



Enforcement News

Orange County developer fined record \$6.6 million for failure to stop illegal stormwater discharges

San Diego Water Board found repeated violations at construction site

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SAN DIEGO – Following multiple inspections, years of unsuccessful negotiation, and the continued refusal of Baldwin & Sons and partners to stop unauthorized sediment discharges at a luxury home construction site in Orange County, the San Diego Regional Water Quality Control Board today approved a record \$6.6 million penalty against the violating parties.

From August 2015 to March 2016, the developer released 6.3 million gallons of untreated stormwater at its Portola Center South Project; failed to implement required best management practices; ignored numerous corrective and cease-and-desist orders; and for 162 days violated the site's [Statewide Construction Stormwater Permit](#).

“The sheer number and days of violations, volume of polluted discharges, and repeated failures to comply with the most fundamental requirements of the municipal ordinances and statewide construction stormwater permit are unprecedented in this region,” said David Gibson, executive officer of the San Diego Water Board. “The actions of Baldwin & Sons and its partners and contractors, which resulted in significant costs to the public and environmental harm to Aliso Creek and its tributaries, merits the harshest possible enforcement response.”

The subdivision is built on 95 acres of steep, sloping terrain in the city of Lake Forest. During wet weather, sediment flows downstream and transports pollutants directly to Aliso Creek, its tributaries and offsite mitigation areas. The discharges cloud the receiving water, which reduces the amount of sunlight reaching aquatic plants, and can clog fish gills, smother spawning areas, and transport other materials such as nutrients, metals, and oil and grease that negatively impact aquatic life and habitat.

Under the stormwater permit, which includes a prevention plan to protect against weather-related environmental damage originating at building sites, developers must implement precautionary measures such as slope stabilization, erosion and sediment control and curtail activity when it rains, particularly since climate change-induced atmospheric rivers increasingly lead to extreme precipitation.



Yet, despite repeated notices and orders issued by the city, the developer and contractors failed to control erosion and runoff or contain fluids leaking from equipment.

Regional board staff was asked by the city to intervene and began working with Portola site operators in December 2015, conducting the first of several inspections in January 2016. The board subsequently ordered significant corrective actions to prevent further environmental harm and, after several years of unsuccessful negotiations, issued the Administrative Civil Liability complaint in January 2020.

The investigation was complicated by a number of factors, including the company's refusal to provide information required by a subpoena; the complex relationship between Baldwin & Sons and numerous other entities with similar corporate officers; and lawsuits Baldwin filed against some project subcontractors.

Besides Baldwin & Sons, the violating parties are the following: Sunranch Capital Partners, LLC; Sunrise Pacific Construction, Inc.; SRC-PH Investments, LLC; responsible corporate officers Shawn M. Baldwin, Randall G. Bone and Jose Capati.

The penalty will be deposited in the State Water Resources Control Board's Clean Up and Abatement Account that funds remediation projects and provides safe drinking water to Californians. Prior to determining the amount, the regional board held three public hearings in January 2022.

The San Diego region stretches 85 miles of scenic coastline from Laguna Beach to the Mexican border and extends 50 miles inland to the crest of the coastal mountain range. Its growing population enjoys a mild climate and numerous water-related activities. However, the region receives little precipitation and imports almost 90% of its water supply from northern California and the Colorado River.