



## EPA Region 4 Compliance Summary Report

Quarterly Reporting Periods 1 and 2

April 25, 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 "**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 Compliance Summary Report have the meanings assigned to such terms in the Consent Decree.

#### DHI EPA Region 4 Overview

During Quarterly Reporting Periods 1 and 2 ("**QRPs 1 and 2**"), DHI had a total of 1,114 active Sites across the following five DHI Regions which oversee 41 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) 212 active Sites during QRP 1, and (ii) 218 active Sites during QRP 2.
2. **Coastal Carolina Region:** The Coastal Carolina Region consists of five Divisions – Charleston, Columbia, Hilton Head/Savannah, Myrtle Beach, 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) 187 active Sites during QRP 1, and (ii) 183 active Sites during QRP 2.
3. **East Region:** The East Region consists of ten 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. DHI's East Region includes the Ohio Valley Sub-Region which has one Division within EPA Region 4, Louisville, which operates in Kentucky. The East Region had (i) 209 active Sites during QRP 1, and (ii) 212 active Sites during QRP 2.
4. **Florida Region:** The Florida Region consists of nine Divisions – East Florida, Jacksonville, Orlando, Orlando West, Sarasota, Southeast Florida, Southwest Florida, Tampa, and West Central Florida. During QRP 1, the Florida Region had Sites in both Florida and Georgia; however, during QRP 2 the Florida Region only had Sites operating in Florida. In total, the Florida Region had (i) 261 active Sites during QRP 1, and (ii) 264 active Sites during QRP 2.
5. **Gulf Coast Region:** The Gulf Coast Region consists of nine Divisions – Baldwin, Birmingham, Huntsville, Jackson, Montgomery, Mississippi, Panama City, Pensacola, and Tallahassee. 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) 194 active Sites during QRP 1, and (ii) 202 active Sites during QRP 2.

Below is (i) a summary of trends and program improvements relating to DHI's compliance with Stormwater Requirements; (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.

#### Summary of Trends from QRP 1 to QRP 2

Trends in DHI's compliance with Stormwater Requirements are discussed throughout this Compliance Summary Report. Overall, several of DHI's Regions saw improvements between QRP 1 and 2. The Regions that experienced decreased compliance in certain performance metrics during QRP 2 are diligently working with their Division Stormwater Compliance Representatives ("**DSCRs**") to improve the identified areas of weakness in their processes, which we expect to result in improved compliance in QRP 3 and beyond. The improvements to DHI's Stormwater Compliance Program made to date are discussed below and throughout this Compliance Summary Report. Below is a synopsis of certain high-level trends observed in the results from QRPs 1 and 2.

1. **Unauthorized Discharge Trends:** The Carolina, Coastal Carolina, East and Florida Regions saw a significant decrease in the number of discharges beyond the permitted limits of disturbance ("LOD") from QRP 1 to QRP 2. While the Gulf Coast Region reported an increase in discharges in QRP 2, that Region had the fewest instances of discharges overall.
2. **Work Without a Permit Trends:** The Carolina, Coastal Carolina, Florida, and Gulf Coast Regions had fewer Sites experience instances of work without a permit in QRP 2 compared to QRP 1. The East Region saw an increased number of reported days of work without a permit in QRP 2 largely due to starting work for construction support activities without permit authorization for the land / lots. Additional information regarding DHI's instances of work without a permit during QRPs 1 and 2, and the efforts DHI has taken to improve its stormwater permitting processes, is provided in Section II.2 of this Compliance Summary Report.
3. **PCIR Trends:** All but one of DHI's missed Pre-Construction Inspection and Reviews ("PCIRs") were recorded in QRP 2 – this is because the PCIR requirement did not go into effect until 10/1/2024. Additional information regarding DHI's compliance with the Consent Decree's PCIR requirements during QRPs 1 and 2, and the efforts DHI has taken to improve its compliance with the PCIR requirements, is provided in Section II.3 of this Compliance Summary Report.
4. **Inspections and Corrective Actions Trends:** The percent of missed Inspections and Corrective Actions decreased from QRP 1 to QRP 2 in each of DHI's five Regions, with several Divisions in the Carolina Region seeing a 5% to 20% percent increase in Corrective Action compliance in QRP 2. However, Divisions in Tennessee and Mississippi had a decrease in Inspection compliance from QRP 1 to QRP 2. Additional information regarding DHI's compliance with the Consent Decree's (i) Site Inspection requirements during QRPs 1 and 2 is provided in Sections II.4-5 of this Compliance Summary Report; and (ii) Corrective Action requirements during QRPs 1 and 2 is provided in Section III.A of this Compliance Summary Report.

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

### **Summary of Program Improvements**

During QRPs 1 and 2, DHI's Regions made concerted efforts to improve: (i) the inter-departmental communication processes among the Divisions' stormwater, land acquisition and construction teams; and (ii) processes relating to DHI's Stormwater Pollution Prevention Plans ("SWPPPs"), including implementing a standardized SWPPP template and distributing guidance relating thereto, and strongly encouraging all Divisions to implement routine SWPPP audit processes. Both of these improvements to DHI's stormwater processes are discussed below.

One important note with respect to program improvements is that, under DHI's business structure, DHI's Divisions are generally empowered to operate with a degree of autonomy and the ability to make a number of decisions on a local level. Instead of issuing corporate mandates, DHI's Corporate and Region teams generally provide guidance and parameters within which the Divisions are to operate. Due to this business structure, the improvements to DHI's Stormwater Compliance Program noted within this Compliance Summary Report are not always a "one-size-fits-all" improvement that can be readily implemented company-wide because of the variations in each Division's and Region's operating structures. As a result, the program improvements made by a particular DHI Division or Region discussed in this Compliance Summary Report may or may not be applicable in other DHI Divisions or Regions.

However, DHI's Corporate and Region Stormwater teams do regularly evaluate the program improvements made within a particular Region or Division, and, when appropriate, work to introduce these improvements to DHI's other Regions and Divisions. In addition to the regular stormwater personnel meetings and other internal communications described in this Compliance Summary Report, one way the Corporate Stormwater team disseminates this information 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 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.

### **Improvements in Inter-Departmental Communication Processes**

Communication is an integral part of DHI's Stormwater Compliance Program. With 41 Divisions in EPA Region 4, it is crucial that the information shared among DHI's Divisions, Regions, and Corporate Stormwater teams is clear and uniform. Below are some processes that have been implemented to ensure that communication is effective, clear and consistent among DHI employees regarding stormwater management.

1. **Stormwater Team Meetings:** The Corporate and Region stormwater teams hold at least bi-monthly or monthly meetings with all DSCRs in a Region to discuss any challenges and concerns, and routinely talk through guidance from Corporate

or Region about procedures, processes, and improvements. Additionally, Region teams hold frequent meetings with their Division teams to ensure everyone is focused on a compliant culture.

2. Stormwater Compliance Emails: Within the Coastal Carolina Region, DSCRs and Region Stormwater Compliance Representatives ("RSCRs") began sending weekly and monthly compliance emails to Site Stormwater Compliance Representatives ("SSCRs") and Division management, respectively, to help reinforce the importance of stormwater compliance and highlight Action Items that are approaching deadlines. And, through trainings with every SSCR on good housekeeping, best management practices ("BMPs") maintenance, and environmental awareness, the Carolina Region Stormwater team has engendered a strong stormwater compliance culture.
3. Stormwater Guidance Memorandums: Within the Florida Region, the RSCRs issued 16 guidance memorandums during QRP 1 and 2 outlining process improvements for PCIR, permitting, and other areas of Division program management.
4. Stormwater Integration in Division Processes: In all Divisions, the DSCRs are involved in and contribute to internal operation, acquisition, and land department meetings to ensure that (i) Sites have a SWPPP created prior to DHI's acquisition of the property, (ii) Sites receive permit authorization from the Authorized State prior to land disturbance at the Site, and (iii) PCIR is completed prior to DHI's commencement of construction activities at the Site.

### Improvements in DHI's SWPPP Processes

In May 2023, the Corporate Stormwater team distributed a standardized SWPPP template to DHI's Regions and Divisions along with guidance relating to the use of that template. Additionally, the Corporate Stormwater team held a number of training sessions with Region and Division personnel regarding the standardized SWPPP template. Revisions to the guidance were subsequently distributed in June 2024 and December 2024 based on feedback from Region and Division personnel. With the exception of a few legacy Sites, all of DHI's active Sites throughout EPA Region 4 now operate using a SWPPP on DHI's standardized template. Moreover, DHI's stormwater teams performed SWPPP audits on 100% of the active DHI Sites in EPA Region 4 between June 2023 and August 2023. Following that audit, the Corporate Stormwater team has continued to work with the RSCRs to encourage all DSCRs to implement regular SWPPP audits into their responsibilities. Currently, most Divisions perform entire SWPPP audits at least quarterly and section-specific audits regularly throughout their Site visits.

DHI's SWPPPs are routinely updated to properly reflect internal DHI guidance and on-Site conditions. DHI's Potential Stormwater Pollutant ("PSP") guidance was distributed in June 2024. Following Corporate's distribution of the PSP guidance, several Divisions made strides towards improving PSP compliance. For example, the Tallahassee Division began implementing designated covered PSP dumpsters as well as on-Site spill kits. The Division also implemented a "Bag It or Haul It" policy in which DHI's contractors are required to either remove PSPs from the Site at the end of each workday or store any PSP under cover. Each of these BMPs / processes are required to be added to the Site-specific SWPPP along with a description of the procedures to be followed at that Site.

Specific examples of additional program improvements within DHI's Regions and Divisions with respect to SWPPP Processes include:

1. SWPPP Development Process: The Florida Region RSCRs revised their Region's SWPPP development process to improve (i) the quality of information being provided in the documentation, and (ii) Site planning. As part of the Florida Region's new "SWPPP Collaboration" process, all DSCRs in the Florida Region are required to review and collaborate with their respective Division's land acquisition and construction departments and engineering consultants in the creation of the Site-specific SWPPPs. This process begins during the acquisition phase approximately 90 days before DHI closes on a property and involves several meetings and reviews by the mentioned parties up until the Notice of Intent ("NOI") is filed. During this collaboration, areas of concern are identified, such as areas where additional or higher-performing BMPs are needed, and these concerns are communicated to their Division's land department. During this process, DSCRs can also mark-up and provide comment on the planned BMP maps. Further, all DSCRs in the Florida Region manage a pre-purchase assessment program in which an inspection is performed for the contracted land to record concerns and strive to correct on-Site compliance issues with the seller prior to closing. Finally, all DSCRs in the Florida Region are required to provide stormwater comments and approval to the land acquisitions teams before DHI acquires the property.
2. Routine SWPPP Audits: The Tampa Division routinely audits their SWPPPs with a focus on any disturbed areas noted on the Active Site Map as well as any up-coming planned construction activity. Similarly, the Augusta Division's DSCRs conduct weekly SWPPP audits. This process started after the Augusta DSCRs discovered that Inspectors were not updating active site maps and stabilization logs as needed during Inspections. As a result, they trained the SSCRs to complete these tasks as necessary. The Augusta Division's DSCRs also ensure there is frequent communication between SSCRs and Inspectors to increase overall compliance. In the Atlanta Central Division, after several meetings with the SWPPP preparer to improve work performance, the DSCR hired a new SWPPP consultant. The DSCR continues to audit SWPPPs weekly and send emails to Inspectors when updates are required.

3. **SWPPP Management Responsibilities:** The Myrtle Beach Division hired a Field Stormwater Compliance Representative ("FSCR") and an additional DSCR to help with the Division's management of its stormwater compliance program. The FSCR has since overhauled all of the Division's SWPPPs including updating the sequence of construction to be more Site-specific and including additional stormwater details for each Site. The FSCR routinely performs SWPPP audits to ensure updates are being made and communicates any concerns to the Division's DSCRs. Having the FSCR join the team has enabled the DSCRs to spend more time focusing on completing their Quarterly Compliance Inspection and Reviews ("QCIRs") and their Quarterly Summary Report ("QSR") requirements, and implementing improvements to the Division's stormwater compliance program, in addition to performing their other Divisional stormwater duties.

### **Unauthorized Discharges**

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 1 and 2 is described below. Additionally, the information below provides insight relating to the reason the instance occurred, and the program improvements that DHI has implemented 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**

Within QRPs 1 and 2, DHI's Regions discovered a total of 679 discharges of sediment beyond the permitted LOD.

1. **Carolina Region:** The Carolina Region discovered 176 total instances of discharges of sediment beyond the permitted LOD. 130 of these instances (73.8%) occurred within the QCIR "look back" periods for Sites in QRP 1. QRP 2 saw a 65% decrease with only 46 instances. Of the 176 instances overall:
  - o 93% were the result of improperly maintained BMPs.
  - o 5% were the result of the contractor failing to follow the approved Plan and install the required BMPs.
  - o 2% were the result of inadequate stabilization.
2. **Coastal Carolina Region:** The Coastal Carolina Region discovered 94 total instances of discharges of sediment beyond the permitted LOD. 74 of these instances (78.7%) occurred within the QCIR "look back" periods for Sites in QRP 1. QRP 2 saw a 73% decrease with only 20 instances. Of the 94 instances overall:
  - o 79% were the result of failed, missing, or improperly maintained BMPs.
  - o 21% were the result of exceedance storm events leading DSCRs to improve their pre-storm Site walk procedures and BMP plans for sensitive areas.
3. **East Region:** The East Region discovered 50 total instances of discharges of sediment beyond the permitted LOD. 34 of these instances (68%) occurred within the QCIR "look back" periods for Sites in QRP 1. QRP 2 saw a 53% decrease with only 16 instances. Of the 50 instances overall:
  - o 41% were the result of exceedance storm events.
  - o 34% were the result of contractors failing to follow the approved SWPPP and install the required BMPs.
  - o 25% were the result of failed, missing, or improperly maintained BMPs.

The number of discharges recorded in this Compliance Summary Report for DHI's East Region is less than the number reported within the Divisions' QSRs for QRPs 1 and 2. This is because there were 17 reported discharges on the QSRs that, upon further review, the DSCRs determined were not actually discharges beyond the LOD or discharges into receiving waters; instead, these instances were the result of Inspector error or misunderstanding. These DSCRs provided the Inspectors with additional training on how to properly locate the Site perimeter during Inspections.

4. **Florida Region:** The Florida Region discovered 322 total instances of discharges of sediment beyond the permitted LOD. 231 of these instances (72%) occurred within the QCIR "look back" periods for Sites in QRP 1. QRP 2 saw a 61% decrease with only 91 instances. Of the 322 instances overall:
  - o 76% were the result of perimeter sediment control failures.
  - o 13% were the result of the incorrect use of BMPs based on Site conditions or the approved plan.
  - o 6% were the result of exceedance storm events.
  - o 5% were the result of contractors' intrusion beyond the LOD, resulting in damage to perimeter sediment control BMPs which then led to offsite discharge prior to the damage being identified and repaired.
5. **Gulf Coast Region:** The Gulf Coast Region discovered 37 total instances of discharges of sediment beyond the permitted LOD. 14 of these instances (37.8%) occurred within the QCIR "look back" periods for Sites in QRP 1. 23 of these instances (62.2%) occurred on Sites reviewed in QRP 2. Of the 37 instances overall:

- 78% were the result of failed, missing, or improperly maintained BMPs.
- 14% were the result of the improper and/or unauthorized removal of BMPs.
- 8% were the result of exceedance storm events.

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

Within QRPs 1 and 2, DHI's Regions had a total of 132 discharges of sediment reach receiving waters, including wetlands. It is important to note here that: (i) the number of discharges into receiving waters (including wetlands) discussed in this Compliance Summary Report are based on the EPA's former definition of "waters of the United States" ("WOTUS"); and (ii) 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 176 instances of discharges of sediment beyond the permitted LOD in the Carolina Region during QRPs 1 and 2 noted above, 21 of those discharges were offsite discharges of sediment into receiving waters, including wetlands.
2. **Coastal Carolina Region:** Of the 94 instances of discharges of sediment beyond the permitted LOD in the Coastal Carolina Region during QRPs 1 and 2 noted above, 41 of those discharges were offsite discharges of sediment into receiving waters, including wetlands.
3. **East Region:** Of the 50 instances of discharges of sediment beyond the permitted LOD in the East Region during QRPs 1 and 2 noted above, 16 of those discharges were offsite discharges of sediment into receiving waters, including wetlands. Of these 16 instances:
  - 42% were the result of exceedance storm events.
  - 32% were the result of the contractor failing to follow the approved SWPPP and install the required BMPs.
  - 26% were the result of failed, missing, or improperly maintained BMPs.
4. **Florida Region:** Of the 322 instances of discharges of sediment beyond the permitted LOD in the Florida Region during QRPs 1 and 2 noted above, 31 of those discharges were offsite discharges of sediment into receiving waters, including wetlands. QRP 1 had 12 of those discharges while QRP 2 had 19 of those discharges. Of the 31 discharges overall:
  - 84% were the result of failure to properly locate, install, or maintain BMPs.,
  - 13% were the result of adverse weather and were discovered while the state had an active emergency declaration.
5. **Gulf Coast Region:** Of the 37 instances discharges of sediment beyond the permitted LOD in the Gulf Coast Region during QRPs 1 and 2 noted above, 23 of those were offsite discharge of sediment into receiving waters, including wetlands.

#### **Program Improvements for Unauthorized Discharges**

DHI's Regions have taken a number of management steps in response to the above-described discharges. For example, with respect to the discharges attributed to failed, missing, or improperly maintained BMPs, the Baldwin Division's DSCR became involved in the acquisition and planning stages of that Division's operations to improve compliance and reduce unauthorized discharges. 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.

To reduce the number of discharges leaving DHI Sites, the Tampa, Jacksonville, and Southwest Florida Divisions implemented enhanced BMPs such as floating turbidity curtains and enhanced silt fence products for current and future projects. The Tampa Division also began auditing the perimeter BMPs after installation and trained BMP vendors on proper placement and installation techniques. The Southwest Florida Division held vendor-specific stormwater training to educate vendors regarding permitted boundaries and offsite discharges. All Divisions across the Florida Region have completed an audit that compared the Site's planned BMPs to onsite conditions and implemented BMP check inspections in addition to the required stormwater inspections.

To better document offsite discharges, in May 2024, the Corporate Stormwater team created and implemented: (i) a Discharge to Receiving Waters Discovery form to capture information when an unauthorized discharge is discovered in the field (the "**Discharge Discovery Form**"), and (ii) a Discharge to Receiving Waters Closure Report form to capture additional information regarding the corrective measures taken to remediate the discharge and to identify any contributing causes to the discharge (the "**Discharge Closure Form**"). The forms were updated in July 2024 and again in January 2025. Additionally, in October 2024, the forms were incorporated into an electronic format within DHI's stormwater software ("**ERX**") to make them easier to complete and audit.

Implementing these forms has enabled DHI's stormwater teams to better recognize trends associated with unauthorized discharges beyond the permitted LOD and/or into receiving waters (including wetlands). Additionally, the RSCRs audit each Site

with a recorded discharge within a Division's QSR to determine: (i) whether the discharge was a discharge to receiving waters, (ii) whether the discharge to receiving waters Discovery and Closure forms were completed in connection with the discharge, and (iii) whether the DSCR identified any management steps that should be implemented to prevent similar discharges in the future.

#### **Formal Enforcement Actions Regarding DHI's Applicable Permits**

In QRPs 1 and 2, DHI's Regions in EPA Region 4 had a total of nine regulatory enforcement actions and one regulatory site inspection. To date, eight of those regulatory actions have been closed, with 50% of those actions being closed within 25 days of the commencement of the regulatory action. No fines or penalties were imposed in connection with the regulatory enforcement actions closed during QRPs 1 and 2.

Below is a brief description of the formal enforcement actions during QRPs 1 and 2 for each of DHI's Regions in EPA Region 4:

1. **Carolina Region:** There were three formal enforcement actions within the Carolina Region during QRPs 1 and 2, as follows:
  - a. State of North Carolina – The Raleigh North Division received a Notice of Violation (“**NOV**”) from the North Carolina Department of Environmental Quality (“**NDEQ**”) on 2/17/2025 at the Baker Farm Subdivision for offsite sediment impacts into receiving waters after DHI self-reported the violation to the State. The Division added additional BMPs around sensitive areas and the NOV was lifted 4/12/2025 in QRP 3. The RSCR continues to walk this Site weekly to ensure the contractor is making necessary BMP repairs and installing additional BMPs when needed.
  - b. State of North Carolina – The Raleigh North Division received a NOV from NDEQ on 10/16/2024 at the Kalas Falls Subdivision for offsite sediment impacts into receiving waters after DHI self-reported the violation to the State. The Division made the necessary BMP repairs, hydroseeded inactive areas, and brought in a dedicated erosion control contractor to continue BMP maintenance. The NOV was lifted 11/25/2024.
  - c. State of South Carolina – The Charlotte South Division received a NOV from York County at Westport Phase 2A-J on 7/30/2024 for offsite sediment impacts into receiving waters after DHI self-reported the violation to the County. The Division quickly worked to remove the sediment from impacted areas and correct BMPs. The NOV was lifted 11/15/2024. A FSCR routinely visits the Site and coordinates with the Division's DSCRs to ensure areas of concern are noted and rectified.
2. **Coastal Carolina Region:** No formal regulatory enforcement actions took place within the Coastal Carolina Region during QRPs 1 and 2.
3. **East Region:** During the reporting period, there were four instances of formal enforcement within the East Region and the Ohio Valley Sub-Region, as follows:
  - a. State of Georgia – The Atlanta West Division received a stop work order from Paulding County at Lost Creek South Phase 4 on 8/10/2024 for failure to maintain BMPs for stream buffer areas and sediment within state waters. The DSCR required double-row silt fence to be installed along the buffer areas and removed the sediment from the impacted waters. The closure letter was received 8/12/2024 with a follow-up inspection planned for 8/20/24. No further enforcement is expected.
  - b. State of Georgia – The Atlanta Central Division received a stop work order from DeKalb County at Harvest Park on 8/23/2024 for poorly installed silt fence and stockpiles being placed too close to slopes and the limits of disturbance. The stop work order required additional slope stabilization and ground cover, repaired silt fence and tree save BMPs, additional inlet protection, replacement of the stamped construction Plan on Site, and the use of a water truck. Follow-up inspections were performed 8/30/2024, 9/17/2024, and 10/11/2024. The stop work order was lifted during the 10/11/2024 inspection.
  - c. State of Tennessee – The Chattanooga Division received a NOV from the Tennessee Department of Environment and Conservation (“**TDEC**”) on 10/9/2024 at the Hamilton Lakes Residential Subdivision for failure to follow the approved sequence of construction. The NOV noted that pond construction had not finished prior to mass grading beginning. The basin was completed 12/4/2024 and several Site assessments have been sent to TDEC. The Division has not heard from the State since December 2024 and has not received a closure report to date. Division is continuing to monitor the Site and will quickly respond to any further communications or direction received from the State.
  - d. State of Tennessee – The Northeast TN Division received a NOV from the City of Bristol on 7/31/2024 at Fox Meadows Phase 4 for a discharge of sediment beyond the permitted limits of disturbance. The NOV was closed 8/6/2024 and no further enforcement is expected.



4. **Florida Region:** No formal regulatory enforcement actions took place within the Florida Region during QRPs 1 and 2; however, there was one instance within the Florida Region of self-reporting that led to a regulatory Site inspection during QRP 1, as follows:
  - a. State of Florida – The Jacksonville Florida Division self-reported to the St. Johns River Water Management District ("SJRWMD") for the Grand Reserve (FKA Grand Reserve Phase 1-A & 1-B) development in the City of Bunnell on 10/14/2024. The Division had relayed concerns to the district regarding potential impacts to wetlands. The Division met the SJRWMD inspector at the Site on 10/30/2024 and identified three instances of wetlands minimally impacted with sediment. The noted deficiencies were corrected and BMPs maintained to reach compliance with the Applicable Permit and District rules. Although no formal enforcement action was initiated by the SJRWMD, a closure letter was provided by SJRWMD 11/08/2024 confirming that the Site was in compliance. No further enforcement is anticipated.
5. **Gulf Coast Region:** During QRPs 1 and 2, there were two instances of formal enforcement within the Gulf Coast Region, as follows:
  - a. State of Alabama – The Baldwin Division received a letter of warning from the Alabama Department of Environmental Management ("ADEM") relating to its Churchill community on 12/26/2024 for ineffective / inadequate BMPs to prevent discharges and offsite sedimentation. ADEM's letter instructed DHI to adequately stabilize the Site. The Division completed all repairs and sent a report to ADEM 12/30/2024 and the warning letter was closed.
  - b. State of Alabama – The Birmingham Division received a letter of warning from ADEM at Pine Ridge on 2/27/2025 for ineffective / inadequate BMPs to prevent discharges. An extension for response was requested and approved. DHI sent a response within QRP 3, on 3/24/2025, and the warning letter was closed.

## 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: D.R. Horton – Timberline Phase 6 (ALR10C5FV)	AL	1
	Name of Site: Cape Coral Northwest Spot Lots (FLR10VW49)	FL	3
	Name of Site: Cape Coral Southwest Spot Lots (FLR10VV58)	FL	2
	Name of Site: Farm at Varrea Phase 1 & Offsite Improvements (FLR20ES22)	FL	71
	Name of Site: Gulf Cove North Central Spot Lots (FLR10VZ06)	FL	5
	Name of Site: Haverhill Courts (FLR10WQ62)	FL	14
	Name of Site: Lake Mary Forest (FLR10WJ58)	FL	79
	Name of Site: North Port West Spot Lots (FLR10VZ33)	FL	19
	Name of Site: Twin Oaks (FLR10WP46)	FL	8
	Name of Site: West Port St. Lucie Spot Lots (FLR10VU88)	FL	37
	Name of Site: Independence Phase 3 TH and Villas (GAR3940F9)	GA	16
	Name of Site: Inverness at Sugarloaf (GAR394B8C)	GA	92
	Name of Site: Mountain Park Dahlonaga (GAR3953C2)	GA	93
	Name of Site: Riverwood Single Family North Exp. (fka Hamptons at Riverwood) (GAR3957CF)	GA	11
	Name of Site: Rolling Meadow (GAR39541B)	GA	27
	Name of Site: Thompson Ridge (GAR392CC0)	GA	47
	Name of Site: Cayce Point (MSR108619)	MS	61

Name of Site: Serenity Lakes (MSR108459)	MS	94
Name of Site: Timber Oaks Subd (aka Baileigh Meadows) (MSR108235)	MS	64
Name of Site: Villages at Southbranch PD Phase 1 (MSR108721)	MS	6
Name of Site: Grace Meadows Phase 1 (NCC224067)	NC	59
Name of Site: Grande Palms – D.R. Horton Lots (NCC221198)	NC	94
Name of Site: Tap Root – Phase 1A (NCC216413)	NC	94
Name of Site: The Sidbury Phase II (NCC231903)	NC	87
Name of Site: Spring Ridge (SCR10ZFWDW)	SC	10
Name of Site: Westport Residential Community – Phases 2A Thru 2J (SCR10Z929)	SC	94
Name of Site: Woodglen (SCR10ZDNN)	SC	17
Name of Site: Timberwalk Subd. (TNQ020147)	TN	4

### **Work Without Permit**

During QRPs 1 and 2, 28 of DHI's 1,114 active Sites had instances of work without permit occur for a 97.5% compliance rate. Of the 28 instances of work without a permit: (i) 10 of these instances occurred as a result of Divisions failing to properly add construction support areas (e.g., concrete washouts or construction staging areas) to their permitted areas; and (ii) 18 of these instances occurred as a result of Divisions' permits failing to properly reflect the land or lots acquired by DHI. Examples of these instances include: (i) failing to add land or lots acquired at a subsequent takedown, generally as a result of insufficient communication/coordination between a Division's land acquisition and stormwater teams; (ii) inadvertently omitting lots in a series of non-consecutive lots, with the omission not being corrected until after construction activities commenced at the Site; and (iii) placing and using concrete washouts and material storage areas on land not owned or permitted by DHI.

1. **Carolina Region:** The Carolina Region identified (i) 198 days of work without a permit during QRP 1 across three of its Divisions, and (ii) 76 days of work without a permit during QRP 2 across two of its Divisions (a 61% decrease from QRP 1 to QRP 2). Two instances of work without a permit were the result of the grading contractor over-grading beyond DHI's permitted limits of disturbance. Both of these instances were discovered during QCIRs of the applicable Sites. Two Sites began construction after the NOI was filed but before the permit authorization was obtained. One Site had the NOI filed for the incorrect lots / area of a Site due to the DSCR receiving outdated information from the Division's Starts team. This Division has since implemented several process improvements to ensure that all required dates are added to the operation team's reporting and that the DSCRs are included on the lot funding reports to review upcoming projects.
2. **Coastal Carolina Region:** The Coastal Carolina Region identified (i) 181 days of work without a permit during QRP 1 within one Division, and (ii) no work without a permit during QRP 2 (a 100% decrease from QRP 1 to QRP 2). Work without a permit occurred on one Site because a construction support activity was placed on a lot not owned, contracted, or permitted by DHI. One instance was a result of the Site engineer submitting the NOI without including an additional 7.22 acres for a stockpile in a future phase. This over-sight was discovered by the DSCR during a permit audit.
3. **East Region:** The East Region identified (i) 157 days of work without a permit during QRP 1 across three Divisions, and (ii) 264 days of work without a permit during QRP 2 across three Divisions. Six instances were the result of inter-department communication lapses and four instances were the result of not adding additional area / lots to the permit nor receiving permission for the developer to work under their permit. We note that the number of days of work without a permit for the Cayce Point Site recorded in this report is 61; however, 62 days of work without a permit were reflected for this Site in the QSR for QRP 1. During a Corporate audit of this Site, it was determined that the number of days were incorrectly reported in the QSR.
4. **Florida Region:** The Florida Region identified (i) 108 days of work without a permit during QRP 1 across two Divisions, and (ii) 51 days of work without a permit during QRP 2 across two Divisions (a 53% decrease from QRP 1 to QRP 2). All instances were the result of work commencing after NOI submittal, but before permit authorization was properly documented in the SWPPP.
5. **Gulf Coast Region:** The Gulf Coast Region identified (i) 95 days of work without a permit during QRP 1 across two Divisions, and (ii) 79 days of work without a permit during QRP 2 in one Division (a 17% decrease from QRP 1 to QRP 2). One Site had the NOI filed for the incorrect lots / area of a Site due to the DSCR receiving outdated information from the Division's Starts team. Division management was made aware that late changes to lot starts should be avoided to allow the DSCR sufficient time to ensure lots are correctly permitted and that Division's pre-start stormwater protocols are completed. One Site in Mississippi had a filed lot coverage form; however, Division failed to verify that the developer's



permit included the additional portion of the property that DHI was attempting to add via the lot coverage form. As the developer's permit did not include the additional area, filing the lot coverage form did not effectively add the additional property to DHI's permit coverage. One Site increased the acreage of activity prior to modifying the permit.

#### **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.

Specific examples of program improvements within DHI's Regions and Divisions to prevent work without permit include:

1. In QRP 2, the Coastal Carolina and Florida Regions implemented training for Divisions to educate applicable employees, engineering consultants, and Stormwater Consultants on the difference between NOI submittal and permit authorization.
2. The Wilmington Division in the Coastal Carolina Region created and now actively maintains a spreadsheet with Site permit status, modifications, and Site activity. The spreadsheet enables the DSCRs to actively track the Erosion and Sediment Control ("ESC"), NPDES, and post construction permits in one location. This permit tracking spreadsheet was created during a Division visit by a Corporate Stormwater Compliance Representative ("CSCR") in connection with a permit audit. Additionally, Division's lot purchase agreement form has been revised to include language authorizing DHI to work under the developer's permit for the use of common spaces/ lots for construction support activities (concrete washouts and stockpiles) to ensure that DHI's permitted area includes any such construction support areas.
3. A permit audit of the Myrtle Beach Division in the Coastal Carolina Region was performed by the CSCR and RSCRs following the Wilmington permit audit noted in the example above. During the visit, the CSCR observed that the Myrtle Beach Division had already implemented a similar permit-tracking spreadsheet after collaborating with the Wilmington Division. The CSCR and RSCRs helped the DSCR revise the spreadsheet and establish a schedule for regularly updating the spreadsheet.
4. To prevent future instances of work without a permit in the Florida Region's Divisions, the land acquisition and construction departments were trained to verify that construction support activities (such as designated washouts, construction trailers, and laydown yards) are implemented only within the permitted limits of disturbance. Divisions are making a concerted effort to increase and foster communication between the land development, construction, and stormwater teams to ensure that the appropriate stormwater permits are in place prior to the commencement of construction.
5. In the Carolina Region, the two Divisions that had work without permit occur as a result of over-grading provided training to the Division's Land Manager, Site contractor, and engineer(s) to ensure that, going forward, the permitted limits of disturbance are apparent both in the field and on the approved plan.
6. The DSCR in the Atlanta Central Division in the East Region conducts meetings with the Division's Starts Coordinator for each new Site to decide on the location for construction support activities. This initiative limits Corrective Action items, increases accessibility, reduces BMP damage, and limits work without permit.
7. The DSCRs in the Nashville Division in the East Region review the Division's Land Development Acquisition report to ensure lot takedowns are accurate prior to applying for NPDES permit coverage.
8. Because the Mississippi Department of Environmental Quality ("MDEQ") only allows one permit per Site, DHI's Jackson Division has been instructed to not purchase a property or additional lots until the seller has provided their permit documentation to ensure the chain of permit coverage has not been broken prior to permit transfer to DHI. The DSCR also attends weekly meetings with the Division's land manager to help ensure that any upcoming projects are known, appropriately permitted, and, prior to purchase, are compliant with the Mississippi Construction General Permit ("CGP") and any other applicable Stormwater Requirements.
9. The Tallahassee Division construction team was reminded and instructed to not perform work in any area prior to consultation with the DSCRs. Additionally, the construction team was reminded of the procedures to follow prior to commencing construction in new areas of the Site. Finally, the Tallahassee Division's construction team was reminded that all permitted areas must be depicted in the SWPPP located on 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	75
<p><b><u>PCIR</u></b></p> <p>Out of 378 total DHI sites that required PCIR during QRPs 1 and 2, DHI's Regions had a total of 75 missed PCIRs – an 80.16% compliance rate. During a Corporate audit, an additional PCIR was discovered to have been missed by the Myrtle Beach Division that was not recorded on the QSR for QRP 2. Thus, there are 75 missed PCIRs reflected in this Compliance Summary Report, but only 74 missed PCIRs reflected in the QSRs.</p> <p>There were 40 missed PCIRs across two Regions and nine Divisions due to a misunderstanding of the PCIR requirements under the Consent Decree compared to the use of the DHI pre-start checklist. The CSCRs provided guidance memorandums and a recorded training outlining the PCIR requirements and the RSCRs provided additional training to the DSCRs.</p> <p>There were 21 missed PCIRs across two Regions and four Divisions due to the PCIR being finalized after ground disturbance had occurred.</p> <p>There were 14 PCIRs missed across four Regions due to inter-department miscommunication.</p> <p><b><u>Program Improvements for PCIR</u></b></p> <p>All five of DHI's Regions in EPA Region 4 have implemented a requirement that all DSCRs attend and participate in their respective Division's starts meetings. These meetings review the specific lots within each community that are scheduled to start construction in the following month. The DSCR's involvement helps ensure that a PCIR has been properly performed before construction activities commence at the Site or the applicable portion thereof. In the Carolina and Coastal Carolina Regions and several Divisions within the East Region, a PCIR column has been added to starts sheets, and the need for better communication between engineering partners and Divisions has been emphasized. Similarly, the Florida Region requires a stormwater pre-start checklist to be included in the Starts package to ensure that the DSCR has verified permit coverage, BMP installation, and PCIR completion before a lot may be released to the Division's construction team.</p> <p>All DSCRs in the Carolina, Coastal Carolina, Florida, and Gulf Coast Regions are involved in the land acquisition process and provide BMP plan mark-ups to ensure appropriate BMPs are chosen for a Site, especially around sensitive areas. Divisions across the East Region have increased communication with Division management to ensure that: (i) contracts include provisions for erosion control maintenance, (ii) discussions occur prior to accepting potential issues through the Pre-Acquisition Inspection and Review ("PAIR") process, and (iii) increased contractor responsibility is enforced either with back charges or dissolution of contracts. Additionally, RSCRs continue to train and evaluate Sites with DSCRs by reviewing the Site plans and drainage plans to prepare for any sensitive field conditions such as protected areas.</p> <p>Additionally, all Divisions in the Carolina, Coastal Carolina, Florida and Gulf Coast Regions have begun including DSCRs in the pre-acquisition process, which includes Site walks with Division teams to ensure that DHI is purchasing compliant lots and holding developers accountable for correcting any stormwater compliance concerns prior to DHI's acquisition of the property. The Florida Region also requires that a pre-construction conference be held with all parties (contractors, vendors, SSCRs, DSCRs) for a new Site at the time of the initial PCIR inspection.</p> <p>All Divisions within the Gulf Coast Region are using a standardized, internal PAIR form as well as continuing to source environmental assessment reports from a third-party provider. The improvement of the process has come with the attention to the information produced from these Site-specific assessments. Divisions require the deficiencies identified in these assessments to be remedied prior to DHI's purchase of the property. Aside from identifying inadequate physical, onsite conditions these assessments have identified projects that have lacked appropriate permitting by the seller.</p> <p>The Panama City Division in the Gulf Coast Region has implemented monthly PCIR starts meetings with construction and stormwater teams to ensure proper communication. Similarly, to resolve issues with inter-departmental coordination, the Louisville DSCR began participating in the Division's "starts" meetings to more effectively communicate when and where PCIRs are required. The Tallahassee DSCRs now require PCIRs to be included within the "Builder Packs" prior to releasing lots to the Division's construction team.</p> <p>The Myrtle Beach Division completed a PCIR audit in February 2025 to ensure that all lots and any areas used for construction support activities, such as concrete washouts and construction trailers, have a PCIR performed as required. This requirement was communicated with Division management and all SSCRs to ensure compliance.</p>		

II.4	Total number of required Site Inspections							18,725
II.5	Percentage failure to perform or, if performed, a material failure to document a Site Inspection.							
	<b>Total Percentage of Missed vs. Required Inspections (by Location)</b>							
	<b>Location</b>	<b>Required</b>	<b>Missed</b>	<b>%</b>	<b>Location</b>	<b>Required</b>	<b>Missed</b>	<b>%</b>
	Alabama	762	24	3.15%	Mississippi	662	110	16.62%
	Florida	7,288	85	1.17%	North Carolina	3,609	56	1.55%
	Georgia	2,092	59	2.82%	South Carolina	2,033	37	1.82%
	Kentucky	172	11	6.4%	Tennessee	2,107	135	6.41%
<b>EPA Region 4 Total</b>								<b>2.76%</b>

### Inspections

During QRPs 1 and 2, a total of 18,208 Site Inspections were performed on DHI's Sites in EPA Region 4 in compliance with the Applicable Permit and Consent Decree. In summary, DHI timely completed 97.24% of all required Site Inspections.

Of the 2.76% of Site Inspections that were counted as missed inspections in QRPs 1 and 2, the primary reasons for the missed inspections were:

1. An SSCR signed a report prior to being properly designated to a Site (DHI self-disqualifies inspections signed by an SSCR who has not been properly designated to the Site).
2. An SSCR failed to sign a report within two business days after the inspection occurred (DHI self-disqualifies inspections that are not signed within the required timeframes).
3. A routine or qualifying event inspection was missed per the requirements of the Applicable Permit.
  - o In several cases, this was a result of adverse weather and unsafe conditions.

### Program Improvements for Inspections

DSCRs across all Regions have started holding weekly, bi-weekly, or monthly meetings with their Inspection Consultants and their management teams to provide training and review concerns. Several Divisions, including Baldwin, Knoxville, and Wilmington, have added additional consultant companies or switched consultants to improve compliance with Stormwater Requirements. Several DSCRs have also begun sharing feedback with routine inspectors as a result of QCIRs to provide specific training on concerns noted within those QCIRs.

For example, the Hilton-Head / Savannah DSCR sends detailed emails to his inspectors outlining the concerns noted during a QCIR review along with the DSCR's expectations regarding future inspections and SWPPP updates. The DSCR requires confirmation from the inspector and sets a date to follow-up with them and review their work to ensure the changes are being implemented. Additionally, several DSCRs periodically meet with their inspectors on Sites to provide in-field training for conducting Inspections and writing reports.

Additionally, the Charleston DSCR has moved almost all Inspection schedules to the first two days of the week on his Sites to allow for better Action Item response times and has incorporated sidewalk buffers and green spaces to aid in Site stabilization efforts.

II.6	Total number of required Quarterly Compliance Inspections and Reviews							1,114
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	109	0	0%	Mississippi	36	0	0%
	Florida	342	0	0%	North Carolina	220	0	0%
	Georgia	119	0	0%	South Carolina	188	0	0%
	Kentucky	12	0	0%	Tennessee	88	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							0
DHI's compliance program for QCIRs in EPA Region 4 are described in <u>Section V</u> of this Compliance Summary Report.								

### Section III. Corrective Actions / Stormwater Pollution Prevention Plan

III.A.1	<b>Total Number of Required Action Items (by Location)</b>			
	<b>Location</b>	<b>Total #</b>	<b>Location</b>	<b>Total #</b>
	Alabama	2,338	Mississippi	2,139
	Florida	62,652	North Carolina	21,295
	Georgia	7,339	South Carolina	11,833
	Kentucky	123	Tennessee	3,323
	<b>EPA Region 4 Total</b>			111,042
	Efforts are continually being made by DHI's Stormwater team, including inspection consultants and ESC 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 emphasize that Action Items must be corrected in the field prior to closing them in ERX and how to use ERX to communicate when work is in progress and/or completed in the field. For example, as a result of a Corporate Compliance Inspection and Review ("CCIR"), the DSCRs in Pensacola created an "Action Item" training that goes through how to add comments to Action Items and what those comments should communicate (e.g., work schedules and delays, change in work scope, etc.).			

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.							8,186
	<b>Corrective Actions – Total Percentage Missed (by Location)</b>							
	<b>Location</b>	<b>Required</b>	<b>Missed</b>	<b>%</b>	<b>Location</b>	<b>Required</b>	<b>Missed</b>	<b>%</b>
	Alabama	2,338	193	8.25%	Mississippi	2,139	1,721	80.46%
	Florida	62,652	1,461	2.33%	North Carolina	21,295	3,054	14.34%
	Georgia	7,339	361	4.92%	South Carolina	11,833	1,092	9.23%
	Kentucky	123	6	4.88%	Tennessee	3,323	298	8.97%
	<b>EPA Region 4 Total</b>							<b>7.37%</b>

### Corrective Actions

During QRPs 1 and 2, 92.63% of Corrective Actions identified at DHI's Sites were completed within the timeframes required by the Applicable Permit. The primary reasons for failure to timely complete Corrective Actions included: (i) SSCRs not timely signing off on field-completed items, and (ii) short timelines for completing Corrective Actions in certain jurisdictions. DHI's Regions and Divisions are continuing to work to improve their processes to address these challenges, as illustrated by the examples below.

### Program Improvements for Corrective Actions

All five of DHI's Regions in EPA Region 4 saw a decrease in the percentage of overdue Action Items from QRP 1 to QRP 2 across their Divisions. Throughout the Regions, DSCRs check ERX daily and reach out to SSCRs regarding open Action Items. Several Regions saw challenges with SSCRs not signing off items in a timely manner even when the items were completed in the field. This breakdown has been integrated into the program management of each Division. DSCRs continue to provide SSCRs additional training on Stormwater Requirements, daily monitoring of items, and referencing BMP checks to verify what has been completed prior to signing the items off.

Additionally, the Carolina Region DSCRs work with their erosion control contractors daily to get progress reports on outstanding Action Items and get them completed within the time frame required by the Applicable Permits.

The East and Gulf Coast Regions have Sites in Mississippi, and the Applicable Permit timeframe of one-day to correct Action Items continues to be a challenge. To aid in compliance, DSCRs with Sites in Mississippi try to schedule inspections to occur the same day or the day before the erosion control contractor is scheduled; however, this management step is less effective when unplanned qualifying event inspections are required.

In the Gulf Coast Region, the DHI Divisions with Mississippi Sites implemented several program improvements to improve their Action Item compliance. From QRP 1 to QRP 2, Divisions within the State of Mississippi improved non-compliance from 86% to 77%, despite the unique challenge of ensuring that their Corrective Actions be completed and closed within one day. This was accomplished through continual communication and training with SSCRs. Upon review, it became evident that work was being completed timely in the field, but the Corrective Actions were not always being reviewed and approved in a timely manner by the SSCRs. Through training and communication, non-compliance resulting from an SSCR's failure to sign off on Corrective Actions decreased. Additionally, Mississippi DSCRs improved oversight on projects to ensure SSCRs were maintaining projects more compliantly. Improved compliance is also due to the sourcing of additional BMP vendors and resources particularly in areas less centralized to the operational market areas.

III.A.4	Number of instances of off-site sedimentation due to failure to properly locate, install, or maintain Best Management Practices (BMPs)	420
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The number of discharges related to failed, missing or improperly maintained BMPs in each of DHI's 5 Regions in EPA Region 4, and the corresponding program improvements made by DHI, are described in [Section I](#) of this 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	4	0.05%	Mississippi	0	0%
Florida	57	0.07%	North Carolina	1	0%
Georgia	0	0%	South Carolina	0	0%
Kentucky	0	0%	Tennessee	20	1.00%
EPA Region 4 Total					0.04%

**SWPPP Location**

During QRPs 1 and 2, 99.96% 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.

**Program Improvements for SWPPP Location**

A number of improvements to DHI's SWPPP processes are discussed in [Section I](#) of this Compliance Summary Report. Certain additional program improvements relating to DHI's SWPPP processes are described below.

In the Gulf Coast, Carolina, and Florida Regions, where some SWPPPs were noted as missing after storms, Inspectors have been trained to communicate these issues to DSCRs through Inspection reports and via a call or email.

In the Gulf Coast Region, all Inspectors are trained and instructed to locate, review, and update the SWPPP during each Site visit. The Pensacola Division has instituted routine, scheduled audits of SWPPPs to ensure compliance. Additionally, all inspectors and DHI personnel are required to report any damaged or missing SWPPPs to DSCRs.

The Carolina Region team requires DSCRs to post directional signs to the SWPPP to ensure it is easily located.

The Florida Region discovered that most of the instances of damaged or missing SWPPPs occurred on spot lot Sites due to the geographical challenges in which each lot requires individual postings. To help correct this, all Inspectors, SSCRs and DSCRs are now required to have replacement signage with them when conducting Site visits so that if a SWPPP sign is missing or damaged, the missing or damaged sign can be immediately replaced.

In the East Region, the Nashville Division had 20 instances of not having a SWPPP onsite in QRP 1 due to an inspector removing it because the DSCRs had instructed their inspectors to scan all SWPPPs so that a digital copy of the SWPPPs would be available. This effort has since been completed and the DSCRs have instructed all inspectors to keep all of Division's SWPPPs on-Site going forward.

**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

This is the first Compliance Summary Report; therefore, the next Compliance Summary Report will contain additional analysis of the trends associated with the success and failures of DHI's stormwater compliance (including Corrective Action completion) with the Applicable Permits and Consent Decree. Program improvements and concerns within QRPs 1 and 2 are noted throughout this Compliance Summary Report.



## 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
<p><b><u>DHI's Stormwater Training Program</u></b></p> <p>As of the last day of QRP 2, a total of 2,703 DHI employees have successfully completed the DHI Stormwater Training Program. More specifically:</p> <ol style="list-style-type: none"> <li>1. A total of 2,687 DHI employees have completed the Basic Training Module.</li> <li>2. A total of 2,013 DHI employees have completed the Advanced Training Module.</li> <li>3. A total of 1,664 DHI employees have completed the Stormwater Compliance Representative Training Module.</li> </ol> <p>There were 16 DHI employees outside of EPA Region 4 who elected to complete one or more of the DHI stormwater training modules, which is why the total number of trained employees is greater than that calculated for the Basic Training module. The Annual Refresher training was not yet required at the time of this Compliance Summary Report and is anticipated to become available in early May 2025.</p> <p>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. 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 to 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 the company. As of the end of QRPs 1 and 2, no changes to the job positions requiring training are recommended.</p> <p><b><u>Improvements to DHI's Stormwater Training Program</u></b></p> <p>Since this is the first submittal of the Compliance Summary Report, no updates to the Training Program have occurred to date. The Corporate Stormwater team is currently working to update DHI's Stormwater Training modules and to prepare the Annual Refresher Training Module, as required by the Consent Decree. The updated Stormwater Training modules are expected to be available in early May 2025. The Corporate Stormwater team is incorporating recent regulatory updates into the Annual Refresher Training, including information relating to the revised, narrower definition of WOTUS, and updates to the Applicable Permits. The Corporate Team is also working to incorporate these regulatory updates into the applicable Stormwater Compliance Representative ("SCR") trainings to ensure that new hires also receive the most current information.</p> <p>Implementation of the LMS prior to the Consent Decree Date of Entry has allowed for a positive, interactive training experience. The Corporate Stormwater team keeps track of regulatory changes and court rulings throughout the calendar year and asks the RSCRs to review the content applicable to their Regions prior to making the changes to the LMS modules. RSCRs and DSCRs are encouraged to forward on applicable information as they become aware of it which has helped ensure the Annual Refresher training for 2025 is complete. For example, the Hilton Head / Savannah DSCR sent his RSCRs and CSCR continued updates during the lawsuit in Georgia that postponed the effectiveness of the 2023 update to the State's Applicable Permit.</p> <p>A few of the pragmatic lessons learned during QRPs 1 and 2 that DHI is incorporating into the Stormwater Training Program include the following:</p> <ol style="list-style-type: none"> <li>1. The training deadline for the Annual Refresher Training has been shortened from 60 days to 30 days to emphasize the importance of promptly completing the training and to help ensure that the required employees' schedules align for the next Annual Refresher Training.</li> <li>2. The SWPPP modules within the Annual Refresher Training and the Stormwater Compliance Representative Training are being edited to emphasize the importance for (i) a SSCR to review and certify the Site-specific SWPPP, and (ii) the DSCR and consultants to utilize the SWPPP update and amendment log.</li> </ol> <p>The "Lessons Learned" that are being implemented in DHI's Advanced Training and Annual Refresher Training modules include:</p> <ol style="list-style-type: none"> <li>1. The importance of incorporating NPDES permitting and PCIR processes into our Division's acquisition and starts processes.</li> <li>2. Preparing a Site to be compliant prior to DHI's acquisition of the property and relaying stormwater concerns to the DHI land acquisition departments and seller prior to closing.</li> </ol>	

3. A review of the processes that Divisions have implemented to reduce the number of discharges occurring beyond the permitted LOD or into receiving waters.

Other significant changes to DHI's Stormwater Training Program include:

1. Updating the Florida, Georgia, North Carolina, and Kentucky SCR trainings to align with updates to their Applicable Permits and/or court rulings.
2. Training on the use of the Discharge to Receiving Waters (Including Wetlands) Discovery and Closure reporting forms intended to help Divisions and Regions discover the reason a discharge occurs, and, when applicable, find patterns. These forms will help DHI to react quickly and formulate a proactive management strategy to reduce the frequency of discharges to WOTUS on our Sites.

## 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	22	Mississippi	18
	Florida	326	North Carolina	207
	Georgia	29	South Carolina	60
	Kentucky	0	Tennessee	18
	EPA Region 4 Total			680

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 Compliance Summary Report.

We note that the total number of discharges reported in [Section I](#) for the five DHI Regions in EPA Region 4 is 679, compared to the total of 680 discharges reported in [Section V.1](#) (which reflects the total discharges reported in the QSRs for QRP 1 and 2). After extensive review, the Corporate Stormwater team was unable to determine where the discrepancy originated; thus, the number of discharges reported in this [Section V.1](#) reflects the number reported to the Corporate Stormwater team by the RSCRs in the QSRs.

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|-----|--|
| 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. |
|-----|--|

A total of 1,114 Sites (100% of Sites in QRP 1 and 2 of the Consent Decree) 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 Compliance Summary Report above.

### Obtain Permit Coverage Prior to Commencing Construction:

DHI's Corporate Stormwater team is working with our Region and Division teams to implement enhanced permitting processes within each Division in EPA Region 4. The Corporate and Region teams have reached out to state regulators for additional information regarding their permitting expectations and are incorporating their feedback in DHI's permitting processes. Additionally, DHI's stormwater teams are seeking additional guidance and training relating to best practices to comply with the Applicable Permit requirements. For example, DHI's East Region invited Georgia's Environmental Protection Department to train the Region and Division staff on the updated Applicable Permit, and they invited the CSCRs, RSCRs, and DSCRs from other DHI Regions that have Sites in Georgia to participate in the meeting.

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 will take place.

In QRP 1 and 2, 1,086 of DHI's Sites began work on a Site after permit authorization – a 97.5% compliance rate.

### **PCIR:**

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 updated this guidance frequently to help clarify requirements under the Consent Decree, most recently in December 2024.

RSCRs have distributed the Corporate guidance to the DSCRs and Division management teams and have worked to ensure that appropriate processes were developed within each Division to effectively communicate PCIR status prior to land or lots being released to the SSCRs in the field. Out of the 378 DHI Sites that had PCIRs required, 75 PCIRs were counted as missed – for a compliance rate of 80.16%. While PCIRs were performed on 100% of DHI's Sites in EPA Region 4, 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 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.

### **Daily Logs:**

Daily logs / observations are required in two states within EPA Region 4 – Alabama and Georgia. These states are covered by three DHI Regions and 11 Divisions. Eight Divisions have trained their SSCRs to complete daily logs for their assigned Sites and three Divisions designate this task to Stormwater Consultants. 13,898 daily logs were required for DHI Sites in QRPs 1 and 2 and 13,591 of those daily logs were completed for a compliance rate of 97.8%.

### **Inspections:**

DHI utilized third-party Stormwater Consultants to complete the required NPDES inspections throughout QRPs 1 and 2. Out of the 18,725 required Inspections, 18,208 were completed in accordance with the requirements of the Applicable Permit and Consent Decree, for a compliance rate of 97.2%. The Consent Decree two-day signature requirement resulted in the highest number of missed inspections for both QRPs 1 and 2. To mitigate this issue, DSCRs held trainings with SSCRs during and/or after each 21-day review of QCIR where this issue was found. Additionally, several Divisions have developed a re-training program for SSCRs not adequately meeting the DHI required stormwater standards for compliance in which SSCRs are required to come into the office to go through a training course on their role / responsibilities within the Consent Decree and that Division.

### **Corrective Actions:**

Out of the 111,042 required Action Items noted on Inspection reports during QRPs 1 and 2, 92.63% were corrected and closed within the timeframe required by the Applicable Permit. See the notes under [Section III.A.2](#) for a discussion of the program improvements DHI implemented to increase DHI's compliance with Corrective Action timeframes.

### **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 1 and 2. In QRP 1, 532 Sites were chosen for QCIR, but seven had terminated permits or were in the process of filing the NOT. Out of the 525 remaining Sites, 100% of QCIR were completed on time. In QRP 2, 623 Sites were selected for QCIR, but 34 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 during QRP 1. 100% of QCIR were completed on time for the remaining 589 Sites requiring QCIR in QRP 2. A total of 1,114 QCIR were performed and DHI maintained 100% compliance.

To prepare for the Consent Decree's QCIR requirements, DHI's Corporate Stormwater team began requiring that QCIRs be conducted on DHI Sites in EPA Region 4 in May 2022. Thereafter, the Corporate Stormwater team continued requiring that the DSCRs complete QCIRs on a monthly basis until the Consent Decree's Date of Entry in August 2024. DHI's Corporate and Region Stormwater teams reviewed the pre-Consent Decree QCIRs and continuously provided feedback and training to DHI's Divisions and Stormwater Consultants to help clarify the Consent Decree's QCIR requirements and to improve the quality and accuracy of DHI's Divisions' QCIR processes.

Implementing these pre-Consent Decree QCIRs also provided valuable insight relating to weaknesses in various Divisions' stormwater processes, which the Corporate and Region Stormwater teams would then work with the respective Divisions to address. Additionally, the Corporate Stormwater team distributed QCIR guidance in June 2022 and has updated it consistently to help clarify requirements under the Consent Decree, most recently in March 2025.

### **CCIR:**

By the end of QRP 2, DHI's Corporate Stormwater team had completed 18 of the 30 CCIRs that are required to be completed within the first year of the Consent Decree. Of those 18 completed CCIRs, 6 were completed by a CSCR, which satisfies the Consent Decree requirement to have 20% of the 30 required CCIRs in a year performed by a DHI designated CSCR. Out of the 18 completed CCIRs, three were performed in Carolina Region, three were performed in Coastal Carolina Region, five were performed in East Region, three were performed in Florida Region, and four were performed in Gulf Coast Region. All completed CCIRs were selected in accordance with the criteria set forth in the Consent Decree. To prepare for the Consent Decree's CCIR requirements, DHI's Corporate Stormwater team conducted CCIRs on DHI sites in May 2022, June 2022 and July 2022. Thereafter, the Corporate Stormwater team resumed conducting monthly CCIRs from October 2023 through January 2024. The final test CCIR was conducted between March 2024 and April 2024 and included the 21-day review meetings. DHI's Corporate and Region Stormwater teams reviewed these pre-Consent Decree CCIRs to identify weaknesses in Divisions' stormwater compliance processes. Based on the findings of those CCIRs, these teams provided feedback and training to DHI's Divisions and Stormwater Consultants to proactively improve DHI's stormwater compliance program.

### **QSRs:**

A total of 82 QSRs were distributed by DHI's DSCRs in QRPs 1 and 2 to the parties required by the Consent Decree (i.e., one QSR per QRP for each of the 41 DHI Divisions in EPA Region 4). 100% of the required QSRs were distributed on time.

To ensure QSRs are reviewed and completed as required by the Consent Decree, the Corporate Stormwater team developed a QSR process to begin each QRP. The Corporate Stormwater team developed formulas within the QSR 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 for all Sites selected for QCIR. 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 DHI 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 QSR, 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:**

DHI began distributing the materials relating to the Contractor Stormwater Orientation Program ("COP") to the required vendors in EPA Region 4 in August 2021. Because there are approximately 7,500 active vendors in EPA Region 4, DHI faced a number of challenges when attempting to confirm vendor receipt and acknowledgment of the COPs. Initially, the COP was sent via DocuSign at the Division level. At the conclusion of the initial round of COPs, approximately 30% of vendors had signed the COP acknowledging receipt of the COP.

In March 2022, a second round of COPs were sent to DHI's vendors in EPA Region 4 via DocuSign. However, this round of COPs was sent from a single DocuSign account created for the Corporate Stormwater team. This streamlined the Corporate Stormwater team's process for collecting signed acknowledgements and maintaining records of vendor receipt. In addition to DocuSign envelopes, the COP was sent (i) via email with read receipt to vendors with an email address on file, and (ii) via certified mail to 602 vendors who did not have an email address on file. If DHI did not receive a response from the vendor, DHI made second and third attempts via DocuSign mail to receive confirmation from the vendor. The Corporate Stormwater team tracked vendor responses via a spreadsheet which compiled the data relating to vendor responses. Additionally, all the information kept by the Corporate Stormwater team was provided to DHI's Corporate Vendor Set-up team. They added a column to the DHI Vendor List to indicate "COP completion status". At the conclusion of the second round of COPs, approximately 57% of vendors had signed the COP acknowledging receipt of the COP.

In August 2023, lists of outstanding vendors were sent out to RSCRs. Over the course of the next several months, over 900 more vendors completed the COP. Additionally, potentially inactive vendors were flagged based on their last payment date from DHI, and over 1,800 vendors were found to be inactive (i.e., no longer working on DHI Sites in EPA Region 4). 81 vendors were found to have renewed their contract with DHI and thus had signed an updated form of contractor agreement which, as of 2020, included the Consent Decree required language regarding compliance with DHI's Stormwater Requirements.

In September 2024, an audit was performed comparing the original tracking spreadsheet to the Vendor Set-up list to ensure all the data had been compiled. While some vendors were found to have renewed contracts since 2023, there were about 250

vendors found to be outstanding. The Corporate Stormwater team then sent each of these vendors an email with delivery receipt containing the COP with a brief explanation of the document. In total, 100% of active vendors received the COP.

Additionally, between August 2020 and January 2021, a provision was added 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. In July 2021, the COP became part of the vendor welcome packet that is provided to all new DHI vendors who are engaged to perform work on DHI's Sites in EPA Region 4. DHI's Vendor Set-up team requires these new vendors to sign and return the COP before the vendor may begin work with DHI. The purchasing teams within the Divisions and Regions help DSCRs and RSCRs work with new vendors to set stormwater compliance standards. For example, in the Charlotte North and South, Greenville, Myrtle Beach, and East Florida Divisions, the DSCRs are part of the vendor pre-construction conference with the construction and purchasing departments and, in compliance with the Applicable Permits where pre-construction conferences are required, the DSCRs have a copy of the COP or a Division-specific compliance agreement that each vendor must sign prior to leaving the conference.

#### **Document Retention:**

To comply with the Consent Decree's requirement that DHI retain records relevant to DHI's performance of its obligations under the Consent Decree, in August 2024, DHI sent out the following document retention notices (the "**Document Retention Notices**"):

1. To DHI's Contractors:
  - a. DHI sent Document Retention Notices to all 7,191 of DHI's active contractors who, at that time, were engaged to perform work on DHI's Sites in EPA Region 4. The Document Retention Notices instructed those contractors that they are required to preserve and retain all documents, records or other information in their possession or control that relate to DHI's obligations under the Consent Decree.
  - b. Additionally, the Corporate Stormwater team added Document Retention Notices to the COP that DHI provides to all new contractors who work on DHI's Sites in EPA Region 4 on a going forward basis.
2. To the following DHI employees: (i) DHI's Corporate Executives; (ii) DHI's Corporate Legal team; (iii) DHI's Corporate Environmental team; (iv) DHI's Corporate IT personnel who are involved in DHI's EPA Region 4 Stormwater Compliance Program; (v) Region leadership teams for each of DHI's five Regions in EPA Region 4, including all RSCRs; and (vi) to 2,624 of DHI's Division employees in the five DHI Regions in EPA Region 4, including all DSCRs, SSCRs and all employees in the roles identified in Appendix I of the Consent Decree.

Additionally, the Corporate Stormwater team coordinated the retention of records with DHI's Corporate IT Department. In particular, Corporate IT advised that all of DHI's stormwater records in DHI's stormwater software, ERX, will be retained indefinitely.

#### **Stormwater Training Program:**

In anticipation of the Consent Decree Date of Entry, the Stormwater Compliance Training modules were assigned to all required personnel on May 6th, 2024. However, this resulted in a number of the required personnel completing the assigned training and passing the exams more than 60 days prior to the Consent Decree's August 6, 2024, Date of Entry. As a result, these users were re-assigned the exam following the Date of Entry.

In an effort to make sure that all required employees timely completed the required Stormwater Compliance Training, the Corporate Stormwater team sent an updated list of outstanding employees to the RSCRs for each of DHI's five Regions in EPA Region 4 on a weekly basis. One complication was monitoring the status of the approximately 40 employees that were on Leave of Absence so that the Corporate Stormwater team could ensure that these employees completed the required stormwater training upon their return from their Leave of Absence. To date, 14 of these employees have returned from their Leave of Absence and all 14 of these employees completed their required stormwater training within 30 days of their return.

In total, all 2,702 DHI employees who were required to complete the stormwater training completed their assigned training prior to the Consent Decree's 60-day deadline. However, during corporate audits of QCIR, a few instances were discovered where SSCRs who worked in multiple States did not enroll in both State-Specific SCR trainings. In QRP 1, there were five inspections that were completed in the field, but that were counted as "missed inspections" because an SSCR signed inspection reports prior to acquiring their Alabama SCR training. In QRP 2, Memphis Division had 58 inspections that were completed in the field, but that were counted as "missed inspections" across three Sites because the SSCRs had not completed training for Tennessee and Mississippi prior to signing reports. The mentioned SSCRs have since obtained their missing State-Specific SCR training.

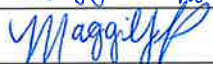
### Supplemental Environmental Project:

As per the requirements of Paragraph 96 and Appendix L of the Consent Decree, DHI's Corporate and Gulf Coast Region Stormwater teams have worked with the Birmingham Division to implement the Supplemental Environmental Project ("SEP"). In accordance with the SEP Schedule set forth in Appendix L (the "SEP Schedule"), on 03/10/2025 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.

DHI is currently working towards completion of the Site Assessment and the Final Project Designs. 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 Final SEP Planning Report. DHI anticipates submitting the Final SEP Planning Report in the fall of 2025 in accordance with the SEP schedule.

## 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	4/25/2025	

\* 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)	<input checked="" type="checkbox"/>
2. All Division Presidents within EPA Region 4	<input checked="" type="checkbox"/>
3. All Division Stormwater Compliance Representatives within EPA Region 4	<input checked="" type="checkbox"/>
4. All Region Stormwater Compliance Representatives within EPA Region 4	<input checked="" type="checkbox"/>
5. The United States, as provided for in the Consent Decree	<input checked="" type="checkbox"/>
6. State Plaintiffs Alabama and South Carolina, as provided for in the Consent Decree	<input checked="" type="checkbox"/>