

November 14, 2024

Jessica L. Diaz  
Attorney at Law  
805.882.1416 direct  
jdiaz@bhfs.com

**VIA EMAIL:** [admin@sanantoniobasingsa.org](mailto:admin@sanantoniobasingsa.org)

San Antonio Basin Groundwater Sustainability Agency  
Attn: Stephanie Bertoux, Executive Director  
920 East Stowell Road  
Santa Maria, CA 93454

**RE: Waiver of Conflict of Interest - Consultation, Disclosure, Informed Consent**

Dear Ms. Bertoux:

This letter requests a waiver from San Antonio Basin Groundwater Sustainability Agency (together with its affiliates and subsidiaries, "**SABGSA**") with regard to a potential conflict of interest involving Brownstein Hyatt Farber Schreck, LLP's ("**Brownstein**") representation of Rancho La Laguna, LLC (together with its affiliates and subsidiaries, "**RLL**"), as described below.

Brownstein has represented RLL since 2009 in a variety of real estate and land use matters (collectively, the "**RLL Matters**"). Brownstein has also represented SABGSA since 2017 as its outside general counsel, providing legal advice on day-to-day public law issues as well as implementation of the Sustainable Groundwater Management Act ("**SGMA**") (the "**SABGSA Matters**"). SABGSA is a governmental agency charged with managing groundwater in the San Antonio Creek Valley Groundwater Basin ("**San Antonio Basin**") pursuant to SGMA. The SABGSA's purview includes implementing projects and management actions to manage water supplies available to landowners and other groundwater uses relying on the San Antonio Basin. RLL owns properties that overly the San Antonio Basin. At the time Brownstein brought in SABGSA as a client, no potential for a dispute between RLL and SABGSA was anticipated. However, in an abundance of caution and with SABGSA now considering regulations that may impact landowners' ability to pump from the San Antonio Basin in the future, we feel that Brownstein's work for SABGSA on the SABGSA Matters may impact the water supply sources and/or water rights that may be associated with RLL's properties. For example, our work on the SABGSA Matters may include administrative proceedings or litigation over water rights and water supplies available to RLL's properties in connection with the RLL Matters. Although we are not aware of a present conflict between RLL and SABGSA, there is a potential that a conflict of interest could arise in the future between RLL and SABGSA with respect to the SABGSA Matters.

Brownstein's representation of RLL in the RLL Matters while we represent SABGSA in the SABGSA Matters arguably constitutes a conflict of interest under the applicable Rules of Professional Conduct.

Under the Rules of Professional Conduct, we may not represent a client in a manner that is adverse to another client unless both clients agree to the proposed representation after being adequately informed, in writing, of the relevant circumstances and the material, reasonably foreseeable ways that the conflict could have adverse effects on their interests.

SABGSA should consider whether there is any material risk that Brownstein will be less zealous or eager on its behalf due to Brownstein's representation of RLL in the RLL Matters, or whether the professional judgment of Brownstein attorneys working on SABGSA's matters could be affected by the interests of RLL. We do not believe that there is a material risk of any of the foregoing in our concurrent but separate representation of RLL in the RLL Matters and SABGSA in the SABGSA Matters.

In the event an actual conflict of interest between RLL and SABGSA regarding the SABGSA Matters/the San Antonio Basin does arise, Brownstein will not represent either RLL and SABGSA in a dispute or litigation against the other related to the SABGSA Matters/the San Antonio Basin. However, should a dispute or litigation arise in connection with the SABGSA Matters/the San Antonio Basin, we will not be obligated, and SABGSA agrees it will not seek for us, to withdraw from representing RLL in unrelated matters. In addition, Brownstein may continue to accept engagements from both RLL and SABGSA in other unrelated matters, without further notice to either client, so long as those matters do not create any new conflicts of interest between the clients.

If you have any questions or concerns about the circumstances described herein, please contact me. We recommend that SABGSA seek independent counsel regarding the effect of this letter. If SABGSA determines, based on the advice of its independent counsel or otherwise, that our representation as described herein will be detrimental to its interests, SABGSA should not consent to it.

If SABGSA wishes to consent to this waiver after such review as you believe appropriate, please sign a copy of it in the space provided and return it to the undersigned. Your execution of this letter will confirm that we have provided you with adequate information and explanation about the material risks of our proposed representation.

Sincerely,



Jessica L. Diaz

**[SIGNATURE ON FOLLOWING PAGE]**

READ AND AGREED TO THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2024.

SAN ANTONIO BASIN GROUNDWATER SUSTAINABILITY AGENCY

By: \_\_\_\_\_

Its: \_\_\_\_\_