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## North Coast Regional Water Quality Control Board

California Regional Water Quality Control Board  
North Coast Region

Notice of Proposed Settlement With  
Krasilsa Pacific Farms LLC  
Hugh Reimers

Proposed Settlement Agreement and Stipulation for Entry of Orders

Administrative Civil Liability Compliant No. R1-2022-0024  
Administrative Civil Liability Order No. R1-2023-00XX (Proposed)

Written Comments Are Due No Later Than  
**5:00 p.m., on June 8, 2023**

The California Regional Water Quality Control Board, North Coast Region (Regional Board) Executive Officer will consider approval of proposed Order No. R1-2023-00XX (Proposed) which would approve a Settlement Agreement and Stipulation for Entry of Orders (Settlement Agreement) with Krasilsa Pacific Farms LLC and Mr. Hugh Reimers (Dischargers). The Settlement Agreement relates to alleged conditions of discharge and threatened discharge of waste to receiving waters through site development, including clearing, grading, and deep ripping, without adequate drainage, erosion, or sediment control features on Sonoma County Assessor 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, 117-270-006-000 (the Property).

Administrative Civil Liability Complaint No. R1-2022-0024 (ACLC) alleges that the Dischargers performed unauthorized site development, excavation and fill of surface waters, and discharged waste (i.e., earthen material) into Little Sulphur Creek, Big Sulphur Creek, and Crocker Creek, tributaries to the Russian River. Site development included and/or resulted in filling and grading a stream and wetland, both waters of the United States, in order to construct a vineyard; discharging earthen and woody debris into watercourses at numerous road crossings; creating unstable hillslope conditions; filling wetlands while constructing, or as a result of constructing and using, roads and other developed features on the Property; and failing to deploy adequate erosion and sediment controls.

The ACLC proposes a total administrative civil liability of \$3,750,852 for these violations. The Settlement Agreement resolves 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 Cleanup and Abatement Order R1-2019-0045 (CAO) [1 violation]; and (4) failure to implement cleanup activities in violation of the CAO [1 violation].

The Settlement Agreement proposes imposition of administrative civil liability totaling \$450,000, which the Dischargers will pay to the State Water Resources Control Board's Cleanup and Abatement Account. Additionally, the Settlement Agreement requires the Dischargers to fulfill the requirements of the existing CAO, requiring the Dischargers to implement remediation/ restoration activities, as necessary, to clean up and abate discharges of waste into waters of the state and the United States associated with the unpermitted development on the Property.

During settlement negotiations, the Dischargers each provided documentation of their financial ability to pay. The Prosecution Team has reviewed this information and agrees that neither Krasilsa Pacific Farms LLC nor Hugh Reimers, individually or combined, possess assets sufficient to pay the Total Base Liability Amount of \$3,750,852, as set forth in the ACLC Methodology. The Dischargers' inability to pay the Total Base Liability Amount is based on a combination of consistent annual operating deficiencies since at least 2016, and insufficient net assets suitable to liquidate in order to pay the liability amount. The Prosecution Team notes also that the Dischargers have separately entered into a stipulated civil judgment with the Sonoma County District Attorney's Office whereby the Dischargers agreed to pay a total of \$525,000 to Sonoma County and the California Department of Fish and Wildlife, with an additional \$400,000 in penalties suspended pending satisfaction of that stipulated judgment. This judgment amount further reduces the Dischargers' ability to pay the proposed penalty here.

The Prosecution Team and the Dischargers agree that the maximum administrative civil liability amount that the Dischargers can pay and still be able to come into compliance with the CAO is four hundred fifty thousand dollars (\$450,000). As described in the Enforcement Policy, in most cases, it is in the public interest for the discharger to be allowed to continue in business in order to bring its operations into compliance. The Prosecution Team finds that to be the case here.

The proposed Orders and related documents are available at the Regional Board website – [Notice of Proposed Settlement page \(https://www.waterboards.ca.gov/northcoast/public\\_notices/notice\\_of\\_proposed\\_settlement/\)](https://www.waterboards.ca.gov/northcoast/public_notices/notice_of_proposed_settlement/)

Persons may comment on the Settlement Agreement, and the associated proposed Orders, by submitting written comments no later than 5:00 p.m. on **June 8, 2023**. Written comments should include "Settlement Agreement and Stipulation for Entry of

Orders in the matter of Krasilsa Pacific Farms LLC and Mr. Hugh Reimers” in the subject line, and should be submitted to the attention of Brian Fuller by mail at 5550 Skylane Blvd., Suite A, Santa Rosa, CA 95403 or, by email, to: [Brian.Fuller@waterboards.ca.gov](mailto:Brian.Fuller@waterboards.ca.gov).

May 9, 2023