

Regional Water Quality Control Board
North Coast Region
Staff Summary Report
December 5, 2025

ITEM: 6

SUBJECT: Public Hearing on Administrative Civil Liability Complaint No. R1-2025-0033 issued to Aaron Lieberman, Paradise Valley, LLC, Northcoast Investment Group LLC and Northland Management Group LLC (collectively, “Respondents”)

BOARD ACTION: The North Coast Water Board will consider evidence and testimony from the Respondents and Prosecution Team and consider whether to impose penalties against the Respondents.

BACKGROUND: The Background is excerpted from the Prosecution Team’s Complaint and Attachment A and is provided to summarize the Prosecution Team’s representation of the case. The Respondents can contest any of these allegations or representations in pre-hearing evidence submittals, in a proposed findings of fact and conclusions of law document and/or at the evidentiary hearing.

On September 8, 2025, the Advisory Team of the North Coast Regional Water Quality Control Board (North Coast Water Board) was notified that the Prosecution Team (North Coast Water Board and State Water Board Office of Enforcement) staff had issued an Administrative Civil Liability Complaint (ALCLC or Complaint) to Aaron Lieberman, Paradise Valley, LLC, Northcoast Investment Group LLC and Northland Management Group LLC (Respondents).

According to the California Secretary of State website, Northland Management Group LLC registered in California on June 5, 2013, Northcoast Investment Group LLC on August 19, 2016, and Paradise Valley, LLC on August 23, 2016. All three LLCs list Aaron Lieberman as a managing member.

The Respondents own two adjacent parcels, Assessor’s Parcel Numbers (APNs) 220-292-017 and 220-292-018 in Humboldt County. From June 7, 2012, through November 5, 2024, the Respondents also owned adjacent parcel 220-292-015. The three parcels are collectively referred to as the “Property”.

The Prosecution Team’s Complaint seeks penalties of **\$55,176** for an alleged violation of Water Code section 13267. Pursuant to Water Code section 13323 subdivision (c), the North Coast Water Board is required to hold a hearing on the Complaint within 90 days of service of the Complaint. On September 16, 2025, Aaron Lieberman submitted the Waiver Form on behalf of the Respondents, and selected Option 2, waiving the right to a hearing within 90 days. On September 23, 2025, consultant ETA Humboldt

submitted an updated waiver on behalf of Mr. Lieberman, requesting that the hearing be postponed by a minimum of 180 days. The Prosecution Team responded to this request asserting that the hearing should go forward at the December Board meeting and doing so would still allow the parties to engage in settlement discussions. The Advisory Team reviewed both submittals, conferred with the Board Chair, and the Chair declined to postpone the hearing. The Board has scheduled a hearing to consider the matter at its upcoming public meeting scheduled for **December 5, 2025**.

At the public hearing the North Coast Water Board will consider whether to issue an order requiring payment of the full amount recommended in the Complaint, to issue an order requiring payment of a reduced amount or a higher amount, decide not to impose penalties, or it may refer the matter to the Attorney General's Office. The North Coast Water Board may also elect to continue the hearing to a later date or take the matter under submission.

DISCUSSION:

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). According to the Complaint, despite cultivation activities also occurring on APNs 220-292-017 and 220-292-018, the Respondents failed to enroll these parcels under the Regional Cannabis Order.

On August 30, 2016, a consultant developed a Water Resource Protection Plan (WRPP) for APN 220-292-015 and updated it on October 2, 2017. The 2017 WRPP documented threatened discharges from past or legacy development features and proposed 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.

According to the Complaint, North Coast Water Board staff (Staff) inspected the Property on August 31, 2017, and May 24, 2018, by consent from the Respondents. The Complaint alleges that the following were present at the Property: features documented in the 2017 WRPP on APN 220-292-015, threats of erosion and sediment discharge on APNs 220-292-017 and 220-292-018 from unpermitted site development, legacy earthwork features, and cultivation areas and soil piles within riparian setbacks, and actual sediment delivery to watercourses from roads and stream crossings.

On July 25, 2018, Staff transmitted a report of the August 31, 2017, and May 24, 2018 inspections to the Respondents. The inspection report included recommendations to correct the alleged violations, and actions to address features and conditions that threaten to impact water quality. Staff also advised the Respondents 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.

On November 30, 2018, Aaron Lieberman applied for APNs 220-292-015, 220-292-017 and 220-292-018 to cover cannabis cultivation activities under State Water Board Order WQ 2019-0000-DWQ General Waste Discharge Requirements for Discharges of Waste Associated with Cannabis Cultivation Activities (Cannabis General Order).

On February 19, 2019, the Respondents submitted their 2019 Annual Monitoring Report, identifying three new landslides resulting at flats constructed in 2016 and 2017.

On March 7, 2019, Staff inspected the Property for a third time, with Aaron Lieberman and his consultant. The Complaint alleges that the following were present at the Property: ongoing threats of sediment discharge from legacy earthwork features, sediment transport and delivery to four Class III watercourses, and one Class II watercourse, from flats and crossings constructed in 2017, and failures at two additional graded flats.

On March 12, 2019, the Respondents submitted a winterization plan with erosion control measures to be implemented at 129 locations on the Property. On April 30, 2019, the Respondents submitted an incomplete remediation plan to decommission six legacy flats located within riparian setbacks and to repair the 2017 unpermitted development.

On October 17, 2019, Staff inspected the Property for a fourth time. The Complaint alleges the following conditions on the Property: some cleanup was done, and straw mulch was applied, but drainage and stability issues on the flats had not been remedied and still posed a threat to water quality. The flats were being used for cannabis cultivation.

On October 21, 2019, the Respondents submitted a Site Management Plan (SMP). The SMP identified remediation treatments for most of the locations in the Staff's inspection reports but did not provide details of the repairs for the failed flats.

On May 19, 2022, Staff inspected the Property for a fifth time. On June 17, 2022, Staff sent the Respondents an inspection report and a Notice of Violation (NOV) alleging violations of the Cannabis General Order, the Water Quality Control Plan for the North Coast Region, Water Code Section 13264, and Clean Water Act Section 301. The June 17, 2022 NOV compiled reports from inspections of the Property on August 31, 2017, May 24, 2018, March 7, 2019, October 17, 2019, and May 19, 2022. The June 17, 2022 NOV alleged the following conditions on the Property:

Threatened discharge of sediment to watercourses from seven legacy earthworks located within riparian setbacks, and associated cultivation activities; ten legacy stream crossings; unstable areas associated with fill failures at three flats constructed for cultivation activities;

Unauthorized discharge of earthen fill during the 2017 construction of two stream crossings; and

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.

On June 20, 2022, Staff received an initial application for Discharges of Dredged or Fill Material to Waters of the State from the Respondents, and final application documents on May 31, 2023. On June 7, 2023, Staff issued the Respondents a Notice of Applicability for coverage under the Cannabis General Water Quality Certification and Order No. WQ 2019-0001-DWQ, 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.

According to the Complaint, the Respondents have not commenced the approved instream work and have two outstanding bills for annual fees.

On September 12, 2023, the Department of Cannabis Control revoked all three outdoor cultivation licenses on the Property for failure to resolve California Department of Fish and Wildlife and North Coast Water Board violations.

On December 15, 2023, the State Water Board terminated the Respondents' enrollment under the Cannabis General Order due to multiple unpaid annual invoices. According to the Complaint, the Respondents did not seek reenrollment and have not paid the past due fees.

On February 6, 2024, Staff requested an update on the Property 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, Aaron Lieberman provided photos of site work done at multiple locations.

On July 1, 2024, Staff transmitted a draft Cleanup and Abatement Order to the Respondents. Staff did not receive comments from the Respondents.

On July 31, 2024, Staff received an email from consultants, on behalf of the Respondents, stating that they would be able to meet the CRMP deadline of November 8, 2024, and that they were applying for CDFW's Cannabis Restoration Grant Program funding.

On August 12, 2024, Staff emailed the Respondents, inquiring about site work to address the stream crossings. Mr. Lieberman responded by email on August 14, 2024, stating that he was meeting with consultants to develop a plan to address the Cleanup and Abatement Order requirements. On August 16, 2024 in an email to Mr. Lieberman, Staff noted the need to secure appropriately qualified professionals to develop technical reports per the draft Cleanup and Abatement Order.

On September 17, 2024, the Executive Officer for the North Coast Water Board issued the final Cleanup and Abatement Order (CAO) to the Respondents. The CAO directs the Respondents to complete several Required Actions, including submitting a proposed Cleanup, Restoration and Monitoring Plan (CRMP) by November 8, 2024 (Required Action 1).

On September 19, 2024, Mr. Lieberman responded to the Cleanup and Abatement Order and stated his intent to respond to the Cleanup and Abatement Order requirements.

On November 6, 2024, APN 220-292-015 was transferred to Reprop Investments Inc. According to the Complaint, the Respondents did not notify Staff of the change in

ownership.

On November 13, 2024, Staff transmitted a Notice of Violation (NOV) to the Respondents for the failure to comply with Required Action 1 of the Cleanup and Abatement Order by the November 8, 2024, deadline. On November 22, 2024, Mr. Lieberman responded to the NOV via email and stated that he was waiting for confirmation of being included in a grant to address the required work.

On December 5, 2024, by email Staff advised Mr. Lieberman to fulfill the terms of the Cleanup and Abatement Order regardless of funding source, and that the Respondents had not requested an extension, and were in violation of the Cleanup and Abatement Order. On January 10, 2025, Staff sent an email request for an update.

On January 30, 2025, Staff discovered that APN 220-292-015 was listed for sale. On February 14, 2025, and May 27, 2025 Staff contacted an interested buyer with documentation related to the site conditions and required technical reports and remediation. On May 27, 2025, John Pegram purchased APN 220-292-015 from Reprop Investments Inc. APN 220-292-017 and APN 220-292-018 are still owned by Respondents.

The Complaint seeks penalties for one alleged violation of Water Code section 13267: Respondents failure 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.

The proposed penalty for Violation 1 is subject to a maximum penalty of \$196,000 pursuant to Water Code section 13268, (the Complaint alleges noncompliance for 196 days with a statutory maximum penalty of \$1,000 per day for failure to submit the CRMP). The minimum liability that can be imposed, if the Board determines a violation occurred and other factors do not warrant a reduction in penalty amount is \$869, based on economic benefit plus 10%. Applying the penalty methodology set forth in the State Water Board Enforcement Policy, and as set forth in Attachment A to the Complaint, the Prosecution Team proposes a penalty of \$55,176 for this violation.

The Prosecution Team provided a Hearing Procedure to the Advisory Team and Respondents on September 8, 2025. Neither the Prosecution Team nor Respondents provided comments on the Hearing Procedure, apart from the Respondent's request to delay the hearing date.

The Prosecution Team timely submitted its prehearing evidence on October 23, 2025. The Respondents timely submitted their prehearing evidence on September 23, October 23, and November 4, 2025.

No written comments were received from interested persons.

As stated in the Hearing Procedure, November 23, 2025, is the deadline for the parties to submit Proposed Findings of Fact and Conclusions of Law. These documents will be provided to Board members if/when they are received.

RECOMMENDATION:

At this time, the Executive Officer does not have a recommendation. At the conclusion

of the hearing and any deliberations, the Executive Officer may provide a recommendation.

SUPPORTING DOCUMENTS:

1. Administrative Civil Liability Complaint No. R1-2025-0033 (includes Attachment A Penalty Methodology; and Attachment C Hearing Procedures)
2. Prehearing Evidence and Communications (available electronically)
3. Proposed Findings of Fact and Conclusions of Law (if submitted by parties)

Copies of the supporting documents and evidence not posted on the agenda page are available upon request by emailing Nathan.Jacobsen@waterboards.ca.gov.