

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.

YOUR LEGAL RIGHTS AND OPTIONS	
<p>You Can <u>Do Nothing</u> and Remain in the Settlement Class</p>	<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>
<p>You May <u>Opt Out</u> – Exclude Yourself from the Settlement Class</p>	<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>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. For more information, see section 14 of this Notice.</p>

<p>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</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>To object to the Settlement, you must submit written objections to Class Counsel no later than October 14, 2025. 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.

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 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.

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
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 \$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 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, 2nd 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 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. 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 Aquajito 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.