
North Coast Regional Water Quality Control Board

June 2, 2021

Certified Mail No. 7016 2070 0000 6486 1787

Krasimir Penev
Happy Ranger LLC
PO Box 187
Blocksburg, CA 95514
Krasimargo2012@gmail.com

Dear Mr. Penev:

Subject: **Notice of Violation and Transmittal of Inspection Report for April 23, 2021 Inspection of Humboldt County Assessor's Parcel 217-401-009**

File: Cannabis Program Inspections, Humboldt County, April 2021,
CIWQS Place ID 838403
Cannabis General Order WDID: 1_12CC419314

This letter is to notify you of observed violations of the requirements listed below, and cited in Attachment A, at the property identified as Humboldt County Assessor's Parcel Number (APN) 217-401-009 (the Property):

1. State Water Resources Control Board Order WQ 2019-0001-DWQ General Waste Discharge Requirements for Discharges of Waste Associated with Cannabis Cultivation Activities (Cannabis General Order) various provisions
2. Water Quality Control Plan for the North Coast Region (Basin Plan) Section 4.2.1
3. California Water Code (Water Code) Section 13260 and 13264

According to our records, the cannabis cultivation operation located on this Property is enrolled for coverage under the Cannabis General Order as Tier 2, Moderate Risk to water quality.

Background

LandVision records show that as of 2020, the Property is owned by Blocksburg Investments LLC; according to the California Secretary of State website, the Agent of Service for Process the LLC is Hristinani Peneva.

Effective March 8, 2017 to June 30, 2019, the Property was enrolled under Regional Cannabis Order R1-2015-0023, with Discharger Krasimir Penev, WDID No. 1B170640CHUM.

On July 1, 2019, Krasimir Penev submitted an application for coverage under the State Water Resources Control Board Order WQ 2019-0001-DWQ, General Waste Discharge Requirements for Discharges of Waste Associated with Cannabis Cultivation Activities (Cannabis General Order), self-certifying the Property as Tier 2 – Moderate Risk, which requires, in part, that a Site Management Plan and Site Erosion and Sediment Control Plan be submitted for approval by the Executive Officer, and that no portion of the disturbed area may be within the minimum riparian setbacks as described in the Cannabis General Order.

On January 14, 2021, the California Department of Fish and Wildlife (CDFW) sent a Notice of Violation of Fish and Game Code 1602 and 5650 to Krasimir Penev, Happy Ranger LLC.

With your consent, on April 23, 2021, staff from the Regional Water Board (Staff) inspected the Property, accompanied by you, as well as staff of CDFW and your consultant, Green Roads Consulting. The purpose of the inspection was to evaluate onsite development and conditions, and to identify and assess any impacts or threatened impacts to the quality and beneficial uses of waters of the state.

Attached is a copy of the water quality inspection report (Attachment B – April 23, 2021 Facilities Inspection Report). Please review the inspection report carefully and completely. The inspection report contains recommendations for correcting observed violations and advises you of the Regional Water Board permits necessary for instream work and projects/activities that result in discharges of waste to receiving waters.

Relevant Requirements

During the inspection, Regional Water Board staff identified several features and conditions on the Property that represent violations of water quality requirements and regulations. Attachment A – Regulatory Citations, provides references to these, and related, requirements and regulations.

Observed Violations

As documented in the Inspection Report, Regional Water Board Staff observed violations of the California Water Code, the Basin Plan and the Cannabis General Order as summarized in Table 1.

Table 1. Summary of violations documented by Regional Water Board staff during the April 23, 2021 Inspection.

Locations	Violation Types
WQ1-WQ2, WQ4-WQ8	State Water Resources Control Board Order WQ 2019-0001-DWQ General Waste Discharge Requirements for Discharges of Waste Associated with Cannabis Cultivation Activities (Cannabis General Order) various provisions
WQ1-WQ2, WQ4-WQ8	Water Quality Control Plan for the North Coast Region (Basin Plan) Section 4.2.1
WQ1, WQ2, WQ5	California Water Code (Water Code) section 13260 and 13264

Site Management Plan (SMP)

Pursuant to the Cannabis General Order, all enrollees must submit a Site Management Plan within 90 days of enrollment. It has been more than 90 days since you enrolled your Property for coverage under the Cannabis General Order; to date, we have not received an SMP.

Legal requirements and directive to reassess and modify enrollment in the Cannabis General Order

During the April 23, 2021, inspection, Staff observed and documented threatened and actual discharge of sediment associated with land disturbance at stream crossings and the access roads inconsistent with the Cannabis General Order. The Property does not meet requirements to be considered a Moderate Risk site.

For the purposes of Cannabis General Order, land disturbance is defined as including all activities whatsoever associated with developing or modifying land for cannabis cultivation, related activities, or access. Land disturbance activities include, but are not limited to, construction of roads, buildings, water storage areas, excavation, grading, and site clearing. Disturbed land includes cultivation areas, storage areas where soil or soil amendments (e.g., potting soil, compost, or biosolids) are located. All access roads and water crossings that have not been designed, constructed, and maintained consistent with the Handbook for Forest, Ranch, and Rural Roads and Attachment A of the Cannabis General Order, are considered disturbed areas, as well.

If any land disturbance activities have occurred or are occurring within the riparian setback, as defined within the Cannabis General Order, you must revise your enrollment under that order to reflect that the site is a High-Risk site.

Note that the High Risk designation is considered to be a temporary condition, with the requirement that enrollees of High Risk sites will take steps to develop and implement

Disturbed Area Stabilization Plans to stabilize the disturbed area and cease all cannabis cultivation-related activities located within the riparian setback.

Once the riparian setback area is stabilized and the Regional Water Board approves the work, you can request to reclassify the site as either low or moderate risk, depending upon the site conditions, allowing a lower annual fee to be assessed. Your High-Risk designation is therefore temporary until you reconfigure your operations to comply with the riparian setback requirements, per an approved plan.

Pursuant to Water Code section 13260 and Cannabis General Order Provision C.2.i, the Regional Water Board requires you to modify your application information by doing the following:

Within 30 days of the date of this letter you must obtain appropriate coverage under the Cannabis General Order, representative of disturbed area based on tier and risk level.

- a. To modify enrollment, you must handwrite in your selection on pages seven and eight of the enclosed Application Summary (Enclosure) and sign and date next to the handwritten change.
- b. Submit a copy of the edited summary to NorthCoast.Cannabis@waterboards.ca.gov.

If you fail to take the action described above, the Regional Water Board may impose penalties of up to \$1,000 per day pursuant to Water Code section 13261 for violations of section 13260. In addition, pursuant to Cannabis General Order Provision C.2.h, the Regional Water Board Executive Officer may terminate a Discharger's coverage under the Cannabis General Order for cause including, but not limited to, any of the following:

- i. Violation of any of the terms or conditions contained in the General Order.
- ii. Obtaining the General Order by misrepresentation, or failure to disclose fully all relevant facts.
- iii. A change in any condition that results in either a temporary or permanent need to reduce or eliminate the authorized discharge activities.
- iv. A material change in the activity, character, location, or volume of discharge.
- v. Adoption of a TMDL amendment, new TMDL, or TMDL alternative.

Be aware that termination of coverage under the Cannabis General Order may impact your ability to maintain a cannabis cultivation license with the California Department of Food and Agriculture.

Additional Potential Liabilities

The Regional Water Board reserves the right to take any enforcement action the law allows. Additionally, enrollment in the Cannabis General Order does not relieve you of

responsibility to obtain other necessary local, state, or federal permits, nor does the Cannabis General Order prevent imposition of additional standards, requirements, or conditions by any other agency. In the event of duplicate or conflicting requirements, the most stringent requirement applies.

The Regional Water Board is in the process of considering whether the violations of the Water Code and the Basin Plan warrant further enforcement. We encourage you to take steps to correct the violations as soon as possible, securing any applicable permits from this and other agencies prior to conducting work. Please note that the existing conditions, as observed and documented in the Inspection Report, may represent continuing violations of the Basin Plan.

Please note that correcting the conditions of non-compliance at the Property does not preclude enforcement for the violations alleged in this notice. As noted above, the Regional Water Board reserves its right to fully enforce the law against any violation and threatened violation by taking enforcement actions such as a cleanup and abatement order, time schedule order, administrative civil liabilities, and referral to the California Attorney General's office.

An actual discharge to waters of the state, including waste discharges in violation of a waste discharge requirement, waiver condition, certification, or other order or prohibition issued by a regional board may subject a person to an administrative liability up to \$5,000 per day of violation for each violation, or \$10 for each gallon of waste discharged pursuant to Water Code section 13350 or up to \$10 per gallon for each gallon over 1,000 gallons not cleaned up, and up to \$10,000 per day per violation pursuant to Water Code section 13385.

Inspection Report Recommendations

As mentioned above, the April 23, 2021 Inspection Report provides recommendations to correct the alleged violations, as well as to address features and conditions that threaten to impact water quality. **Within 30 days of this letter**, please advise Regional Water Board staff Adona White of your intentions, plan, and schedule to implement recommendations in the inspection report. If you have questions about what is required of you to comply with the requirements outlined above, and to advise as to your plan and schedule to correct the alleged violations, please contact Regional Water Board staff Adona White by email at Adona.White@waterboards.ca.gov or by phone at (707) 576-2672.

Future correspondence regarding this matter will be sent to you at this address unless an alternative address is provided to the Regional Water Board. Failure to accept mail from the Regional Water Board is not a valid excuse for non-compliance with any future enforcement orders, and a failure to respond or otherwise appear at a future enforcement proceeding could subject you to a default order and the imposition of administrative civil liability.

You may also contact me at Diana.Henrioulle@waterboards.ca.gov or by phone at (707) 576-2350. Additionally, we are available to meet with you if you wish to discuss this letter or our waste discharge regulatory programs in further detail.

Sincerely,

Diana Henrioulle, P.E.
Enforcement Unit

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Attachments: Attachment A – Regulatory Citations
Attachment B – April 23, 2021 Facilities Inspection Report and
Photo Appendix
Application Summary (sent with hard copy only)

Certified Mail – Return Receipt requested

cc: North Coast Regional Water Quality Control Board
Northcoast.Cannabis@waterboards.ca.gov
Claudia Villacorta, Claudia.Villacorta@waterboards.ca.gov
Kason Grady, Kason.Grady@waterboards.ca.gov
Adona White, Adona.White@waterboards.ca.gov

Department of Fish and Wildlife

David Manthorne, David.Manthorne@wildlife.ca.gov
Scott Bauer, Scott.Bauer@wildlife.ca.gov

Division of Water Rights

Stormer Feiler, Stormer.Feiler@waterboards.ca.gov

Attachment A- Regulatory Citations

Regulatory Section	Citation
Basin Plan Section 4.2.1, Prohibition 1	Prohibits “[t]he discharge of soil, silt, bark, slash, sawdust, or other organic and earthen material from any logging, construction, or associated activity of whatever nature into any stream or watercourse in the basin in quantities deleterious to fish, wildlife, or other beneficial uses.”
Basin Plan Section 4.2.1, Prohibition 2	Prohibits “[t]he placing or disposal of soil, silt, bark, slash, sawdust, or other organic and earthen material from any logging, construction, or associated activity of whatever nature at locations where such material could pass into any stream or watercourse in the basin in quantities which could be deleterious to fish, wildlife, or other beneficial uses.”
California Water Code Section 13260	<p>“(a) Each of the following persons shall file with the appropriate regional board a report of the discharge, containing the information that may be required by the regional board:</p> <p style="padding-left: 40px;">(1) A person discharging waste, or proposing to discharge waste, within any region that could affect the quality of the waters of the state, other than into a community sewer system.</p> <p style="padding-left: 40px;">(2) A person who is a citizen, domiciliary, or political agency or entity of this state discharging waste, or proposing to discharge waste, outside the boundaries of the state in a manner that could affect the quality of the waters of the state within any region.”</p>
California Water Code Section 13261(a)	“A person who fails to furnish a report or pay a fee under Section 13260 when so requested by a regional board is guilty of a misdemeanor and may be liable civilly in accordance with subdivision (b).”
California Water Code Section 13264 (a)	“No person shall initiate any new discharge of waste or make any material changes in any discharge, or initiate a discharge to, make any material changes in a discharge to, or construct, an injection well, prior to the filing of the report required by Section 13260 and no person shall take any of these actions after filing the report but before whichever of the following occurs first:”
California Water Code Section 13265(a)	“Any person discharging waste in violation of Section 13264 , after such violation has been called to his attention in writing by the regional board, is guilty of a misdemeanor and may be liable civilly in accordance with subdivision (b). Each day of such discharge shall constitute a separate offense.”

Regulatory Section	Citation
California Water Code Section 13350	“A person who (1) violates a cease and desist order or cleanup and abatement order hereafter issued, reissued, or amended by a regional board or the state board, or (2) in violation of a waste discharge requirement, waiver condition, certification, or other order or prohibition issued, reissued, or amended by a regional board or the state board, discharges waste, or causes or permits waste to be deposited where it is discharged, into the waters of the state, or (3) causes or permits any oil or any residuary product of petroleum to be deposited in or on any of the waters of the state, except in accordance with waste discharge requirements or other actions or provisions of this division, shall be liable civilly, and remedies may be proposed, in accordance with subdivision (d) or (e).”
Federal Clean Water Act Section 301 (a):	Section 301(a) provides that subject to certain exceptions, “the discharge of any pollutant by any person shall be unlawful.” 33 U.S.C. § 1311(a). One of the exceptions allowed for under the Clean Water Act is the discharge from a dredge and fill activity under the auspices of § 404 and 401 of the Clean Water Act. 33 U.S.C. § 1342. The Clean Water Act prohibits the discharge of any pollutant from a point source into waters of the United States without a section 404 dredge and fill permit and a section 401 state water quality certification.
Federal Clean Water Act Section 401	Section 401 (a)(1) “Any applicant for a Federal license or permit to conduct any activity including, but not limited to, the construction or operation of facilities, which may result in any discharge into the navigable waters, shall provide the licensing or permitting agency a certification from the State in which the discharge originates”
Federal Clean Water Act Section 404	Section 404(a) provides, in relevant part, “The Secretary may issue permits...for the discharge of dredged or fill material into the navigable waters...” The Code of Federal Regulations defines the term “dredged material” as material that is excavated or dredged from waters of the United States. 33 C.F.R. § 323.2(c). The term “discharge or dredged material” mean any addition of dredge material into the waters of the United States. 33 C.F.R. § 323.2(d)(1). The Code of Federal Regulations defines “fill material” as material placed in waters of the United States that has the effect of replacing any portion of a water of the United States with dry land or changing the bottom elevation of any portion of a water of the United States. 33 C.F.R. § 323.2(e)(1). The term “discharge of fill material” means the additional of fill material into waters of the United States. 33 C.F.R. § 323.2(f).

Regulatory Section	Citation
Cannabis General Order, Cannabis Cultivation Policy, Attachment A, Section 1, Term 27	<p>Unless authorized by separate waste discharge requirements, the Cannabis Cultivation General Order, or a CWA section 404/401 permit, the following discharges are prohibited:</p> <ul style="list-style-type: none"> • any waste that could affect the quality of the waters of the state; or • wastewater from cannabis manufacturing activities defined in Business and Professions Code section 26100, indoor grow operations, or other industrial wastewater to an onsite wastewater treatment system (e.g., septic tank and associated disposal facilities), to surface water, or to land
Cannabis General Order, Cannabis Cultivation Policy, Attachment A, Section 1, Cannabis General Water Quality Certification, Term 4	<p>“A cannabis cultivator seeking water quality certification coverage for activities in surface waters shall notify the Executive Officer of the Regional Water Board or State Water Board Executive Director at least 60 days prior to commencement of the activity and submit information regarding the construction schedule and other relevant information. Work may not commence until the cannabis cultivator is provided authorization by the appropriate Executive Officer of the Regional Water Board or Executive Director of the State Water Board. The Executive Officer of the Regional Water Board or Executive Director of the State Water Board may include specific monitoring requirements for turbidity and other constituents that may be associated with the activity to ensure applicable state water quality standards are met.”</p>
Cannabis General Order, Cannabis Cultivation Policy, Attachment A, Section 2, Term 7	<p>Cannabis cultivators shall stage and store equipment, materials, fuels, lubricants, solvents, or hazardous or toxic materials in locations that minimize the potential for discharge to waters of the state. At a minimum, the following measures shall be implemented: a) Designate an area outside the riparian setback for equipment storage, short-term maintenance, and refueling. Cannabis cultivator shall not conduct any maintenance activity or refuel equipment in any location where the petroleum products or other pollutants may enter waters of the state as per Fish and Game Code section 5650 (a)(1). b) Frequently inspect equipment and vehicles for leaks. c) Immediately clean up leaks, drips, and spills. Except for emergency repairs that are necessary for the safe transport of equipment or vehicles to an appropriate repair facility; performing equipment or vehicle repairs, maintenance, and washing onsite is prohibited. d) If emergency repairs generate waste fluids, ensure they are contained and properly disposed or recycled off-site. e) Properly dispose of all construction debris off-site. Use dry cleanup methods (e.g., absorbent materials, cat litter, and/or rags) whenever possible. Sweep up, contain, and properly dispose of spilled dry materials.</p>

Regulatory Section	Citation
Cannabis General Order, Cannabis Cultivation Policy, Attachment A, Section 2, Term 15	Access roads shall be constructed consistent with the requirements of California Code of Regulations Title 14, Chapter 4. The Road Handbook describes how to implement the regulations and is available at http://www.pacificwatershed.com/PWA-publications-library . Existing access roads shall be upgraded to comply with the Road Handbook.
Cannabis General Order, Cannabis Cultivation Policy, Attachment A, Section 2, Term16	Cannabis cultivators shall obtain all required permits and approvals prior to the construction of any access road constructed for cannabis cultivation activities. Permits may include section 404/401 CWA permits, Regional Water Board WDRs (when applicable), CDFW LSA Agreement, and county or local agency permits.
Cannabis General Order, Cannabis Cultivation Policy, Attachment A, Section 2, Term 17	Cannabis cultivators shall ensure that all access roads are hydrologically disconnected to receiving waters to the extent possible by installing disconnecting drainage features, increasing the frequency of (inside) ditch drain relief as needed, constructing out-sloped roads, constructing energy dissipating structures, avoiding concentrating flows in unstable areas, and performing inspection and maintenance as needed to optimize the access road performance.
Cannabis General Order, Cannabis Cultivation Policy, Attachment A, Section 2, Term 22	Cannabis cultivators shall ensure that access road surfacing, especially within a segment leading to a waterbody, is sufficient to minimize sediment delivery to the wetland or waterbody and maximize access road integrity. Road surfacing may include pavement, chip-seal, lignin, rock, or other material appropriate for timing and nature of use. All access roads that will be used for winter or wet weather hauling/traffic shall be surfaced. Steeper access road grades require higher quality rock (e.g., crushed angular versus river-run) to remain in place. The use of asphalt grindings is prohibited.
Cannabis General Order, Cannabis Cultivation Policy, Attachment A, Section 2, Term 26	Cannabis cultivators shall ensure that access roads are not allowed to develop or show evidence of significant surface rutting or gulying. Cannabis cultivators shall use water bars and rolling dips as designed by a Qualified Professional to minimize access road surface erosion and dissipate runoff.

Regulatory Section	Citation
Cannabis General Order, Cannabis Cultivation Policy, Attachment A, Section 2, Term 28	Access road storm water drainage structures shall not discharge onto unstable slopes, earthen fills, or directly to a waterbody. Drainage structures shall discharge onto stable areas with straw bales, slash, vegetation, and/or rock riprap.
Cannabis General Order, Cannabis Cultivation Policy, Attachment A, Section 2, Term 31	Cannabis cultivators shall ensure that all permanent watercourse crossings that are constructed or reconstructed are capable of accommodating the estimated 100-year flood flow, including debris and sediment loads. Watercourse crossings shall be designed and sized by a Qualified Professional.
Cannabis General Order, Cannabis Cultivation Policy, Attachment A, Section 2, Term 48	Cannabis cultivators shall ensure that watercourse crossings are designed by a Qualified Professional.
Cannabis General Order, Cannabis Cultivation Policy, Attachment A, Section 2, Term 49	Cannabis cultivators shall ensure that all access road watercourse crossing structures allow for the unrestricted passage of water and shall be designed to accommodate the estimated 100-year flood flow and associated debris (based upon an assessment of the streams potential to generate debris during high flow events). Watercourse crossings shall be designed and sized by a Qualified Professional. Consult CAL FIRE 100-year Watercourse Crossings document for examples and design calculations, available at: http://calfire.ca.gov/resource_mgt/downloads/100%20yr%20revised%208-08-17%20(final-a).pdf
Cannabis General Order, Cannabis Cultivation Policy, Attachment A, Section 2, Term 51	Cannabis cultivators shall conduct regular inspection and maintenance of stream crossings to ensure crossings are not blocked by debris. Refer to California Board of Forestry Technical Rule No. 5 available at: http://www.calforests.org/wp-content/uploads/2013/10/Adopted-TRA5.pdf .

Regulatory Section	Citation
Cannabis General Order, Cannabis Cultivation Policy, Attachment A, Section 2, Term 56	Cannabis cultivators shall ensure that culverts used at watercourse crossings are: 1) installed parallel to the watercourse alignment to the extent possible, 2) of sufficient length to extend beyond stabilized fill/sidecast material, and 3) embedded or installed at the same level and gradient of the streambed in which they are being placed to prevent erosion.
Cannabis General Order, Cannabis Cultivation Policy, Attachment A, Section 2, Term 76	Cannabis cultivators shall not obstruct, alter, dam, or divert any portion of a natural watercourse prior to obtaining all applicable permits and approvals. Permits may include a valid water right, 404/401 CWA permits, a CDFW LSA Agreement, coverage under the Cannabis Cultivation General Order water quality certification, or site-specific WDRs issued by the Regional Water Board.