



DEPARTMENT OF HEALTH

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DOH cites developer for storm runoff, lack of erosion control measures at Kailua construction site

HONOLULU – The Hawai'i Department of Health (DOH) issued a Notice of Violation and Order (NOVO) to Arizona-based Arcus Secured Loan Fund III LLC for failing to obtain a water pollution control permit and discharging storm water runoff from an unpermitted construction site located at 42-100 Old Kalaniana'ole Road Lots 1 and 2 in Kailua. Sediment from the construction site ran into Kaelepulu Stream and neighboring properties.

DOH assessed a \$14,000 penalty based on seven counts of discharging pollutants to state waters without a National Pollutant Discharge Elimination System (NPDES) permit between May 3, 2022 and August 23, 2022, and one count of initiating construction activity without a NPDES permit on August 29, 2022. This is the second DOH enforcement order associated with this construction project. The first, against the previous owner, Sound Investments, LLC, remains open and unresolved.

"This construction project threatens neighbors in Kailua and our environment," said Deputy Director of Environmental Health Kathleen Ho. "It's critical that its owner obtain and comply with permits that prevent polluted runoff and protect state waters when doing business in Hawai'i."

DOH is ordering the new owner, Arcus Secured Loan Fund III, LLC, to take corrective actions, including:

- Immediately ceasing all construction activity subject to NPDES permit requirements;
- Implementing erosion and sediment control best management practices;
- Submitting a complete application for an NPDES permit;
- Providing additional information to DOH on construction activities.

DOH is continuing enforcement against the previous owner to resolve the open enforcement action against Sound Investments, LLC

[Click here to download a copy of the NOVO.](#)