

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF ARIZONA
NOTICE OF CLASS ACTION AND PROPOSED SETTLEMENT

If you were a Johnson Utilities customer between October 1, 2011 and December 14, 2021, this class action settlement affects your rights.

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

- A settlement has been reached in a class action lawsuit brought by several Plaintiffs alleging Johnson Utilities and other Defendants unlawfully increased water and wastewater utility rates. Defendants deny the allegations, and the Court has not decided who is right. Instead, the parties have agreed to a settlement to avoid the expense and risk of continued litigation.
- Under the proposed settlement, Defendants have agreed to create a settlement fund of \$10.35 million to pay Class Member claims, Class Representative incentive awards, attorneys' fees and expenses, and administrative costs.
- You may receive money as part of this settlement if you were a Johnson Utilities customer between October 1, 2011 and December 14, 2021.
- Your legal rights are affected whether you act or don't act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
RECEIVE MONEY	If You are Now an EPCOR Customer: Do Nothing, Receive a Credit. You may automatically receive a credit on a future water/wastewater bill if you are an EPCOR customer when this settlement receives final approval by the Court. Non-EPCOR Customers: File a Claim, Receive a Check. If you are a former Johnson Utilities customer who has since moved out of the EPCOR service area, you must file a claim to receive a check from the settlement fund.
EXCLUDE YOURSELF	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against Defendants about the legal claims in this case.
OBJECT	Write to the Court about why you don't like the settlement.
GO TO A HEARING	Ask to speak in Court about the fairness of the settlement.

- The Court in charge of this case still must decide whether to grant final approval of the settlement. Payments will be made if the Court grants final approval and after appeals, if any, are resolved. Please be patient.
- *EPCOR is not involved in the lawsuit and is not accused of any wrongdoing. EPCOR is distributing the payments from this settlement in the form of bill credits as a courtesy to its customers—many of whom were Johnson Utilities customers. Please contact the Settlement Administrator—not EPCOR—with any questions about the settlement.*

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BASIC INFORMATION

1. Why did I get this notice package?

You may have been a Johnson Utilities customer during the class period, between October 1, 2011 and December 14, 2021. The Court has determined that you have a right to know about a proposed settlement of a class action lawsuit, and about your options, before the Court decides whether to grant final approval of the settlement. If the Court approves it and after objections and appeals are resolved, the benefits will be distributed to Class Members in the manner described below.

This notice explains the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the District of Arizona, and the case is known as *Castillo, et al. v. Johnson, et al.*, No. 2:17-cv-04688-DLR (D. Ariz.). The people who sued are called Plaintiffs. The individuals and companies they sued, including Johnson Utilities, are called Defendants.

2. What is this lawsuit about?

Plaintiffs claimed that Defendants unlawfully increased Johnson Utilities water and wastewater rates by bribing a state regulator. Defendants deny that they did anything wrong.

3. Why is this a class action?

In a class action, one or more people, called Class Representatives (in this case Johnson Utilities customers Tisha Castillo, Karen Christian and Steve Pratt), sue on behalf of people who have similar claims. All these people are a Class or Class Members. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class. U.S. District Judge Douglas L. Rayes oversees this class action.

4. Why is there a settlement?

The Court did not decide in favor of Plaintiffs or Defendants. Instead, both sides agreed to a settlement after several years of litigation, including numerous rulings on various issues by the Court, a substantial number of documents exchanged, and a settlement conference conducted with a neutral mediator. By so settling, they avoid the cost of a trial, and Class Members will be able to receive money. The Class Representatives and the attorneys think the settlement is best for everyone.

WHO IS IN THE SETTLEMENT

5. How do I know if I am part of the settlement?

Judge Rayes decided that everyone who fits this description is a Class Member:

All Johnson Utilities customers who paid for water and/or wastewater services between October 1, 2011 and December 14, 2021.

Class Members will include former Johnson Utilities customers who are now customers of EPCOR, as well as former customers of Johnson Utilities who have since moved out of the EPCOR service area.

THE SETTLEMENT BENEFITS – WHAT YOU GET

6. What does the settlement provide?

Defendants have agreed to create a \$10.35 million settlement fund. After administrative expenses, attorneys' fees of up to 33-1/3 percent and out-of-pocket expenses, and incentive awards of \$5,000 each to the three Class Representatives are paid from the settlement fund, the balance will be distributed to Class Members based on their customer category and length of service. For current EPCOR customers, the settlement money will be distributed in the form of a credit on future water/wastewater bills. For former Johnson Utilities customers who have since moved out of the current EPCOR service area, the money will be distributed by check.

7. What can I get from the settlement?

After administrative expenses, attorneys' fees and expenses, and incentive awards are paid from the settlement fund, the balance will be distributed to Class Members based on how long they were Johnson Utilities customers. At this stage—before the Court has granted final approval and before Class Members have had an opportunity to make claims, object or opt out of the settlement—it is impossible to precisely determine how much each individual Class Member will receive. However, based on current estimates, Class Members would be entitled to approximately \$1.28 per each month they were Johnson Utilities customers during the class period—or approximately \$169 for Class Members who were customers during the entire class period.

8. How can I get a payment?

Class Members who are current EPCOR customers may receive a payment by doing nothing. Those Class Members will automatically receive a credit calculated from EPCOR's records on a future water/wastewater bill if they are EPCOR customers when this settlement receives final approval by the Court.

Class Members who no longer live in the EPCOR service area when this settlement is approved by the Court may file a claim and receive a check from the settlement fund. These Class Members can find a Claim Form and instructions at www.JohnsonUtilitiesSettlement.com.

9. When would I get my payment?

The Court will hold a hearing on March 25, 2022 to decide whether to approve the settlement. If Judge Rayes approves the settlement, there could be appeals afterward. It's always uncertain whether these appeals can be resolved, and resolving them can take time. Please be patient.

10. What am I giving up to get a payment or stay in the Class?

Unless you exclude yourself, you are staying in the Class, and that means that you can't sue, continue to sue, or be part of any other lawsuit against Defendants about the legal issues in *this* case. It also means that all of the Court's orders will apply to you and legally bind you. Current EPCOR customers who do nothing and non-EPCOR customers who file Claim Forms will agree to a "Release of Claims," which describes exactly the legal claims that you give up if you get settlement benefits.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you don't want a payment from this settlement, and you want to keep the right to sue or continue to sue Defendants, on your own, about the legal issues in this case, then you must take steps to get out. This is called excluding yourself—or is sometimes referred to as opting out of the settlement Class.

11. How do I get out of the settlement?

To exclude yourself from the settlement, you must send a letter by mail stating that you want to be excluded from the *Castillo v. Johnson* settlement. Be sure to include your name, address, telephone number, and your signature. You must mail your exclusion request postmarked no later than March 11, 2022 to:

Johnson Utilities Settlement Administrator
P.O. Box 43501
Providence, RI 02940-3501

You can't exclude yourself on the phone or by e-mail. If you ask to be excluded, you will not get any settlement payment, and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit. You may be able to sue (or continue to sue) Defendants in the future.

12. If I don't exclude myself, can I sue Defendants for the same thing later?

No. Unless you exclude yourself, you give up the right to sue Defendants for the claims that this settlement resolves. If you have a pending lawsuit, speak to your lawyer in that lawsuit immediately. You must exclude yourself from *this* Class to continue your own lawsuit. Remember, the exclusion deadline is March 11, 2022.

13. If I exclude myself, can I get money from this settlement?

No. If you exclude yourself, you will not receive money from this settlement. But, you may sue, continue to sue, or be part of a different lawsuit against Defendants.

THE LAWYERS REPRESENTING YOU

14. Do I have a lawyer in the case?

The Court appointed the law firms of Stinson LLP and Krislov & Associates, Ltd. as “Class Counsel,” to represent you and other Class Members. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

15. How will the lawyers be paid?

Class Counsel will ask the Court for attorneys’ fees and expenses of up to 33-1/3 percent of the settlement fund. Class Counsel have (among other things) vigorously prosecuted this case for several years, expending a significant amount of time to successfully oppose Defendants’ motions to dismiss, certifying the case as a class action, and reviewing thousands of documents. Up to now, Class Counsel have not been compensated for any of their time or reimbursed for any of their expenses.

Additionally, Class Counsel will ask the Court to approve incentive awards of \$5,000 each to Class Representatives Tisha Castillo, Karen Christian and Steve Pratt who brought this lawsuit on behalf of all Class Members. Although the Court may award less than these amounts, incentive awards are commonly granted to recognize the efforts of Class Representatives in bringing and prosecuting lawsuits on behalf of others. Finally, the costs to administer the settlement will be deducted from the settlement fund.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you don’t agree with the settlement or some part of it.

16. How do I tell the Court that I don’t like the settlement?

If you’re a Class Member, you can object to the settlement if you don’t like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must send a letter stating that you object to the *Castillo v. Johnson* settlement. Be sure to include your name, address, telephone number, your signature, and the reasons you object to the settlement. Mail the objection to the following addresses, postmarked no later than March 11, 2022:

COURT	CLASS COUNSEL	DEFENSE COUNSEL
United States District Court for the District of Arizona Sandra Day O’Connor U.S. Courthouse, Suite 626 401 West Washington Street, SPC 79 Phoenix, AZ 85003	Clinton A. Krislov Christopher M. Hack KRISLOV & ASSOCIATES, LTD. 20 North Wacker Drive, Suite 1006 Chicago, IL 60606	Mark C. Dangerfield Mark A. Fuller Hannah H. Porter GALLAGHER & KENNEDY, P.A. 2575 E. Camelback Road Phoenix, AZ 85016

17. What’s the difference between objecting and excluding?

Objecting is simply telling the Court that you don’t like something about the settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you don’t want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

18. When and where will the Court decide whether to approve the settlement?

The Court will hold a Fairness Hearing on March 25, 2022 at the Sandra Day O'Connor United States Courthouse, 401 W. Washington Street, Phoenix, AZ 85003. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Rayes will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay Class Counsel and whether to grant the requests for incentive awards. After the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

19. Do I have to come to the hearing?

No. Class Counsel will answer questions Judge Rayes may have. But, you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

20. May I speak at the hearing?

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter stating that it is your "Notice of Intention to Appear in *Castillo v. Johnson*." Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be postmarked no later than March 11, 2022, and be sent to:

Johnson Utilities Settlement Administrator
P.O. Box 43501
Providence, RI 02940-3501

IF YOU DO NOTHING

21. What happens if I do nothing at all?

If you are an EPCOR customer when final approval of this settlement is granted, you will automatically receive a credit on a future water/wastewater bill.

If you no longer live in the EPCOR service area, and you do nothing, you'll get no money from this settlement. But, unless you exclude yourself, you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants about the legal issues in this case, ever again.

GETTING MORE INFORMATION

22. Are there more details about the settlement?

This notice summarizes the proposed settlement. More details are in a Settlement Agreement and other documents posted on www.JohnsonUtilitiesSettlement.com. You may also contact the Settlement Administrator at 1-888-850-0258. **Please do not contact EPCOR with questions about this settlement.**