

**NOTICE OF SETTLEMENT SHARE
AMERICAN WATER NLRB CASE NO. 29-CA-030676 (UWUA)
MARCH 6, 2015**

Dear Brother or Sister:

I. INTRODUCTION

The Settlement Agreement of the National Benefits litigation against American Water has six main features: (1) a 2015-2018 National Benefits Agreement with a 25% cap on employee share of health care costs (reduced from 29.5%) for at least 3 years and with pension, disability, life insurance, VEBA, 401(k) and employee stock purchase plan locked in for all 4 years; (2) a health care plan with lower employee premium contributions and out-of-pocket maximums beginning January 1, 2015; (3) a Union-Company partnership for mutual interest; (4) a Labor-Management Committee to explore options regarding health care; (5) an option for every Local to decide (when its Local contract opens) to extend its Local contract for 1 year with no take-aways and a 2.25% wage increase; and (6) a \$10,000,000 Settlement Payment.

This Notice pertains to the allocation of the \$10,000,000 Settlement Payment among eligible employees based on certain losses during the claims period January 1, 2011 through August 31, 2014 (44 months). Eligible employees are all current and former bargaining unit employees who had at least 6 months service during the claims period or who retired during the claims period. There are over 3900 current and former unit employees. *Please read this Notice carefully.*

II. METHOD FOR DETERMINING PRO RATA SETTLEMENT SHARES

The Settlement Payment will be allocated, as determined by the Unions, among eligible employees on a pro rata basis in relationship to their losses due to the elimination of opt-out payments; the increase in employee premium contributions for single coverage and family coverage; higher out-of-pocket maximums; and the elimination of VEBA contributions for new hires. Each eligible employee will be allocated \$50 for each month of medical/dental/vision opt-out payment loss (\$25 for medical only opt-out). For Locals that participate in the VEBA, each eligible employee hired after January 1, 2011 who is still an active bargaining unit employee will be allocated \$250 for each annual VEBA contribution loss. Each eligible employee who had losses due to higher employee premium share and out-of-pocket maximums will be allocated approximately \$26 per month of single coverage and approximately \$90 per month of family coverage. **NOTE:** The per month allocations for single coverage and family coverage have minor variations for individuals based on the particular year(s) of coverage and the timing of any change(s) in coverage.

Following are mathematical depictions of how the pro rata share of the Settlement Payment would be calculated for fictional employees *John Doe* and for *Mary Smart*.

John Doe was a union employee at American Water for 30 years. He retired 4/30/14 (after 40 months during the claims period). John always had family coverage.

Name	Elig Emp Months 1/1/11-8/31/14	Opt-out Months	Single Cov'g Months	Family Cov'g Months	VEBA Years	Settlement Share
Doe, John	40 months	-0-	-0-	40 x 90 = \$3,600	-0-	\$3,600

Mary Smart is an active union employee at American Water who was hired 2/1/12. Mary opted out of medical/dental/vision for 2/1/12-4/30/12. Mary had single coverage 5/1/12-10/31/13. Mary had family coverage 11/1/13-8/31/14. Mary is in a Local that participates in the VEBA, and she did not get a VEBA contribution in January 2013 and January 2014.

Name	Elig Emp Months 1/1/11-8/31/14	Opt-out Months	Single Cov'g Months	Family Cov'g Months	VEBA Years	Settlement Share
Smart, Mary	31 months	3 x 50 = \$150	18 x 26 = \$468	10 x 90 = \$900	2 x 250 = \$500	\$2,018

III. YOUR INDIVIDUAL ESTIMATED SETTLEMENT SHARE

Enclosed with this Notice is your Individual Estimated Settlement Share. If you believe that someone has been mistakenly omitted or that there has been an error in your employment months, opt-out months, single or family coverage months or VEBA years, anyone may provide such information to the Unions. ***Such information must be received in writing by fax transmission or by certified mail (not email) by no later than March 20, 2015 at the address below, or it will not be considered.***

Utility Workers Union of America, AFL-CIO
 Attention: American Water Settlement
 815 16th Street, N.W.
 Washington, D.C. 20006
 Fax: 202-974-8201

If errors are confirmed by this process, the pro rata Settlement Shares of all eligible members will be re-calculated to account for the \$10,000,000 Settlement Payment. The entire \$10,000,000 will be distributed to members.

IV. FINALIZATION AND DISTRIBUTION

After any necessary re-calculation, final Settlement Shares will be paid by American Water by direct deposit to your bank account (based on active employee election); or by check mailed to your last known address. The allocation of each Settlement Share between compensation (subject to tax withholding) and reimbursement for Company documented out-of-pocket medical expenses (not subject to tax withholding) will be identified in the electronic or hard copy pay stub with your final Settlement Share. Payment for VEBA contribution losses will be by direct deposit to your VEBA account, which will be confirmed by letter from the Utility Workers Union of America National Health and Welfare Fund.

Contact your National or Local Union representative if you have any questions. We hope to complete the finalization and distribution process by mid April of 2015.

In Solidarity,

UWUA	LIUNA	UFCW	SEIU Local 32BJ and
IBEW	UA	AFSCME Local 1821A	Local 16 Workers United
IUOE	USW		