



EPA Region 4 Compliance Summary Report Form

Quarterly Reporting Periods 3 and 4
October 24, 2025

Section I. Overview

Provide a brief and general description of the data presented in this report and include a summary of: all unauthorized discharges; all Authorized States' formal enforcement actions regarding DHI's Applicable Permits; and trends associated with compliance with Stormwater Requirements.

This EPA Region 4 Compliance Summary Report (this "**Second Compliance Summary Report**") is provided pursuant to Paragraph 25 and Appendix G of the Consent Decree in United States, et.al. v. D.R. Horton, Inc. and D.R. Horton, Inc. – Birmingham (collectively, "**DHI**"), No. 24-cv-428 (N.D. Ala., Aug. 6, 2024) (the "**Consent Decree**"). Capitalized terms used but not defined in this Second Compliance Summary Report have the meanings assigned to such terms in the Consent Decree.

DHI submitted the first Compliance Summary Report (the "**First Compliance Summary Report**") to the United States on April 25, 2025. The First Compliance Summary Report provided a summary of the information required by the Consent Decree (the "**Required Information**"), including: (i) a summary of trends and program improvements relating to DHI's compliance with Stormwater Requirements during Quarterly Reporting Periods 1 and 2 ("**QRPs 1 and 2**"); (ii) a description of unauthorized discharges during QRPs 1 and 2; and (iii) a summary of the Authorized States' formal enforcement actions regarding DHI's Applicable Permits during QRPs 1 and 2.

This Second Compliance Summary Report updates the First Compliance Summary Report to provide the Required Information relating to DHI's compliance with Stormwater Requirements during Quarterly Reporting Periods 3 and 4 ("**QRPs 3 and 4**").

DHI EPA Region 4 Overview

During QRPs 3 and 4, DHI had a total of 1,129 Sites selected for QCIR across the following five DHI Regions which oversee 43 Divisions within EPA Region 4:

1. **Carolina Region:** The Carolina Region consists of eight Divisions – Asheville, Charlotte North, Charlotte South, Eastern NC, Greensboro, Greenville, Raleigh North, and Raleigh South. The Carolina Region spans across two of the EPA Region 4 states: North Carolina and South Carolina. The Carolina Region had (i) 208 active Sites during QRP 3, and (ii) 210 active Sites during QRP 4.
2. **Coastal Carolina Region:** The Coastal Carolina Region consists of six Divisions – Charleston, Columbia, Hilton Head/Savannah, Myrtle Beach, Southern Virginia, and Wilmington. The Coastal Carolina Region spans across three of the EPA Region 4 states: Georgia, North Carolina, and South Carolina. The Coastal Carolina Region had (i) 181 active Sites during QRP 3, and (ii) 187 active Sites during QRP 4.
3. **East Region:** The East Region consists of 10 Divisions – Atlanta Central, Atlanta East, Atlanta West, Augusta, Chattanooga, Knoxville, Louisville, Northeast TN, Memphis, and Nashville. The East Region spans across five of the EPA Region 4 states: Georgia, Kentucky, Mississippi, South Carolina, and Tennessee. During QRPs 3 and 4, DHI's East Region included the Ohio Valley Sub-Region that had one Division within EPA Region 4, Louisville, which operated in Kentucky. The East Region had (i) 219 active Sites during QRP 3, and (ii) 209 active Sites during QRP 4.
4. **Florida Region:** The Florida Region consists of nine Divisions – Jacksonville, East Florida, Orlando, Orlando West, Sarasota, Southeast Florida, Southwest Florida, Tampa, and West Central Florida. During QRPs 3 and 4, the Florida Region operated in Florida only. The Florida Region had (i) 250 active Sites during QRP 3, and (ii) 244 active Sites during QRP 4.
5. **Gulf Coast Region:** The Gulf Coast Region consists of 10 Divisions – Baldwin, Birmingham, Huntsville, Jackson, Montgomery, Mississippi, Panama City East, Panama City West, Pensacola, and Tallahassee. In QRP 3, the Panama City Division split into two Divisions: (i) Panama City East, and (ii) Panama City West. The Gulf Coast Region spans across five of the EPA Region 4 states: Alabama, Florida, Georgia, Mississippi, and Tennessee. The Gulf Coast Region had (i) 216 active Sites during QRP 3, and (ii) 231 active Sites during QRP 4.

Below is (i) a summary of trends and program improvements relating to DHI's compliance with Stormwater Requirements during QRPs 3 and 4; (ii) a description of unauthorized discharges during QRPs 3 and 4; and (iii) a summary of the Authorized States' formal enforcement actions regarding DHI's Applicable Permits during QRPs 3 and 4.

Summary of Trends During QRPs 3 and 4

Trends in DHI's compliance with Stormwater Requirements are discussed throughout this Second Compliance Summary Report. Overall, each of DHI's Regions in EPA Region 4 continued to improve their stormwater compliance programs (collectively, "DHI's Stormwater Compliance Program") during QRPs 3 and 4. The Regions that experienced decreased compliance in certain performance metrics during QRPs 3 and 4 are continuing to work diligently with their Division Stormwater Compliance Representatives ("DSCRs") to improve upon any areas of weakness in their processes as those weaknesses are identified. As a result, we expect to see continued improvement in DHI's Stormwater Compliance Program and increased compliance with Stormwater Requirements going forward. The improvements to DHI's Stormwater Compliance Program made through the end of QRP 2 were discussed in the First Compliance Summary Report. The improvements made to DHI's Stormwater Compliance Program during QRPs 3 and 4 are discussed below and throughout this Second Compliance Summary Report. Below is a synopsis of certain high-level trends observed in the results from QRPs 3 and 4. Comparisons of DHI's compliance with Stormwater Requirements during QRPs 1 and 2 with DHI's results for QRPs 3 and 4 are discussed in greater detail in [Section III](#) of this Second Compliance Summary Report.

1. Unauthorized Discharge Trends: The East, Florida and Gulf Coast Regions saw a significant decrease in the number of discharges beyond the permitted limits of disturbance ("LOD") from QRP 3 to QRP 4. While the Carolina and Coastal Carolina Regions reported an increase their overall number of discharges in QRP 4 compared to QRP 3, both Regions reported fewer instances of discharges overall compared to the First Compliance Summary Report.
2. Work Without Permit Trends: As reported in the First Compliance Summary Report, during QRPs 1 and 2, 28 Sites had work without permit occur for a total of 1,209 days across DHI's five Regions. However, in QRPs 3 and 4, only five Sites had work without permit occur for a total of 135 days. While work without permit still occurred, overall compliance for the number of affected Sites increased by 82% while the number of days of work without a permit decreased by 88.8%. The work without permit that occurred during QRPs 3 and 4 was primarily the result of: (i) changes in a Division's construction start schedules without proper communication between the Division's stormwater and construction teams; (ii) ineffective communication during Plan modifications for permit changes; and (iii) field changes to the location of construction support activities (e.g., concrete washout locations) that did not align with DHI's permitted LOD. Additional information regarding DHI's work without permit and the program improvements made to our permitting processes during QRPs 3 and 4 is provided in [Section II.2](#) of this Second Compliance Summary Report. Because of our continued efforts to improve our Divisions' permitting processes, we anticipate fewer instances of work without permit going forward.
3. PCIR Trends: As reported in the First Compliance Summary Report, in QRPs 1 and 2, DHI had 75 Sites with a missed PCIR across DHI's five Regions. While DHI had 81 missed PCIRs across its five Regions in QRPs 3 and 4, since the First Compliance Summary Report, DHI's percentage of compliant PCIRs increased from 80% to 91%. During QRPs 3 and 4, DHI's Divisions and Regions continued to refine their PCIR processes (with a particular focus on the inter-department coordination between construction and stormwater personnel). We expect these process improvements to continue to reduce the number of missed PCIRs in future QRPs. Additional information regarding DHI's compliance with the Consent Decree's PCIR requirements during QRPs 3 and 4 is provided in [Section II.3](#) of this Second Compliance Summary Report.
4. Inspections and Corrective Actions Trends: During QRPs 3 and 4, the DHI Regions within EPA Region 4 saw an increase in compliance for both Inspections and Corrective Actions compared to the results reported for QRPs 1 and 2 in the First Compliance Summary Report. For example, the Florida Region was able to reduce missed Corrective Actions to 0% in both QRPs 3 and QRP 4. The Carolina Region saw continued improvement in compliance for Corrective Actions in QRPs 3 and 4, while the East Region maintained a compliance rate of 94% during QRPs 3 and 4. The Gulf Coast Region saw the most significant improvement in Inspection compliance between QRPs 3 and 4 with a compliance rate of 93% in QRP 3 and 99% in QRP 4. Additional information regarding DHI's compliance with the Consent Decree's (i) Site Inspection requirements during QRPs 3 and 4 is provided in [Sections II.4-5](#) of this Second Compliance Summary Report; and (ii) Corrective Action requirements during QRPs 3 and 4 is provided in [Section III.A](#) of this Second Compliance Summary Report.

The Corporate Stormwater team expects to see continued improvement in each of these categories in the next Compliance Summary Report as a result of DHI's continued focus on the program improvements discussed below.

Summary of Program Improvements During QRPs 3 and 4

During QRPs 3 and 4, DHI's Regions and Divisions made concerted efforts to continue to improve: (i) the inter-departmental communication processes among Division's stormwater, land acquisition and construction teams; (ii) the training of all individuals working in DHI's Stormwater Compliance Program; (iii) the processes relating to DHI's SWPPPs; and (iv) the field conditions at DHI's Sites. Each of these efforts are described in greater detail below.

Additionally, during QRPs 3 and 4, DHI's Corporate and Region Stormwater teams continued to regularly evaluate the program improvements made within a particular Region or Division, and, when appropriate, to work to introduce these improvements to

DHI's other Regions and Divisions. As described in the First Compliance Summary Report, one way the Corporate Stormwater team disseminates information regarding these program improvements is through a monthly "DSCR Spotlight". The DSCR Spotlight is designed to promote best practices among DHI's Divisions and Regions and to acknowledge the accomplishments of DSCRs who are doing exemplary work that improves DHI's stormwater compliance while meeting the requirements of the Applicable Permit and the Consent Decree. The DSCR Spotlight includes information about specific processes and/or trainings that the highlighted DSCR developed and/or conducted which resulted in improvements to their Division's stormwater compliance efforts. The DSCR Spotlight also includes a section that highlights collaborative efforts between DHI's Divisions and Regions to integrate processes that have improved compliance from one Division or Region into another Division's or Region's processes.

During QRPs 3 and 4, the DSCR Spotlights included examples of various Division's training processes, including: (i) the Columbia Division's process for the on-going training of Site Stormwater Compliance Representatives ("SSCRs") and inspectors; (ii) the Pensacola Division's SSCR and vendor training program; and (iii) the Greensboro Division's on-going SSCR training processes. Additionally, during QRPs 3 and 4, the DSCR Spotlights highlighted several Divisions' on-going efforts to improve their processes relating to Stormwater Pollution Prevention Plans ("SWPPPs") through "SWPPP Swaps". These "SWPPP Swaps" provided DSCRs from different Divisions with the opportunity to review and audit each other's SWPPPs and SWPPP processes and to share feedback and best practices. In addition to improving their respective Division's SWPPP processes, these "SWPPP Swaps" promoted inter-Divisional collaboration among DSCRs.

Another example of collaborative efforts between DHI's Divisions and Regions is the joint meeting between the Coastal Carolina and Florida Regions in QRP 5. At the meeting, the RSCRs and DSCRs from both Regions came together to review the efforts made to improve DHI's Stormwater Compliance Program within their respective Regions and Divisions, and to share best practices relating to their field processes, best management practices ("BMPs"), permitting and PCIR processes, and other aspects of their compliance programs.

Improvements in Inter-Departmental Communication Processes

Because DHI has 43 Divisions in five Regions in EPA Region 4, effective inter-departmental communication is critical to the success of DHI's Stormwater Compliance Program and the information shared among DHI's Divisions, Regions, and Corporate teams needs to be clear and consistent. Thus, during QRPs 3 and 4, DHI's Regions within EPA Region 4 continued to emphasize the importance of communication. Below are examples of processes that have been implemented to ensure that communication is effective, clear and consistent among DHI employees regarding stormwater management.

1. **Stormwater Team Meetings:** During QRPs 3 and 4, the Corporate and Region stormwater teams continued to hold at least bi-monthly or monthly meetings with all DSCRs in a Region to discuss the challenges and concerns they were encountering, and to provide guidance from Corporate or Region about procedures, processes, and improvements. Additionally, Region teams continued to hold frequent meetings with their Division teams to: (i) ensure everyone remained focused on a compliant culture, (ii) discuss any new policies, guidance, process changes, and (iii) otherwise share success stories of increased compliance.
2. **Stormwater Compliance Emails:** Within the Coastal Carolina Region, the DSCRs and Region Stormwater Compliance Representatives ("RSCRs") continued to send weekly and monthly compliance emails to SSCRs and Division management, respectively, to help reinforce the importance of stormwater compliance and highlight Action Items that were approaching deadlines. Additionally, the emails provided trainings on good housekeeping, BMP maintenance, and environmental awareness.
3. **Stormwater Guidance Memorandums:** Within the Florida Region, the RSCRs issued 16 guidance memorandums during QRPs 3 and 4 outlining process improvements on various aspects of Division program management, including guidance for SWPPP updates, discharges, PCIRs, Planned BMP Maps, and SSCR Designation Forms.
4. **Stormwater Integration in Division Processes:** During QRPs 3 and 4, the DSCRs continued to strive to become more involved in their Division's internal operations and acquisition processes by attending their Division's land department meetings. Integrating the DSCRs into these meetings improves compliance by helping ensure that Sites: (i) have a SWPPP created prior to DHI's acquisition of the property; (ii) have received permit authorization from the Authorized State prior to land disturbance at the Site; and (iii) have completed the PCIR process prior to DHI's commencement of construction activities at the Site.

Continued Focus on Stormwater Training

During QRPs 3 and 4, DHI's Corporate, Region and Division stormwater teams also continued to emphasize the importance of training to DHI's Stormwater Compliance Program. For example:

1. The Carolina Region continued to bring the DSCRs together for in-person training and discussions to improve their Divisions' processes and procedures. During QRP 4, the Region's RSCRs and DSCRs attended the Southeastern International Erosion Control Association's conference together to continue to enhance the team's collective stormwater knowledge. Additionally, the Carolina Region DSCRs arranged for a wetland scientist to provide them with training

relating to the proper procedures for stream crossings and culvert installations. This resulted in the DSCRs being better equipped to educate their Divisions' field teams to comply with the Applicable Permits and other applicable state and federal law.

2. The Florida Region implemented a DSCR training program that encompasses 31 different content categories including due-diligence and pre-acquisition, field management, spill response, turbidity, ERX management (ERX is DHI's stormwater software), and program management. The training consists of: (i) pre-recorded videos that review each topic, and (ii) a guidance checklist for each topic that helps ensure the DSCR's understanding of the topics covered by the training. This program has assisted the Florida Region with furthering existing knowledge, re-training DSCRs as needed, and training new stormwater employees.
3. Additionally, the DSCRs within the Florida Region provided frequent training to the SSCRs in their Divisions regarding vendor compliance with Stormwater Requirements. For example, the West Central Florida Division implemented a stormwater pamphlet that: (i) reviews the jobsite Dos and Don'ts, (ii) includes an overview of the Division's stormwater program, and (iii) contains information regarding pollution maintenance expectations. The pamphlet is printed in both English and Spanish and is provided to the SSCRs to distribute to contractors on-Site. This ensures the Division's Stormwater Requirements are consistently provided to DHI's vendors in a clear and concise manner.

Improvements in DHI's SWPPP Processes

During QRPs 3 and 4, DHI's Regions within EPA Region 4 also continued to refine their SWPPP processes. By the end of QRPs 3 and 4, almost all the Divisions within those Regions have completed implementing SWPPP audit processes (with some Divisions completing audits internally and some Divisions engaging a stormwater consultant to complete the audits). Another improvement to DHI's SWPPP processes is the continued transition to electronic SWPPPs in states in which this is permitted by the Applicable Permit. During QRPs 3 and 4, several Divisions in the Gulf Coast Region transitioned to an electronic SWPPP platform, in compliance with the Applicable Permits. Additionally, the Charleston and Southern Virginia Divisions within the Coastal Carolina Region began utilizing electronic SWPPPs. (DHI's Florida Region began using electronic SWPPPs before the Consent Decree's Date of Entry.) DHI's DSCRs have found that implementing these electronic SWPPPs has resulted in improved: (i) compliance with the Applicable Permit requirement to have SWPPPs available on-Site (as hard copy SWPPPs may become damaged, destroyed or otherwise become missing); (ii) SWPPP updates; and (iii) SWPPP audit processes as the DSCRs are able to review the SWPPPs for their Sites more readily. We expect additional Divisions to implement electronic SWPPPs going forward.

Improvements to Field Conditions

During QRPs 3 and 4, DHI's stormwater teams within EPA Region 4 continued to work with Division management to proactively improve the field conditions at DHI's Sites. Specific examples of these efforts to improve field compliance include the following:

1. **Carolina Region:** In the Carolina Region, the DSCRs have begun providing BMP training to their Divisions during the Division's construction and land meetings. This BMP training has enabled the SSCRs to more quickly recognize what compliance looks like when performing Site walks in their communities. Additionally, the Carolina Region DSCRs have begun providing vendor training within their Divisions. For example, when the Greenville DSCR discovered that their BMP contractors were ineffectively installing temporary driveways, the DSCR met with the vendor on-Site to demonstrate proper installation and maintenance procedures. Similarly, when the DSCR noticed that windblown trash had become a concern at their Sites, the DSCR provided potential stormwater pollutants ("PSPs") training to the contractors on-Site to improve compliance. Additionally, the DSCR worked with the Division's construction and purchasing teams to add additional waste management vendors at the Site.
2. **Coastal Carolina Region:** During QRPs 3 and 4, the Charleston and Wilmington DSCRs tested several different inlet protection BMPs to determine which BMPs: (i) captured the most sediment and/or pollutants, (ii) resulted in the least amount of flood risk, and (iii) remained durable when driven over. The Charleston Division also began testing different seed blends to determine which stabilization options produced the highest density and most consistent germination for their more difficult soil types. Additionally, because they are proximally located and work with similar soil types and other field conditions, the Columbia and Charleston DSCRs frequently collaborated regarding the BMPs that resulted improved Site compliance.
3. **East Region:** In the East Region, during QRPs 3 and 4, several DSCRs engaged contractors specifically for street sweeping instead of using their erosion control contractor. This enabled these Divisions to sweep the streets at their Sites bi-weekly while enabling their erosion control contractors to focus solely on BMP installation and maintenance. The DSCRs also worked with their planning and construction teams to implement new processes for construction support activities, including a process requiring that specific locations at the Sites be designated for material lay downs, storage, and concrete washouts. This process resulted in the vendors knowing the portions of the Site available for construction support activities and enabled the SSCRs to plan for increased vendor traffic in those areas. Similarly, the Louisville DSCR has begun posting additional signage at their Sites (i) reminding contractors to leave BMPs undisturbed, and (ii) providing instructions regarding designated parking areas and designated concrete and paint washout areas.

4. **Florida Region:** During QRPs 3 and 4, the Florida Region DSCRs and RSCRs continued to focus on providing consistent training to their SSCRs, Inspection consultants, and erosion control contractors. These training efforts resulted in increased compliance with Inspections and Corrective Actions from QRPs 1 and 2 to QRPs 3 and 4. Additionally, the Florida Region continued to focus on consistently communicating with their SSCRs. For example, all DSCRs within the Region are expected to attend new-hire orientations, construction meetings, and Site walks. The DSCRs are also expected to: (i) review SWPPPs and Site conditions with their SSCRs; (ii) communicate Action Items through ERX daily management; and (iii) provide SSCRs with additional training as needed based on overall Site and Division compliance.
5. **Gulf Coast Region:** During QRPs 3 and 4, the Gulf Coast Region DSCRs provided several guidance documents and in-person training to their Site vendors with a focus on proper concrete management and handling of PSPs. After these trainings, the stormwater team created and distributed signs across their Sites to remind DHI vendors how to properly manage and dispose of PSPs. Additionally:
 - a. The Birmingham Division made a concerted effort to train inspectors to identify sources of soil displacement so the underlying issue of erosion can be managed to reduce the potential of turbid water discharges. The Division has also expanded their use of temporary hydroseeding to reduce intermittent periods of exposed soil.
 - b. The Pensacola DSCRs developed and distributed bilingual "PSP Wallet Cards." These cards are intended to supplement the PSP training conducted by the Division and are expected to improve PSP compliance at the Division's Sites.
 - c. The Huntsville Division formed a relationship with a local sod farm to provide hydro-seeding services at a cost that makes widespread use more feasible, enabling DHI to stabilize areas of its Sites earlier in the development process.

Unauthorized Discharges During QRPs 3 and 4

The total number of unauthorized discharges during QRPs 3 and 4 reported in this Second Compliance Summary Report is 358, which represents a 48% decrease from the 679 total number of discharges during QRPs 1 and 2 reported in the First Compliance Summary Report. Specific information regarding the instances of (i) discharges beyond the permitted LOD, and (ii) discharges into receiving waters (including wetlands) at DHI's Sites during QRPs 3 and 4 is described below. Additionally, the information below provides insight relating to the reason the instance occurred, and the program improvements that DHI has continued to implement to prevent similar discharges from occurring at DHI Sites in the future.

Offsite Discharge of a Visible Amount of Sediment Beyond the Permitted Limits of Disturbance

During QRPs 3 and 4, DHI's Regions in EPA Region 4 had a total of 358 discharges of sediment beyond the permitted LOD.

1. **Carolina Region:** The Carolina Region discovered 124 instances of discharges beyond the permitted LOD. 48 of these instances occurred during the "look back" periods for Sites in QRP 3 (39%). The Region saw an increase in the number of instances during QRP 4 with 76 discharges beyond the permitted LOD. This increase during QRP 4 was due, in part, to increased rainfalls and tropical storm Chantel. Of the 124 instances overall:
 - o 79% were the result of failed, missing, or improperly maintained BMPs.
 - o 21% were the result of exceedance storm events.
2. **Coastal Carolina Region:** The Coastal Carolina Region discovered 61 total instances of discharges of sediment beyond the permitted LOD. 24 of these instances (39%) occurred during the "look back" periods for Sites in QRP 3. The remaining 37 instances occurred during QRP 4. Similar to the Carolina Region, the Coastal Carolina Region experienced increased rainfalls during QRP 4 which contributed to the increased instances of discharges. Of the 61 total instances overall:
 - o 75% were the result of failed, missing, or improperly maintained BMPs.
 - o 25% were the result of exceedance storm events.
3. **East Region:** The East Region discovered 35 total instances of discharges of sediment beyond the permitted LOD. 26 of these instances (74%) occurred during the "look back" periods for Sites in QRP 3 and the Region saw a 65% decrease with nine instances in QRP 4. Of the 35 total instances overall:
 - o 44% were the result of failed, missing, or improperly maintained BMPs.
 - o 34% were the result of exceedance storm events.
 - o 11% were the result of using the incorrect BMP per the approved Plan.
 - o 11% were caused by a direct action of a vendor damaging or removing BMPs.

4. **Florida Region:** The Florida Region discovered 103 total instances of discharges of sediment beyond the permitted LOD. 60 of these instances (58%) occurred within the QCIR “look back” periods for Sites in QRP 3. QRP 4 saw a 28% decrease with 43 instances. Of the 103 instances overall:
 - 51% were the result of failed, missing, or improperly maintained BMPs.
 - 33% were the result of incorrect use of BMPs based on Site conditions or the approved Plan.
 - 16% were caused by a direct action of a vendor damaging or removing BMPs.
5. **Gulf Coast Region:** The Gulf Coast Region discovered 35 total instances of discharges of sediment beyond the permitted LOD. 23 of these instances (66%) occurred within the QCIR “look back” periods for Sites in QRP 3. QRP 4 saw a 63% decrease with 12 instances. Of the 35 instances overall:
 - 91% were the result of failed, missing, or improperly maintained BMPs. One of these instances was tied to a storm exceedance event in the Baldwin Division.
 - 5% were the result of using the incorrect BMP per the approved Plan.
 - 3% were the result of a direct action of a vendor damaging or removing BMPs.

Offsite Discharge of a Visible Amount of Sediment into Receiving Waters (including Wetlands)

Within QRPs 3 and 4, DHI's Regions in EPA Region 4 had a total of 66 discharges of sediment reach receiving waters, including wetlands. The number of discharges into receiving waters (including wetlands) discussed in this Second Compliance Summary Report are based on the EPA's former definition of “waters of the United States” (“WOTUS”). The total number of discharges of sediment into receiving waters (including wetlands) discussed below would likely be reduced under the EPA's revised, narrower definition of WOTUS, announced 03/12/2025, to align with the Supreme Court's decision in *Sackett v. EPA*.

1. **Carolina Region:** Of the 124 instances of discharges of sediment beyond the permitted LOD in the Carolina Region during QRPs 3 and 4 noted above, 10 of those discharges were offsite discharge of sediment into receiving waters, including wetlands. Seven of these discharges occurred in QRP 3 while three occurred in QRP 4 for a 57% decrease between the two QRPs. As indicated above, a contributing factor to the total number of discharges to WOTUS in QRP 4 was the above average amount of rainfall received in the Carolina Region in July and August 2025.
2. **Coastal Carolina Region:** Of the 61 instances of discharges of sediment beyond the permitted LOD in the Coastal Carolina Region during QRPs 3 and 4 noted above, 27 of those discharges were offsite discharges of sediment into receiving waters, including wetlands. Eight of these discharges occurred in QRP 3. The remaining 19 instances occurred in QRP 4. Similar to the Carolina Region, a contributing factor to the increase in the total number of discharges to WOTUS during QRP 4 was the above average amount of rainfall received in the Coastal Carolina Region in July and August 2025.
3. **East Region:** Of the 35 instances of discharges of sediment beyond the permitted LOD in the East Region during QRPs 3 and 4 noted above, 11 of those discharges were offsite discharges of sediment into receiving waters, including wetlands. 10 of these instances (91%) occurred within the QCIR “look back” periods for Sites in QRP 3 while one occurred in QRP 4 for a 90% decrease from QRP 3 to QRP 4.
4. **Florida Region:** Of the 103 instances of discharges of sediment beyond the permitted LOD in the Florida Region during QRPs 3 and 4 noted above, five of those discharges were offsite discharges of sediment into receiving waters, including wetlands. All five of these discharges occurred in QRP 3.
5. **Gulf Coast Region:** Of the 35 instances of discharges of sediment beyond the permitted LOD in the Gulf Coast Region during QRPs 3 and 4 noted above, 13 of those discharges were offsite discharges of sediment into receiving waters, including wetlands. Six of those discharges occurred in QRP 3 while the remaining seven occurred in QRP 4.

Program Improvements for Unauthorized Discharges

During QRPs 3 and 4, DHI's Regions continued to take management steps in response to the above-described discharges. For example, one program improvement for unauthorized discharges implemented in all five of DHI's Regions in EPA Region 4 is the installation of additional buffers between the silt fence / perimeter BMP and the LOD. These additional buffers are installed in an effort to reduce both (i) the number of unauthorized discharges that occur, and (ii) the amount of sediment released during such a discharge. Additionally, many DSCRs are now involved in plan reviews before construction commences in a community, which enables those DSCRs to proactively select the most effective BMPs for sediment loss reduction. Thereafter, the DSCRs remain involved throughout the construction of a Site to monitor and evaluate the effectiveness of the BMPs implemented.

During QRPs 3 and 4, the Carolina and Coastal Carolina Regions saw heavier sustained rainfall compared to QRPs 1 and 2. Despite this, both Regions decreased the number of instances of discharges as described below in [Section III.C.1](#) of this Second Compliance Summary Report. The Carolina Region DSCRs have continued their efforts to help create better erosion control plans and to provide on-Site training to erosion control contractors and grading crews to ensure the planned BMPs are installed and

maintained correctly. The Carolina Region DSCRs also built in pre-storm Site walks and readiness procedures for field staff to protect Site perimeters and prevent discharges.

The Coastal Carolina Region DSCRs made several on-Site improvements across their Sites to help limit unauthorized discharges including:

- Testing different seed blends to increase stabilization coverage.
- Providing on-Site inspector and vendor trainings to cover proper stabilization practices and BMP maintenance in sensitive areas.
- Implementing discharge tracking spreadsheets to ascertain the cause and preventability of discharges.
- Creating silt-fence removal guidance to limit discharges while sod is taking root.
- Increasing the amount or strength of BMPs in surrounding sensitive areas (e.g., double-rowed fence at the proper spacing, silt fence outlets, and increased matting and seeding).

Since QRP 2, the Coastal Carolina Region has reduced the number of discharges across its Sites by approximately 35%.

The Florida Region implemented a number of program improvements related to unauthorized discharges during QRPs 3 and 4. For example:

- To ensure wetlands are adequately protected, the Tampa DSCRs began working with their ecologist to receive feedback and considerations for BMP installation and placement.
- The East Florida DSCR implemented an evaluation of planned BMPs with the land team to address any concerns or nuances with the sequence of construction within the SWPPP, so that the Site is properly managed in the field from the start of construction.
- The West Central Florida DSCRs performed pre-acquisition Site walks for every lot and have additional BMPs installed or change the BMPs in place for areas of concern on a Site that could lead to a discharge.

The Gulf Coast Region DSCRs are working with their field teams to make proactive changes to their Sites intended to reduce the likelihood of discharges occurring on Sites, with an overall goal of reducing the number of Corrective Actions required. For example:

- The Montgomery DSCR began touring projects monthly with BMP contractors (i) to proactively amend and manage the BMP plan by ensuring the plan stays current to the project sequence; and (ii) to identify any challenges that need extra attention and/or BMPs.
- The Baldwin DSCR expanded the Division's use of nephelometers to monitor turbid water conditions and to proactively identify stormwater not suitable for discharge, enabling the DSCR to treat any concerns on-Site before a discharge occurs.
- The Tallahassee DSCRs partnered with their land development contractors to install temporary land berms in select areas on Sites, as needed, to help manage the flow and collection of stormwater and to assist with the removal of any sediment from the waters before discharge.
- The Huntsville Division partnered with a new vendor to provide hydroseeding to reduce exposed soils and to minimize turbid water discharges. The DSCR now meets with Site engineers to develop enhanced BMPs for individual Sites to help manage stormwater during the construction process.

Formal Enforcement Actions Regarding DHI's Applicable Permits

In QRPs 3 and 4, DHI's Regions in EPA Region 4 had a total of 22 regulatory enforcement actions. To date, 19 of those regulatory actions have been closed, with 10 (53%) of them being closed within 14 days from the date of commencement of the enforcement action. No significant fines or penalties were imposed in connection with the regulatory enforcement actions closed during QRPs 3 and 4.

Below is a brief description of the formal enforcement actions during QRPs 3 and 4 for each of DHI's Regions in EPA Region 4:

1. **Carolina Region:** There were the following two regulatory enforcement actions within the Carolina Region during QRPs 3 and 4:

- a. State of North Carolina – On 8/28/25, the Raleigh North Division received a continuance of a Notice of Violation (“NOV”) at the Baker Farm Subdivision for a delayed plan modification submittal. The change in design was approved by Franklin County, but the Division did not timely submit it to the North Carolina Department of Environmental Quality (“NCDEQ”). The plan modification and as-builts for the stream culverts that were installed have since been submitted to NCDEQ for approval. To date the NOV has not been released.
 - b. State of North Carolina – The Greenville Division received an NOV from Anderson County on 6/30/25 relating to the improper placement of soil stockpiles within swales at the Spring Ridge Subdivision. The stockpiles were removed within a few days and the NOV was lifted on 8/8/25.
2. Coastal Carolina Region: There were four regulatory enforcement actions within the Coastal Carolina Region during QRPs 3 and 4, as described below. Additionally, one regulatory enforcement action is included from QRP 2 which was inadvertently missed in the First Compliance Summary Report. All of these regulatory enforcement actions arose at Sites in DHI’s Columbia Division and have since been closed. In response to these enforcement actions, the Columbia Division has (i) begun to implement additional BMP trains in sensitive areas, (ii) increased SSCR training efforts, and (iii) emphasized the importance of proactively managing compliance rather than reactively attempting to bring a Site into compliance. Additionally, the DSCR has met with SSCRs, vendors, and erosion control contractors on several Sites to thoroughly explain the stormwater expectations for DHI’s Sites.
 - a. State of South Carolina – During QRP 2, the Columbia Division received an NOV from Kershaw County on 11/25/2024 at the Gates Village Subdivision because the Phase 2 drainage basin was not properly draining per the approved designs. The basin was repaired and built properly according to the approved specs, and the NOV was lifted within two weeks.
 - b. State of South Carolina – The Columbia Division received an NOV from Richland County on 3/5/2025 at the Livingston Woods Subdivision for undermined silt fence leading to sediment impacts offsite, lack of stabilization, and sediment on streets. The Division promptly repaired the BMPs and cleaned the sediment, and the NOV was lifted on 3/12/2025. The DSCR continues to work closely with the SSCRs and contractors at this community to prevent these concerns from reoccurring.
 - c. State of South Carolina – The Columbia Division received an NOV from Richland County on 6/26/2025 at the Hunters Branch land development Site for concrete waste outside of the designated washout area, lack of stabilization on inactive areas, damaged silt fence, and the lack of silt fence on back of curb in Phases 3 and 4. The Division worked with the Site Contractor to correct these matters and the NOV was lifted on 7/3/2025. The DSCR and Site Contractor are working to ensure stabilization requirements are met so the Site is prepared to transition to vertical construction.
 - d. State of South Carolina – The Columbia Division received a Stop Work Order (“SWO”) from Lexington County on 7/1/2025 at the Toms Draft Subdivision for BMP failures leading to sediment impacts offsite. All sediment was removed from the impacted areas, all BMPs were repaired with additional BMPs installed surrounding the sensitive areas, and stabilization was provided. The SWO was lifted on 7/2/2025. The DSCR and SSCR have been vigilant about monitoring this Site and all sensitive areas similar to the discharge location to limit further potential non-compliance.
 - e. State of South Carolina – The Columbia Division received an NOV from Richland County on 7/16/2025 at the Livingston Woods Subdivision for silt fence maintenance issues and missing lot entrances. The Division addressed the BMP issues, and the NOV was lifted on 7/23/2025. The DSCR and SSCR continue to work with the erosion and sediment control vendor to ensure the proper BMPs are in place and installed in a timely manner.
3. East Region: There were five regulatory enforcement actions within the East Region during QRPs 3 and 4, as described below. Each of these actions have been closed by the regulatory authority.
 - a. State of Georgia – The Atlanta West Division received a SWO from Cherokee County on 5/30/2025 at Keithsburg Crossing for failure to install and maintain BMPs and failure to keep the ponds operating as designed. The Division made corrections in the field and the SWO was lifted on 6/4/2025.
 - b. State of Georgia – The Atlanta West Division received a SWO from Cherokee County on 6/27/2025 at Keithsburg Crossing for failure to properly maintain BMPs and not completing the pond and retaining wall per the Plan. Repairs were made in the field and Plan modifications were submitted for the front pond. The SWO was lifted on 7/9/2025.
 - c. State of Georgia – The Chattanooga Division received an NOV from Whitfield County on 8/5/2025 at the Fox Hollow Site for not having sufficient BMPs installed at the time of a rain event leading to offsite discharges. The Division worked to repair BMPs, clean up the sediment, and install additional measures starting 8/10/2025 and the NOV was lifted on 8/14/2025.

- d. State of Tennessee – The Memphis Division received an NOV from the City of Millington on 4/14/2025 at the Orchard Subdivision for sediment tracking, insufficient curbside BMPs to prevent sediment from washing into the street, improperly maintained inlet protections, and material storage in the street. The Division received confirmation from the City that the NOV was lifted on 10/2/2025.
 - e. State of Tennessee – The Nashville Division received an NOV from the City of Whitehouse on 5/27/2025 at The Parks subdivision for improperly maintaining yard inlet protection, insufficient BMPs within the drainage swale, inadequate stabilization of a stockpile, and erosion of slopes. The NOV was lifted on 6/16/2025 after additional BMPs were added, the slopes and stockpile were stabilized, and existing BMPs were maintained.
4. Florida Region: There was one regulatory enforcement action in the Florida Region during QRPs 3 and 4, as described below. The action has been withdrawn by the regulatory authority.
- a. State of Florida – The Southeast Florida Division received an NOV and Orders to Cease and Desist from the Miami-Dade County Department of Environmental Resource Management (“DERM”) on 4/28/2025 at the Sandero Landing Site for “Clearing and filling of wetlands without a Class IV Permit”, with DERM asserting jurisdiction for determining the extent of wetlands on-Site. The Division appealed the NOV because the South Florida Water Management District (“SFWMD”) had already made a wetlands determination relating to the Site and had issued an Environmental Resource Permit (“ERP”) to DHI. The wetlands jurisdiction dispute was later escalated to the Miami-Dade County Attorney’s office. The Miami-Dade County Attorney’s office determined the wetlands jurisdictional determination included in the ERP issued by the SFWMD was sufficient to proceed without a Class IV permit based on section 373.421(1), Florida Statutes (F.S.). The NOV was withdrawn on 08/13/2025.
5. Gulf Coast Region: There were nine regulatory enforcement actions within the Gulf Coast Region during QRPs 3 and 4, as described below. Seven of these actions have since been closed or rescinded by the regulatory authority.
- a. State of Alabama – The Mississippi Division received an NOV from the Alabama Department of Environmental Management (“ADEM”) on 7/10/2025 at the Johnson Ranch Subdivision for not fully implementing BMPs to control runoff, discharges, turbidity, and other pollutants from entering state waters, offsite sedimentation, and not providing the required signage on Site. As of 10/24/2025 the project is inactive, and the enforcement action remains open. The required postings were placed on Site and BMPs were replaced and/or repaired where required. However, Division is still working to resolve the sedimentation concerns and is providing scheduled updates to ADEM.
 - b. State of Alabama – The Mississippi Division received an NOV from ADEM on 7/7/2025 at the Westlake Village Subdivision, which neighbors the Johnson Ranch Subdivision for the same citations. As of 9/8/2025 the project is inactive, and the enforcement action remains open. The Division updated and replaced the BMPs on-Site and is providing scheduled updates to ADEM.
 - c. State of Alabama – The Huntsville Division received an NOV from ADEM on 7/7/2025 at the Wyndhurst Manor Subdivision for not fully implementing BMPs to control runoff, discharges, turbidity, and other pollutants. The Division made on-Site BMP repairs and added additional measures to prevent future issues which were provided via a photo correction log to ADEM on 9/3/2025. As of 9/17/2025 this NOV was resolved.
 - d. State of Alabama – The Huntsville Division received a Warning Letter from ADEM on 3/4/2025 for the Wyndhurst Manor Subdivision for not fully implementing BMPs to control runoff, discharges, turbidity, and other pollutants. The Division made on-Site repairs and responded to ADEM 3/21/2025 and the letter was rescinded on 3/24/2025.
 - e. State of Florida – The Pensacola Division received a Compliance Assistance Offer from the Florida Department of Environmental Protection on 3/13/2025 for Fallschase at Pathstone Phase 4 for not properly maintaining the sediment basin and a turbid discharge to an offsite wetland. The on-Site issues were resolved and the Compliance Assistance Offer resolved as of 7/1/2025 after the pond was rebuilt. The Site permit coverage was terminated on 7/21/2025.
 - f. State of Alabama – The Birmingham Division received a Warning Letter from ADEM on 3/17/2025 for the Oak Village Site for not fully implementing BMPs to control runoff, discharges, turbidity, and other pollutants. The Division made the appropriate Site repairs and ADEM rescinded the letter on 4/10/2025.
 - g. State of Alabama – The Montgomery Division received a Warning Letter from ADEM on 4/23/2025 for the Lanes Landing Site for not fully implementing BMPs to control runoff, discharges, turbidity, and other pollutants. The Division made the on-Site repairs and ADEM closed the enforcement action as of 5/2/2025.

- h. State of Alabama – The Birmingham Division received a Warning Letter from ADEM on 5/8/2025 for the Chelsea Acres Site for not fully implementing BMPs to control runoff, discharges, turbidity, and other pollutants, improper management of materials and waste storage, not having a rain gauge on Site and missing the required postings. As a note, ADEM provided DHI the ability to use an alternate rain monitoring system on 1/25/2023. The Division responded to the State on 6/4/2025 documenting the on-Site corrections and the letter was rescinded that day.
- i. State of Alabama – The Montgomery Division received a Warning Letter from ADEM on 7/11/2025 for the Highland Farms Site for not fully implementing BMPs to control runoff, discharges, turbidity, and other pollutants. On-Site repairs were completed and ADEM rescinded the letter as of 7/24/2025.

Section II. Information for Categories of Self-Reported Stipulated Penalties

Number of days of discharge of pollutants from a Site to a water of the United States prior to obtaining coverage under the Applicable Permit		State	Days
II.1	No Applicable Sites	N/A	0
II.2	Per the applicable Quarterly Summary Reports, the number of days of construction activities requiring coverage under the Applicable Permit at a Site prior to obtaining coverage under the Applicable Permit.		
	Name of Site: Fox Run (NCC232601)	NC	7
	Name of Site: Hidden Forest (KYR10S697)	KY	21
	Name of Site: River Landing Section 2 (TNR246008)	TN	53
	Name of Site: Rosewood Lots 1-41 and 44-56 (NCC233307)	NC	14
	Name of Site: Tooley Harbor (NCC243466)	NC	40

Work Without Permit

During QRPs 3 and 4, five of DHI's 1,129 Sites had instances of work without permit for a compliance rate of just under 100%. Of the five instances of work without permit: (i) two instances were the result of placing construction support activities outside of the permitted LOD; and (ii) three instances were the result of increasing the disturbed acreage prior to modifying the permit to increase the permitted acreage. Of these three instances, one Site was a finished-lot community and two were self-developed communities.

During this reporting period, each of DHI's Regions within EPA Region 4 achieved significant reductions in the number of reported days of work without a permit. As reflected in the table below, overall DHI reduced the number of days of work without a permit from QRPs 1 and 2 to QRPs 3 and 4 by 88.8%.

Region	Days of Work Without Permit				Percent Reduction from QRPs 1 and 2 to QRPs 3 and 4
	QRP 1	QRP 2	QRP 3	QRP 4	
Carolina	198	76	14	0	94.9%
Coastal Carolina	181	0	7	40	74%
East	157	264	0	74	82.4%
Florida	108	51	0	0	100%
Gulf Coast	95	79	0	0	100%
Total:	739	470	21	114	88.8%

1. Carolina Region: The Carolina Region identified 14 days of work without a permit in QRP 3 at one Site in DHI's Charlotte North Division. At this Site, the work without permit occurred when the Division installed a concrete washout and stored materials outside of DHI's permitted LOD due to a breakdown in communication between the Division's construction and stormwater teams. The construction activities were promptly discontinued and the affected areas stabilized after being identified in a QCIR. No work without permit occurred in the Carolina Region during QRP 4.

2. Coastal Carolina Region: In QRP 3, the Coastal Carolina Region identified seven days of work without permit at one of DHI's Myrtle Beach Division Sites. This occurred when DHI's engineer increased the disturbed acreage within the modified approved Plan. The DSCR submitted a permit modification to the NCDEQ; however, the Division's land team commenced construction activities in an area of the Site covered by the permit modification before the modification was approved by the NCDEQ. During QRP 4, the Coastal Carolina Region also identified 40 days of work without permit DHI's Southern Virginia Division's first Site in North Carolina. Work without permit occurred on that Site when Division commenced construction activities on three lots that were purchased prior to their originally scheduled takedown date. The lots were not permitted because the DCSR was not aware that DHI had closed the lots early. Once the work without a permit was discovered during a review of a QCIR of the Site, DHI halted construction activities on those three lots until permit coverage was obtained.
3. East Region: No work without a permit occurred in DHI's East Region during QRP 3. However, the East Region identified 74 days of work without permit across two Sites during QRP 4. DHI's Nashville Division incurred 53 days of work without a permit at one Site when the "Section 2" development phase was increased by approximately 2 acres mid-phase, but the additional acreage was not communicated to the DSCRs and therefore was not added to DHI's permitted area until the discrepancy was identified during a QCIR of the Site. The East Region also identified 21 days of work without a permit at one of DHI's Louisville Division's Sites. This occurred when the Division installed a concrete washout in an unpermitted open space due to a breakdown in communication between the Division's construction and stormwater teams. The concrete washout was promptly added to DHI's permitted area after being identified in a QCIR.
4. Florida Region: No work without permit occurred in the Florida Region during QRPs 3 and 4.
5. Gulf Coast Region: No work without permit occurred in the Gulf Coast Region during QRPs 3 and 4.

Program Improvements for Work Without Permit

Generally, the Corporate Stormwater team has worked extensively with DHI's Region and Division stormwater teams to incorporate stormwater permitting into each of our Divisions' (i) land and lot acquisition processes, and (ii) vertical construction starts processes. Additionally, during the review of QCIRs, the Corporate and Region Stormwater teams perform an audit of a Site's permit to confirm that the permit was properly obtained and that it covers the entirety of the Site where DHI's construction activities are taking place.

Specific examples of program improvements within DHI's Regions and Divisions to prevent work without permit during QRPs 3 and 4 include the following:

1. Carolina Region: During QRPs 3 and 4, the Charlotte Division implemented a process relating to the location of concrete washouts and other construction support activities. Under that process, the DSCRs and Division management designate approved locations for construction support activities and physically mark those locations at the Sites. Thereafter, the SSCRs and vendors are only permitted to place concrete washouts and material storage areas on those specified areas. This process of planning the location of construction support activities has helped minimize the chances of disturbing unpermitted portions of the community.
2. Coastal Carolina Region: While the Coastal Carolina Region experienced a greater number of days of work without permit during QRPs 3 and 4 (40 total days) compared to QRPs 1 and 2 (7 total days), the Region is actively working to improve its processes to ensure the root causes of the concerns are addressed. The work without permit in QRP 4 occurred within DHI's Southern Virginia Division when that Division opened its first Site in North Carolina. The work without permit was partially the result of a breakdown in inter-Division communication between the DSCR and the Division's starts team. More specifically, the DSCR was not aware that the Division closed on three lots before their scheduled takedown date. Although the DSCR performed a PCIR on the lots, the DSCR did not correctly verify permit coverage, in part, due to the DSCR's confusion about the North Carolina permitting process. The DSCR has since been included in all weekly starts and entitlement meetings and has received additional guidance and support on North Carolina's permitting processes. Additionally, the Southern Virginia DSCR has been collaborating with DHI's Wilmington DSCR on the Division's permitting processes to ensure proper permit coverage at the Division's North Carolina Sites.
3. East Region: During QRPs 3 and 4, the Louisville Division implemented an enhanced process for ensuring proper permitting prior to starting construction on various portions of their Sites. As part of this process, the DSCR created a spreadsheet showing the NPDES permit information, lots, and PCIR dates for all of the Division's Sites. This spreadsheet is shared and reviewed with the purchasing, sales, and construction managers at the Division's starts meeting to determine if a lot is ready to be released to commence home construction. The DSCR also works with Division management to ensure concrete washouts and areas for construction support activities are planned based on the permitted area and not moved by the SSCRs or other contractors without prior request and approval. Similarly, in QRPs 3 and 4, the Atlanta East Division created a tiered review process for upcoming lot and Site start dates to successfully prevent work without permit. In this process, the DSCR attends a weekly starts meeting and receives two follow-up emails for (i) planned starts and (ii) expected building permits for the upcoming two weeks. The DSCR also provides updates to the starts spreadsheet and the Division's "go board" to ensure NPDES permits are effective and PCIRs are complete before DHI commences construction activities on the applicable portion of a Site.

II.3	Number of failures to perform (including completion of all Corrective Actions) or, if performed, a material failure to document Pre-Construction Inspection & Review, if one was required by this Consent Decree	81						
PCIR								
Out of 853 total DHI Sites that required PCIR during QRPs 3 and 4, DHI's Regions had a total of 81 missed PCIRs – a 91% compliance rate. This represents a 55% decrease in non-compliance based on the number of Sites requiring PCIR from QRPs 1 and 2 – which noted 75 PCIRs were missed across 378 Sites. Of the missed PCIRs during QRPs 3 and 4: 35% were missed due to a misunderstanding of the PCIR requirements. 31% were missed due to miscommunication between DSCRs and the construction, land, or starts teams within a Division. 26% were missed due to improper construction sequencing / scheduling in the field. This most commonly affected spot lot Sites. 8% were missed due to ineffective management by the DSCR. In the two Divisions where this occurred the DSCRs have since been replaced with new personnel.								
Program Improvements for PCIR								
During QRPs 3 and 4, all Divisions across the DHI Regions in EPA Region 4 remained focused on improving the communication between the DSCRs and construction, starts, land management and field teams to ensure PCIRs are performed as required prior to the commencement of construction activities at the portion of the Site covered by that PCIR. Almost all DSCRs attend and have increased their participation in their Division's construction, starts, and land meetings to communicate PCIR requirements and status for each Site. Some smaller Divisions do not have these meetings in place on a scheduled basis, so the DSCRs are working with these teams to provide spreadsheets and informally meet to provide the information. For example, in the Memphis Division, a second DSCR was hired with a primary responsibility of communicating and performing PCIRs for the Division to prepare communities for construction. In the Gulf Coast Region, the Panama City Division DSCR modified his PCIR tracking to better align with Division starts processes and the Baldwin Division's DSCR began using physical signs on lots to indicate that a PCIR was performed so SSCRs can visually verify that new areas are ready to begin construction. Because 11 of the 20 missed PCIRs in Florida Region between QRPs 3 and 4 were on spot lots, the Florida Region made several process improvements for these communities. For instance, the affected DSCRs reviewed the construction sequencing noted in the SWPPPs and adjusted the process for future lots and Sites to align with PCIR requirements. Now, spot lots are not released to begin construction until the initial BMP installation is visually verified in the field. Additionally, two Divisions implemented additional forms that must be included in starts packets for lots to verify that PCIR requirements were met before SSCRs can move lots to construction.								
II.4	Total number of required Site Inspections	17,821						
II.5	Percentage failure to perform or, if performed, a material failure to document a Site Inspection.							
	Total Percentage of Missed vs. Required Inspections (by Location)							
	Location	Required	Missed	%	Location	Required	Missed	%
	Alabama	1,229	52	4%	Mississippi	732	62	8%
	Florida	6,001	45	0%	North Carolina	3,345	72	2%
	Georgia	2,003	53	3%	South Carolina	2,023	26	1%
	Kentucky	221	25	11%	Tennessee	2,267	75	3%
	EPA Region 4 Total							2%

Inspections

During QRPs 3 and 4, a total of 17,821 Site Inspections were performed on DHI's Sites in EPA Region 4 in compliance with the Applicable Permit and the Consent Decree. During these quarters, DHI timely completed 98% of all required Site Inspections. This represents an improvement from DHI's results reported in the First Compliance Summary Report, which reflected DHI timely completed 97.24% of all required Site Inspections during QRPs 1 and 2.

Of the 2% of Site Inspections that were counted as missed Inspections in QRPs 3 and 4, the primary reason for the missed Inspections was an SSCR failing to sign an Inspection report with two Business Days after the Inspection occurred (DHI self-disqualifies Inspections that are not signed within the timeframes required by the Consent Decree and the Applicable Permit).

Overall, DHI saw an approximately 23% decrease in missed Inspections between QRPs 3 and 4. Additionally, DHI saw an approximately 35% decrease in missed Inspections as a result of late signatures.

Program Improvements for Inspections

During QRPs 3 and 4, DSCRs across each of DHI's Regions in EPA Region 4 continued to hold weekly, bi-weekly, or monthly meetings with their Inspection Consultants and their management teams to provide training and review concerns. Most DSCRs also regularly shared feedback, provided training and reviewed concerns noted within QCIRs with routine inspectors.

To address concerns with missed inspections due to SSCRs failing to timely sign the Inspection reports, the Atlanta Central Division implemented a reminder process to help ensure that SSCRs sign Site Inspections in a timely manner. Additionally, the Division's DSCR ensures that at least two SSCRs are assigned to each Site, so that at least one SSCR is available to carry out the stormwater responsibilities at the Site when the other SSCR is out-of-the-office or otherwise unavailable.

II.6	Total number of required Quarterly Compliance Inspections and Reviews							1,129
II.7	Percentage failure to perform, or if performed, a material failure to document a required Quarterly Compliance Inspection & Review							
	Location	Required	Missed	%	Location	Required	Missed	%
	Alabama	118	0	0%	Mississippi	36	0	0%
	Florida	335	0	0%	North Carolina	232	0	0%
	Georgia	113	0	0%	South Carolina	184	0	0%
	Kentucky	14	0	0%	Tennessee	97	0	0%
	EPA Region 4 Total							0%
II.8	Number of Quarterly Compliance Summary Reports prepared 1 – 7 days after the deadline							0
II.9	Number of Quarterly Compliance Summary Reports prepared 8 – 30 days after the deadline							0
II.10	Number of Quarterly Compliance Summary Reports prepared 31 – 90 days after the deadline							0
II.11	Number of failures at the time of a Quarterly Compliance Inspection & Review as required by the Consent Decree to have a Site Stormwater Compliance Representative designated for the Site that meets all requirements of the Consent Decree related to the designation, including having current required stormwater training							1

The one instance of having a QCIR performed on a Site without an SSCR designated to the Site reflected above occurred in QRP 3 within DHI's Birmingham Division. This occurred as a result of the DSCR having an incomplete process for starting new Sites. The Division has since revised its process to require that SSCRs perform a Site walk with the DSCR for all new Sites before construction begins. During the Site walk, the DSCR and SSCR review the SWPPP and field conditions. Following the Site walk, the DSCR has the SSCR sign the designation form. Afterwards, the DSCR provides the SSCR with access to the Site in ERX so that the SSCR is able to review and sign Inspection reports and Corrective Actions.

DHI's compliance program for QCIRs in EPA Region 4 are described in [Section V](#) of this Second Compliance Summary Report.

Section III. Corrective Actions / Stormwater Pollution Prevention Plan

III.A.1	Total Number of Required Action Items (by Location)			
	Location	Total #	Location	Total #
	Alabama	3,516	Mississippi	3,820
	Florida	47,321	North Carolina	21,295
	Georgia	6,669	South Carolina	12,346
	Kentucky	132	Tennessee	5,082
	EPA Region 4 Total			100,181
Efforts are continually being made by DHI's Stormwater team, including DHI's Inspection consultants and erosion control contractors, to ensure that Corrective Actions are completed in accordance with the timeframes provided by the Applicable Permit. DSCRs continue to provide training to their SSCRs and consultants to: (i) emphasize that Action Items must be corrected in the field prior to being closed in ERX; and (ii) better utilize ERX to communicate when work is in progress and/or completed in the field.				

III.A.2	Number of failures to complete Corrective Actions within the time frame required by the Applicable Permit or, if completed, a material failure to record the information.							8,088
	Corrective Actions – Total Percentage Missed (by Location)							
	Location	Required	Missed	%	Location	Required	Missed	%
	Alabama	3,516	252	7%	Mississippi	3,820	3,080	81%
	Florida	47,321	451	0%	North Carolina	21,295	2,368	11%
	Georgia	6,669	220	3%	South Carolina	12,346	1,281	10%
	Kentucky	132	4	3%	Tennessee	5,082	432	9%
	EPA Region 4 Total							8%

Corrective Actions

During QRPs 3 and 4, 92% of Corrective Actions identified at DHI's Sites were completed within the timeframes required by the Applicable Permit. With respect to the 8% of Corrective Actions that were not completed within the Applicable Permit timeframes, the primary reasons for such failure included: (i) SSCRs not signing off on field-completed items in a timely manner, and (ii) short timelines for completing Corrective Actions in certain jurisdictions.

Comparing DHI's results from QRPs 1 and 2 with DHI's results from QRPs 3 and 4, DHI has shown increased compliance in closing Corrective Actions within the timeframe required by the Applicable Permits in five of the eight states in EPA Region 4: Alabama, Florida, Georgia, Kentucky, and North Carolina. In each of the remaining three states in EPA Region 4, Mississippi, South Carolina, and Tennessee, the compliance rate was marginally decreased by less than 1%.

Location	QPRs 1 & 2 % Missed	QPRs 3 & 4 % Missed	Location	QPRs 1 & 2 % Missed	QPRs 3 & 4 % Missed
Alabama	8.25%	7%	Mississippi	80.46%	81%
Florida	2.33%	0%	North Carolina	14.34%	11%
Georgia	4.92%	3%	South Carolina	9.23%	10%
Kentucky	4.88%	3%	Tennessee	8.97%	9%

Reviewing DHI's results from each of DHI's Regions in EPA Region 4, four of five of DHI's Regions in EPA Region 4 saw a decrease in the percentage of overdue Action Items from QPRs 1 and 2 to QPRs 3 and 4.

1. DHI's Carolina Region reduced its non-compliance rate from 16% in QPRs 1 and 2 to 12% in QPRs 3 and 4.
2. DHI's Coastal Carolina Region's non-compliance rate decreased from 8% in QPRs 1 and 2 to 7.6% in QPRs 3 and 4.
3. DHI's East Region reduced its non-compliance rate from 11% in QPRs 1 and 2 to 6% in QPRs 3 and 4.
4. DHI's Florida Region reduced its non-compliance rate from 2.3% in QRP 1 and 2 to 0% in QRP 3 and 4.

The remaining DHI Region in EPA Region 4 saw a slight increase in the percentage of overdue Action Items from QPRs 1 and 2 to QPRs 3 and 4.

1. DHI's Gulf Coast Region's non-compliance rate increased from 18% in QPRs 1 and 2 to 22% in QPRs 3 and 4. The Gulf Coast Region's Corrective Action compliance rate in Mississippi is largely affected by the Applicable Permit requirement to complete Actions Items by the following day.

DHI's Regions and Divisions are continuing to work to improve their processes to improve our Corrective Action compliance rates, as illustrated by the examples below.

Program Improvements for Corrective Actions

An example of a program improvement for Corrective Actions is DHI's Sarasota Division. In the Sarasota Division, the DSCR created a monthly SSCR "re-training" class for SSCRs who have Corrective Actions that remain outstanding beyond the seven-day timeframe required by the Applicable Permit. The DSCR provides a list of the Sites with overdue Action Items to the Division President and the Vice President of Construction who help the DSCR assign the required re-training for SSCRs. Thereafter, the Division President and Vice President of Construction help monitor the SSCR's performance. Additionally, once Action Items have been open for three days, the DSCR works with the SSCRs to ensure they have the work scheduled or a plan for completion.

DHI's Divisions with Sites in Mississippi are continuing to look for solutions to improve DHI's compliance rate, such as: (i) scheduling erosion control contractors to visit a Site the day of or the day following an Inspection; (ii) only scheduling routine Inspections Monday through Thursday; (iii) hiring DHI field staff to correct smaller concerns across the Site; and (iv) providing DSCRs and SSCRs with tools and materials to fix stormwater signs, down silt fence, etc.

Additionally, the Gulf Coast Region is placing an emphasis on proactive management to reduce the number of Action Items needing to be reported over time. For example, during QPRs 3 and 4, the Birmingham and Montgomery DSCRs provided training and guidance to their Stormwater Consultants to identify the sources of sediment tracking in the street as well as other deficiencies. Their goal is to be able to find trends in these issues and adjust their upgradient BMPs accordingly to reduce the number of Action Items reflected in their Inspection reports.

III.A.4	Number of instances of off-site sedimentation due to failure to properly locate, install, or maintain Best Management Practices (BMPs)	267
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The percentage of discharges related to failed, missing or improperly maintained BMPs in each of DHI's five Regions in EPA Region 4, and the corresponding program improvements made by DHI, are described in [Section I](#) of this Second Compliance Summary Report.

Stormwater Pollution Prevention Plan (SWPPP, CBMPP, ESPCP, etc.)

Percentage failure to have, at the time of a Site Inspection, the SWPPP at the Site or its location posted, if required by the Applicable Permit.

Total Percentage of SWPPPs missing at time of a Site Inspection (by Location)

Location	# Missed	%	Location	# Missed	%
Alabama	0	0%	Mississippi	1	0%
Florida	6	0%	North Carolina	0	0%
Georgia	0	0%	South Carolina	4	0%
Kentucky	0	0%	Tennessee	0	0%
EPA Region 4 Total					0%

SWPPP Location

During QRPs 3 and 4, 99.99% of DHI's Sites in EPA Region 4 had a compliant SWPPP located at the Site, or the SWPPP's location posted as required by the Applicable Permit, at the time of a Site Inspection (i.e., 11 SWPPPs missing out of 17,821 Site Inspections). Overall, this represents a slight improvement from the 99.96% compliance rate that DHI reported for QRPs 1 and 2 in the First Compliance Summary Report.

Location	QRPs 1 & 2 # Missed	QRPs 3 & 4 # Missed	Location	QRPs 1 & 2 # Missed	QRPs 3 & 4 # Missed
Alabama	4	0	Mississippi	0	1
Florida	57	6	North Carolina	1	0
Georgia	0	0	South Carolina	0	4
Kentucky	0	0	Tennessee	20	0

The results for QRPs 3 and 4 reflect the most significant improvements in: (i) Florida, which reduced the number of missing SWPPPs from 57 in QRPs 1 and 2 to 6 missing SWPPPs in QRPs 3 and 4; and (ii) Tennessee, which reduced the number of missing SWPPPs from 20 in QRPs 1 and 2 to no missing SWPPPs in QRPs 3 and 4.

Program Improvements for SWPPP Location

In QRP 3, the Corporate Stormwater team reviewed each Applicable Permit and corresponding administrative codes regarding SWPPP availability and posting requirements to determine if electronic SWPPPs were allowed for Sites. In states where the written language was unclear or did not speak directly to electronic records, the CSCRs or applicable RSCR reached out to the applicable regulatory authority.

The Corporate team distributed the results to the Region Stormwater teams to help them decide the best way to maintain SWPPP records. Beginning in QRP 4, the Gulf Coast Region began switching over to electronic SWPPPs, beginning with the Tallahassee Division, to facilitate more efficient recordkeeping and an improved SWPPP audit process. The remaining Divisions within the Region are also moving to electronic SWPPPs and the Corporate team is negotiating with a potential national electronic SWPPP vendor to assist other Divisions, where allowed by the Applicable Permit, make this change too. All Divisions within the Florida Region maintain electronic SWPPPs. The Charleston and Southern Virginia Divisions in the Coastal Carolina Region use electronic SWPPPs as well.

During QRPs 3 and 4, the Florida Region reduced the number of instances of not having a SWPPP available on-Site from 57 instances in QRPs 1 and 2 to six instances in QRPs 3 and 4. Each of these six instances occurred because the existing digital SWPPP QR Code signage was damaged in the field at the time of Inspection. In QRP 3, the Florida Region provided the third-party Inspection consultant access to DHI's SWPPP QR Code signage to enable the consultant to repost the signage in the field during the Inspection if the QR Code signage was missing or damaged. With continued failures in QRP 4, the Florida Region implemented an additional change to their Inspection process and now requires the consultant to provide wooden stakes to reinstall the sign and base if the previous sign had been removed.

In the Carolina Region, three of the four instances when the SWPPP was not present at the time of Inspection occurred in connection with commencing construction at a new Site when the DSCR was delayed in placing the SWPPP on-Site. In response, the RSCRs

provided additional training to the DSCR and revised the DSCR's Site start-up checklist to ensure SWPPPs are present before construction commences at a Site.

Section	Corrective Action Summary and Review
III.C.1	Each subsequent EPA Region 4 Compliance Summary Report will provide a summary of actions taken to address issues outlined in the previous report and will discuss trends associated with success and failures of complying with Stormwater Requirements

Below is a summary of trends relating to DHI's compliance with Stormwater Requirements during QRPs 3 and 4 compared to DHI's results from QRPs 1 and 2, as reported in the First Compliance Summary Report, as well as a discussion of program improvements made to address issues outlined in the First Compliance Summary Report. Specific areas of focus addressed below include: (i) discharges; (ii) work without a permit; (iii) PCIRs; (iv) Inspections; and (v) Corrective Actions. Additional program improvements that DHI implemented to address these areas of focus are discussed throughout this Second Compliance Summary Report.

Discharges:

Comparing DHI's results from QRPs 1 and 2 with DHI's results from QRPs 3 and 4, DHI has demonstrated increased compliance in the number of discharges beyond the permitted LOD. Overall, DHI has reduced the total number of discharges from DHI Sites since QRP 2 by 47.2%. During QRPs 1 and 2, DHI's Regions in EPA Region 4 reported a total of 678 unauthorized discharges and 132 of those discharges reached receiving waters, including wetlands. Comparatively, in QRPs 3 and 4, DHI's Regions in EPA Region 4 reported a total of 358 unauthorized discharges in QRPs 3 and 4, with 66 of those discharges reaching receiving waters.

Below is a Region-by-Region comparison of the number of discharges reported for (i) QRPs 1 and 2, and (ii) QRPs 3 and 4:

Region	QRPs 1 & 2 Discharges	QRPs 3 & 4 Discharges	Percent Reduction
Carolina	176	124	29.5%
Coastal Carolina	94	61	35.1%
East	50	35	30%
Florida	322	103	68%
Gulf Coast	37	35	5.4%
Total:	678	358	47.2%

Reviewing these results, DHI's Carolina (29.5%), Coastal Carolina (35.1%), East (30%), and Florida (68%) Regions each achieved a significant reduction in the number of discharges beyond the permitted LOD from QRPs 1 and QRP 2 to QRPs 3 and 4. While the Gulf Coast Region reported only a 5.4% decrease in discharges from QRPs 1 and 2 to QRPs 3 and 4, the Gulf Coast Region had the fewest instances of discharges overall. While the total number of discharges remained highest in DHI's Florida and Carolina Regions with 103 and 124 discharges in QRPs 3 and 4, respectively, both Regions saw a significant decrease in total number of discharges overall.

To improve Site compliance, Divisions implemented several changes during QRPs 1 and 2 to reduce the number and severity of discharges from DHI's Sites. For instance, the Orlando Division created a procedure for hurricane and severe weather preparedness to ensure that their Sites are better prepared for adverse weather. The DSCRs shared this procedure with all Divisions in the Florida Region to help them implement a proactive management strategy for storms across the Region.

Additionally, the land departments across DHI's Gulf Coast Region have enforced stricter requirements of our contractors and have added and/or improved contract language to bolster DHI's contractor's compliance responsibilities. The DSCRs in the Baldwin and Pensacola Divisions have worked with their land development teams, as necessary, to expedite getting erosion control contractors out to their Sites when BMP repairs need to be completed more quickly.

Trends for discharges between QRPs 3 and 4 are also discussed in [Section I](#) of this Second Compliance Summary Report.

Work Without Permit:

In the First Compliance Summary Report, DHI reported 1,209 days of work without permit during QRPs 1 and 2 across 28 Sites (for a 97.5% compliance rate at DHI's 1,114 active Sites). The program improvements described in the First Compliance Summary Report, as well as the improvements discussed below and in [Section II.2](#) of this Second Compliance Summary Report, have resulted in improved compliance during QRPs 3 and 4. While five Sites reported work without permit during QRPs 3 and 4, overall, DHI reduced the number of days of work without a permit by 88.8% from QRPs 1 and 2 to QRPs 3 and 4.

In accordance with the requirements of the Applicable Permits and Consent Decree, DHI's stormwater team has developed a permitting process within each Division, with some requirements being set at the Region or Corporate level. These processes were adapted for better compliance in the Divisions that noted work without permit in QRPs 1 and 2.

For example, the Southeast Florida Division recognized the work without permit reported in the First Compliance Summary Report for that Division was caused by the SSCRs not knowing the permitted boundaries of their Sites. Now, the DSCRs meet with each SSCR in person, on-Site, for 10-15 minutes to review the planned BMP map, a Division Stormwater Cheat sheet, any stipulated penalties, and Site-specific details (e.g., ensuring they know where the stormwater sign is located and the permitted LOD). For finished lot Sites, the DSCRs highlight the lots that are currently owned by DHI and, thereafter, update the map for the SSCRs as additional takedowns occur. Additionally, the DSCRs email updated versions of the map between meetings if there is an increase to the acreage to give the SSCRs a verified confirmation that they can disturb that new area.

Additionally, in QRPs 1 and 2, the Atlanta West Division had work without a permit occur across several Sites because construction support areas were located outside of the permitted boundary. In QRP 3, the DSCR worked closely with the RSCRs and Division construction teams to ensure construction support activity locations were planned prior to a Site starting construction. Now, the Division works with the seller to get approval to permit common areas within a Site that the Division plans to use.

As noted above, the Florida and Gulf Coast Regions reported no work without a permit in QRPs 3 and 4. Some of the improvements implemented within these areas that helped prevent this issue included:

1. The Florida Region implemented two changes in QRP 3 across the Region. The RSCRs provided the DSCRs with additional resources and training to audit their permitted areas and cross reference that permitted area with active areas in the field. Additionally, DSCRs are now required to track permits for spot-lot communities on a weekly basis and the RSCRs must review all anticipated spot-lot permits before the SWPPP is created.
2. The Panama City Division has laminated large scale maps to place in construction offices that clearly show the limits of permit coverage. By providing a visual reminder of the current maps to the SSCRs daily, the goal is that all personnel on-Site will recognize coverage boundaries.
3. Several Divisions in the Gulf Coast Region have included permit coverage compliance in the compensation plans for stormwater personnel to incentivize compliance. Additionally, most DSCRs in the Region have implemented a permit audit process into their weekly or monthly tasks to ensure they are reviewing their permitted areas often.

PCIR:

DHI's percent compliance with the Consent Decree's PCIR requirement increased from 80% in QRPs 1 and 2 to 91% in QRPs 3 and 4. The increase in compliance is largely attributed to improved communication between DSCRs, SSCRs, and construction, land, and starts management teams; however, 35% of the missed PCIRs were a result of DSCRs not understanding PCIR requirements and 57% were the result of miscommunication between the DSCR and field team (SSCRs) or department management (improper reporting).

Most DSCRs with missed PCIRs in QRPs 3 and 4 have performed PCIR audits to ensure future areas are appropriately covered by a PCIR. Additionally, we note that many of the PCIRs reported as missed in QRPs 3 and 4 were missed prior to May 2025 and were discovered in connection with a QCIR "look back" – reflecting the process improvements being implemented by DSCRs and RSCRs are improving DHI's compliance with the Consent Decree's PCIR requirement.

Inspections:

In QRPs 1 and 2, DHI missed approximately 3% of required Inspections. These missed Inspections typically were the result of either: (i) the SSCR signatures not being provided within the required timeframes, or (ii) the SSCRs not being properly designated to a Site. In QRPs 3 and 4, DHI's compliance increased by one percent (to 98%). This increase in compliance rate is likely attributed to (a) the increased communication in some of the Divisions to ensure signatures are completed on time, and (b) limiting SSCRs access to Sites in ERX until the DSCR has received their SSCR designation. While DHI has seen improvement in timely obtaining SSCR signatures, the two Business Day signature requirement for Inspection reports continued to be the primary reason for missed Inspections in both QRPs 3 and 4.

As an example of improved communication, in QRP 3, the East Florida Division implemented an improvement to their Inspection process that requires the third-party consultant to contact the SSCR when completing an Inspection report to ensure they are ready to review

and sign the report within two Business Days. In addition, in QRP 4, the Tampa Division began using a new community kickoff checklist while completing the Site walk / initial PCIR. This checklist helps the DSCRs verify that all SSCRs have been properly assigned and designated to the Site and provides the SSCRs with information about the Site prior to the first Inspection.

Corrective Actions:

As mentioned under Section III.A.2 of this Second Compliance Summary Report, DHI's Corrective Action compliance rate improved during QRPs 3 and 4 across five states and stayed relatively the same in the remaining three states. Overall, DHI achieved a 92% Corrective Action compliance rate during QRPs 3 and 4. This result is consistent with the 92.63% Corrective Action compliance rate DHI achieved during QRPs 1 and 2.

In DHI's Carolina Region, the Eastern North Carolina Division maintained 100% compliance for Corrective Actions across QRPs 3 and 4. Overall, the Region's compliance rate improved from 84% in QRPs 1 and 2 to 88% in QRPs 3 and 4. Compliance rates continued to be lower in the Charlotte, Raleigh, and Greensboro Divisions which have many land development Sites even though the Corrective Actions for land development Sites are often more difficult to repair within the timeframes required by the Applicable Permits. In these Divisions, the DSCRs continue to send reminders and communicate daily with field personnel, erosion control contractors, and grading contractors to maximize compliance on every Site. Continued training by the DSCRs with Division's land development managers has also contributed to increased compliance in completing Corrective Actions.

The Coastal Carolina Region's overall non-compliance rate for Corrective Actions during QRPs 3 and QRP 4 was 7.6%. This was a 5% reduction in non-compliance from QRPs 1 and 2. Approximately 57% of the non-compliance within the Region occurred in South Carolina, where four of the six Divisions are active. The Hilton Head/Savannah and Myrtle Beach Divisions operate in two states each, managing different compliance requirements per their Applicable Permits. The Myrtle Beach Division has built a team of professionals to handle the different permit requirements to ensure compliance. Hilton Head/Savannah has a more manageable Site workload and emphasizes SSCR training and guidance, as well as cross training the Applicable Permits with SSCRs to ensure compliance standards are upheld. DSCRs have focused on training vendors and SSCRs to be more mindful of BMPs on-Site and instructing proper thresholds for maintenance and replacement of BMPs. The DSCRs are actively working towards obtaining more compliant Sites with overall lower numbers of Corrective Actions through their training efforts and communication on Sites.

In the East Region, compliance increased by a little over 45% overall for Corrective Actions being completed within the timeframe required by the Applicable Permit. The Memphis Division includes Sites in Mississippi and continues to work with SSCRs and the erosion control contractor to complete more repairs within a day of an Inspection. The Division has improved its scheduling of erosion contractors, resulting in the contractors more frequently completing repairs on Sites within one day. Additionally, the DSCR is working with the SSCRs to have the Corrective Actions verified in the field and closed out immediately after the work is complete.

During QRPs 3 and 4, DHI's Florida Region maintained 0% non-compliance for Corrective Actions. This is an increase in compliance compared to QRPs 1 and 2 which were at 2.3% non-compliance. Six Divisions: East Florida, Orlando, Orlando West, Jacksonville, Tampa, and West Central Florida had 100% compliance in closing out Corrective Actions in QRPs 3 and 4. The increase in compliance was accomplished by a combination of daily monitoring of ERX by DSCRs and SSCRs, increased communication with SSCRs and maintenance vendors such as reminders and altered scheduling for long weekends and holidays, SSCR re-training as needed, and BMP field verification checks to confirm which Action Items have been completed.

In DHI's Gulf Coast Region, all Divisions except Mississippi increased Corrective Action compliance in QRPs 3 and 4 compared to QRPs 1 and 2. The Mississippi Division decreased compliance (by less than 2%); this was partly due to (i) the 24-hour repair timeframe and (ii) the Sites in this Division received 20% more precipitation than any other Division within the Region. The DSCRs working within Georgia and Tennessee saw the largest improvement in Corrective Action compliance, with increases in compliance by 22% and 26%, respectively. Across the Region, the increase in Corrective Action compliance is attributed to the DSCRs continually training SSCRs and monitoring the incomplete Corrective Actions for Sites. Additionally, the DSCRs and SSCRs worked together to provide vendor training on Sites to limit the amount of damage occurring to BMPs.

Section IV. Training Program

IV.1

Written evaluation of the DHI Stormwater Training Program and a description of any significant changes to the training program as a result of annual review of the training program

DHI's Stormwater Training Program

As of the last day of QRP 4, a total of 2,991 DHI employees had successfully completed the DHI Stormwater Training Program. More specifically:

1. A total of 2,991 DHI employees completed the Basic Training Module; 2,390 of these employees work on DHI Sites in EPA Region 4.
2. A total of 2,156 DHI employees completed the Advanced Training Module; 1,849 of these employees work on DHI Sites in EPA Region 4.
3. A total of 1,766 DHI employees completed the Stormwater Compliance Representative Training Module; 1,729 of these employees work on DHI Sites in EPA Region 4.
4. A total of 1,603 DHI employees completed the 2025 Annual Refresher Training Module; 1,456 of these employees work on DHI Sites in EPA Region 4.

The Corporate Stormwater team monitors the status of DHI employee training in EPA Region 4 on an ongoing basis. The Corporate Stormwater team reviews DHI employees by title and primary job responsibilities and sends reminders to RSCRs when it identifies newly hired personnel that are required to complete the DHI Stormwater Training Program. Additionally, the learning management system ("LMS") used for the DHI Stormwater Training Program is programmed to find job titles related to stormwater, construction, land development, etc. and to automatically enroll new hires into the required training(s). This review continues to indicate that the appropriate DHI employees are properly being enrolled in and completing the applicable training modules, depending on their role with DHI. As of the end of QRPs 3 and 4, no changes to the job positions requiring training are recommended.

Using the list of employees who were required to take the 2024 Stormwater Compliance Representative Training, on 5/5/2025, the Corporate Stormwater Team worked with DHI's Learning Management Team to enroll all employees serving as Stormwater Compliance Representatives in the 2025 Stormwater Annual Refresher Training. Additionally, RSCRs and DSCRs were required to confirm all required SSCRs were assigned the training. The employees were provided 30-days to complete the Annual Refresher Training to ensure that all required DHI employees completed the training prior to the earliest date of completion of the original 2024 Stormwater Compliance Representative Training (6/7/2024).

The Corporate Stormwater Team provided the RSCRs with updated lists of outstanding users from 6/2/2025 to 6/6/2025. As of 6/6/2025 only four users out of 1,456 total enrolled for EPA Region 4 had not completed the training. The dates on which they completed the 2024 trainings were then provided to the RSCRs to ensure these SSCRs completed the training prior to their original certificates expiring. At the time of this Second Compliance Summary Report, all 1,456 enrolled users had timely completed the Annual Refresher Training, and no required employee trainings went overdue.

Improvements to DHI's Stormwater Training Program

Since the submittal of the First Compliance Summary Report, the Corporate Stormwater team updated DHI's Stormwater Training modules and prepared the 2025 Annual Refresher Training Module, as required by the Consent Decree. The updated Stormwater Training modules were made available through the LMS in early May 2025. The 2025 Stormwater Annual Refresher training incorporated the information from the 2024 training modules, as well as recent regulatory updates, including information relating to the revised, narrower definition of WOTUS, and updates to the Applicable Permits. The Corporate Team also incorporated these regulatory updates into the applicable Stormwater Compliance Representative ("SCR") trainings to ensure that new hires also receive the most current information.

Additionally, the SWPPP modules within the Annual Refresher Training and the SCR trainings were revised to emphasize the importance for (i) a SSCR to review and certify the Site-specific SWPPP, and (ii) the DSCRs and DHI's consultants to utilize the SWPPP Update and Amendment Log. Finally, a new "Lessons Learned" module was created within DHI's Annual Refresher Training and the SCR Training modules. The "Lessons Learned" module emphasized:

1. The importance of incorporating NPDES permitting and PCIR processes into our Division's acquisition and starts processes.
2. The importance of preparing a Site to be compliant prior to DHI's acquisition of the property and the importance of relaying stormwater concerns to DHI's land acquisition departments and DHI's seller prior to closing.
3. The processes that Divisions have implemented to reduce the number and severity of discharges occurring beyond the permitted LOD or into receiving waters.

Additionally, during QRP 3, the Corporate Stormwater team created an optional training module entitled "SSCR: From Desk to Field." This course was provided through the LMS and was intended to assist with Division and Region training of SSCRs. The course includes information relating to various SSCR responsibilities, including administrative responsibilities, land disturbance compliance requirements, and field and paperwork requirements. While a number of DHI's DSCR use this training course to provide supplemental training to SSCRs on an as needed basis, other Divisions have included the course as required training for all SSCRs and other roles that may affect the Division's stormwater operations.

Finally, the Corporate Stormwater team continued to track regulatory changes and court rulings throughout the calendar year. Moreover, the Corporate Stormwater team continued to task the RSCRs with reviewing the content applicable to their Regions prior to making the changes to the LMS modules. RSCRs and DSCRs are also encouraged to forward information regarding any regulatory changes they become aware of to Corporate as they become aware of the information.

Section V. Additional Information

V.1	Number of instances when a visible amount of sediment has been discharged beyond the permitted limits of disturbance or into receiving waters, including wetlands.			
	Location	# Instances	Location	# Instances
	Alabama	25	Mississippi	8
	Florida	111	North Carolina	137
	Georgia	22	South Carolina	48
	Kentucky	0	Tennessee	7
	EPA Region 4 Total			358

The number of discharges beyond the permitted LOD or into receiving waters in each of DHI's five Regions in EPA Region 4, and the corresponding program improvements made by DHI, are described in [Section I](#) of this Second Compliance Summary Report.

V.2	Summary of Consent Decree measures for this Compliance Report: (a statement setting forth the deadlines and other terms that D.R. Horton is or was required to meet by this Consent Decree since the date of the last EPA Region 4 Compliance Summary Report, whether and to what extent D.R. Horton has met these requirements, and the reason for any noncompliance.
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A total of 1,129 Sites (100% of Sites in QRPs 3 and 4) across the five DHI Regions within EPA Region 4 were reviewed for their compliance with the Consent Decree's requirements. Additional notes and the reasons for non-compliance for the categories below can be found in their respective Sections of this Second Compliance Summary Report above.

Obtain Permit Coverage Prior to Commencing Construction:

During QRPs 3 and 4, DHI's Corporate Stormwater team continued working with our Region and Division teams to implement enhanced permitting processes within DHI's Divisions in EPA Region 4. Additional information regarding the program improvements DHI has implemented to its permitting processes is described in [Section II.2](#) and [Section III.C.1](#) of this Second Compliance Summary Report.

In QRPs 3 and 4, 1,124 of DHI's 1,129 Sites had all necessary permitting coverage when commencing work on the Site – a 99.6% compliance rate. While DHI had five Sites in which work without permit coverage was reported, this represents less than 1% of DHI's Sites in EPA Region 4. In each of these five instances, DHI had obtained a permit for the community but permit coverage did not extend to a particular portion of the community where construction activities took place, generally due to a breakdown in internal communications.

PCIR:

As indicated in the First Compliance Summary Report, PCIRs became a Consent Decree requirement for all Sites that commenced construction on or after 10/1/2024. To prepare for this requirement, the Corporate Stormwater team began recommending that PCIRs be conducted on all DHI Sites as a best practice in October 2020 and later made PCIR a required DHI practice across all DHI Sites in May 2023. The Corporate Stormwater team also distributed PCIR guidance in August 2022 and has periodically updated this guidance to help clarify requirements under the Consent Decree.

RSCRs have distributed the Corporate guidance to the DSCRs and Division management teams and have worked to ensure that appropriate processes are implemented within each Division to effectively communicate PCIR status prior to land or lots being released

to the SSCRs in the field. As noted in [Section III.C.1](#) above, out of the 853 DHI Sites that had PCIRs required, 81 PCIRs were counted as missed during QRPs 3 and 4 – for a compliance rate of 91%, which is up from the 80.16% compliance rate reported in the First Compliance Summary Report. While PCIRs were performed on 100% of DHI's Sites in EPA Region 4 during QRPs 3 and 4, consistent with the approach described in the First Compliance Summary Report, PCIRs were counted as "missed" if the PCIR did not, in any way, comply with all of the Consent Decree requirements. For example, if a specific lot was not listed as covered under a PCIR for a Site, the Corporate Stormwater team generally considered the PCIR to be "missed" for that lot (even if all other lots within the Site had a PCIR performed). When a PCIR is counted as "missed" due to a failure to comply with all of the Consent Decree requirements, the Corporate and Region Stormwater teams provide feedback and training to the Division teams to help ensure that Division properly conducts PCIR in the future.

Most of the missed PCIRs reported in QRPs 3 and 4 related to Sites in which the PCIR was performed prior to 5/1/2025 (i.e., most of the missed PCIRs reported were from previous quarters and did not occur within QRPs 3 or 4). Additional information regarding the program improvements DHI has implemented is described in [Section III.C.1](#) of this Second Compliance Summary Report. Because of the processes that Divisions have implemented to improve their PCIR process, we expect to report fewer missed PCIRs going forward.

Daily Logs:

Daily logs / observations are required in two states within EPA Region 4: Alabama and Georgia. DHI has three Regions and 12 Divisions that operate within those states. Eight Divisions have trained the SSCRs to complete daily logs for their assigned Sites and four Divisions designate this task to Stormwater Consultants. 13,389 daily logs were required for DHI's Sites in QRPs 3 and 4 and 13,296 of those daily logs were completed for a compliance rate of 99.3%. This compliance rate has improved from the 97.8% compliance rate for QRPs 1 and 2 reported in the First Compliance Summary Report.

Inspections:

DHI utilized third-party Stormwater Consultants to complete most of the required Site Inspections throughout QRPs 3 and 4. Out of the 17,821 required Inspections, 17,411 were completed in accordance with the requirements of the Applicable Permit and Consent Decree, for a compliance rate of 98%. This compliance rate is slightly improved from the 97.2% compliance rate during QRPs 1 and 2 reported in the First Compliance Summary Report. The Consent Decree's two-day signature requirement resulted in the highest number of missed inspections for both QRPs 3 and 4. To mitigate this issue, many DSCRs monitor ERX daily and send an email to the applicable SSCR when they discover that a report has remained unsigned for one day. If the report has still not been signed by the second day, the DSCR will typically call the SSCR directly to prompt them to immediately review and sign the report. Additionally, DSCRs within the Coastal Carolina Division provide weekly updates to Division management showing the compliance rate for Inspection signatures and completing Corrective Actions. This allows the SSCRs' direct managers and Division executives to efficiently review Site compliance and work with SSCRs immediately.

Additional information regarding the program improvements incorporated to increase DHI's compliance with Inspection requirements is provided in [Section II.5](#) of this Second Compliance Summary Report.

Corrective Actions:

Out of the 100,181 required Action Items noted on Inspection reports during QRPs 3 and 4, 92% were corrected and closed within the timeframe required by the Applicable Permit. Additional information regarding the program improvements incorporated to increase DHI's compliance with Corrective Action timeframes is provided in [Section III.A.2](#) of this Second Compliance Summary Report.

QCIR:

QCIRs are chosen for each quarter within ERX. DHI's version of ERX has been customized to incorporate the Consent Decree requirements for QCIR selection. The Consent Decree required DHI to complete QCIRs for 100% of Sites within EPA Region 4 between QRPs 3 and 4. In QRP 3, 555 Sites were chosen for QCIR, but eight had terminated permits or were in the process of filing a Notice of Termination. Out of the 547 remaining Sites, 100% of QCIR were completed on time. In QRP 4, 605 Sites were selected for QCIR, but 23 of these Sites either: (i) had the permit authorization terminated prior to completion of the QCIR; (ii) were pulled for Sites outside of EPA Region 4; or (iii) already had a QCIR performed in QRP 3. 100% of QCIR were completed on time for the remaining 582 Sites requiring QCIR in QRP 4. A total of 1,129 QCIR were performed and DHI maintained 100% compliance.

CCIR:

By the end of QRP 4, DHI's Corporate Stormwater team completed all 30 required Corporate Compliance Inspection and Review ("CCIR") that were required to be completed within the first year of the Consent Decree. Of those 30 completed CCIRs, eight were completed by a CSCR, which exceeded the Consent Decree requirement to have at least 20% of the 30 required CCIRs in a year performed by a DHI designated CSCR. Out of the 30 completed CCIR, seven were performed in Carolina Region, three were performed in Coastal Carolina Region, seven were performed in East Region, five were performed in Florida Region, and eight were performed in Gulf Coast Region. All completed CCIRs were selected in accordance with the criteria set forth in the Consent Decree. Based on the findings of the CCIRs, the Corporate and Region Stormwater teams provided feedback and training to DHI's Divisions and Stormwater Consultants to proactively improve DHI's Stormwater Compliance Program.

QSRs:

A total of 85 QSRs were distributed by DHI's DSCRs in QRPs 3 and 4 to the parties required by the Consent Decree (i.e., one QSR per QRP for each of the 43 DHI Divisions in EPA Region 4 – Southern Virginia became active in North Carolina in QRP 4). 100% of the required QSRs were distributed on time.

As described in the First Compliance Summary Report, the Corporate Stormwater team developed a QSR process to ensure that all QSRs are reviewed and completed as required by the Consent Decree. At the beginning of each QRP, the Corporate Stormwater team provides QSR spreadsheets for the Divisions in each Region within EPA Region 4. The QSR spreadsheets include formulas for calculating percentages and totals, so that individual DSCRs do not need to complete the math. The Corporate team also incorporates the Site names from the List of Sites / permits to the QSR spreadsheets for all Sites selected for QCIR in that QRP. These QSRs are uploaded to a SharePoint folder shared with the applicable RSCRs and DSCRs for each of DHI's Regions. To ensure RSCRs and CSCRs have enough time to review the information, the DSCRs are required to fill out the QSR for a Site as they complete the QCIR for that Site.

The Corporate Stormwater team also added a column to the QSR for "RSCR review" and requires that the RSCR who reviewed the information in the QSR add their initials next to each Site after they complete their review of that Site in the QSR. This process helps DHI ensure compliance with the Consent Decree requirement for RSCRs to review each QSR and compile the information into an EPA Region 4 Compliance Summary Report.

Once all QSRs have been reviewed and approved for signature, the Corporate Stormwater team converts the Excel files to PDFs and distributes them to the applicable DSCRs for signature. After the DSCRs have signed the QSRs, the Corporate Stormwater team sends each RSCR and DSCR group instructions for distributing the QSRs to the parties required by the Consent Decree. Afterwards, each QSR distribution email is saved in the Corporate Stormwater team's Consent Decree records.

Contractor Orientation Program (COP):

As described in the First Compliance Summary Report, DHI began distributing the materials relating to the Contractor Stormwater Orientation Program ("COP") to the required vendors in EPA Region 4 in August 2021 and through the end of QRP 2 had provided the COP to 100% of all active vendors through several rounds of DocuSign, certified mail and/or email with delivery receipt. Since July 2021, the COP has been included in the DHI Vendor Set-Up Package to be provided to all newly contracted vendors. As stated in the First Compliance Summary Report, DHI's Vendor Set-up team requires these new vendors to sign and return the COP before the vendor may begin work with DHI.

Since QRP 2, two DHI Divisions who previously operated entirely outside of EPA Region 4, Southern Virginia and Cincinnati, have started acquiring Sites located within North Carolina and Kentucky, respectively. Once the Corporate Stormwater Team became aware that these Divisions intended to begin operating on Sites within EPA Region 4, the Corporate team worked with DHI's Regional Vendor Setup Team to create a list of the vendors that will be working on those Divisions' Sites in EPA Region 4 to ensure those vendors receive the COP (i) as a part of their Vendor Set-Up Package, or (ii) directly via an email from the Corporate Stormwater team. To date, all the applicable vendors were provided with the COP as required by the Consent Decree. As of the end of QRP 4 (i.e., August 2025), DHI had approximately 7,800 active vendors working on DHI Sites in EPA Region 4, all of whom have received the COP.

Additionally, as described in the First Compliance Summary Report, between August 2020 and January 2021, DHI added a provision to DHI's contractor agreement form in all eight states in EPA Region 4 that requires all DHI contractors to comply with DHI's Stormwater Requirements while working on DHI's Sites.

List of Sites:

As required by Paragraph 16 and Appendix A of the Consent Decree, DHI has submitted the following DHI List of Consent Decree Sites (the "List of Sites") in searchable electronic spreadsheets and in hard copy to the recipients required by the Consent Decree: (i) an initial List of Sites dated as of the Consent Decree's Date of Entry (8/6/2024) was submitted to the required recipients on 9/20/2024; (ii) an updated List of Sites dated as of 12/1/2024 was submitted to the required recipients after the end of QRP 1 on 12/18/2024; (iii) an updated List of Sites dated as of 3/1/2025 was submitted to the required recipients after the end of QRP 2 on 3/20/2025; (iv) an updated List of Sites dated as of 6/1/2025 was submitted to the required recipients after the end of QRP 3 on 6/12/2025; and (v) an updated List of Sites dated as of 9/1/2025 was submitted to the required recipients after the end of QRP 4 on 9/10/2025.

Stormwater Training Program:

Out of the 1,456 enrolled users in DHI stormwater training, it was discovered that one SSCR had completed the Advanced, SCR, and Annual Refresher trainings without having finished the Basics Stormwater course. This resulted in six missed Inspections for a QCIR in QRP 4. The issue was discovered on 7/10/2025 during a Corporate review of the Site / QCIR and the SSCR completed the course on 7/11/2025. The Corporate Stormwater team has continued to monitor training reports to try to prevent delinquencies.

Please see Section IV.1 of this Second Compliance Summary Report for additional information regarding DHI's Stormwater Training Program.

Supplemental Environmental Project:

As required by Paragraph 96 and Appendix L of the Consent Decree, during QRPs 3 and 4, DHI's Corporate and Gulf Coast Region Stormwater teams worked with DHI's Birmingham Division to implement the Supplemental Environmental Project ("SEP"). In accordance with the SEP Schedule set forth in Appendix L (the "SEP Schedule"):

1. **First SEP Planning Report:** On 3/10/2025, DHI submitted the required First SEP Planning Report to the recipients required by the Consent Decree. The First SEP Planning Report provided an Executive Summary of the SEP, which relayed the intended goal of improving water quality in the receiving watershed by improving stormwater detention capabilities, improving water quality through enhanced water filtration techniques, and the use of wet meadow/native planting areas, bioswales, and permeable pavers. The First SEP Planning Report also described DHI's progress towards completing the SEP as well as actions DHI has taken to overcome the challenges encountered in completing the SEP through the first six months following the Consent Decree's Date of Entry. Finally, the First SEP Planning Report included the steps that DHI anticipated taking to complete the final project design and the subsequent implementation of the construction of the SEP.
2. **Final SEP Planning Report:** On 9/5/2025, DHI submitted the required Final SEP Planning Report to the recipients required by the Consent Decree. The Final SEP Planning Report described DHI's progress towards completing the design of the SEP during the second six months following the Consent Decree's Date of Entry. Additionally, the Final SEP Planning Report included the steps that DHI anticipated taking to complete the final project design and the subsequent implementation of the construction of the SEP.

DHI is currently (i) waiting for approval of the SEP design from the United States, and (ii) working towards commencement of the construction of the SEP improvements. The Corporate Stormwater team is coordinating regularly scheduled meetings with the internal and external parties working on the SEP to monitor the Birmingham Division's progress and to ensure the timely completion of the SEP. DHI anticipates submitting the first SEP Progress Report in January 2026 in accordance with the SEP schedule.

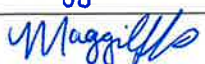
First Compliance Summary Report:

On 4/25/2025, DHI submitted the First Compliance Summary Report to the EPA and the State Plaintiffs and distributed the First Compliance Summary Report to all the parties required by Section VII of the First Compliance Summary Report. Additionally, on May 8, 2025, DHI posted a copy of the First Compliance Summary Report on DHI's publicly available website (www.drhorton.com) ("DHI's Website"). The First Compliance Summary Report remains posted on DHI's Website as of the date of this Second Compliance Summary Report.

Upon submitting this Second Compliance Summary Report to the EPA and the State Plaintiffs, the Corporate Stormwater team will contemporaneously (i) distribute this Second Compliance Summary Report to all the parties required by Section VII below; and (ii) post a copy of this Second Compliance Summary Report on DHI's Website.

Section VI. Signature and Certifications

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I have no personal knowledge that the information submitted is other than true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

By:	Maggie Yarnold	(name of Corporate Stormwater Compliance Representative)
Signature *		
Date	10/24/2025	

* if signed electronically, a real-time date stamp shall be utilized

Section VII. Distribution

Once completed, this form must be sent to the following:

1. D.R. Horton President, CEO, or COO (as applicable)	☒
2. All Division Presidents within EPA Region 4	☒
3. All Division Stormwater Compliance Representatives within EPA Region 4	☒
4. All Region Stormwater Compliance Representatives within EPA Region 4	☒
5. The United States, as provided for in the Consent Decree	☒
6. State Plaintiffs Alabama and South Carolina, as provided for in the Consent Decree	☒