	\$	1,950.00	Further review of final documents for settlement agreement (.7); research and find cy pres and find contacts for individuals and contact re distribution to them
4/17/2025	PWL	\$650	0.5	\$	325.00	Review final settlement agreement, find more typos, and review bullet points for client
4/18/2025	PWL	\$650	0.3	\$	195.00	Review email from defendant re cy pres and brain storm re same
4/23/2025	PWL	\$650	5	\$	3,250.00	Work on preliminary approval
4/24/2025	PWL	\$650	4	\$	2,600.00	Work on preliminary approval
4/25/2025	PWL	\$650	7	\$	4,550.00	Work on preliminary approval (6.5); call with EJB re same (.5)
4/28/2025	PWL	\$650	4	\$	2,600.00	Work on preliminary approval
5/1/2025	PWL	\$650	1.5	\$	975.00	Edit preliminary approval with defendant's data (.8); call with EJB re preliminary approval (.7)
5/5/2025	PWL	\$650	1.3	\$	845.00	Work on preliminary approval (.8); call with EJB re same (.5)
5/6/2025	PWL	\$650	3	\$	1,950.00	Work on preliminary approval
5/7/2025	PWL	\$650	1.5	\$	975.00	Work on preliminary approval
5/8/2025	PWL	\$650	2.3	\$	1,495.00	Work on preliminary approval papers (1); call with EJB to prepare for call with client (.2); call with client (.5); debrief with EJB and strategize (.6)
5/9/2025	PWL	\$650		\$	-	Strategize with EJB re outstanding issues for preliminary approval (.5);
5/12/2025	PWL	\$650	3	\$	1,950.00	Work on final edits to preliminary approval
5/13/2025	PWL	\$650	1.3	\$	845.00	Attend CMC (.8); further work on preliminary approval motion/papers (.5)
5/15/2025	PWL	\$650	1	\$	650.00	Review District's draft declaration ISO preliminary approval (.2); call with EB (.2); finalize all documents capable of finalizing today (.6)
5/16/2025	PWL	\$650	0.7	\$	455.00	Call with EB (.2); final review of everything for filing (.5)
6/28/2025	PWL	\$650	0.5	\$	325.00	Review settlement agreement and requirements for website notice
6/30/2025	PWL	\$650	0.5	\$	325.00	Work on notice for website (.3); review tentative (.1) and emails with defendant re same (.1)

**Kearney Littlefield LLP Time**  
*Heuer III v. MPWMD, Monterey County Superior Court Case No. 24 CV002642*

7/1/2025	PWL	\$650	0.5	\$	325.00	Prepare for and attend preliminary approval
7/2/2025	PWL	\$650	0.7	\$	455.00	Work on getting final website language and cite up and running
7/10/2025	PWL	\$650	0.3	\$	195.00	Work on formatting for settlement website
9/12/2025	PWL	\$650	0.1	\$	65.00	Emails re preparing final approval papers
10/15/2025	PWL	\$650	0.2	\$	130.00	Review correspondence re class member info update (.1); remit to district (.1)
10/30/2025	PWL	\$650	3	\$	1,950.00	Work on final approval
11/14/2025	PWL	\$650	0.2	\$	130.00	Call with Eric re settlement papers
11/16/2025	PWL	\$650	3	\$	1,950.00	Work on final approval
11/17/2025	PWL	\$650	5	\$	3,250.00	Work on final approval
11/18/2025	PWL	\$650	4	\$	2,600.00	Work on final approval
11/19/2025	PWL	\$650	3	\$	1,950.00	Work on final approval
11/20/2025	PWL	\$650	2	\$	1,300.00	Work on final approval
<b>Totals:</b>			<b>111.6</b>	<b>\$</b>	<b>72,540.00</b>	