CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
NORTH COAST REGION

In the matter of:	)	
	)	
Aaron Lieberman,	)	**Order No. R1-2026-0065**
Paradise Valley, LLC,	)	
Northland Management Group,	)	**Settlement Agreement and Stipulation for**
LLC, and Northcoast	)	**Entry of Order**
Investment Group, LLC	)	
	)	
Administrative Civil Liability	)	

Section I: Introduction

This Settlement Agreement and Stipulation for Entry of Administrative Civil Liability Order (Stipulation) is entered into by and between the North Coast Regional Water Quality Control Board (North Coast Water Board) Prosecution Team and Aaron Lieberman, Paradise Valley, LLC, Northland Management Group, LLC, and Northcoast Investment Group, LLC (the Dischargers) (collectively, the Parties) and is presented to the North Coast Water Board for adoption as an Order (Order), by settlement, pursuant to Government Code section 11415.60.

Section II: Recitals

1 The Dischargers are cannabis cultivators that owned and operated Humboldt County Assessor's Parcel Numbers (APNs) 220-292-015, 220-292-017, and 220-292-018 (hereinafter the Property). Northland Management Group, LLC, registered in California on June 5, 2013, and Northcoast Investment Group, LLC, registered in California on August 19, 2016. Both companies list Aaron Lieberman as one of the managing members. 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 February 15, 2016. 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.

2. In 2016 and 2017, the Dischargers conducted grading and development on the Property without obtaining necessary authorizations from state and local agencies. In 2016, on APN 220-292-017, the Dischargers constructing a lined pond, a nursery building, and fuel storage area, impacting a riparian setback and causing discharge and threat of discharge to a Class III watercourse. Also in 2016, on APN 220-292-018, the Dischargers conducted grading to expand two existing cultivation areas with cut-and-fill, one on steep slopes and one within a riparian setback of a watercourse. In 2017, on

APN 220-292-017, the Dischargers constructed one-thousand two hundred (1,200) feet of new road and two new permanent Class III 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.

3. On August 31, 2017 and May 24, 2018, North Coast Water Board staff (Staff) conducted consent inspections of the Property. Staff advised the Dischargers to enroll all three parcels under the Cannabis General Order and that the unpermitted site development on the Property resulted in threats to water quality, that the disturbance of greater than one acre and instream work to construct the two new crossings were violations of the Regional Cannabis Order and California Water Code.

4. 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 the Property. 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 Waste Discharge Identification (WDID) No. 1_12CC40717. Pursuant to the Cannabis General Order, the Dischargers submitted their 2019 Annual Report in February 2019 and notified Staff of three landslides associated with the unpermitted site development in 2016 and 2017.

5. On March 7, 2019, Staff inspected the Property a third time, along with the Dischargers and their consultant, and observed that the flats and crossings constructed in 2017 were not adequately constructed or stabilized, resulting in erosion, sediment transport and delivery to four Class III watercourses and one Class II watercourse. Staff confirmed that the numerous legacy earthwork features from older development continued to pose threats to water quality. In addition to the unstable areas identified in the February 2019 Annual Report, Staff observed new erosional features at two additional graded flats.

6. Staff inspected the Property for a fourth time on October 21, 2019, and found that the Dischargers took some corrective actions to address the water quality concerns and unauthorized discharges, but that these measures were insufficient and did not correct the violations or abate the water quality threats. Between October 2019 and June 2021, the Dischargers submitted various reports to Staff to propose actions to address the water quality threats. However, many of these reports were deficient and no action had been taken to adequately implement long-term corrective actions on the Property.

7. On May 19, 2022, Staff inspected the Property for a fifth time and documented the worsening conditions due to the lack of corrective actions to mitigate and/or eliminate the discharges and threatened discharges from site development. 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 the five 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.

8. By September 12, 2023, the Dischargers still had not corrected the violations documented during the previous five site inspections. As a result of these violations, the Department of Cannabis Control (DCC) revoked the Dischargers' three outdoor cannabis cultivation licenses. 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.

9. Due to the Dischargers' failure to act to correct the violations, 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 cleanup 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 the Dischargers of the North Coast Water Board's intent to issue a final order and provided them 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 Cleanup and Abatement Order.

10. On September 17, 2024, the Executive Officer for the North Coast Water Board issued Cleanup and Abatement and Investigative Order No. R1-2024-0047 to the Dischargers (see *Exhibit 1*). The Cleanup and Abatement Order directed the Dischargers to complete several Required Actions, including submittal of a proposed Cleanup Restoration and Monitoring Plan (CRMP) by November 8, 2024 (Required Action 1). 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.

11. 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.

12. On September 8, 2025, the Assistant Executive Officer of the North Coast Water Board issued Administrative Civil Liability Complaint No. R1-2025-0033 (Complaint). The Complaint alleges that the Dischargers failed to comply with Required Action 1 of the Cleanup and Abatement Order. The Complaint proposed administrative civil liability in the amount of **$55,176** for the alleged violation considering the factors in Water Code section 13327 and the State Water Board's 2024 *Water Quality Enforcement Policy* as more fully discussed in Attachment A to the Complaint. The Complaint and Attachment A are included in this Stipulated Order as Exhibit 2.

13. **Violation 1:** The Prosecution Team 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. Although this violation is ongoing, the 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.

14. This alleged inaction constitutes a violation of Water Code section 13267, subdivision (b), for which discretionary penalties may be assessed pursuant to Water Code section 13268.

15. The Parties engaged in settlement negotiations to resolve by consent and without further administrative proceedings the alleged violation. During settlement negotiations the Dischargers provided the Prosecution Team with several financial records in their exclusive possession and control to support their assertion that they have an inability to pay and continue in business based on the proposed penalty amount in the Complaint. Pursuant to the Enforcement Policy section VI.A., the Prosecution Team assessed the Dischargers' ability to pay the administrative civil liability by reviewing numerous financial documents and tax returns provided by their agent. The Prosecution Team found, due to the revocation of the Dischargers' DCC license to cultivate cannabis, the Dischargers operated with net losses in revenue and there are no existing business activities that could generate positive cash flow. These conditions similarly impact Mr. Lieberman's ability to pay the administrative civil liability in his individual capacity. As such, the Prosecution Team determined that the Dischargers are unable to pay the administrative civil liability as proposed in the Complaint. However, the Parties agreed to a lesser penalty to settle this matter based on the Dischargers' financial circumstances. The remaining analysis in the penalty methodology as set for in Attachment A of the Complaint remains accurate and applicable for purposes of calculating the proposed penalty, with only the ability to pay analysis amended pursuant to the reasoning set forth in this Paragraph.

16. The Parties agreed to the imposition of **$7,500** of liability against the Dischargers to resolve the alleged violation. Full payment to the State Water Resources Control Board Cleanup and Abatement Account is due no later than 30 days following the North Coast Water Board executing this Order.

17. The Parties engaged in settlement negotiations and agree to settle the matter without further administrative or civil litigation and by presenting this Stipulation and proposed Order to the North Coast Water Board for adoption as an Order pursuant to Government Code section 11415.60. Moreover, as part of the settlement negotiations the Dischargers prepared and submitted a draft CRMP and agreed to implement the CRMP pursuant to an agreed upon timeline to be included in an amended cleanup and abatement order. The Prosecution Team contends that the resolution of the alleged violations is fair and reasonable and fulfills its enforcement objectives, that no further action is warranted concerning the specific violation alleged 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:

18. **Administrative Civil Liability:** The Dischargers hereby agree to pay the administrative civil liability totaling $7,500 as set forth in Paragraph 16 of Section II of this Stipulation. Payment of $7,500 shall be due and payable by check to the State Water Resources Control Board Cleanup and Abatement Account due 30 days after the Order is signed and becomes final and mailed to:

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

The check shall reference the Order number assigned to this Stipulation and the Order. 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

19. **Compliance with Applicable Laws:** The Dischargers understand that payment of administrative civil liability in accordance with the terms of this 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 Discharger to further enforcement, including additional administrative civil liability.

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

21. **Addressing Objections Raised During Public Comment Period:** The Parties agree that the procedure contemplated for adopting the Order by the North Coast Water Board and review of this Stipulation by the public is lawful and adequate. The Parties understand that the North Coast Water Board, or its delegate, has the authority to require a public hearing to consider adoption of this Stipulation and proposed Order. In the event procedural objections are raised or the North Coast Water Board requires a public hearing prior to the 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 this Order as necessary or advisable under the circumstances.

22. **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.

23. **Interpretation:** This Stipulation and Order shall be construed as if the Parties prepared it jointly. Any uncertainty or ambiguity shall not be interpreted against any one Party. The Discharger is represented by counsel in this matter.

24. **Modification:** This Stipulation and Order 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, and approved the North Coast Water Board or its delegate.

25. **If Order Does Not Take Effect:** In the event that this Order does not take effect because it is not approved by the North Coast 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 North Coast 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 North Coast Water Board members or their advisors and any other objections that are premised in whole or in part on the fact that the North Coast 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 proposed 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.

26. **Waiver of 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 North Coast Water Board prior to the adoption of the Order.

27. **Waiver of Right to Petition or Appeal:** The Dischargers hereby waive their right to file a petition for review of the adoption of the Order to the North Coast Water Board for review by the State Water Resources Control Board, and further waive their rights, if any, to appeal the same to a California Superior Court and/or any California appellate level court.

28. **Covenant Not to Sue:** The Dischargers covenants 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 and Order or the SEP.

29. **Necessity for Written Approvals:** All approvals and decisions of the North Coast Water Board under the terms of this Stipulation and Order shall be communicated to the Dischargers in writing. No oral advice, guidance, suggestions, or comments by employees or officials of the North Coast Water Board regarding submissions or notices shall be construed to relieve the Dischargers of their obligation to obtain any final written approval required by this Stipulation or Order.

30. **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.

31. **No Third-Party Beneficiaries:** This Stipulation and Order are 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 and Order for any cause whatsoever.

32. **Severability:** This Stipulation and Order are severable; should any provision be found invalid the remainder shall remain in full force and effect.

33. **Counterpart Signatures**: This Stipulation and Order 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 and Order 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.

34. **Effective Date**: This Stipulation and Order, including the obligations under Paragraph18, shall be effective and binding on the Parties upon the date the North Coast Water Board, or its delegate, enters the Order incorporating the terms of this Stipulation.

IT IS SO STIPULATED.

California Regional Water Quality Control Board Prosecution Team
North Coast Region

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Date: 2026.04.28 08:24:33 -07'00'

By: _____
Claudia Villacorta, Assistant Executive Officer

Date: April 28, 2026

Aaron Lieberman, Paradise Valley, LLC, Northland Management Group, LLC, and Northcoast Investment Group, LLC

Signed by: D027208A964F4BD...

By: _____
Aaron Lieberman (Individually and on Behalf of Associated LLCs)

Date: 4/27/2026

Exhibit 1: Cleanup and Abatement and Investigative Order No. R1-2024-0047
Exhibit 2: Administrative Civil Liability Complaint and Penalty Methodology Summary

Order of the North Coast Regional Water Board

35. The foregoing Stipulation, including Exhibits 1 and 2, is fully incorporated herein and made part of this Order.

36. In accepting the foregoing Stipulation, the North Coast Water Board has considered, where applicable, each of the factors prescribed in Water Code section 13385, subdivision (e). The North Coast Water Board's consideration of these factors is based upon information obtained by the Regional Water Board' staff in investigating the allegations in the Complaint or otherwise provided to the Regional Water Board.

37. This is an action to enforce the laws and regulations administered by the North Coast Water Board. The North Coast Water Board finds that issuance of this Order is exempt from the provisions of the California Environmental Quality Act (Public Resources Code, sections 21000 et seq.), in accordance with section 15321(a)(2), Title 14, of the California Code of Regulations.

38. The Executive Officer of the North Coast Water Board is authorized to refer this matter directly to the Attorney General for enforcement if the Discharger fails to perform any of its obligations under this Order.

Pursuant to Water Code section 13323 and Government Code section 11415.60, **IT IS HEREBY ORDERED** on behalf of the California Regional Water Quality Control Board, North Coast Region.

Digitally signed by Valerie Quinto
Date: 2026.11.09 13:01:37 -08'00'

By: _____
Valerie Quinto
Executive Officer

Water Boards

Date: November 9, 2026