

STATE OF CALIFORNIA  
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY  
STATE WATER RESOURCES CONTROL BOARD

**DIVISION OF WATER RIGHTS**

**ORDER WR 2025-0022-EXEC**

---

In the Matter of Administrative Civil Liability for Violations of Division 2 of the California Water Code in Mendocino County Associated with the Diversion and Use of Water for Cannabis Cultivation by

Rural Property Management, LLC, Sunsets, LLC, and Michael Zeyock

**ORDER APPROVING SETTLEMENT AGREEMENT**

---

**BY THE EXECUTIVE DIRECTOR<sup>1</sup>**

**1.0 INTRODUCTION**

This matter comes before the Executive Director of the State Water Resources Control Board (State Water Board or Board) following the issuance of an Administrative Civil Liability Complaint (Complaint) to Rural Property Management, LLC, Sunsets, LLC, and Michael Zeyock (collectively, the Respondents). In accordance with the attached Settlement Agreement, the State Water Board Division of Water Rights' Prosecution Team (Prosecution Team) and the Respondents have agreed to settle this matter in lieu of proceeding to a hearing. The issuance of a decision or order pursuant to a settlement agreement is authorized under Government Code section 11415.60.

**2.0 BACKGROUND**

On August 15, 2025, the then-Acting Assistant Deputy Director of the Division, acting under delegated authority, issued the Respondents an Administrative Civil Liability Complaint (Complaint). The Complaint alleges that the Respondents failed to file initial statements of water diversion and use for the water diversions occurring on the Property; knowingly made a material misstatement in a supplemental statement; diverted and used water in violation of Water Code section 1052, subdivision (a); failed to implement requirements of the State Water Board's *Cannabis Cultivation Policy – Principle and Guidelines for Cannabis Cultivation* (Cannabis Cultivation Policy) established pursuant to Water Code section 13149; and diverted and used water for cannabis cultivation for which a license is required but was not obtained.

<sup>1</sup> State Water Board Resolution No. 2012-0061 delegates to the Executive Director the authority to issue a decision or order by settlement of the parties under Government Code section 11415.60.

The Complaint is included as Attachment A to the Settlement Agreement attached to this Order.

The Complaint recommends an administrative civil liability in the amount of \$39,000 for the alleged violations.

On September 4, 2025, the Respondents electronically submitted a Hearing Request requesting a hearing before the State Water Board, Administrative Hearings Office on the Complaint. The Administrative Hearings Office scheduled a hearing on the matter to commence on December 8, 2025.

The Respondents and the Prosecution Team engaged in settlement negotiations and agreed to settle the alleged violations without an administrative hearing or civil litigation by settlement agreement in lieu of a hearing. During the settlement negotiations, the Respondents provided evidence of the implementation of several corrective actions to the satisfaction of the Assistant Deputy Director. The Parties presenting the attached Settlement Agreement and a proposed Order to the State Water Board or authorized delegate for adoption as an Order by settlement, pursuant to Government Code section 11415.60.

## **2.0 SETTLEMENT AGREEMENT**

The Respondents and the Prosecution Team executed a settlement agreement, dated [DATE], and attached hereto (Settlement Agreement). The general terms of the settlement are:

- (1) The Respondents within thirty [30] days of the effective date of this Settlement Agreement will transfer water right Statement S026510 to the owner(s) of APN 011-690-21-01; and
- (2) The Respondents are subject to administrative civil liability in the amount of \$32,000, to be paid within thirty [30] days of the effective date of this Order, which will be deposited into the Water Rights Fund pursuant to Water Code section 1551.

## **ORDER**

**IT IS HEREBY ORDERED THAT** the attached Settlement Agreement between the Prosecution Team and the Respondents is approved. The Respondents must perform all of the following actions:

1. Pay \$32,000 in administrative civil liability for the violations alleged in the Complaint in accordance with the following:
  - a. Following the Executive Director's or authorized delegate's issuing an Order approving this Settlement Agreement, the Respondents shall

submit a payment of \$32,000 within thirty [30] days after issuance of this Order.

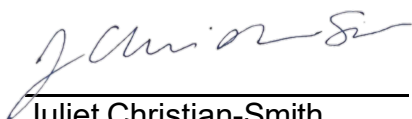
2. Payment shall be made by cashier's check, certified check, or money order made payable to the "State Water Resources Control Board – Water Rights Fund." Properly execute and deliver payment to:

State Water Resources Control Board  
Division of Water Rights  
Attention: Cannabis Enforcement Section  
P.O. Box 2000  
Sacramento, CA 95812-2000

3. Respondents within thirty [30] days of the effective date of this Settlement Agreement will transfer water right Statement S026510 to the owner(s) of APN 011-690-21-01.

The administrative civil liability, if not paid, will be recoverable as provided in Water Code section 1055.4.

STATE WATER RESOURCES CONTROL BOARD



Juliet Christian-Smith  
Deputy Director  
Division of Water Rights

12/23/2025

Date