

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD  
NORTH COAST REGION

In the matter of:	)	
	)	
<b>Krasilsa Pacific Farms LLC</b>	)	<b>Settlement Agreement and Stipulation</b>
<b>Hugh Reimers</b>	)	<b>for Entry of Order</b>
	)	
<b>Administrative Civil Liability</b>	)	(Gov. Code § 11415.60)
<b>Complaint No. R1-2022-0024</b>	)	
	)	

**Section I: Introduction**

This Settlement Agreement and Stipulation for Entry of Order (Stipulation) is entered into by and between the North Coast Regional Water Quality Control Board (Regional Water Board) Prosecution Team (Prosecution Team) and Krasilsa Pacific Farms LLC and Hugh Reimers (collectively the Dischargers), and is presented to the Regional Water Board for adoption as an Order by settlement pursuant to Government Code section 11415.60. The Dischargers and the Prosecution Team are collectively referred to herein as the Parties.

**Section II: Recitals**

1. Krasilsa Pacific Farms LLC is the owner of real property in Sonoma County commonly identified as 29810 River Road, Cloverdale, California (Property<sup>1</sup>) and has owned the Property at all times relevant here. Hugh Reimers served as a manager of the LLC and directed activities at the Property during the relevant periods.
2. Regional Water Board staff inspected the Property on December 28, 2018, and again on January 14, 2019, and observed and documented areas of unauthorized site clearing and deep ripping activities on the Property. Staff determined that the activities resulted in discharges of waste and threatened discharges of waste into Little Sulphur Creek, Big Sulphur Creek, Crocker Creek, and tributaries thereto.
3. The Executive Officer of the Regional Water Board, acting under delegated authority, issued Cleanup and Abatement and 13267 Order No. R1-2019-0045 (CAO) to the Dischargers on August 29, 2019. The CAO directs the Dischargers to develop plans and implement activities on the Property to address the conditions observed by staff.

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<sup>1</sup> The Property consists of Sonoma County Assessor's Parcel Numbers 115-200-002-000, 115-210-002-000, 116-240-006-000, 117-260-002-000, 117-260-001-000, 117-270-002-000, 117-270-003-000 and 117-270-006-000.

4. On May 9, 2022, the Prosecution Team issued Administrative Civil Liability Complaint No. R1-2022-0024 (Complaint) against the Dischargers. The Complaint alleges a total of 16 violations separated into four categories: (1) discharges to waters of the state in violation of the *Water Quality Control Plan for the North Coast Region* (Basin Plan) [12 violations total]; (2) unauthorized dredge and fill into wetlands that are waters of the United States [2 violations total]; (3) failure to submit an adequate Restoration Mitigation and Monitoring Plan in violation of the CAO [1 violation]; and (4) failure to implement cleanup activities in violation of the CAO [1 violation]. The Complaint proposes a total administrative civil liability of \$3,750,852 for these violations.

5. The Parties have engaged in settlement negotiations and agree to resolve the Complaint without further administrative proceedings or civil litigation. The Parties have agreed to the imposition of \$450,000 in administrative civil liability against the Dischargers.

6. The amount of administrative civil liability imposed pursuant to this Stipulation comports with the State Water Resources Control Board Water Quality Enforcement Policy methodology as discussed in Attachment A, hereto, which is fully incorporated herein by reference.

7. The Parties have also agreed to present this Stipulation and the proposed order contained in Attachment B to the Regional Water Board for adoption as an Order pursuant to Government Code section 11415.60.

8. The Prosecution Team contends that the resolution of the alleged violations through this Agreement is fair and reasonable and fulfills its enforcement objectives, that no further action is warranted concerning the specific violations alleged in the Complaint except as provided in this Stipulation, and that this Stipulation is in the best interests of the public.

### **Section III: Stipulations**

The Parties stipulate to the following:

9. **Administrative Civil Liability:** The Dischargers hereby agree to pay administrative civil liability totaling \$450,000. Payment of this amount shall be by check to the State Water Resources Control Board Cleanup and Abatement Account, and shall be made no later than 30 days after the proposed Order is adopted by mail to:

State Water Resources Control Board  
Division of Administrative Services  
Accounting Office, ACL Payment  
1001 I Street, CA 95814

The check shall reference the number assigned to the proposed Order accompanying this Stipulation. The Dischargers shall provide a copy of the check sent via mail and email at the time the payment is made to:

Jeremiah Puget, Senior Environmental Scientist/Enforcement Coordinator  
North Coast Regional Water Quality Control Board  
5550 Skylane Blvd., Ste. A  
Santa Rosa, CA 95403-1072  
Jeremiah.Puget@waterboards.ca.gov

10. **Cleanup and Abatement Order:** Cleanup and Abatement and 13267 Order No. R1-2019-0045 shall remain in effect with the following modifications:

a. **Implementation of the RMMP:** The Dischargers shall implement an RMMP approved by the Regional Water Board or its delegated officer by no later than October 15, 2023.

11. **Compliance with Applicable Laws:** The Dischargers understand that payment of administrative civil liability in accordance with the terms of the Order or compliance with the terms of this Order is not a substitute for compliance with applicable laws, and that future violations of the type alleged in the Complaint may subject the Dischargers to further enforcement, including additional administrative civil liability.

12. **Evidence of Prior Enforcement Action:** The Parties agree that in the event of any future enforcement actions by the Regional Water Board, this Stipulated Order maybe used as evidence of a prior enforcement action consistent with Water Code section 13327 or section 13385, subdivision (e).

13. **Public Notice:** The Dischargers understand that this Stipulation and the accompanying proposed Order (Attachment B hereto) will be noticed for a 30-day public review and comment period prior to consideration by the Regional Water Board or its delegate. If significant new information is received that reasonably affects the propriety of presenting this Stipulation and the accompanying proposed Order to the Regional Water Board, or its delegate, for adoption, the Assistant Executive Officer may unilaterally declare this Stipulation void and decide not to present it to the Regional Water Board or its delegate. The Dischargers agree that they may not rescind or otherwise withdraw their approval of this Stipulation.

14. **Addressing Objections Raised During Public Comment Period:** The Parties agree that the procedure contemplated for adopting the proposed Order by the Regional Water Board and review of this Stipulation by the public is lawful and adequate. The Parties understand that the Regional Water Board, or its delegate, has the authority to require a public hearing to consider adoption of the Stipulated Order approving this Stipulation. In the event procedural objections are raised or the Regional Water Board requires a public hearing prior to the Stipulated Order becoming effective, the Parties agree to meet and confer concerning any such objections and may agree to revise or

adjust the procedure for adoption of the Stipulated Order as necessary or advisable under the circumstances.

15. **Attorneys' Fees and Costs:** Except as otherwise provided herein, each Party shall bear all attorneys' fees and costs arising from such Party's own counsel in connection with the matters set forth herein.

16. **Interpretation:** This Stipulation and the accompanying proposed Order shall be construed as if the Parties prepared them jointly. Any uncertainty or ambiguity shall not be interpreted against any one Party. The Dischargers are represented by counsel in this matter.

17. **Modification:** This Stipulation shall not be modified by either of the Parties by oral representation made before or after its execution. All modifications must be in writing, signed by all Parties. Any modifications occurring after Regional Water Board adoption of the proposed Order must be approved the Regional Water Board or its delegate, except for modifications to the timelines set forth in Paragraph 10. In that case, the Dischargers may request, in writing, an extension of the timelines set forth in Paragraph 10 to the Regional Water Board's Executive Officer due to unforeseen or unavoidable circumstances. The extension request shall include justification for the delay. Any extension request shall be submitted as soon as a delay is recognized and prior to the compliance date. The Regional Water Board's Executive Officer may approve the extension request and will do so in writing.

18. **If Order Does Not Take Effect:** In the event that the proposed Stipulated Order does not take effect because it is not approved by the Regional Water Board, or its delegate, or is vacated in whole or in part by the State Water Resources Control Board or a court, the Parties acknowledge that they expect to proceed to a contested evidentiary hearing before the Regional Water Board to determine whether to assess administrative civil liabilities for the underlying alleged violation, unless the Parties agree otherwise. The Parties agree that all oral and written statements and agreements made during the course of settlement discussions will not be admissible as evidence in the hearing. The Parties agree to waive any and all objections based on settlement communications in this matter, including, but not limited to:

- a. Objections related to prejudice or bias of any of the Regional Water Board members or their advisors and any other objections that are premised in whole or in part on the fact that the Regional Water Board members or their advisors were exposed to some of the material facts and the Parties' settlement positions as a consequence of reviewing the Stipulation or the Order, and therefore may have formed impressions or conclusions prior to any contested evidentiary hearing on the Complaint in this matter; or
- b. Laches or delay or other equitable defenses based on the time period for administrative or judicial review to the extent this period has been extended by these settlement proceedings.

19. **Waiver of Right to Hearing:** The Dischargers have been informed of the rights provided by Water Code section 13323, subdivision (b), and hereby waive their right to a hearing before the Regional Water Board prior to the adoption of the Order.
20. **Waiver of Right to Petition or Appeal:** The Dischargers hereby waive the right to file a petition for review of the adoption of the proposed Order to the Regional Water Board for review by the State Water Resources Control Board, and further waive the rights, if any, to appeal the same to a California Superior Court and/or any California appellate level court.
21. **Covenant Not to Sue:** The Dischargers covenant not to sue or pursue any administrative or civil claim(s) against any State Agency or the State of California, their officers, Board Members, employees, representatives, agents, or attorneys arising out of or relating to any matter expressly addressed by this Stipulation.
22. **Necessity for Written Approvals:** All approvals and decisions of the Regional Water Board under the terms of this Stipulation shall be communicated to the Dischargers in writing. No oral advice, guidance, suggestions, or comments by employees or officials of the Regional Water Board regarding submissions or notices shall be construed to relieve the Dischargers of the obligation to obtain any final written approval required by this Stipulation.
23. **Authority to Bind:** Each person executing this Stipulation in a representative capacity represents and warrants that he or she is authorized to execute this Stipulation on behalf of and to bind the entity on whose behalf he or she executes the Stipulation.
24. **No Third-Party Beneficiaries:** This Stipulation is not intended to confer any rights or obligations on any third party or parties, and no third party or parties shall have any right of action under this Stipulation for any cause whatsoever.
25. **Severability:** The terms of this Stipulation are severable; should any provision be found invalid the remainder shall remain in full force and effect.
26. **Counterpart Signatures:** This Stipulation may be executed and delivered in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, but such counterparts shall together constitute one document. Further, this Stipulation may be executed by electronic signature, and any such electronic signature shall be deemed to be an original signature and shall be binding on such Party to the same extent as if such electronic signature was an original signature.
27. **Effective Date:** This Stipulation shall be effective and binding on the Parties upon the date the Regional Water Board, or its delegate, adopts the Order incorporating the terms of this Stipulation.

**IT IS SO STIPULATED.**

**California Regional Water Quality Control Board Prosecution Team  
North Coast Region**

Original signed by Joshua Curtis on May 8, 2023

By: \_\_\_\_\_  
Joshua Curtis, Assistant Executive Officer

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

**Krasilsa Pacific Farms, LLC**

Original signed by David Hayman

By: \_\_\_\_\_  
NAME  
TITLE

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

**Hugh Reimers**

Original signed by Hugh Reimers on April 25, 2023

By: \_\_\_\_\_  
NAME  
TITLE

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

Attachment A: Stipulated Administrative Civil Liability Methodology Summary  
Attachment B: Proposed Stipulated Order Approving Settlement Agreement