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March 28, 2022

Board of Directors  
Triunfo Water & Sanitation District  
Ventura County, California

**TWSD-VRSD CONTRACT NEGOTIATIONS CONFLICT WAIVER**

**Summary**

For years Triunfo Water & Sanitation District (Triunfo) has contracted for staff and other services from Ventura Regional Sanitation District (VRSD). The Board has recently taken action to hire their own operations and maintenance (O&M) staff and has directed staff to analyze the best options for contracting certain services or employing in-house personnel. Staff has been in contact with numerous vendors to obtain preliminary quotes for doing this comprehensive work and continues to develop the most cost-effective approach for Triunfo. Included in this effort has been discussions with VRSD on the possibility of contracting a portion of the O&M work.

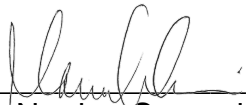
However, in order to effectuate a smooth and more seamless transition from VRSD to Triunfo for O&M services, staff has acknowledged key benefits to retaining some of the services under VRSD. These services include line cleaning, electrical-mechanical, emergency callouts, and SCADA programming. Following preliminary discussions with VRSD on continued contract services, it was determined that a new contract must be developed to properly detail the requirements and processes for these services. This effort will require that the two District's General Counsels be involved to create the necessary documents.

The law firm of Arnold LaRochelle Mathews Van Conas & Zirbel has served as general counsel for Triunfo for years. The law firm of Arnold LaRochelle Mathews Van Conas & Zirbel also serves as general counsel, and has for years, to VRSD. It is proposed that general counsel for Triunfo and general counsel for VRSD work in conjunction with the GM's of Triunfo and VRSD in drafting a contract that will be necessary for specific VRSD contract services to Triunfo.

In support of the aforementioned efforts, Arnold LaRochelle Mathews Van Conas & Zirbel is requiring that your Board review and approve the attached conflict waiver and direct staff to continue in the negotiations with VRSD Wastewater Division.

**Recommendation:**

It is recommended that the Board of Directors of Triunfo Water & Sanitation District authorize the General Manager to execute the Conflict Waiver as presented at the Board Meeting this March 28, 2022.

REVIEWED AND APPROVED:   
Mark Norris - General Manager

Attachment: TWSD-VRSD Conflict Summary and Waiver



ARNOLD LAROCHELLE MATHEWS  
VANCONAS & ZIRBEL LLP

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March 22, 2022

*Via First Class Mail and E-Mail*

[ChrisTheisen@vrzd.com](mailto:ChrisTheisen@vrzd.com)

[MarkNorris@Triunfowzd.com](mailto:MarkNorris@Triunfowzd.com)

Chris Theisen  
Ventura Regional Sanitation District  
4105 E. Gonzalez Road  
Oxnard, CA 93036

Mark Norris  
Triunfo Water & Sanitation District  
1001 Partridge Drive, Suite 150  
Ventura, CA 93003

Subject: Ventura Regional Sanitation District (“VRSD”) and Triunfo Water and Sanitation District (“TWSD”) Conflict Waiver; Proposed Contract for Wastewater Collection and Treatment System Operation and Maintenance

Dear Messrs. Theisen and Norris:

As both districts and their respective Board of Directors are aware, the law firm of Arnold LaRochelle Mathews VanConas & Zirbel LLP (“A to Z Law”) has served and currently serves as general legal counsel to both TWSD and VRSD as well as to their respective legislative or decision-making bodies. Robert N. Kwong serves as general legal counsel for VRSD and John M. Mathews serves as general legal counsel for TWSD. As general counsel, Mr. Mathews and Mr. Kwong provide a wide range of legal services to your respective district’s operations, activities, services, and functions.

Given recent discussions between yourselves about the possible re-engagement of VRSD to supply wastewater collection and treatment system operation and maintenance services to TWSD, A to Z Law is in the position of representing both VRSD and TWSD in this potential contract matter. Mr. Kwong and Mr. Mathews wish to remain as general legal counsel to your respective district, but the interests of VRSD and TWSD are directly adverse in this proposed contract.

KENDALL A. VANCONAS\* | ROBERT N. KWONG | SUSAN L. MCCARTHY

OF COUNSEL GARY D. ARNOLD | JOHN M. MATHEWS | DENNIS LAROCHELLE | MARK A. ZIRBEL\*\* | DEAN W. HAZARD

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State Bar of California, Board of Legal Specialization

\*\*Retired

Chris Theisen  
Mark Norris  
March 22, 2022  
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The purpose of this letter is to confirm the disclosures previously made to VRSD and TWSD, and to request that VRSD and TWSD confirm in writing their consent and waiver as to any of the actual or potential conflicts by A to Z Law's concurrent representation of VRSD and TWSD regarding this proposed contract. But the interests of TWSD and VRSD are directly adverse to each other or in conflict with one another in these proposed contract negotiations.

Rule 1.7 of the Rules of Professional Conduct of the State Bar of California, which is attached as Exhibit 1 and incorporated herein by reference, generally permits clients to give informed written consent to representation in conflict-of-interest situations such as this one. Informed written consent under these Rules requires written disclosure to the clients of the relevant circumstances and of the actual and foreseeable adverse consequences to the clients arising by reason of the actual or potential conflicts of interest. Regarding the proposed contract for wastewater collection and treatment system operation and maintenance services, Mr. Kwong would be representing the interests of VRSD and Mr. Mathews the interests of TWSD.

A to Z Law can and will provide adequate legal representation to both districts during these contract negotiations and document drafting. Any concern about a conflict of interest in such representation is significantly ameliorated by the fact that most, if not all, of the contractual terms and condition negotiations either have been or will be done by and between each district's general manager or their respective operational staffs. This development has precluded the need for Mr. Kwong and Mr. Mathews to be the primary negotiators for their respective district when crafting the terms and conditions of the proposed contract. A to Z Law's role in the proposed contract will mainly involve: (a) drafting the final contract terms to conform to what the respective district general managers have already discussed and concurred; and (b) ensuring the legality and enforceability of the contract as negotiated and written.

In making this decision to consent to A to Z Law representing both districts in the proposed contract scenario, both districts should consider that there is a remote possibility that Mr. Kwong, Mr. Mathews, or the other attorneys and staff at A to Z Law, may acquire or have already acquired confidential information from or about either district which Mr. Kwong, Mr. Mathews, or the other attorneys and staff at A to Z would have a duty not to disclose or use. We can assure both districts that the attorneys representing each respective district client will at all times protect the interests of their respective district. Regardless, it is possible that one or both district clients may feel that A to Z Law has divided loyalties in this matter. While we will do all we can to avoid this, we nonetheless disclose this possibility to both district clients.

If your respective district is willing to allow A to Z Law to represent both VRSD and TWSD in this upcoming contract negotiation under these circumstances, we request the authorized representative for each district provide his or her informed written consent by signing the Consent and Waiver of Conflict of Interest attached hereto as Exhibit 2. As counsel to VRSD and TWSD, we will assume that Mr. Theisen will advise VRSD and Mr. Norris will advise TWSD regarding the importance of this consent and waiver of conflict of interest.

The following sets forth our understanding of the parameters under which we will continue to represent each respective district on the upcoming contract negotiation:

1. A to Z Law will not be prevented from representing VRSD in any present or future matters, because of Mr. Mathews' adverse representation of TWSD in the upcoming contract negotiations;
2. A to Z Law will not be prevented from representing TWSD in any present or future matters, because of Mr. Kwong's adverse representation of VRSD in the upcoming contract negotiations;
3. Any confidential information held by A to Z Law, Mr. Kwong, or Mr. Mathews with respect to each district, including information regarding its business practices, will not be shared with the other district absent obtaining informed written consent to disclose that information;
4. If necessary, A to Z Law will implement an internal "ethical wall" that screens the attorneys and staff representing each respective district in the proposed contract negotiations from information and documents obtained by the other attorneys and staff representing the other respective district in this matter; and
5. A to Z Law will limit its representation in this matter to the following:
  - a. Mr. Kwong counseling VRSD on the legality of its proposed contractual obligations and commitments;
  - b. Mr. Mathews counseling TWSD on the legality of its proposed contractual obligations and commitments; and
  - c. Drafting and reviewing the final contract terms and conditions between TWSD and VRSD based upon the understanding and agreement negotiated on such terms and conditions by the respective district general managers.

Chris Theisen  
Mark Norris  
March 22, 2022  
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Based upon and subject to the foregoing conditions, we are requesting that VRSD and TWSD confirm these disclosures and understandings, and waive any conflict of interest which may be deemed to exist as a result of A to Z Law's representation of VRSD and TWSD in the upcoming wastewater collection and treatment system operation and maintenance services contract negotiations and finalization.

We sincerely appreciate your accommodation of our request.

Sincerely,

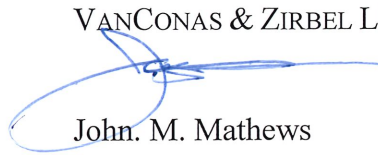
ARNOLD LAROCHELLE MATHEWS  
VANCONAS & ZIRBEL LLP



Robert N. Kwong

Sincerely,

ARNOLD LAROCHELLE MATHEWS  
VANCONAS & ZIRBEL LLP



John. M. Mathews

RNK:JMM  
Enclosures

# EXHIBIT 1

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## EXHIBIT "1"

### Rule 1.7 of California Rules of Professional Conduct

- a) A lawyer shall not, without informed written consent\* from each client and compliance with paragraph (d), represent a client if the representation is directly adverse to another client in the same or a separate matter.
- b) A lawyer shall not, without informed consent from each affected client and compliance with paragraph (d), represent a client if there is a significant risk the lawyer's representation of the client will be materially limited by the lawyer's responsibilities to or relationships with another client, a former client or a third person, or by the lawyer's own interests.
- c) Even when a significant risk requiring a lawyer to comply with paragraph (b) is not present, a lawyer shall not represent a client without written\* disclosure of the relationship to the client and compliance with paragraph (d) where:
  - 1) the lawyer has, or knows that another lawyer in the lawyer's firm has, a legal business, financial, professional, or personal relationship with or responsibility to a party or witness in the same matter; or
  - 2) the lawyer knows or reasonably should know that another party's lawyer is a spouse, parent, child, or sibling of the lawyer, lives with the lawyer, is a client of the lawyer or another lawyer in the lawyer's firm, or has an intimate personal relationship with the lawyer.
- d) Representation is permitted under this rule only if the lawyer complies with paragraphs (a), (b), and (c), and:
  - 1) the lawyer reasonably believes that the lawyer will be able to provide competent and diligent representation to each affected client;
  - 2) the representation is not prohibited by law; and
  - 3) the representation does not involve the assertion of a claim by one client against another client represented by the lawyer in the same litigation or other proceeding before a tribunal.
- e) For purposes of this rule, "matter" includes any judicial or other proceeding, application request for a ruling or other determination, contract, transaction, claim, controversy, investigation, charge, accusation, arrest, or other deliberation, decision, or action that is focused on the interests of specific persons, or a discrete and identifiable class of persons.

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# EXHIBIT 2

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**CONSENT AND WAIVER OF CONFLICT OF INTEREST**

Arnold LaRochelle Mathews VanConas & Zirbel LLP("A to Z Law") has explained to both the Ventura Regional Sanitation District ("VRSD") and the Triunfo Water and Sanitation District ("TWSD") (collectively referred to herein as "Districts") that the present and potential conflicting interests might exist in the matter of an Amendment to TSD Contract No. T15-003 and VRSD Contract No. 15-014 and has informed the Districts of the possible consequences of these conflicts.

The Districts each acknowledge the disclosure of A to Z Law's ongoing and continuing representation of VRSD as general legal counsel and A to Z Law's ongoing and continuing representation of TWSD as general legal counsel, including representation in the upcoming contract/Amendment negotiations between the Districts regarding TSD Contract No. T15-003 and VRSD Contract No. 15-014. The Districts each understand that there presently exists, and may exist in the future, circumstances under which the interests of the Districts may be adverse to the one another. In that regard, A to Z Law has apprised the Districts of the provisions of Rule 1.7 of the Rules of Professional Conduct of the State Bar of California (attached hereto as Exhibit "1") and of the conflict it will have through the representation of the Districts as described hereinabove.

The Districts have consulted with their legal counsel before signing this Consent and Waiver. VRSD consents and gives approval to the representation by John Mathews of TWSD in connection with the contract negotiations described above and as set forth more fully in the preceding letter, as well as in future matters unrelated to VRSD and the contract negotiation. TWSD consents and gives approval to the representation by Robert Kwong of VRSD in connection with the contract negotiations described above and as set forth more fully in the preceding letter, as well as in future matters unrelated to TWSD and the contract negotiation.

**VENTURA REGIONAL SANITATION DISTRICT**

By: \_\_\_\_\_  
Chris Theisen, General Manager

Date: \_\_\_\_\_

**TRIUNFO WATER AND SANITATION DISTRICT**

By: \_\_\_\_\_  
Mark Norris, General Manager

Date: \_\_\_\_\_

**CONSENT AND WAIVER OF CONFLICT OF INTEREST**

Arnold LaRochelle Mathews VanConas & Zirbel LLP (“A to Z Law”) has explained to both the Ventura Regional Sanitation District (“VRSD”) and the Triunfo Water and Sanitation District (“TWSD”) (collectively referred to herein as “Districts”) that the present and potential conflicting interests might exist in the matter of a proposed Wastewater Collection and Treatment System Operation and Maintenance contract by and between VRSD and TWSD and has informed the Districts of the possible consequences of these conflicts.

The Districts each acknowledge the disclosure of A to Z Law’s ongoing and continuing representation of VRSD as general legal counsel and A to Z Law’s ongoing and continuing representation of TWSD as general legal counsel, including representation in the upcoming Wastewater Collection and Treatment System Operation and Maintenance contract between the Districts. The Districts each understand that there presently exists, and may exist in the future, circumstances under which the interests of the Districts may be adverse to the one another. In that regard, A to Z Law has apprised the Districts of the provisions of Rule 1.7 of the Rules of Professional Conduct of the State Bar of California (attached hereto as Exhibit “1”) and of the conflict it will have through the representation of the Districts as described hereinabove.

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VENTURA REGIONAL SANITATION DISTRICT

By: \_\_\_\_\_  
Chris Theisen, General Manager

Date: \_\_\_\_\_

TRIUNFO WATER AND SANITATION DISTRICT

By: \_\_\_\_\_  
Mark Norris, General Manager

Date: \_\_\_\_\_