

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD  
NORTH COAST REGION**

**ADMINISTRATIVE CIVIL LIABILITY COMPLAINT NO. R1-2025-0023**

**IN THE MATTER OF AARON LIEBERMAN, PARADISE VALLEY LLC, NORTHLAND  
MANAGEMENT GROUP LLC AND NORTHCOAST INVESTMENT GROUP LLC**

**HUMBOLDT COUNTY**

**ASSESSOR'S PARCEL NUMBERS 220-292-015, 220-292-017 and 220-292-018**

This Administrative Civil Liability Complaint (Complaint) is issued by the Assistant Executive Officer of the North Coast Regional Water Quality Control Board (North Coast Water Board) to Aaron Lieberman, Paradise Valley LLC, Northland Management Group LLC, Northcoast Investment Group LLC (hereinafter, Dischargers) for failure to submit a proposed Cleanup, Restoration, and Monitoring Plan (CRMP) as required under Required Action No. 1 of Cleanup and Abatement and Investigative Order No. R1-2024-0047 (Cleanup and Abatement Order) in violation of Water Code section 13267. This Complaint is issued pursuant to Water Code section 13323, which authorizes the Executive Officer to issue this Complaint, and Water Code Division 7, which authorizes the delegation of the Executive Officer's issuing authority to a deputy, in this case, the Assistant Executive Officer.

**The Assistant Executive Officer of the North Coast Water Board hereby alleges that:**

**BACKGROUND**

1. Humboldt County Assessor's Parcel Numbers (APNs) 220-292-015, 220-292-017 and 220-292-018 (collectively the Property) are the subject of Cleanup and Abatement Order R1-2024-0047. Parcel information available from the Humboldt County Assessor's Office, as accessed via Digital Map Products' Lightbox Vision online service, indicates that Northcoast Investment Group LLC purchased APNs 220-292-017 and 220-292-018 on June 7, 2012, and Northland Management Group LLC purchased APN 220-292-015 on December 6, 2013. According to the California Secretary of State website, Northcoast Investment Group LLC registered in California on August 19, 2016, with Aaron Lieberman identifying himself as the managing member. Northland Management Group LLC registered in California on June 5, 2013, with Aaron Lieberman identifying himself as the managing member.
2. Effective March 3, 2016, Aaron Lieberman enrolled APN 220-292-015 under Order No. R1-2015-0023 *Waiver of Waste Discharge Requirements and General Water Quality Certification for Discharges of Waste Resulting from Cannabis Cultivation and Associated Activities or Operation with Similar Environmental Effects in the North Coast Region* (Regional Cannabis Order), which was required for cannabis cultivation activities in the region as of September 15, 2015. Aaron Lieberman

identified himself as the cannabis cultivation operator for the Regional Cannabis Order. Despite cultivation activities also occurring on APNs 220-292-017 and 220-292-018, the Dischargers failed to enroll these parcels under the Regional Cannabis Order.

3. In 2016 and 2017, the Dischargers conducted unpermitted development on APN 220-292-017, including a lined pond, a nursery building, and fuel storage area, impacting a riparian setback and discharging to a watercourse. In 2017, the Dischargers constructed one-thousand two hundred (1,200) feet of new road, including excessively steep segments and two new permanent stream crossings, to access a newly constructed cut-and-fill graded flat in an area previously comprised of native forest. On APN 220-292-018, the Dischargers constructed a newly graded cultivation flat and on APN 220-292-015, the Dischargers expanded two graded cultivation flats, all with substantial cut and fill.
4. As required by the Regional Cannabis Order enrollment for APN 220-292-015, on behalf of Aaron Lieberman, Timberland Resource Consultants (TRC) developed, a Water Resource Protection Plan (WRPP) dated August 30, 2016, that was subsequently updated on October 2, 2017. The 2017 WRPP documented threatened discharges from past or legacy development features and proposed feasible sediment prevention and minimization treatments, including at six stream crossings, three cultivation areas located within riparian setbacks and five ditch relief culverts hydrologically connected to watercourses. The WRPP also identified the need to hire an engineer to design and implement stormwater management for a 2.1 acre-flat constructed in the summer of 2017.
5. On August 31, 2017, and May 24, 2018, Staff conducted consent inspections of the Property, as documented in inspection reports transmitted to the Dischargers on July 25, 2018. In addition to features on APN 220-292-015 identified in the 2017 WRPP, Staff also documented threats to water quality on APNs 220-292-017 and 220-292-018, including from unpermitted site development in 2016 and 2017, and from legacy earthwork features and other threats of erosion and sediment discharge directly and indirectly to watercourses, including cultivation areas and soil piles within setbacks, and sediment delivery associated with roads and stream crossings. Staff advised the Dischargers that site conditions threatened water quality, that the unpermitted disturbance of greater than an acre and instream work to construct the two new crossings were regulatory violations, and to enroll under and comply with the Cannabis General Order for all three parcels. In addition to communicating with the Dischargers and their consultants, Staff coordinated with representatives of the California Department of Fish and Wildlife (CDFW), CalFire, and Humboldt County Building and Planning Department regarding the site conditions, unauthorized development, and impacts to resources observed at the Property.
6. On November 22, 2017, and September 7, 2018, CDFW issued notices of violation to Aaron Lieberman for impacts on the Property associated with unpermitted grading

that altered and delivered sediment to Class III watercourses, undersized and unpermitted culverts, and sediment impacts to watercourses at legacy earthwork features.

7. On November 30, 2018, Aaron Lieberman submitted information through the State Water Resources Control Board's (State Water Board) online portal for discharges of waste associated with cannabis cultivation related activities on APNs 220-292-015, 220-292-017 and 220-292-018. The information submitted constituted an application to transition coverage from the Regional Cannabis Order to State Water Board Order WQ 2019-0000-DWQ *General Waste Discharge Requirements for Discharges of Waste Associated with Cannabis Cultivation Activities* (Cannabis General Order). In the application, Mr. Lieberman identified himself as the operator and his enrollment in the Cannabis General Order became effective on July 1, 2019, with WDID No. 1\_12CC40717 under Tier 2 High Risk, based on the size of disturbed area greater than one acre and cultivation areas located with riparian setbacks.
8. On February 19, 2019, the Dischargers submitted their 2019 Annual Monitoring Report, identifying three new landslides resulting at flats constructed in 2016 and 2017, prompting Staff to conduct a third inspection of the Property on March 7, 2019. Staff inspected the Property, along with the Dischargers and their consultant, and observed that the flats and crossings constructed in 2017 were not adequately constructed or stabilized, with sediment transport and delivery to four Class III watercourses, and one Class II watercourse. Staff confirmed that the legacy earthwork features continued to pose a threat to water quality. In addition to the failures identified in the February 2019 report, Staff observed new failures at two additional graded flats. On March 12, 2019, the Dischargers submitted a winterization plan with supplemental erosion control measures to be implemented at 129 different locations across the Property. On April 30, 2019, the Dischargers submitted an incomplete remediation plan to decommission six legacy flats located within riparian setbacks and to repair the 2017 unpermitted development.
9. According to the Department of Cannabis Control (DCC) website, DCC issued Paradise Valley, LLC a provisional outdoor cultivation license for the Property, No. CCL18-0003423, on July 25, 2019. DCC issued Paradise Mountain, LLC, provisional outdoor cultivation licenses CCL18-0003422 and CCL18-0003421 on August 23, 2019. According to the California Secretary of State website, both Paradise Valley, LLC and Paradise Mountain, LLC registered as of August 23, 2016, and list Aaron Lieberman as a managing member for the corporations.
10. On October 17, 2019, Staff inspected the Property for a fourth time and found that some cleanup was done, and straw mulch was applied in some areas. However, the previously installed wattles had not been maintained for the upcoming winter rains, the fundamental drainage and stability issues on the flats had not been remedied, and site conditions still posed a threat to water quality. The graded flats were being used for substantial cultivation.

11. On October 21, 2019, the Dischargers submitted a Site Management Plan (SMP) required by their Cannabis General Order enrollment. The SMP identified remediation treatments for most of the locations identified in the Staff's inspection reports, however, proposed that the failed flats would be repaired but and used for cultivation but did not provide the details of the repairs.
12. On June 24, 2021, CDFW issued a Lake or Streambed Alteration Agreement (LSAA # 1600-2018-0740-R1) for proposed instream treatments for twelve stream crossings, including ten older, "legacy" crossings and the two built in 2017.
13. On May 19, 2022, Staff inspected the Property for the fifth time, along with CDFW and DCC representatives. On June 17, 2022, the North Coast Water Board sent the Dischargers a letter transmitting the May 19, 2022, inspection report and included a Notice of Violation (NOV) alleging violations of the Cannabis General Order, the Water Quality Control Plan for the North Coast Region (Basin Plan), Water Code Section 13264, and Clean Water Act (CWA) Section 301. The June 17, 2022 NOV compiled reports from Staff inspections of the Property on August 31, 2017, May 24, 2018, March 7, 2019, October 17, 2019, and May 19, 2022, and provided evidence that the Dischargers caused or permitted and/or threaten to cause or permit waste to be discharged into waters of the state and create or threaten to create a condition of pollution, associated with the developed features on the Property. The June 17, 2022 NOV identified the Dischargers' activities that resulted in unauthorized discharge and threats of waste to waters of the state, in violation of the enrollment under the Cannabis General Order, as well as the California Water Code and Basin Plan, including:
  - a. Seven legacy earthworks located within riparian setbacks and associated cultivation activities pose threats of sediment discharge to watercourses;
  - b. Ten legacy stream crossings pose threat of sediment discharge to watercourses;
  - c. Unstable areas associated with fill failures at three of the flats constructed for cultivation activities in 2016/2017 and associated threats of sediment discharge to watercourses;
  - d. Unauthorized discharge of earthen fill during the 2017 construction of two stream crossings; and
  - e. Unauthorized discharge and threatened discharge of waste from inadequately designed and maintained roads, with hydrologic connectivity to streams, and a general lack of maintenance of erosion and sediment control measures.
14. On June 3, 2022, CDFW sent to Aaron Lieberman, Paradise Valley, Northland Management, and North Coast Investment Group LLC a letter, *Notice of Violation of Fish and Game Code Sections 1602 in Conjunction with Cannabis Cultivation, and*

*Notice of Intent to Suspend Streambed Alteration Agreement #1600-2018-0740-R1*, describing the history of violations and ongoing violations, including resulting from failure to remediate the features described in Finding 13. On November 29, 2022, CDFW issued a Notice of Suspension of the LSAA for failure to cure the violations described in their June 3, 2022, Notice of Violation letter. On March 22, 2023, CDFW revoked LSAA No. 1600-2018-0740-R1 for failure to comply with the required conditions and failure to respond to the Notice of Suspension Letter.

15. On June 20, 2022, the North Coast Water Board received an initial application for Discharges of Dredged or Fill Material to Waters of the State from Paradise Valley, LLC, and final application documents on May 31, 2023. On June 7, 2023, the North Coast Water Board issued Paradise Valley, LLC and Aaron Lieberman a *Notice of Applicability for coverage under the Cannabis General Water Quality Certification and Order No. WQ 2019-0001-DWQ General Waste Discharge Requirements* (collectively, the Water Quality Certification), certifying conditional coverage for the instream work, including replacement of eight stream crossings, decommissioning three stream crossings, upgrading two stream crossings, and restoring two watercourses. The Dischargers have not commenced the permitted instream work and have two outstanding bills for annual fees.
16. On September 12, 2023, DCC revoked all three outdoor cultivation licenses on the Property for failure to resolve CDFW and North Coast Water Board violations.
17. On December 4, 2023, CDFW and Aaron Lieberman entered into a new LSAA for eighteen [18] locations, including the treatments to upgrade or decommission stream crossings and to remediate streams impacted by constructed riparian flats.
18. On December 15, 2023, the State Water Board terminated the Dischargers' Tier 2 High Risk enrollment under the Cannabis General Order (WDID No. 1\_12CC40717) due to multiple unpaid annual invoices. The termination effectively left the North Coast Water Board without enforceable requirements to ensure adequate assessment and remediation of the remaining threats to water quality. Mr. Lieberman did not seek reenrollment and has not paid the past due fees.
19. As of the date of this Complaint, the Dischargers have not conducted the stream crossing decommissioning and upgrade work, despite having required preauthorization for instream work from both the North Coast Water Board and CDFW to treat the stream crossings and remediate controllable sediment discharges on the Property. Staff sought an update on February 6, 2024, by email. On February 7, 2024, Mr. Lieberman responded that he planned to complete the stream crossing work in the summer of 2024. On February 21, 2024, Mr. Lieberman provided photos of interim measures including hand dug water bars and wattles at multiple locations. The Dischargers had not provided adequate remediation plans for the 2017 constructed flats with instabilities. Considering the remaining scope of work and threats to water quality, and the extensive compliance assistance afforded to Dischargers, and their failure to accomplish the work over the prior seven years,

Staff prioritized the Property for progressive enforcement and recommended investigative and cleanup requirements.

20. On July 1, 2024, Staff provided a draft Cleanup and Abatement Order to the Dischargers that proposed tasks with associated deadlines, which would be required to clean up and abate the impacts from observed discharges or threatened discharges resulting from the unauthorized cannabis cultivation activities on the Property. The transmittal letter for the draft Cleanup and Abatement Order advised of the North Coast Water Board's intent to issue a final order and provided the Dischargers 30 days from the date of the transmittal letter to submit written comments and/or evidence for the North Coast Water Board to consider. The Dischargers did not provide any comments on the draft Order.
21. On July 31, 2024, Staff received an email from consultants, Margro Advisors, on behalf of Aaron Lieberman, stating that they were assisting Mr. Lieberman and would be able to meet the CRMP deadline of November 8, 2024. Margro Advisors stated that they were part of a team that had applied to CDFW's Cannabis Restoration Grant Program and that they were planning to include the Property in a group for remediation funding.
22. On August 12, 2024, Staff emailed Mr. Lieberman, encouraging progress during the remainder of the summer on treatment of the stream crossings. Mr. Lieberman responded by email on August 14, 2024, stating that he was meeting with Margro Advisors to develop a plan to address the requirements of the Cleanup and Abatement Order. On August 16, 2024 in an email to Mr. Lieberman, Staff emphasized the need to secure a contractor for the treatment of the stream crossings and pointed out that the draft Cleanup and Abatement Order included requirements that technical reports be prepared under the direction of appropriately qualified professionals and engineering and geologic evaluations and judgements shall comply with the California Business and Professions Code.
23. On September 17, 2024, the Executive Officer for the North Coast Water Board issued the Cleanup and Abatement Order to the Dischargers. The Cleanup and Abatement Order directs the Dischargers to complete several Required Actions, including submittal of a proposed CRMP by November 8, 2024 (Required Action 1).
24. On September 19, 2024, Mr. Lieberman responded to the electronic transmission of the Cleanup and Abatement Order and stated that Margro Advisors did a site visit anticipated contracting with "another company" to assist with the response to the Cleanup and Abatement Order. To Staff's knowledge, Mr. Lieberman did not hire anyone to develop the CRMP required by November 8, 2024.
25. On November 13, 2024, Staff transmitted a Notice of Violation to the Dischargers for the failure to comply with Required Action 1 of the Cleanup and Abatement Order by the November 8, 2024 deadline. The Notice of Violation explained that the

Dischargers risked the North Coast Water Board imposing administrative civil liability if they did not comply with the Cleanup and Abatement Order.

26. On November 22, 2024, Mr. Lieberman responded to the Notice of Violation via email and stated that he was waiting for confirmation of being included in a grant project anticipated by Margro Advisors. On December 5, 2024, by email Staff advised Mr. Lieberman of the need to fulfill the terms of the Cleanup and Abatement Order regardless of funding source, that the Dischargers had not requested an extension, and were in violation of the Cleanup and Abatement Order. On January 10, 2025, Staff sent another email request for an update on plans to comply with the Cleanup and Abatement Order and Margro Advisors responded that a grant application was submitted to CDFW's Cannabis Restoration Grant Program for a project to assist multiple cannabis cultivation cultivators fund needed remediation and upgrades on properties, and that the Property would be included in the proposed project, if grants funds were awarded.
27. On January 30, 2025, Staff discovered that the Property was listed for sale. Staff contacted the listing agent and advised of the Cleanup and Abatement Order and Staff's availability to address questions from interested buyers. Staff learned that on November 6, 2024, APN 220-292-015 transferred to Reprop Investments Inc. Despite recent communication with Mr. Lieberman and Margro Advisors, they did not notify Staff of a change in ownership, as required by the Cleanup and Abatement Order. On February 13, 2025, John Pegram, an interested buyer, contacted Staff with queries about the Cleanup and Abatement Order. On February 14, 2025, Staff sent an email to Mr. Pegram with explanations and documentation related to the site conditions and required technical reports and remediation. On May 27, 2025, Staff sent Mr. Pegram an email advising of their intent to send the buyer a new draft Cleanup and Abatement Order, on the basis of ongoing threatened discharges from the Property and their legal ability to prevent additional discharges, and of the buyer's awareness of the Cleanup and Abatement Order and the associated water quality threats prior to purchase. On May 27, 2025, Mr. Pegram purchased APN 220-292-015 from Reprop Investments Inc; to date, neither Mr. Lieberman nor Mr. Peregrin has reached out to Staff regarding any agreements related to the submission of a CRMP or the remediation work on that parcel. As of the date of this Complaint, Northcoast Investment Group LLC still owns APNs 220-292-017 and 220-292-018 and has owned these parcels at all times relevant to the allegations in this Complaint.
28. The North Coast Water Board issued the Dischargers the Cleanup and Abatement Order due to their responsibility as owners and operators of the Property and the threats to water quality due to the site conditions on the Property. The Dischargers were appropriately named at the time of issuance of the Cleanup and Abatement Order and are responsible for compliance with the Cleanup and Abatement Order, regardless of ownership changes. The Dischargers continue to be responsible for violations of the Cleanup and Abatement Order.

29. The Penalty Methodology for this Complaint, included as Attachment A, provides the details of this violation and the factors considered in developing the recommended administrative civil liability.

### **ALLEGED VIOLATIONS**

30. **Violation 1:** The Prosecution Team<sup>1</sup> alleges that the Dischargers violated Water Code section 13267 by failing to submit a proposed CRMP for approval by the North Coast Water Board or its delegated officer by November 8, 2024, as required under Required Action 1 of the Cleanup and Abatement Order.

### **WATER CODE AUTHORITY FOR IMPOSING ADMINISTRATIVE CIVIL LIABILITY**

31. Water Code section 13268 provides that a regional water board may administratively impose civil liability to any person who fails to submit technical or monitoring reports, as required under Water Code section 13267, in an amount not to exceed one thousand dollars (\$1,000) for each day in which the violation occurs.
32. Pursuant to Water Code section 13327, in determining the amount of any civil liability imposed, a regional board is required to take into account the nature, circumstances, extent, and gravity of the violations, whether the discharges are susceptible to cleanup or abatement, the degree of toxicity of the discharges, and, with respect to the violator, the ability to pay, the effect on its ability to continue its business, any voluntary cleanup efforts undertaken, any prior history of violations, the degree of culpability, economic benefit or savings, if any, resulting from the violations, and other matters that justice may require.

### **WATER QUALITY ENFORCEMENT POLICY**

33. On December 5, 2023, the State Water Board adopted Resolution No. 2023-0043, which adopted the 2024 Water Quality Enforcement Policy (2024 Enforcement Policy). The 2024 Enforcement Policy was approved by the Office of Administrative Law and became effective on November 7, 2024. The 2024 Enforcement Policy establishes a methodology for assessing administrative civil liability that addresses

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<sup>1</sup> To maintain impartiality of the North Coast Water Board, during potential enforcement hearings as a standard practice in progressive enforcement cases, staff organizes a group of staff that works on case development (the Prosecution Team), which consists of the Assistant Executive Officer as the lead prosecutor together with staff that has inspected the site and reviewed associated enforcement documents. Another group of staff that has not been involved in the enforcement case can help advise the North Coast Water Board (the Advisory Team).

the factors that are required to be considered when imposing a civil liability as outlined in Water Code sections 13327 and 13385, subdivision (e).

34. The alleged violation is subject to liability in accordance with Water Code section 13268. Administrative civil liability under this section is subject to the factors set forth in Water Code section 13327. The Prosecution Team has considered the required factors for the alleged violation using the methodology in the 2024 Enforcement Policy, as described in Attachment A to this Complaint.

### **CALIFORNIA ENVIRONMENTAL QUALITY ACT**

35. Issuance of this Complaint is an enforcement action and is, therefore, exempt from the provisions of the California Environmental Quality Act (Pub. Res. Code § 21000 et seq.), in accordance with California Code of Regulations, title 14, sections 15307, 15308, and 15321, subdivision (a)(2).

### **MAXIMUM STATUTORY LIABILITY**

36. Pursuant to Water Code section 13268, subdivision (b)(1), civil liability for Violation 1 may be administratively imposed by the North Coast Water Board on a daily basis in an amount that shall not exceed one thousand dollars (\$1,000) for each day in which the violation occurs.
37. **Violation 1:** The Dischargers failed to submit the required CRMP by the due date of November 8, 2024. On May 23, 2025, the Prosecution Team prioritized the Complaint and desired to bring the matter to hearing with the North Coast Water Board at the October 8, 2025 meeting, however had to wait until December 4 and 5, 2025, due to the hearing schedule. Although this violation is ongoing, this Complaint seeks liability for days of violation beginning November 9, 2024 through May 23, 2025, when the Complaint was prioritized by the Prosecution Team, which is 196 days of violation. The statutory maximum liability amount for Violation 1 is **\$196,000** (\$1,000/day x 196 days).

### **MINIMUM LIABILITY**

38. Water Code section 13268 does not establish a statutory minimum liability amount. The applicable minimum liability amount for Violation 1 is established in the 2024 Enforcement Policy, which requires the North Coast Water Board to recover, at a minimum, the economic benefit plus ten percent. The economic benefit for Violation 1 is estimated to be \$790. The minimum liability that may be imposed is, therefore, \$790 plus 10 percent (\$79), totaling **\$869**.

### **PROPOSED ADMINISTRATIVE CIVIL LIABILITY**

39. The Prosecution Team proposes an administrative civil liability amount of **\$55,176** for Violation 1, as detailed in Attachment A to this Complaint, using the penalty methodology in the 2024 Enforcement Policy. The total proposed administrative civil liability takes into account the factors described in Water Code section 13327, such as the Dischargers' culpability, history of violations, ability to pay, and other factors as justice may require.
40. Notwithstanding the issuance of this Complaint, the North Coast Water Board retains the authority to assess additional administrative civil liability for violations that have not yet been assessed or for violations that may subsequently occur.

### **THE DISCHARGERS ARE HEREBY GIVEN NOTICE THAT:**

41. The Assistant Executive Officer of the North Coast Water Board proposes a total administrative civil liability amount of **\$55,176 for Violation 1** based upon a review of the factors cited in Water Code section 13327 and application of the 2024 Enforcement Policy. The North Coast Water Board will hold a hearing on this Complaint during the Board meeting scheduled on December 4 or 5, 2025. The meeting is planned to occur in Santa Rosa, California, at the North Coast Water Board office at 5550 Skylane Blvd, Suite A, as posted on the [North Coast Water Board's website](#), unless the Dischargers do one of the following by the September 19, 2025 deadline to submit the Waiver Form (Attachment B):
- a. The Dischargers waive the right to a hearing by completing the attached Waiver Form (checking the box next to Option 1) and returning it to both the North Coast Water Board Prosecution Team and Advisory Team, along with payment for the proposed administrative civil liability amount of **\$55,176**.
  - b. The Dischargers waive the right to a hearing before the North Coast Water Board within 90 days after service of this Complaint to immediately engage in settlement discussion to resolve the outstanding violation(s) (checking the box next to Option 2); or
  - c. The North Coast Water Board Advisory Team agrees to postpone any necessary hearing after the Dischargers request a delay so that they may have additional time to prepare for the hearing, or otherwise resolve this matter, by checking the box next to Option 3 on the attached Waiver Form and returning it to the North Coast Water Board Prosecution Team and Advisory Team, along with a letter describing the amount of additional time requested and the rationale.

42. If a hearing is held, it will be governed by the Hearing Procedures (Attachment C). During the hearing, the North Coast Water Board will hear testimony and arguments and affirm, reject, or modify the proposed administrative civil liability, or determine whether to refer the matter to the Attorney General for recovery of judicial civil liability.
43. The Assistant Executive Officer reserves the right to amend the proposed amount of administrative civil liability to conform to the evidence presented.

September 8, 2025

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Date

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Claudia E. Villacorta, P.E.  
Assistant Executive Officer

Attachments:

- A. Penalty Methodology
- B. Hearing Waiver Form
- C. Hearing Procedures