

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
NORTH COAST REGION

In the matter of:

**Justin Baldwin and Mia Baldwin,
as Trustees of the Baldwin
J and M Trust, and
Humboldt Spirit Inc., and
Sprowl Creek, LLC**

Order No. R1-2026-0050 (Proposed)

**Settlement Agreement and Stipulation for
Entry of Time Schedule Order;
Order (Proposed)**

Section I: Introduction

This Settlement Agreement and Stipulation for Entry of a Time Schedule Order (Order) is entered into by and between the North Coast Regional Water Quality Control Board (North Coast Water Board) Prosecution Team and Justin Baldwin and Mia Baldwin as Trustees of the Baldwin J and M Trust, and Humboldt Spirit Inc., and Sprowl Creek, LLC (collectively the Respondents¹) (hereinafter collectively, the Parties) and is presented to the North Coast Water Board Executive Officer for adoption as a Time Schedule Order by delegation pursuant to Water Code sections 13223, and 13308, by settlement, pursuant to Government Code section 11415.60.

Section II: Recitals

1. The Respondents are named as responsible parties in the North Coast Water Board Cleanup and Abatement and 13267 Order No. R1-2023-0042 (attached hereto as Attachment 1) for Assessor's Parcel Number (APN) 222-071-030-000 (hereinafter the Property) in Humboldt County. Conditions documented at the Property during a January 21, 2015, inspection constituted threats to water quality and the beneficial uses of Sproul Creek, its unnamed tributaries, and adjoining wetlands from illicit cannabis cultivation and associated activities.
2. According to Humboldt County Recorder's Office, the Baldwins purchased the Property on March 1, 2000. Between 2000 – 2017, the Baldwins placed the Property into the Baldwin J and M Trust. The Baldwins owned the Property as the trustees of the Baldwin J and M Trust. Cannabis cultivation and related development activities began on the Property in approximately 2006. North Coast Water Board staff notified the Baldwins of the Water Code violations observed during the inspection via a June 23, 2015 Inspection Report. The violations necessitated the Baldwins take action to address the discharge of waste and threatened discharge of waste resulting from their cannabis

¹ The Respondents are separately referred to as the "Baldwins" (Justin Baldwin and Mia Baldwin as Trustees of the Baldwin J and M Trust) and the "DuPont Entities" (Humboldt Spirit Inc. and Sprowl Creek, LLC).

cultivation activities, including: access roads eroding with the potential to discharge sediment laden stormwater to Sproul Creek; numerous inadequate watercourse crossings with channel erosion; discharge of trash and cannabis waste to watercourses tributary to Sproul Creek; and cannabis cultivation within the riparian setback of watercourses.

3. In February 2016, the Baldwins enrolled the Property in the North Coast Water Board's Order No. 2015-0023, *Waiver of Waste Discharge Requirements and General Water Quality Certification for Discharges of Waste Resulting from Cannabis Cultivation and Associated Activities or Operations with Similar Environmental Effects in the North Coast Region* (Regional Cannabis Order). On December 7, 2018, the Baldwins transferred the enrollment of the Property to the State Water Resources Control Board, Order WQ 2019-0001-DWQ, *General Waste Discharge Requirements and Waiver of Waste Discharge Requirements for Discharges of Waste Associated with Cannabis Cultivation Activities* (Cannabis General Order). However, subsequent inspections of the Property by North Coast Water Board staff on May 6, 2019, and November 20, 2020, confirmed the overall conditions of the Property remained unchanged from the initial January 2015 inspection. In response to the Baldwins' failure to voluntarily clean up the Property and abate water quality threats, the North Coast Water Board issued Cleanup and Abatement Order No. R1-2021-0056 (2021 Cleanup Order) on November 4, 2021 (attached hereto as Attachment 2). The 2021 Cleanup Order names the Baldwins as responsible parties based on their ownership of the Property and as the individuals that discharged waste to waters of the state and created the conditions threatening the water quality of Sproul Creek and its unnamed tributaries.

4. In late 2020, the DuPont Entities began negotiating with the Baldwins regarding the potential sale of the Property. The Baldwins notified the DuPont Entities of the need to address the Water Code violations and water quality threats if the DuPont Entities were to purchase the Property. In early 2021, the DuPont Entities retained ETA Humboldt as consultants and began working with North Coast Water Board staff to understand the scope of work necessary to remediate the Property. The DuPont Entities provided comments and proposed deadlines for the necessary cleanup work at the Property on September 27, 2021. North Coast Water Board staff, in cooperation with the DuPont Entities, negotiated the proposed scope of work and associated deadlines and incorporated these into the 2021 Cleanup Order.

5. On November 1, 2021, the DuPont Entities purchased the Property and agreed to voluntarily cleanup the Property in accordance with the deadlines and required actions in the 2021 Cleanup Order. A few months later, on February 20, 2022, the DuPont Entities added the Property to their enrollment under the Cannabis General Order.

6. Pursuant to the 2021 Cleanup Order, the DuPont Entities submitted a Cleanup Restoration and Monitoring Plan (CRMP) to the North Coast Water Board on March 15, 2022. The North Coast Water Board approved the CRMP on July 19, 2022, and the DuPont Entities began implementing the CRMP in the summer of 2022.

7. Pursuant to the deadline proposed by the DuPont Entities and incorporated into the 2021 Cleanup Order, Project Area No. 1 was to be remediated in accordance with the CRMP by October 15, 2022. On October 13, 2022, the DuPont Entities contacted the North Coast Water Board to inform staff that Project Area No. 1 was not fully remediated due to financial restraints and requested an extension of the deadlines until October 31, 2025. The extension request proposed extending the deadlines for the list of Project Areas included in the CRMP. The North Coast Water Board agreed to the extension under the condition that the 2021 Cleanup Order be amended to name the DuPont Entities as responsible parties. The DuPont Entities accepted this condition.

8. On May 26, 2023, Order Number R1-2023-0042 (Amended Cleanup Order, Attachment 1 hereto), was issued by the North Coast Water Board, amending Order R1-2021-0056 to name the Baldwins and the DuPont Entities as responsible parties and extend the deadline to fully remediate Project Area No. 1 from October 15, 2022 to October 15, 2023.

9. On October 13, 2023, the DuPont Entities provided North Coast Water Board staff with a status update on compliance with the Amended Cleanup Order and a second extension request for completion of the required actions. The status update stated that the DuPont Entities were carrying out remediation as “financially feasible” and that due to the failure to obtain a grant from Humboldt County it was impossible to complete the required remediation at Project Areas Nos. 1 and 2 by the October 15, 2023 deadline. The North Coast Water Board Executive Officer, denied the extension request and on December 6, 2023, the DuPont Entities were provided notice that their extension request was denied.

10. On November 18, 2024, the DuPont Entities submitted a Work Completion Progress Report. The report acknowledged that the work required by the Amended Cleanup Order was not fully completed by the required deadline for Project Areas Nos. 1-3, but that progress was made and that “if everything goes to plan every project site will be completed in the work season of 2025.”

11. On September 15, 2025, the DuPont Entities submitted with a letter from Charles DuPont. Mr. DuPont’s letter provided a detailed explanation and documentation of the DuPont Entities’ financial condition and how these circumstances impacted their ability to comply with the required deadlines for the Amended Cleanup Order. As part of the letter, the DuPont Entities requested another extension to complete the required actions. The Executive Officer for the North Coast Water Board was notified of the third extension request from the DuPont Entities and took the request into consideration. Both North Coast Water Board staff and the DuPont Entities provided materials to assist in the Executive Officer’s consideration of the third extension request. Additionally, a fourth inspection of the Property to observe current conditions occurred on March 11, 2026.

12. The Executive Officer denied the DuPont Entities extension request on March 20, 2026, and encouraged that the remaining work be undertaken in a timely manner.

13. On May 18, 2026, the North Coast Water Board staff issued the Respondents a Notice of Violation for failure to comply with Required Action No. 2 and Required Action No. 3 of the amended Cleanup Order.

14. Pursuant to Water Code section 13308, subdivision (a), when the North Coast Water Board determines there is a threatened or continuing violation of a Cleanup and Abatement Order or Water Code section 13267 Order, the North Coast Water Board may issue an order establishing a time schedule and prescribe a civil penalty that shall become due if compliance is not achieved in accordance with that time schedule. On May 27, 2026, the North Coast Water Board issued a draft Time Schedule Order (attached hereto as Attachment 3) to the Respondents. The draft Time Schedule Order alleged that the Respondents failed to comply with the required actions of the Amended Cleanup Order. The draft Time Schedule Order proposed a time schedule and established new deadlines to resolve the Respondents' ongoing violations for the failure to comply with Required Action No. 2 and Required Action No. 3 of the Amended Cleanup Order.

15. Water Code section 13308, subdivision (b), provides that the amount of the civil penalty included in a time schedule order shall be based on the amount reasonably necessary to achieve compliance, not to include any amount intended to punish or redress previous violations, and that the civil penalty shall not exceed ten thousand dollars (\$10,000) for each day in which the violation occurs.

16. **Violation 1 (Required Action No. 2):** The North Coast Water Board Prosecution Team determined there is a continuing violation of the Amended Cleanup Order due to Respondents' failure to fully implement the CRMP by the October 15, 2025, deadline. The North Coast Water Board Prosecution Team estimated the cost associated with compliance of Required Action No. 2 (full implementation of all Project Areas in the CRMP) to be \$105,993 (see Attachment 3 at pg.7). This estimate is based on a cost estimate that the DuPont Entities provided to grant reviewers from the Friends of the Eel River as part of an application for grant funding to comply with a portion of the CRMP; extrapolated to the full scope of work required by the CRMP; and applied factors associated with inflation from the US Bureau of Labor and Statistics. An additional ten percent is added to incentivize the Respondents to complete the required actions by making compliance the less costly option. The additional ten percent does not punish or redress the continuing violation. Therefore, the amount reasonably necessary to achieve compliance is calculated to be **\$116,592**, which represents the estimated cost of compliance plus ten percent.

17. **Violation 2 (Required Action No. 3):** The North Coast Water Board Prosecution Team determined there is a continuing violation of the amended Cleanup Order due to Respondents failure to submit a Completion Report for the CRMP by the December 15, 2025, deadline. North Coast Water Board staff estimated the cost associated with

compliance of Required Action No. 3 (submission of a CRMP Completion Report) to be comparable to that of preparing a Site Closure Report as described in the 2017 Direct Cost Analysis, which is estimated to cost between \$1,080 and \$4,760 (between \$1,440 and \$6,346 adjusted for inflation between 2017 and 2025). The amount reasonably necessary to achieve compliance is, therefore, calculated to be **\$6,980**, which is the maximum estimated report cost plus ten percent. The additional ten percent does not punish or redress the continuing violation.

18. On June 23, 2026, the Advisory Team for the North Coast Water Board issued a Notice of Public Hearing and Hearing Procedures for the draft Time Schedule Order. A hearing was scheduled for the Board to consider the matter on August 6, 2026.

19. The Parties engaged in settlement negotiations to resolve by consent and without further administrative proceedings the alleged violations. During settlement negotiations the Respondents agreed to stipulate to the imposition of the draft Time Schedule Order without a hearing.

20. The Parties agreed to present this Stipulation and proposed Time Schedule Order to the North Coast Water Board, or its delegate, for adoption as an Order pursuant to Water Code section 13308 and Government Code section 11415.60. The Prosecution Team posits that the resolution of the alleged violations is fair and reasonable and fulfills its enforcement objectives and is in accordance with the North Coast Water Board's Cannabis Enforcement Strategy and that no further action is warranted concerning the specific violations alleged except as provided in this Order, and that this Order is in the best interests of the public.

Section III: Stipulations

The Parties stipulate to the following:

21. The Parties stipulate to the continuing violations alleged above in Paragraphs 16 and 17 and further agree to time schedule, deadlines, deliverables, and prescribed administrative civil liabilities in the following Paragraphs.

22. **Time Schedule for Required Action 2:** The Respondents hereby agree to complete full implementation of the CRMP by **October 15, 2028**.

- a. Prescribed Administrative Civil Liability: If the Respondents fail to complete implementation of the CRMP by October 15, 2028, the Respondents are jointly and severally liable for an administrative civil penalty of up to **\$116,592**. The administrative civil penalty shall accrue at a daily rate of \$5,830 per day of violation up to the maximum liability of \$116,592.

23. **Time Schedule for Required Action 3:** The Respondents hereby agree to submit a CRMP Completion Report for approval by the North Coast Water Board, or its delegate, **within 60 days of completion of the CRMP, but no later than December**

14, 2028. The CRMP Completion Report shall include all elements specified in Required Action No. 3 and the General Requirements and Notices contained in the amended Cleanup Order.

- a. Prescribed Administrative Civil Liability: If the Respondents fail to submit a CRMP Completion Report within 60 days of completion of the CRMP or at the latest December 14, 2028, the Respondents are jointly and severally liable for an administrative civil penalty of up to **\$6,980**. The administrative civil penalty shall accrue at a daily rate of \$349 per day of violation up to the maximum liability of \$6,980.
- b. The Respondents shall submit the CRMP Completion Report in accordance with the instructions in Required Action No. 3 of the Amended Cleanup Order (see Attachment 1 at pg. 17).

24. If the Respondents fail to comply with the requirements of this Order, an administrative civil liability complaint for the prescribed administrative civil liability penalties included in Paragraphs 22 and 23, may be issued by the North Coast Water Board. The North Coast Water Board, at its discretion, may reduce the prescribed administrative civil penalties to account for Respondents partial implementation of the CRMP. The North Coast Water Board reserves its right to take any enforcement actions authorized by law, including, but not limited to, enforcement for the underlying discharges of waste in violation of the North Coast Water Board's requirements and/or the Water Code.

25. **Compliance with Applicable Laws:** The Respondents understand future violations of the type alleged in the Amended Cleanup Order or future violations of this Order may subject the Respondents to further enforcement, including administrative civil liability.

26. **Public Notice:** The Respondents understand that this Settlement Agreement and proposed Order may be noticed for a 15-day public review and comment period prior to consideration by the North Coast Water Board, or its delegate. If significant new information is received that reasonably affects the propriety of presenting this Settlement Agreement and proposed Order to the North Coast Water Board, or its delegee, for adoption, the Assistant Executive Officer may unilaterally declare this Settlement Agreement and proposed Order void and decide not to present it to the North Coast Water Board, or its delegate. The Respondents agree that it may not rescind or otherwise withdraw its approval of this Settlement Agreement and proposed Order.

27. **Addressing Objections Raised During Public Comment Period:** The Parties agree that the procedure contemplated for adopting the Order by the North Coast Water Board and review of this Settlement Agreement by the public is lawful and adequate. The Parties understand that the North Coast Water Board, or its delegate, has the authority to require a public hearing to consider adoption of this Settlement Agreement

and proposed Order. In the event procedural objections are raised or the North Coast Water Board requires a public hearing prior to the Order becoming effective, the Parties agree to meet and confer concerning any such objections and may agree to revise or adjust the procedure for adoption of this Order as necessary or advisable under the circumstances.

28. **Attorneys' Fees and Costs:** Except as otherwise provided herein, each Party shall bear all attorneys' fees and costs arising from such Party's own counsel in connection with the matters set forth herein.

29. **Interpretation:** This Settlement Agreement and Order shall be construed as if the Parties prepared it jointly. Any uncertainty or ambiguity shall not be interpreted against any one Party.

30. **Modification:** This Settlement Agreement and Order shall not be modified by either of the Parties by oral representation made before or after its execution. All modifications must be in writing, signed by all Parties, and approved by the North Coast Water Board, or its delegate.

31. **If Order Does Not Take Effect:** In the event that this Order does not take effect because it is not approved by the North Coast Water Board, or its delegate, or is vacated in whole or in part by the State Water Resources Control Board or a court, the Parties acknowledge that they expect to proceed to a contested evidentiary hearing before the North Coast Water Board to determine whether to adopt a Time Schedule Order, unless the Parties agree otherwise. The Parties agree that all oral and written statements and agreements made during the course of settlement discussions will not be admissible as evidence in the hearing. The Parties agree to waive any and all objections based on settlement communications in this matter, including, but not limited to:

- a. Objections related to prejudice or bias of any of the North Coast Water Board members or their advisors and any other objections that are premised in whole or in part on the fact that the North Coast Water Board members or their advisors were exposed to some of the material facts and the Parties' settlement positions as a consequence of reviewing the Settlement Agreement or the proposed Order, and therefore may have formed impressions or conclusions prior to any contested evidentiary hearing on the Time Schedule Order in this matter; or
- b. Laches or delay or other equitable defenses based on the time period for administrative or judicial review to the extent this period has been extended by these settlement proceedings.

32. **Waiver of Hearing:** The Respondents waive the previously scheduled hearing on the draft Time Schedule Order before the North Coast Water Board.

33. **Waiver of Right to Petition or Appeal:** The Respondents hereby waive their right to file a petition for review of the adoption of the Order to the North Coast Water Board for review by the State Water Resources Control Board, and further waive their rights, if any, to appeal the same to a California Superior Court and/or any California appellate level court.

34. **Covenant Not to Sue:** The Respondents covenant not to sue or pursue any administrative or civil claim(s) against any State Agency or the State of California, their officers, Board Members, employees, representatives, agents, or attorneys arising out of or relating to any matter expressly addressed by this Settlement Agreement and Order.

35. **Necessity for Written Approvals:** All approvals and decisions of the North Coast Water Board under the terms of this Settlement Agreement and Order shall be communicated to the Respondents in writing. No oral advice, guidance, suggestions, or comments by employees or officials of the North Coast Water Board regarding submissions or notices shall be construed to relieve the Respondents of their obligation to obtain any final written approval required by this Order.

36. **Authority to Bind:** Each person executing this Settlement Agreement in a representative capacity represents and warrants that he or she is authorized to execute on behalf of and to bind the entity on whose behalf he or she executes the Settlement Agreement.

37. **No Third-Party Beneficiaries:** This Settlement Agreement and Order are not intended to confer any rights or obligations on any third party or parties, and no third party or parties shall have any right of action under this Order for any cause whatsoever.

38. **Severability:** This Settlement Agreement and Order are severable; should any provision be found invalid the remainder shall remain in full force and effect.

39. **Counterpart Signatures:** This Settlement Agreement and Order may be executed and delivered in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, but such counterparts shall together constitute one document. Further, this Settlement Agreement and Order may be executed by electronic signature, and any such electronic signature shall be deemed to be an original signature and shall be binding on such Party to the same extent as if such electronic signature was an original signature.

40. **Effective Date:** This Settlement Agreement and Order, including the obligations under Paragraphs 22 and 23, shall be effective and binding on the Parties upon the date the North Coast Water Board, or its delegate, enters the Order incorporating the terms of this Settlement Agreement.

IT IS SO STIPULATED.

**California Regional Water Quality Control Board Prosecution Team
North Coast Region**

By: Original signed by
Claudia Villacorta, Assistant Executive Officer

Date: August 4, 2026

Justin Baldwin and Mia Baldwin, and Sprowl Creek, LLC, and Humboldt Spirit Inc.,

By: Original signed by
Justin Baldwin (as Trustee of the Baldwin J and M Trust)

Date: August 3, 2026

By: Original signed by
Mia Baldwin (as Trustee of the Baldwin J and M Trust)

Date: August 3, 2026

By: Original signed by
Dillion DuPont (on behalf of Sprowl Creek, LLC)

Date: July 31, 2026

By: Original signed by
Dillion DuPont (on behalf of Humboldt Spirit, Inc.)

Date: July 31, 2026

Attachment 1: Cleanup and Abatement and Investigative Order No. R1-2023-0042
Attachment 2: Cleanup and Abatement and Investigative Order No. R1-2021-0056
Attachment 3: Draft Time Schedule Order No. R1-2026-00XX and Attachments

Order of the North Coast Regional Water Board

41. The foregoing Settlement Agreement and Stipulations, including Attachments 1 – 3, are fully incorporated herein and made part of this Order.

42. The Respondents shall comply with the time schedule, deadlines, and deliverables in Paragraphs 22 and 23, above.

43. This is an action to enforce the laws and regulations administered by the North Coast Water Board. The North Coast Water Board finds that issuance of this Order is exempt from the provisions of the California Environmental Quality Act (Public Resources Code, sections 21000 et seq.), in accordance with section 15321(a)(2), Title 14, of the California Code of Regulations.

44. The Executive Officer of the North Coast Water Board is authorized to refer this matter directly to the Attorney General for enforcement if the Respondents fail to perform any of its obligations under this Order.

Pursuant to Water Code sections 13223 and 13308 and Government Code section 11415.60, **IT IS HEREBY ORDERED** on behalf of the California Regional Water Quality Control Board, North Coast Region.

By: _____
Valerie Quinto
Executive Officer

Date: _____