STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Division of Aquatic Resources
Honolulu, Hawaii 96813

September 12, 2025

Department of Land and Natural Resources
Division of Aquatic Resources
State of Hawaii
Honolulu, Hawaii

Subject: Enforcement action against Kapalua Kai Sailing, Inc. for stony coral and live rock damage resulting from the *Hula Girl* grounding incident on January 31, 2025, inside the Honolua-Mokulē‘ia Bay Marine Life Conservation District, island of Maui.

Summary: This submittal requests the Board of Land and Natural Resources enter into a Settlement Agreement with Kapalua Kai Sailing, Inc. for violations of Hawaii Administrative Rules §§ 13-95-70 and 71. Kapalua Kai Sailing, Inc. damaged 36 specimens of stony coral and 48 square meters of live rock when its vessel, *Hula Girl*, grounded inside the Honolua-Mokulē‘ia Bay Marine Life Conservation District, island of Maui, on January 31, 2025, due to inclement weather. To compensate the State of Hawaii for the damage to natural resources on public lands, the restoration of such natural resources, and the cost of investigation, the Division of Aquatic Resources recommends that the Board approve a proposed Settlement Agreement in the amount of **$30,448.67.**

Date of Incident: January 31, 2025

Against: Kapalua Kai Sailing, Inc.
PMB 307-5095
Napilihau St Ste 109B
Lahaina, Maui, Hawaii 96761

Location of Incident: Within the Honolua-Mokulē‘ia Bay Marine Life Conservation District, island of Maui.

INTRODUCTION

On Friday, January 31, 2025, at approximately 6:00AM, the Department of Land and Natural Resources' ("DLNR") Division of Conservation and Resources Enforcement ("DOCARE") received a report via phone call from the United States Coast Guard ("USCG") that a vessel had grounded at Honolua Bay.[1] The vessel, a 65-foot catamaran named *Hula Girl*, had grounded on the shallow rocky shoreline in the northern portion of the Honolua-Mokulē'ia Bay Marine Life Conservation District (MLCD). Accounts from the captain of the vessel indicate that the *Hula Girl* had moored overnight at a designated Day-Use Mooring within Honolua Bay in an effort to seek shelter from rough seas and strong winds. Over the course of the evening, the *Hula Girl* was struck by a water spout and subjected to successive sets of large waves, which ultimately caused the mooring lines to sever and resulted in a loss of steering control. With no way to steer the vessel, the *Hula Girl* was pushed by the southwest winds into the northern portion of Honolua Bay where it subsequently grounded. While the grounding itself caused only minimal impact to the shallow reef structures, the subsequent salvage operations resulted in damage to significant hardbottom habitat within the MLCD, described in more detail below.

FACTUAL BACKGROUND

A. Honolua Bay, Maui

Honolua Bay is located on the northwestern coast of Maui, approximately 10 miles north of the town of Lāhainā. Honolua Bay is famous for its world-class surfing and snorkeling and is recognized for its cultural, historic, and environmental value. Honolua Bay is part of the Honolua-Mokulē'ia Bay Marine Life Conservation District ("MLCD").[2] Within this MLCD, fishing activities are restricted and damage to marine life carries elevated fines.

The *Hula Girl* grounded on rocky shoreline inside of the Honolua-Mokulē'ia Bay MLCD boundary. The grounding damage to natural resources, along with the subsequent damage scars from the ingress/egress of the vessel during salvage operations, also occurred inside of the Honolua-Mokulē'ia Bay MLCD.

B. The Responsible Parties

The *Hula Girl* is a 65-foot red-and-white colored catamaran owned by Kapalua Kai Sailing, Inc. ("Kapalua Kai Sailing"), a charter business based in Lāhainā, Hawai'i. Kapalua Kai Sailing is a for-profit domestic corporation that specializes in "sailing, snorkeling, and tourist oriented water activities."[3] Peter Wood ("WOOD") is the manager and agent for Kapalua Kai Sailing. The *Hula Girl* is registered under United States Coast Guard number 1215955. At the time of the incident, the *Hula Girl* was captained by Jack McFadden ("McFADDEN"), a USCG licensed Master, and two crewmembers.

C. The January 31, 2025, *Hula Girl* Grounding Incident

[1] *See* **Exhibit A** - DOCARE Investigation Report – Log Number: MA-25-00263
[2] *See* HAW. ADMIN. R. § 13-32
[3] Hawaii Business Express, *available at* https://hbe.ehawaii.gov/documents/business.html?fileNumber=97153D1

Between January 30 and February 2, 2025, a severe "Kona"[4] storm was forecasted for the island of Maui. In preparation for this storm, the owners of the *Hula Girl*, WOOD and Inca Robbin, decided to relocate the *Hula Girl* from its normal anchorage at the Mala Boat Ramp in Lāhainā, Maui, to what they perceived to be a safer anchorage on the east coast of Lāna'i island.[5]

On January 29, 2025, at approximately 4:00PM, the *Hula Girl*, captained by McFADDEN, departed its anchorage at the Mala Boat Ramp. The vessel arrived at its planned anchorage at Lāna'i at approximately 5:45PM and set anchor. Although winds were initially light, conditions slowly deteriorated. By 8:00AM the next morning, winds had increased to 40 knots.[6]

On January 30, 2025, at approximately 10:15AM, the *Hula Girl's* anchor alarm sounded and the crew discovered a chain link failure in the anchor chain, resulting in the loss of the *Hula Girl's* anchor. Around this same time, McFADDEN tried to start the port and starboard engines. While the port engine started normally, the starboard engine failed.[7]

Hula Girl owners, WOOD and Inca Robbin, conveyed to McFADDEN that conditions were more favorable in Honolua Bay, Maui, and they recommended that he transfer the vessel to Honolua Bay for safety reasons. With only one engine running, McFADDEN and the *Hula Girl* crew relocated to Honolua Bay under primarily sail-power. By 6:00PM that day, the crew successfully secured the *Hula Girl* to separate moorings in Honolua Bay, with one line tied to the bow and a second line tied to the stern.

According to McFADDEN's written statement, at approximately 8:30PM, the *Hula Girl* "was struck by [a] water spout that was at least 40' [feet] in diameter [and] the force of the impact rocked the vessel and caused the stern line to part, completely severing our connection to that mooring anchor."[8] As McFADDEN started the port engine, he discovered the impact of the water spout had disabled the *Hula Girl's* steering. After relaying this information to the owners, WOOD allegedly contacted the USCG but was told that the USCG did not have any assets to provide assistance at this time.[9]

Throughout the evening of January 30 and into the morning of January 31, 2025, McFADDEN utilized his one available engine to attempt to keep the *Hula Girl*'s bow facing into the incoming, increasing swell. At approximately 1:45AM on January 31, 2025, "several sets of large waves broke on [the *Hula Girl*'s] bows" and these waves "parted the bow mooring lines, setting the vessel adrift with only one engine and no steering."[10] With no ability to steer the vessel, the southwest winds blew the *Hula Girl* toward the north side of Honolua Bay where it ultimately grounded at approximately 2:20AM. By 2:25AM, the captain and crew evacuated the vessel and safely reached shore.

[4] In Hawaii, "Kona" storms are storms that move from the southwest to northeast direction.
[5] *See* **Exhibit B**, Jack McFadden Statement.
[6] *Id.*
[7] *Id.*
[8] *Id.* p.2.
[9] *Id.*
[10] *Id*.

On February 1, 2025, WOOD arrived at Honolua Bay on his other vessel, *Shangri La*, and began removing fuel and batteries from the *Hula Girl*. The *Hula Girl* remained grounded on the basalt boulder shoreline for over a month and a half while salvage efforts were planned and the pollutants and other supplies were removed. On March 14, 2025, a successful salvage effort to pull the vessel offshore was completed. After removal, the salvage company was able to conduct temporary repairs and tow the *Hula Girl* to undergo dry dock repairs on O‘ahu.

D. Ecological assessments of habitat damage

The Hawaii Department of Land and Natural Resources (“DLNR”) Division of Aquatic Resources (“DAR”) Maui branch conducted a comprehensive assessment in response to the grounding of the *Hula Girl* within Honolua Bay.[11] The initial inspection on February 5, 2025, performed while the vessel was still grounded, was limited due to safety restrictions but confirmed that there was no obvious habitat damage in the immediately accessible areas. It was recognized, however, that an accurate evaluation of direct impacts would require a post-salvage assessment. [12]

Following the successful removal of the vessel on March 14, 2025, a final site survey was undertaken on March 17, 2025, to assess the extent of ecological injury to coral and live rock habitat resulting from both the grounding and salvage operations. [13] The survey team methodically mapped the impact scars, measured affected areas, and identified damaged coral colonies with photographic documentation and detailed measurements.[14]

The incident resulted in measurable damage to a total of 48 square meters of live rock habitat. Of the impacted substrate, the majority was shallow carbonate hard-bottom bedrock with macroalgal cover, and a smaller portion consisted of carbonate hard-bottom bedrock with turf algae. Specifically, the dragging of the vessel during removal created two distinct parallel scars over shallow benthic habitat, accounting for most of the live rock damage.

A total of 36 individual live coral colonies were recorded as damaged, dislodged, or destroyed. These corals represented three common nearshore species: 21 colonies of *Pocillopora meandrina* (“cauliflower coral”), 13 colonies of *Porites lobata* (“lobe coral”), and 2 colonies of *Pavona duerdeni* (“pork chop coral”). The affected colonies showed characteristic morphologies suited to their high-energy environment, with *Pocillopora meandrina* exhibiting robust branching and *Porites lobata* displaying a low crustose form.

Overall, the habitat affected by the incident was classified as having low coral area value, primarily due to its shallow, flat nature, low structural complexity, and coral cover below 20%. The documented injuries provide a clear record of ecological harm to the MLCD's benthic community as a direct consequence of the vessel grounding and subsequent salvage operations.

[11] *See* **Exhibit C** – “Hula Girl Grounding – Damage Assessment – Final Report”, Russell Sparks, April 2, 2025.
[12] This initial site inspection was conducted by Maui DAR Aquatic Biologist Kristy Wong-Stone along with the assistance of Tatiana Martinez (Marine Monitoring Technician) and Cole Peralto (Fisheries Monitoring Coordinator).
[13] This final assessment was conducted by Maui DAR Aquatic Biologists Russell Sparks and Haruko Mauro-Koike, with assistance from Chanel Browne (Maui Makai Watch Coordinator).
[14] *See* Note 11, *supra*.

LEGAL AUTHORITY FOR ENFORCEMENT

A. Statutory and regulatory protection of stony coral and live rock

Under Hawaii Revised Statutes ("HRS") Section 190-3, the DLNR is authorized to adopt rules governing the taking or conservation of live coral and other marine life. Stony coral and live rock are protected by Hawai'i Administrative Rules ("HAR") Title 13, Chapter 95, Sections 70 and 71.

In relevant part, HAR § 13-95-70(a)(1) states that "it is unlawful for any person to take, break, or damage any stony coral." "Stony coral" is defined as "any invertebrate species belonging to the Order Scleractinia, characterized by having a hard, calcareous skeleton, that are native to the Hawaiian islands." HAR § 13-95-1. "Break" means "to hit with, or to apply sufficient force to reduce to smaller pieces or to crack without actually separating into pieces." *Id*. And "damage" means "to scrape, smother, poison, or otherwise cause any physical or physiological harm to the living portion of a stony coral or live rock." *Id*.

Under HAR § 13-95-71(a)(1), "it is [also] unlawful for any person to take, break, or damage any live rock." "Live rock" is defined as "any natural hard substrate to which marine life is visibly attached or affixed." HAR § 13-95-1.

The Maui DAR biologists documented damaged colonies of *Pocillopora meandrina* ("cauliflower coral"), *Porites lobata* ("lobe coral"), and *Pavona duerdeni* ("pork chop coral") during their site inspections. Cauliflower corals, lobe corals, and pork chop corals are "stony corals." Therefore, the coral colonies that were damaged during the *Hula Girl* grounding incident are stony coral species. The Maui DAR biologists also documented damaged hard bottom live rock substrate as a result of the *Hula Girl* grounding incident.

B. Administrative fines authorized for violations of HAR Title 13, Chapter 95

Section 187A-12.5(c), HRS, provides the administrative penalties for violations relating to aquatic resources,[15] including Sections 13-95-70 and 71, HAR, as follows:

> (1) For a first violation, a fine of not more than $1,000;
> (2) For a second violation within five years of a previous violation, a fine of not more than $2,000; and
> (3) For a third or subsequent violation within five years of the last violation, a fine of not more than $3,000.

Section 187A-12.5(e), HRS, also provides that "[i]n addition to subsection (c), a fine of up to $1,000 may be levied for each specimen of all other aquatic life taken, killed, or injured in violation of subtitle 5 of title 12 or any rule adopted thereunder." The definition of "aquatic life" includes coral as well as all the sessile plant and animal species that are attached to live rock. *See* HRS § 187A-1.

[15] Section 187A-12.5(b), HRS, specifically addresses violations involving threatened or endangered species. Subsection (c) covers "all other violations."

Under HAR § 13-95-2(b)(4), for colonial stony corals such as the colonies damaged in the *Hula Girl* grounding event, per-specimen fines may be imposed on the basis of each damaged "head" or "colony" that is less than one square meter in surface area, and for a colony greater than one square meter in surface area, each square meter of colony surface area and any fraction remaining constitutes an additional "specimen."

Under HAR § 13-95-2(b)(5), for live rocks such as the benthic materials damaged in the *Hula Girl* grounding incident, per specimen fines may be imposed on the basis of each individual live rock or, if the violation involves greater than one square meter of bottom area, each square meter of live rock.

Additionally, Section 187A-12.5(a), HRS, authorizes the Board of Land and Natural Resources (the Board") "to recover administrative fees and costs . . . or payment for damages or for the cost to correct damages resulting from a violation of " the statutes and rules pertaining to aquatic resources.

APPLICATION OF LAW AND RECOMMENDED FINE

A. Maximum authorized administrative fines

Section 187A-12.5(c), HRS, authorizes an administrative fine of $1,000 for a first-time stony coral damage violation, as well as an additional $1,000 per coral specimen injured.

The maximum administrative fine for the 36 stony coral colony specimens damaged by the *Hula Girl* grounding incident is therefore $37,000.[16]

Section 187A-12.5(c), HRS, authorizes an administrative fine of $1,000 for a first-time live rock damage violation, as well as an additional $1,000 per live rock specimen injured.

The maximum administrative fine for the 48 square meters of live rock damage resulting from the *Hula Girl* grounding incident is therefore $49,000.[17]

As mentioned in the previous section, HRS §187A-12.5(a) further authorizes the Board to assess and recover administrative fees and costs, including attorneys' fees and payment for damages or for the cost to correct damages resulting from a violation of the stony coral and live rock protection rules.

B. Factors to be considered in assessing fines

[16] The total $37,000 figure is equal to $1,000 for the violation (damaging coral) + $36,000 for 36 damaged coral specimens (at $1000 per specimen). *See* HRS § 187A-12.5(c) and (e).
[17] The total $49,000 figure is equal to $1,000 for the violation (damaging live rock) + $48,000 for 48 meters of damaged live rock (at $1,000 per meter – if smaller than one meter, rounded up to one meter). *See* HRS §187A-12.5(c) and (e).

The Board has broad discretion in assessing administrative fines for a natural resource violation. Some of the factors that the Board may take into consideration include the value of the resource damaged, costs for the State to investigate and process the violation, level of damages to the public for whom the State holds a public trust of the resource involved, extent of the respondent's cooperation, and voluntary actions taken by the respondent to mitigate or avoid damages.[18]

1. *Applicable violations for the instant enforcement action*

Kapalua Kai Sailing, Inc. violated HAR § 13-95-70(a)(1) (damage to stony corals) when its vessel, the *Hula Girl*, broke free of its mooring in Honolua Bay and grounded upon the shoreline, damaging 36 stony coral colonies.

Kapalua Kai Sailing, Inc. violated HAR § 13-95-71(a)(1) (damage to live rock) when its vessel, the *Hula Girl*, broke free of its mooring in Honolua Bay and grounded upon the shoreline, damaging 48 square meters of live rock.

On November 14, 2014, the Board adopted an amended Administrative Sanctions Schedule for DAR to facilitate the standardization of enforcement for violations of aquatic resource laws.[19] This schedule treats damage to coral and live rock as a Category 4 Violation ("Unlawful Extractive Activity") and recommends a $200 fine for each applicable violation. The Board's Administrative Sanctions Schedule is primarily used by DAR in Civil Resource Violation System (CRVS) violations. Although the Board can choose to apply the Administrative Sanctions Schedule's $200 fine per violation in the instant case, DAR recommends using its internal coral and live rock penalty matrices to calculate fines for coral and live rock damage, discussed in more detail in the next section.

2. *Approximate value of resources damaged*

As mentioned above, DAR utilizes a set of stony coral and live rock penalty matrices to standardize coral reef and live rock damage valuation based on the coral or live rock's morphology, size, rarity, benthic structure, benthic species composition, and location within a managed area.[20] These matrices provide a more detailed categorization of stony coral and live rock values compared to the broad description of "Unlawful Extractive Activity" included in the Administrative Sanctions Schedule adopted by the Board on November 14, 2014.[21] Based on these updated matrices, calculation of the value of the damaged resources is as follows:

[18] *See* HAW. ADMIN. R. §13-1-70

[19] https://dlnr.hawaii.gov/wp-content/uploads/2021/08/CRVS-Penalties-Schedule-DAR.pdf
The first Administrative Sanctions Schedule (or "Administrative Penalty Guidelines") was adopted by the BLNR on March 13, 2009. This Schedule did not include coral or live rock penalties.

[20] *See* **Exhibit D** - *Coral and Live Rock Penalty Matrices*. These coral and live rock penalty matrices were created by DAR coral reef biologists with expertise in Hawaiian coral and live rock ecosystems, and the matrices have been used by DAR and the BLNR in previous enforcement actions.

[21] *See* Note 19, *supra*,

Stony Coral within MLCD (each colony constitutes a specimen)

Species	Size (centimeters)	# of Colonies	Value per Colony	Total Value
Pocillopora meandrina, cauliflower coral (common, branching)	10 – 19.9	1	$200	$200
	20 – 39.9	20	$400	$8,000
Porites lobata, lobe coral (common, encrusting)	10 – 19.9	2	$100	$200
	20 – 39.0	5	$200	$1,000
	40 – 79.9	6	$400	$2,400
Pavona duerdeni, pork chop coral (common, branching)	10 – 19.9	0	$200	$0
	20 – 39.0	0	$400	$0
	40 – 79.9	2	$800	$1,600
				$13,400

Based on the calculations set forth above, DAR concludes that the total value of the 36 stony coral colonies damaged by the *Hula Girl* grounding incident is **$13,400.**

Live Rock within MLCD (m^2)

Habitat	Area	Value per m^2	Total Value
Pavement[22]/Macroalgae	45 m^2	$200	$9,000
Pavement[23]/Turf-Cyanobacteria	3 m^2	$40	$120
			$9,120

Based on the calculations set forth above, DAR concludes that the total value of the 48 square meters of live rock damaged by the *Hula Girl* grounding incident is **$9,120**.

Thus, if utilizing DAR's stony coral and live rock penalty matrices, DAR estimates the total value of the resources damaged (including both stony corals and live rock) is **$22,520**. If utilizing the Board's Administrative Sanction Schedule for a Civil Resource Violation, which treats these as Category 4 Violations ("Unlawful Extractive Activity"), the penalty for this stony

[22] In this context, "Pavement" does not mean literal man-made pavement, but flat substrate with low rugosity, such as bedrock or fossilized reefs. "Pavement" is often used in scientific and regulatory contexts, especially with regard to coral reef and benthic habitat classifications. "Pavement" is also a classification in DAR's internal Live Rock Penalty Matrix.
[23] *Id*.

coral and live rock damage is **$17,200**.[24] The maximum allowed statutory penalty for this stony coral and live rock damage is **$86,000**.[25] The abovementioned calculations do not include the cost of the investigation/response.

3. *Costs of the investigation itself*

Civil Service staff members from Maui DAR spent a total of 24 hours conducting surveys, entering data, analyzing data, participating in planning meetings, and preparing the DAR Damage Assessment Report for a total cost of **$1,676.64**. Civil Service staff members from DOCARE spent a total of 41 hours responding to the grounding incident for a total cost of **$1,129.55**. Civil Service staff members from DOBOR spent a total of 50 hours responding to the grounding incident for a total cost of **$3,805.50**. Research Corporation of the University of Hawaii ("RCUH") staff members spent a total of 12 hours conducting surveys, entering data, analyzing data, monitoring, and preparing the Impact Assessment report, for a total cost of **$426.36**. DAR staff on O'ahu spent 16 hours on administrative tasks related to this incident for a total cost of **$890.62**. The total value of this staff time and administrative costs was therefore estimated as **$7,928.67**, as shown in **Table 1**, below.

Table 1. Staff time and costs for the *Hula Girl* grounding incident response

	Unit	Rate	Total
Maui DAR Civil Service Staff	24 hours	$69.86/hour[26]	$1,676.64
DOCARE Civil Service Staff	41 hours	$27.55/hour[27]	$1,129.55
DOBOR Civil Service Staff	50 hours	$76.11/hour	$3,805.50
RCUH Staff	12 hours	$35.53/hour[28]	$426.36
O'ahu DAR Civil Service Staff	16 hours	$55.66	$890.62
TOTAL			**$7,928.67**

Accordingly, the total administrative cost incurred by the Department in investigating and processing this incident was **$7,928.67**.

5. *Respondent's cooperation and voluntary mitigative actions*

[24] *See* Note 19, *supra*. Also note that the Board's Administrative Sanction Schedule does not distinguish between a violation that occurs within a Marine Life Conservation District or outside of one, whereas DAR's stony coral and live rock penalty matrices does.

[25] *See* Notes 16 & 17, *supra*.

[26] This average rate is calculated from:
a) 16 hours of ABIV at $76.80/hr
b) 8 hours of ABIV at $56.00/hr

[27] This average rate is calculated from:
a) 25 hours of DOCARE Officer #1 at $26.67/hr
b) 8 hours of DOCARE Officer #2 at $26.27/hr; and
c) 8 hours of DOCARE Officer #3 at $31.22/hr

[28] This average rate is calculated from:
a) 4 hours of RCUH Tech at $33.60/hr
b) 4 hours of RCUH Fisheries Monitoring Coordinator at $35.00/hr; and
c) 4 hours of RCUH/HCRI Makai Watch Coordinator at $35.00/hr.

Respondent WOOD fully cooperated with DOCARE officers and the DLNR throughout the six-week period during which the *Hula Girl* was grounded. The day after the incident, WOOD arrived at Honolua Bay with a separate vessel and proactively began removing fuel and batteries without USCG assistance. On February 3, 2025, WOOD coordinated with Windward Aviation to airlift additional gear and equipment from the vessel via helicopter. WOOD also explored the possibility of towing the vessel from the bay and pursued a third-party salvage operation. Ultimately, Cates Marine Services, approved by WOOD's insurance company, was engaged to execute the salvage, with the "Daniel FOSS" tugboat and the oil spill response vessel "Kahi" collaborating to tow the vessel from the shoreline to Mala Boat Ramp. Throughout the entire incident, WOOD, through his attorney, maintained regular communication with the DLNR to facilitate the response and removal process.

C. Recommended Fines and Costs

The Board has the authority to settle, when appropriate, and this authority is derived principally from HRS §§ 171-6 and 187A-12.5, and related statutes, which empower the Board to resolve enforcement actions, levy fines, and enter into settlement agreements as part of its broad mandate to manage and protect Hawaii's public lands and natural resources.

Because the *Hula Girl* did not intend to moor within Honolua Bay and was present in the area solely due to inclement weather, along with the vessel owner's high level of cooperation and proactive efforts throughout the entire process, DAR recommends that the Board refrain from pursuing the maximum statutorily allowed fines. Instead, DAR recommends settling the matter with Kapalua Kai Sailing Inc. for the amount of **$30,448.67**. This settlement amount is based on **$22,520** for the value of the resource**,** and **$7,928.67** for administrative costs, as shown in **Table 2**, below.

Table 2. Summary of settlement fines and costs.

Category of Fines and Costs		Amount Recommended
Resource Value		$22,520.00
Administrative Costs		$7,928.67
TOTAL		**$30,448.67**

V. RECOMMENDATIONS

1. That the Board find KAPALUA KAI SAILING, INC. violated HAR §§ 13-95-70 and -71 when its vessel, *Hula Girl,* broke free of its mooring in Honolua Bay and grounded upon the shoreline, damaging 36 coral colonies and 48 square meters of live rock; and

2. That the Board enter into a settlement agreement with KAPALUA KAI SAILING, INC. for **$30,448.67**, which is the sum of $22,520.00 for the value of resources lost and $7,928.67 for administrative costs, to be paid within 60 days of the date of execution of the settlement agreement; and

3. That the Board delegate to the Chairperson or her designee its authority to execute all necessary documents to carry out its recommendations under this submittal; and

4. Other terms and conditions as prescribed by the Chairperson to serve the best interests of the State shall be applicable; and

5. All recommendations above and terms of the settlement or any payment plan shall be subject to review and approval by the Department of the Attorney General.

Respectfully Submitted,

Brian Neilson, Administrator
Division of Aquatic Resources

APPROVED FOR SUBMITTAL:

Dawn N.S. Chang, Chairperson
Department of Land and Natural Resources

EXHIBIT A –

DOCARE INVESTIGATION REPORT

State of Hawaii | Department of Land and Natural Resources | Division of Conservation and Resources Enforcement

Log Number	District	Lead Investigator
MA-25-00263	LAHAINA (MAUI)	VILLALON, CHAWN - VILLC

Date/Time Reported	Location	Incident Type
01/31/2025 0500	HONOLUA & MOKULEIA BAY MLCD	Vessel Grounding

Status	Activity Code
RECORD ONLY	Marine Protected Areas (MPA)

Investigation Report

☐ Fishing ☐ Hunting ☑ Boating ☐ Drug Rel. ☐ Forestry ☐ NOAA ☐ JEA ☐ Land - OCCL ☐ CWRM ☐ Historic ☐ State Parks ☐ KAIC ☐ Other

BASIC

Classification	Source
	PHONE

Location of Incident / Intersecting Street	Island	Branch
HONOLUA BAY	MAUI	MAUI
X-Street:	Date / Time Occurred From: 1/31/2025 0600	Date / Time Occurred to:
Category: MARLCD — MARINE LIFE CONSERVATION DISTRICT	Weather:	

WEAPONS USED:

INVOLVED VEHICLES

Type	Year	Make	Model	Color	License / HA Number	Length	Involvement
BOAT Vessel/Boat	2008			RED	1215955 HI	65	ACCIDENT ACCD

Person/Vehicle Involvement

OPER: MCFADDEN, JACK — OPER 1215955

OWN: WOOD, PETER — OWN 1215955

INVOLVED VESSELS / BOATS

U.S.C.G. Number	Vessel Name	Use	Length	Beam	Weight	Involvement Code
1215955	HULA GIRL	CO	65			ACCD

Propulsion	Engine Type	Number of Engines	Hull Type	Draft Forward	Draft Aft	Registration Number	State
ID	OP	2	FI			1215955	HI

PERSONS

Name (Last, First, Middle)	Juvenile	Sex	Race	Age	Date of Birth
MCFADDEN, JACK	☐	MALE	WHITE	28	[redacted]

Address: [redacted]

Category	Home Phone	Other Phone
DRIVER CODE: DRIV	[redacted]	

Name (Last, First, Middle)	Juvenile	Sex	Race	Age	Date of Birth
WOOD, PETER R	☐	MALE		72	[redacted]

Address: [redacted]

Category	Home Phone	Other Phone
BOAT OWNER CODE: OWNB		[redacted]

Name: HONOLUA & MOKULEIA BAY MLCD

Category	Business Address
BUSN	,

Phone 1	Phone 2	Phone 3

SYNOPSIS

Narrative Created By / Created On	Approved By / On
VILLALON, CHAWN #273 03/30/2025	W. Mundy #25 4.10.2025

On the above mentioned date, time, and location, United States Coast Guard (USCG) reported via phone that a vessel was grounded at Honolua Bay. Checks of the area and scene of the vessel grounding were made. Involved parties were apprised of the facts and circumstances involving the investigation. Records.

For further details, refer to the investigation.

Written By: VILLALON, CHAWN 03/30/2025 #273 — Approved By: W. Mundy #25 — PAGE 1

State of Hawaii | Department of Land and Natural Resources | Division of Conservation and Resources Enforcement

Log Number	District	Lead Investigator
MA-25-00263	LAHAINA (MAUI)	VILLALON, CHAWN - VILLC

Date/Time Reported	Location	Incident Type
01/31/2025 0500	HONOLUA & MOKULEIA BAY MLCD	Vessel Grounding

Status	Activity Code
RECORD ONLY	Marine Protected Areas (MPA)

RESPONDING / INVOLVED UNITS, OFFICERS, AND TIMES

Division	Supervisor	
MAUI	Mundy,Wesley C	MUNDW

Unit Number	Officer / ID (Ofcr 1 / Ofcr 2)	Officer / ID (Ofcr 3 / Ofcr 4)
8-2724	VILLALON, CHAWN VILLC	

Written By: VILLALON, CHAWN 03/30/2025

Approved By:

State of Hawaii | Department of Land and Natural Resources | Division of Conservation and Resources Enforcement

Log Number	District	Lead Investigator
MA-25-00263	LAHAINA (MAUI)	VILLALON, CHAWN - VILLC

Date/Time Reported	Location	Incident Type
01/31/2025 0500	HONOLUA & MOKULEIA BAY MLCD	Vessel Grounding

Status	Activity Code
RECORD ONLY	Marine Protected Areas (MPA)

INVESTIGATION

Narrative Created By / Created On	Approved By / On
VILLALON, CHAWN #223 03/30/2025	W. Munds #25 4-10-2025

ASSIGNMENT:

On 01/31/2025 at 0600 hours, as a uniformed Conservation Resources Enforcement Officer (CREO) with the Department of Land and Natural Resources (DLNR), Division of Conservation and Resources Enforcement (DOCARE) Maui Branch, I was assigned to investigate a call from USCG / Maui Police Department (MPD) involving a grounded vessel type case within the Honolua Bay Marine Life Conservation District.

SCENE:

The scene of the incident was within the Honolua-Mokuleia Bay Marine Life Conservation District on the Northwestern shoreline of Honolua bay.

REPORTING PARTY STATEMENT: **USCG**

At about 0525 hours, I received a report from USCG Command Center in Honolulu, via voicemail, that a vessel was grounded within Honolua Bay.

MPD DISPATCH STATEMENT:

At about 0530 hours, I received a report from MPD, via dispatch, that a vessel was grounded within Honolua Bay. MPD dispatch related that the vessel, "Hula Girl", was a burgundy and white colored catamaran. MPD related the Maui Fire Department (MFD) responded to the vessel being in distress. MPD also related everybody on board the vessel was helped off and the people on board related that they "smelled gas".

USCG CONTACTED / STATEMENT: **Charles TURNER**

At about 0600 hours, Charles TURNER at the USCG Honolulu Command Center was contacted. TURNER related that the operator of said vessel reported breaking off the mooring at about 0200 hours and ran aground on the North Side of the Bay without notice. USCG related the said vessel was a sixty-five (65) foot, catamaran, passenger vessel. They related four (4) persons being on board and were removed from said vessel without any injuries. USCG also related said vessel having about one hundred (100) gallons of fuel, eight (8) batteries, and various oil on board. USCG could not confirm if the vessel was insured and related not being aware of any salvage plan at the moment and was unaware of any damages. USCG was able to provide the owners information, later identified as Peter WOOD and Inca ROBBIN, and provided the vessel certificate of documentation.

See attached Certificate of Documentation.

DOBOR CONTACTED: **Paul SENSANO**

At about 0610 hours, DOBOR Harbor Master Paul SENSANO was contacted and apprised of the facts and circumstances regarding the grounded vessel and investigation.

OWNER CONTACTED / STATEMENT: **Peter WOOD**

At about 0613 hours, the owner of said vessel, Peter WOOD was contacted and apprised of the facts and circumstances regarding the grounded vessel and investigation. WOOD related, that the "Hula Girl" was being Captained by Jack MCFADDEN at the time of grounding. WOOD related the vessel to have approximately one hundred (100) gallons of fuel and six (6) batteries on board. WOOD also related not having a salvage plan at the moment of contact and needed to assess

State of Hawaii | Department of Land and Natural Resources | Division of Conservation and Resources Enforcement

Log Number	District	Lead Investigator
MA-25-00263	LAHAINA (MAUI)	VILLALON, CHAWN - VILLC

Date/Time Reported	Location	Incident Type
01/31/2025 0500	HONOLUA & MOKULEIA BAY MLCD	Vessel Grounding

Status	Activity Code
RECORD ONLY	Marine Protected Areas (MPA)

remove said vessel from the Bay.

ARRIVAL / AREA CHECKS:
At about 0730 hours, I arrived on scene and made checks of the area.

INITIAL OBSERVATIONS:
Upon arrival, using my issued binoculars I observed a large vessel to be aground on the Northwestern shore of Honolua Bay. The vessel was a red and white colored sailing vessel, and I observed its sails to be stowed, and the vessel had been run aground on the rocks. To approach the vessel, I used a trail from the most Northern point of the bay's boundary, that ran down along the coastline of the bay South towards the grounding site. Upon contact with said vessel I observed the vessels starboard hull to be damaged and several pieces of the hull were observed to be washed up on the rocks / shore. I also observed what looked like the Bays mooring ball to be broken off its mooring line and drifting near shore. Upon contact with the vessel, I smelled oil / gas, or what I believed to be fuel. I did not see fuel / oil being discharged from the vessel into the water. I observed loose items on the deck of the vessel including life jackets, flashlights, snorkeling equipment, and miscellaneous clothing. After assessing the vessel and the scene of the grounding I returned back up the trail to apprise the appropriate parties of the facts and circumstances of the investigation.

DAR CONTACTED: **Russell SPARKS**
At about 0800 hours Division of Aquatic Resources (DAR) Maui District Aquatic Biologist Russell SPARKS was contacted via phone and apprised of the facts and circumstances regarding the grounded vessel and investigation. SPARKS related that the area of the grounding was the area with the best coral reef habitat in Honolua Bay and suggested that to be considered when salvage plans are made.

OWNER CONTACTED / STATEMENT No. 2: **Peter WOOD**
On 2/1/2025 at about 1015 hours WOOD was contacted and questioned about next steps regarding a salvage plan and the vessel removal. WOOD related he would be arriving via vessel, "Shangri La" later that morning, and would be removing fuel and batteries from the "Hula Girl". WOOD also relate that he would be assessing damage and feasibility of towing and removing the "Hula Girl" from the Bay. WOOD related after an assessment a third-party salvage option would be considered. WOOD was able to provide Jack MCFADDENS contact information.

HAZMAT REMOVAL:
On 2/1/2025 at about 1145 hours, WOOD arrived at Honolua Bay with crew members via "Shangri La" and began removing fuel and batteries from the "Hula Girl". WOOD the related he apprised Harbor Master Paul SENSANO of the ongoing fuel and battery removal process.

DAR CONTACTED / STATEMENT No. 2: **Russell SPARKS**
On 02/12/2025, at about 1245 hours, SPARKS was contacted via phone and questioned about the facts and circumstances regarding DAR's initial assessment of the grounding. SPARKS related DAR staff were able to assess the nearby shoreline and reef and noted no damage of concern. SPARKS related the vessel being "high and dry" and that tide / waves had moved the vessel higher up on shore. SPARKS related being in contact with the potential salvage company / contractor. SPARKS related the insurance company for the "Hula Girl" had reached out to Cates Marine Services for salvage and assessment. SPARKS related pending further developments and investigation that Hawaii Administrative Rules (HAR) 13-257-3(B) could be pursued civilly. *(Note: Overnight mooring is prohibited except in case of emergency or by enforcement or rescue craft.)*

State of Hawaii | Department of Land and Natural Resources | Division of Conservation and Resources Enforcement

Log Number	District	Lead Investigator
MA-25-00263	LAHAINA (MAUI)	VILLALON, CHAWN - VILLC

Date/Time Reported	Location	Incident Type
01/31/2025 0500	HONOLUA & MOKULEIA BAY MLCD	Vessel Grounding

Status	Activity Code
RECORD ONLY	Marine Protected Areas (MPA)

CAPTAIN / OPERATOR CONTACTED: **Jack MCFADDEN**

On 02/12/2025, at about 1315 hours, Captain Jack MCFADDEN was contacted via phone for a statement regarding the "Hula Girl" grounding. MCFADDEN related filing an incident report with the USCG and would be forwarding that report to DOCARE.

ATTORNEY CONTACTED: **Bryan HO**

On 02/19/2025, at about 1745 hours, Bryan HO was contacted via phone. HO related he is the attorney representing WOOD and would be the point of contact for all statements regarding the Hula Girl grounding. I apprised HO of the facts and circumstances involving my investigation. HO related he would be working with WOOD and MCFADDEN on providing DOCARE an incident report and statement in the upcoming days.

INSURANCE COMPANY APPROVES SALVAGE VENDOR: **Peter WOOD**

On 02/21/2025, at about 1050 hours, WOOD related via text message that Cates Marine Services had been approved by the vessels insurance company to provide salvage services for the Hula Girl. WOOD related the date and time for the vessel removal is pending further assessments by Cates Marine Services.

CAPTAIN STATEMENT: **Bryan HO / Jack MCFADDEN**

On 02/25/2025, at about 0750 hours, HO related via email that he and MCFADDEN had finalized a statement and incident report. HO provided a PDF copy of the statement signed by MCFADDEN via email.

See attached statement.

FOLLOW UP QUESTIONS / ATTORNEY STATEMENT No. 3: **Bryan HO**

On 03/04/2025 at about 1500 hours follow up questions were sent via email to Bryan HO in regards to the statement provided by Jack MCFADDEN. On 03/17/2025 Bryan HO provided information regarding the follow up questions via email.

See attached email transcript from HO.

WINDWARD AVIATION PILOT STATEMENT: **Don SHEARER**

On 02/03/2025 Windward Aviation was hired by Peter WOOD to assist in gear and equipment removal from the "Hula Girl". On 03/04/2025, at about 1400 hours owner and operator of Windward Aviation Don SHEARER was contacted via phone and related the facts and circumstances regarding Windward Aviation's role in the "Hula Girl" salvage plan. SHEARER related flying out the morning of 02/03/2025 and assisted in gear / equipment removal from the "Hula Girl". SHEARER related the operation took one (1) fuel cycle, approximately two (2) hours, to complete and the main objective was to free up the weight of the vessel by removing miscellaneous gear / equipment. SHEARER related hauling out approximately twenty-five (25) sling loads of gear / equipment via helicopter. SHEARER also related that Windward Aviation was contacted by WOOD to assist in the operation.

SALAVGE COMPANY STATEMENT: **Kamaile KAHOEKAPU**

On 03/16/2025 at about 0900 hours, FOSS Marine Tugboat Captain Kamaile KAHOEKAPU related via phone that he was responsible for the removal and towing of the "Hula Girl" from Honolua Bay. KAHOEKAPU related working with Cates Marine Services to salvage / remove the "Hula Girl" on 03/14/2025 at about 1400 hours. KAHOEKAPU related Cates

Written By: VILLALON, CHAWN #273 04/17/2025 Approved By: #25

State of Hawaii | Department of Land and Natural Resources | Division of Conservation and Resources Enforcement

Log Number	District	Lead Investigator
MA-25-00263	LAHAINA (MAUI)	VILLALON, CHAWN - VILLC

Date/Time Reported	Location	Incident Type
01/31/2025 0500	HONOLUA & MOKULEIA BAY MLCD	Vessel Grounding

Status	Activity Code
RECORD ONLY	Marine Protected Areas (MPA)

Marine Services assisted with the salvage using the Oil Spill Response Vessel "Kahi". KAHOEKAPU related towing the "Hula Girl" back to the Mala Boat Ramp offshore mooring area with the "Daniel FOSS" Tugboat. KAHOEKAPU also related not observing any damages or contaminant spills during the salvage and towing process.

DOBOR CONACTED: **Todd TASHIMA**

On 03/26/2025 at approximately 1335 hours DOBOR General Professional Todd TASHIMA was contacted and apprised of the facts and circumstances regarding the investigation. DOBOR was contacted via email to provide guidance and clarification in regarding criminal violations that may have occurred during the vessel grounding. TASHIMA related via email that there were no known violations at this time and that DOBOR considers the incident an emergency and "Hula Girl" did not violate any administrative rules while seeking "Safe Harbor".

Please see attached email transcript from TASHIMA.

DAR FINAL IMPACT ASSESSMENT REPORT: **Russell SPARKS**

On 04/04/2025, at about 1145 hours, DAR Maui District Aquatic Biologist Russell SPARKS related via email DAR's Final Impact Assessment Report for the Hula Girl grounding. The entire grounding and salvage incident resulted in specific documented impacts to approximately forty-eight (48) square meters of live rock nearshore habitat.

Please see attached Final Hula Girl Grounding Impact Assessment Report.

PHOTOS TAKEN: **Refer to Photo Report**

Attached photos taken at the scene depicts my observations during my investigation.

ATTACHMENTS:

The following is attached to this report:

- Hula Girl Vessel Certificate of Documentation (Attachment 1)
- Photo Report (Attachment 2)
- Captain Jack McFadden Statement (Attachment 3)
- Email Transcript of Questions and Information from Bryan HO (Attachment 4)
- Email Transcript from DOBOR / Todd TASHIMA (Attachment 5)
- Final Hula Girl Grounding Impact Assessment Report from DAR / Russell SPARKS (Attachment 6)

INVESTIGATION / FINDINGS:

Through investigation, on 01/30/2025 at approximately 1015 hours, the anchor of "Hula Girl" failed under tension and could not hold a fixed position when the vessel was anchored in waters off east Lanai. It was at this time that the starboard motor had failed to start. WOOD and MCFADDEN were advised by ROBBIN that conditions in Honolua Bay were calm. WOOD and MCFADDEN decided it was best to make way to Honolua Bay and tie bow and stern lines to the moorings in the Bay instead of the mooring at Mala Boat Ramp. On 01/30/2025 the crew, who are not required to have maritime credentials to perform their duties, secured "Hula Girl" with separate moorings at the bow and stern at approximately 1800 hours. On 01/31/2025 at approximately 0145 hours large waves broke on the "Hula Girl" and parted the bow mooring tackle line.

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Log Number	District	Lead Investigator
MA-25-00263	LAHAINA (MAUI)	VILLALON, CHAWN - VILLC

Date/Time Reported	Location	Incident Type
01/31/2025 0500	HONOLUA & MOKULEIA BAY MLCD	Vessel Grounding

Status	Activity Code
RECORD RECORD ONLY	Marine Protected Areas (MPA)

Inclement weather disabled "Hula Girl" and the vessels ability to steer and at approximately 0220 hours "Hula Girl" ran aground in Honolua Bay. The crew was able to evacuate the "Hula Girl" without injury and assistance. On 2/1/2025 at about 1145 hours, WOOD arrived at Honolua Bay with crew members via "Shangri La" and began removing HAZMAT from the "Hula Girl". On 02/03/2025 Windward Aviation assisted in gear / equipment removal from the "Hula Girl" via helicopter. On 03/14/2025 at about 1400 hours, FOSS Marine Tugboat Captain KAHOEKAPU removed the "Hula Girl" with the "Daniel FOSS" tugboat from Honolua Bay with assitance from Cates Marine Services' Oil Spill Response Vessel "Kahi". "Hula Girl"was towed to its off shore mooring at Mala Boat Ramp. No further damages to the vessel or contaminant spills were noted. DAR Final Impact Assessment Report found damages to approximately forty-eight (48) square meters of live rock nearshore habitat.

DISPOSITION:
Records.

Written By: VILLALON, CHAWN #273
04/17/2025

Approved By: W. Mundy #25

PAGE 7

Vessel COD Information			
Vessel Name	HULA GIRL	Official Number	1215955
Service	Passenger (Inspected)	IMO Number	
Hull Material	FRP (Fiberglass)	HIN	WM2Y6501E607
Self Propelled	Yes	Hull Number	
Hailing Port City	LAHAINA	Hailing Port State	HI
Out of Service	No	Out of Service Reason	

Managing Owner			
Party Name	SAILING MAUI INC		
SSN/Tax Id	XX-XXX5254	Organization Type	Corporation
Street	5095 NAPILIHAU ST, PMB 307, STE 109B		
City	Lahaina	State	HI
Province		Country	US
ZIP/Postal Code	96761		
Phone		Email Address	

Issuance/Expiration Information			
Issue Date	29JAN2025	Expiration Date	28FEB2026

Entitlements		
Category	Description	Date

Endorsements		
Category	Description	Date
Coastwise		25SEP2008

Restrictions		
Date	Restriction	Reason

Remarks
NONE

Built For	
Name	SAILING MAUI INC
Name	

Builder	
Built By	WESTERLY MARINE, INC. / Builder

Hull Build Information			
City	SANTA ANA	State	CA
Province		Country	US

Completion Location			
City		State	
Province		Country	
Year Completed	2008	Inconclusive	No
Builder Certificate Date	11AUG2008		

Title Assigned To	
Name	
Name	

Tonnage And Dimensions

Attachment 2 Report No. MA-25-00263

State of Hawaii | Department of Land and Natural Resources | Division of Conservation and Resources Enforcement

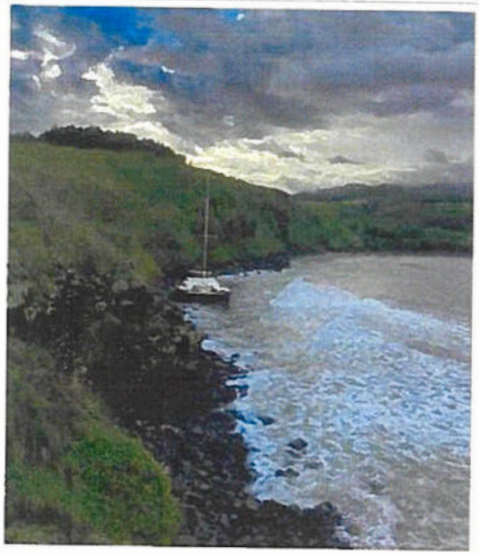
INVESTIGATION #	DISTRICT	LEAD INVESTIGATOR	KEY REPORT
MA-25-00263	LAHAINA	CHAWN VILLALON #273	[X] Yes [ ] No
DATE / TIME REPORTED	**LOCATION**	**CLASSIFICATION**	**CONNECTING REPORT(S)**
01/31/2025 07:30:00 AM	HONOLUA-MOKULEIA BAY MLCD	VESSEL GROUNDING	

Report Description: VESSEL GROUNDING
Date(s) Taken: 01-31-2025, 02-01-2025, 3-11-2025, 3-16-2025
Taken By: CHAWN VILLALON #273
Scene: HONOLUA BAY MLCD

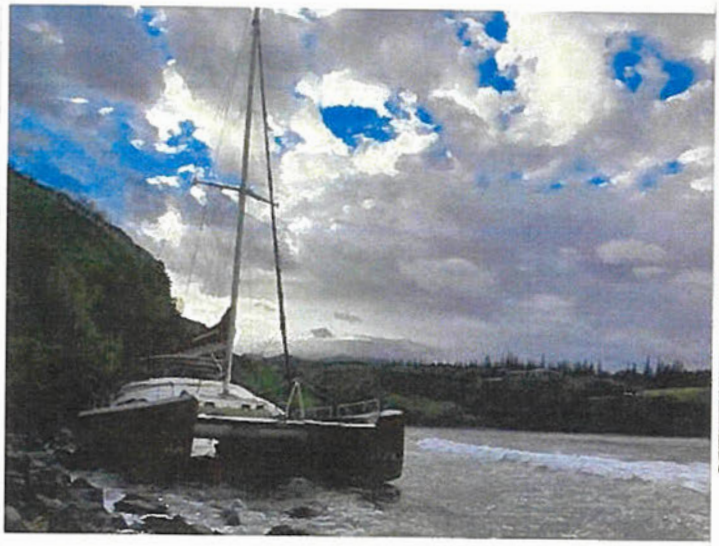
Equipment: Issued IPhone
Weather Conditions: Clear
Lighting: Natural
Focus: Automatic

1 Photo depicts view of said vessel from the Southern point of Honolua Bay.

2 Photo depicts view of said vessel from the Northern point of Honolua Bay.



3 Photo depicts said vessel grounded on shore.



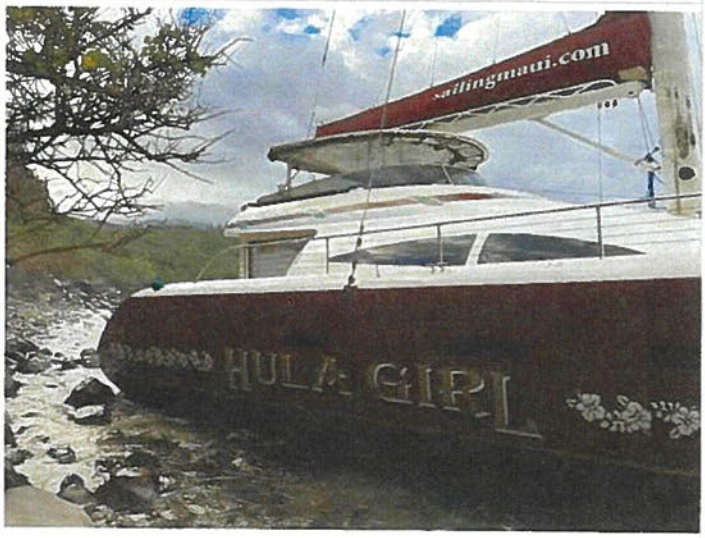
4 Photo depicts damage to said vessels Starboard Hull.

State of Hawaii | Department of Land and Natural Resources | Division of Conservation and Resources Enforcement

INVESTIGATION #	DISTRICT	LEAD INVESTIGATOR	KEY REPORT
MA-25-00263	LAHAINA	CHAWN VILLALON #203	[X] Yes [ ] No
DATE / TIME REPORTED	**LOCATION**	**CLASSIFICATION**	**CONNECTING REPORT(S)**
01/31/2025 07:30:00 AM	HONOLUA-MOKULEIA BAY MLCD	VESSEL GROUNDING	

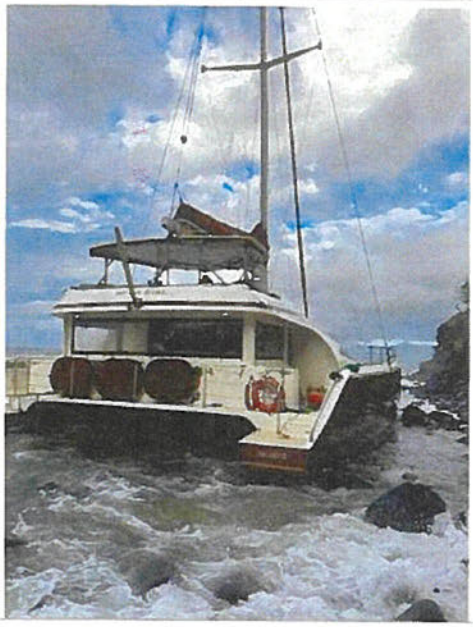
5 Photo depicts damage to said vessels Starboard Hull.

6 Photo depicts Starboard Hull of said vessel.



7 Photo Depicts damage to said vessels Starboard Hull.

8 Photo depicts the view of the Stern / Starboard Hull of said vessel.



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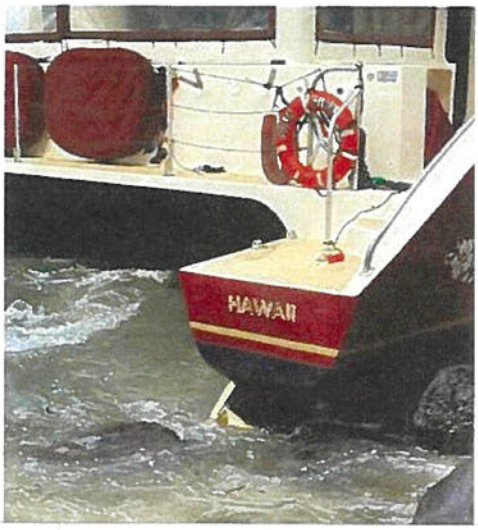
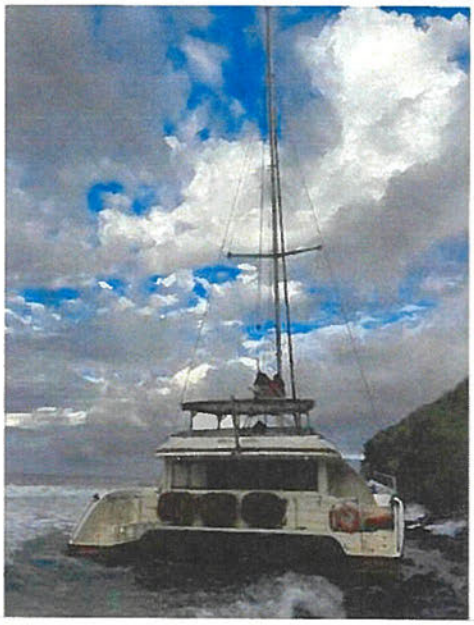
INVESTIGATION #	DISTRICT	LEAD INVESTIGATOR	KEY REPORT
MA-25-00263	LAHAINA	CHAWN VILLALON #272	[X] Yes [ ] No
DATE / TIME REPORTED	**LOCATION**	**CLASSIFICATION**	**CONNECTING REPORT(S)**
01/31/2025 07:30:00 AM	HONOLUA-MOKULEIA BAY MLCD	VESSEL GROUNDING	

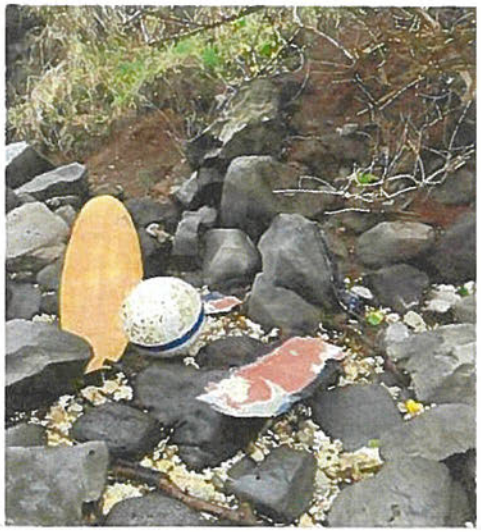
9 Photo depicts view of Starboard Hull / Stern Quarter of said vessel.



10 Photo depicts view of the Stern of said vessel.



11 Photo depicts debris on shore including Honolua Bay mooring ball and parts of said vessels Starboard Hull.

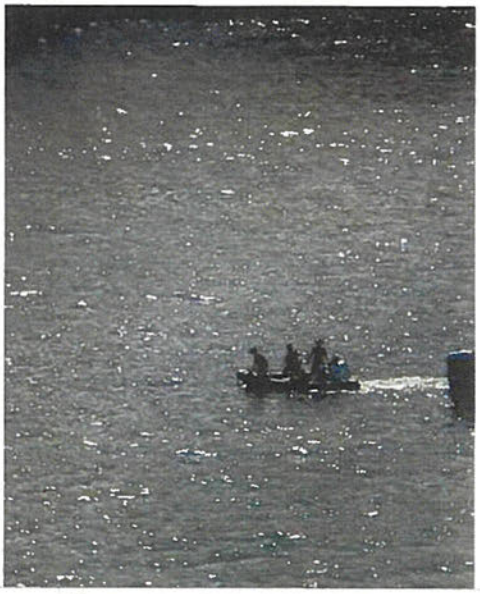


12 Photo taken 02/01/2025, depicts Shangri-La arriving with crew to defuel and assess said grounded vessel.

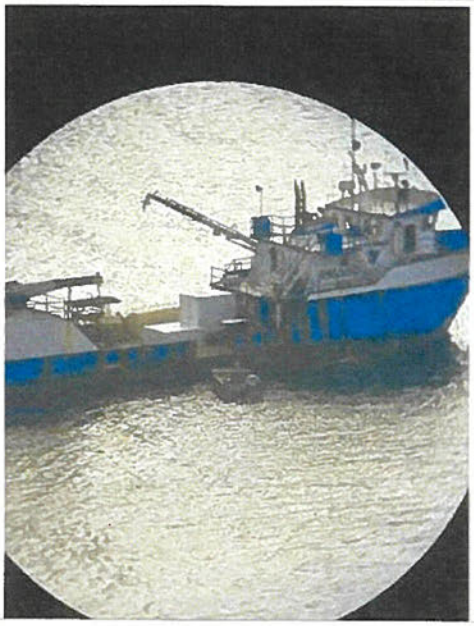
State of Hawaii | Department of Land and Natural Resources | Division of Conservation and Resources Enforcement

INVESTIGATION #	DISTRICT	LEAD INVESTIGATOR	KEY REPORT
MA-25-00263	LAHAINA	CHAWN VILLALON #273	[X] Yes [ ] No
DATE / TIME REPORTED	**LOCATION**	**CLASSIFICATION**	**CONNECTING REPORT(S)**
01/31/2025 07:30:00 AM	HONOLUA BAY MLCD	VESSEL GROUNDING	

13 Photo taken 02/01/2025, depicts Shangri-La crew making way to said grounded vessel.



14 Photo taken 03/11/2025, depicts Cate Marine Services salvage vessel "Kahi" assisting in "Hula Girl" recovery.



15 Photo taken 03/14/2025 depicts "Hula Girl" being towed by" Daniel FOSS" tugboat

16 Photo taken 03/16/2025, depicts "Hula Girl" moored at Mala Boat Ramp offshore mooring area.

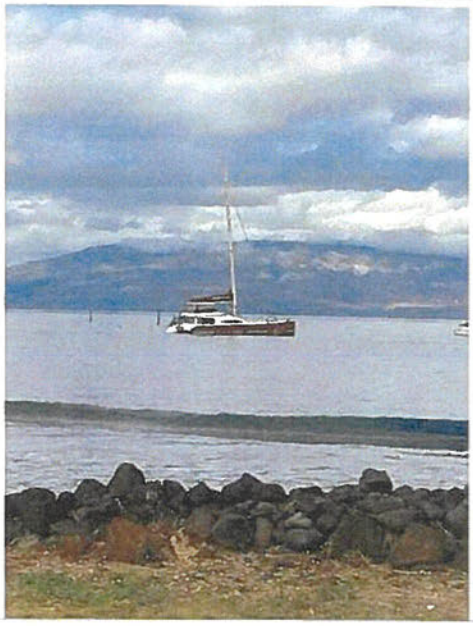


EXHIBIT B –

JACK MCFADDEN STATEMENT

JACK McFADDEN STATEMENT

I am a U.S. Coast Guard licensed Master and was the operator in charge of the commercial passenger catamaran, HULA GIRL, O.N. 1215955, on January 31, 2025, when she stranded on the shoreline in Honolua Bay.

In preparation for a severe Kona storm forecasted for Maui between January 30 through February 2, 2025, Peter Wood (Peter) and Inca Robbin (Inca), owners of HULA GIRL and SHANGRI LA, O.N. 1095431, decided to relocate their boats from moorings offshore of Mala boat ramp to a safe anchorage in sheltered waters off the east coast of Lanai. I was in command of HULA GIRL with two crew. Peter was Master of SHANGRI LA with one crewman.

January 29, 2025

We departed HULA GIRL's mooring at Mala around 4:00 p.m., January 29, 2025. All systems on the vessel were fully operational. I had no concerns regarding my vessel's seaworthiness and/or fitness for the voyage. Upon arrival at the planned anchorage at 1745 hours, I set the anchor, engaged the anchor alarm, and advised the crew of the watch schedule. The anchor and vessel's position was checked hourly. At 9:00 p.m., under partly cloudy skies, seas were under 2' and winds light out of the southwest.

January 30, 2025

At approximately 1:00 a.m., January 30, 2025, the wind speed increased to 10-12 knots, gradually increasing to 40 knots around 8:00 a.m.. Wave heights also increased to 2'-4'. Despite the worsening conditions, HULA GIRL's anchor held her position. At approximately 10:15 a.m., I noted the anchor chain seemed to "pop" under the tension of holding HULA GIRL's position. The anchor alarm sounding and bearings taken from landmarks confirmed the anchor was no longer holding HULA GIRL in a fixed position. The crew went to retrieve the anchor while I started the port and starboard engines. The port engine fired up normally, but the starboard engine room filled with smoke because the starter motor failed. After retrieving approximately one-third of the total chain originally deployed, the crew discovered a chain link failed resulting in the loss our anchor.

Based on information provided by Peter, I understand he asked Inca to drive to Honolua Bay and assess current conditions at the moorings available there. Based on Inca's photos and verbal report, Peter and I confirmed conditions were calm. Light winds, flat seas, and clear water. Peter and I decided, given the favorable conditions at Honolua Bay versus HULA GIRL's mooring at the Mala Boat Ramp, it was best to go to Honolua Bay and tie bow and stern lines on to two separate moorings. HULA GIRL transited from Lanai to Honolua Bay under sail power. En route to Honolua, I attempted to start the starboard engine. With the port engine running, I removed that starter motor, installed it on the starboard engine, and tried to start it, but was not able to get it running.

Prior to securing HULA GIRL to the moorings, A third crewman, Sergo Nunez, paddled from shore via surfboard to help secure the vessel at approximately 2:45 p.m.. The crew successfully secured HULA GIRL to separate moorings with a line on the bow and a second tied on the stern by approximately 6:00 p.m.. At that time, conditions inside the bay at the moorings were calm. Winds were light and variable. There was a small ocean swell, but it was not cause for concern. Shortly after all lines and the port engine was secured, I reinstalled the starter motor on the port engine.

At approximately, 8:30 p.m. HULA GIRL was stuck by water spout that was at least 40' in diameter the force of the impact rocked the vessel and caused the stern line to part, completely severing our connection to that mooring anchor. With HULA GIRL swinging on just the bow mooring line, I started the port engine and discovered the force of impact by the water spout had disabled the vessel's steering. I called Peter, Inca and reported these recent developments. I understand Peter called the U.S. Coast Guard, but was told they did not have any assets available to provide assistance. I used the port engine to keep the bow into the swell. With Peter's assistance, I attempted to restore steering between 9:30 p.m. and 10:30 p.m., but was not successful. Through 11:59 p.m. winds at the mooring remained light and variable. The swell had increased starting around 9:00 p.m.. The bow line was securely fastened and seemed to be holding. The crew regularly inspected the line for chafing.

January 31, 2025

At approximately 1:45 a.m., January 31, 2025, several sets of large waves broke on HULA GIRL's bows. The second set parted the bow mooring lines, setting the vessel adrift with only one engine and no steering. A strong south wind pushed HULA GIRL toward the north side of the bay. I tried maneuver HULA GIRL toward the center of the bay, but the force of the wind and surf in that area was to strong. HULA GIRL stranded at approximately 2:20 a.m.. The crew was safely off the boat and on shore by 2:25 a.m..

Jack McFadden
Date: February 19, 2025

EXHIBIT C –

HULA GIRL GROUNDING – DAMAGE ASSESSMENT FINAL REPORT

Hula Girl Grounding
Honolua Bay MLCD, Maui
Damage Assessment

Field Investigation Report
Initial Field Assessment 2/5/2025
Final Assessment 3/17/2025
Final Report Completed 4/02/2025

Report By: Russell Sparks
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The Vessel "Hula Girl" shown grounded on the rocky shoreline within the Honolua Bay Marine Life Conservation District (MLCD).


Examples of damage to live rock habitat and corals from the salvage operation.

Overview

On Friday, January 31, 2025, the Maui Division of Aquatic Resources (DAR) received a report regarding a 65' catamaran name Hula Girl, which had run aground on the shallow rocky boulder shoreline of the northern portion of the Honolua/Mokuleia Bay Marine Life Conservation District (MLCD). Based on initial reports, the vessel was tied up on a Day-Use Mooring within Honolua Bay seeking a safe location away from rough seas and strong winds. Although the grounding resulted in very minimal damage to the shallow reefs within the bay, the subsequent salvage operation did result in some damage to important hardbottom habitat within this MLCD. This report will document and discuss the findings of the initial grounding impact assessment conducted on 2/5/2025 and the final assessment conducted after the successful removal of the vessel, on 3/17/2025.

Case History

The initial site inspection was conducted on February 5, 2025. At that time, the Hula Girl was still grounded on the rocky boulder coastline within the MLCD, and the inspection focused on documenting and measuring any damage that occurred during the grounding incident. This assessment was conducted by the Maui DAR Aquatic Biologist Kristy Wong-Stone along with the assistance of Tatiana Martinez (Marine Monitoring Technician) and Cole Peralto (Fisheries Monitoring Coordinator). The location and condition of the vessel was noted but for safety reasons, staff were not able to survey directly next to the vessel. A careful survey, however, was conducted in the shallow reef

area just offshore of the grounding. No signs of damaged habitat were found with this assessment. Although there was likely some damage right around the vessel, we left the assessment of those impacts to our final survey after the vessel was removed.

A successful salvage effort to pull the vessel offshore was completed on March 14, 2025. After removal, the salvage company was able to conduct temporary repairs and tow the vessel to undergo dry dock repairs on Oahu.

The final assessment was conducted on March 17, 2025, which was three days after the removal of the vessel. This assessment focused on the impact to hard bottom habitat where the vessel was grounded and along the scars created when the Hula Girl was pulled back out into deeper water. This assessment was conducted by Maui DAR District Aquatic Biologists Russell Sparks, along with assistance from Haruko Mauro-Koike (Maui Aquatic Biologist) and Chanel Browne (Maui Makai Watch Coordinator). This assessment did find and document damage to living corals and live rock. All significant damage was documented with detailed photographs taken along with descriptive notes regarding the amount of live rock impacted, and the number and size of live coral species impacted.

Coral and Habitat Damage Assessment

Measurements of Damaged Area

All impacted areas were initially identified by the survey team and then marked and measured by laying down plastic 50-meter-long measuring tapes from the start to the end of the impact scars where they could be clearly identified with evidence of damage to the substrate. The entire area was then drawn out showing the location where the vessel grounded and the location and size of the impact scars from the salvage (Figure 1). To further assess specific damages within these areas, divers swam along the impact scars and identified all coral colonies to species level, measuring colony size, and photographing the evidence. A 50 cm archaeological black and white pole was used to measure coral colony size and to serve as a consistent scale in the photographs.

The initial grounding incident resulted in no signs of hard substrate damage other than the impacts directly next to and/or directly under the vessel where it remained grounded on the boulder shoreline.

The Hula Girl remained grounded on the basalt boulder shoreline for over a month and a half while salvage efforts were planned, and the pollutants and other supplies were removed. The area where the vessel remained stranded was intertidal and composed mostly of basalt boulders. There was a slightly deeper section of water between the vessel and a very shallow offshore carbonate pavement area. When the vessel was pivoted around and towed out, there was some damage to habitat in this deeper area next to the vessel. This area of impact, which included the grounding site and the area where the vessel was pivoted around during the salvage, measured out to 13 meters x 14 meters for a total area of 182 square meters. The damage within this area, however, was very

patchy and mostly limited to scraps on basalt boulders and some smashed carbonate hard bottom. In this area, we documented specific impacted areas, and these measured out to a total of 3 square meters of damage to carbonate hard bottom with turf algae on it. We also documented a total of five dislodged or otherwise damaged live coral colonies (4 - *Porities lobata* and 1 - *Pocillopora meandrina*) (Figures 2 – 4).

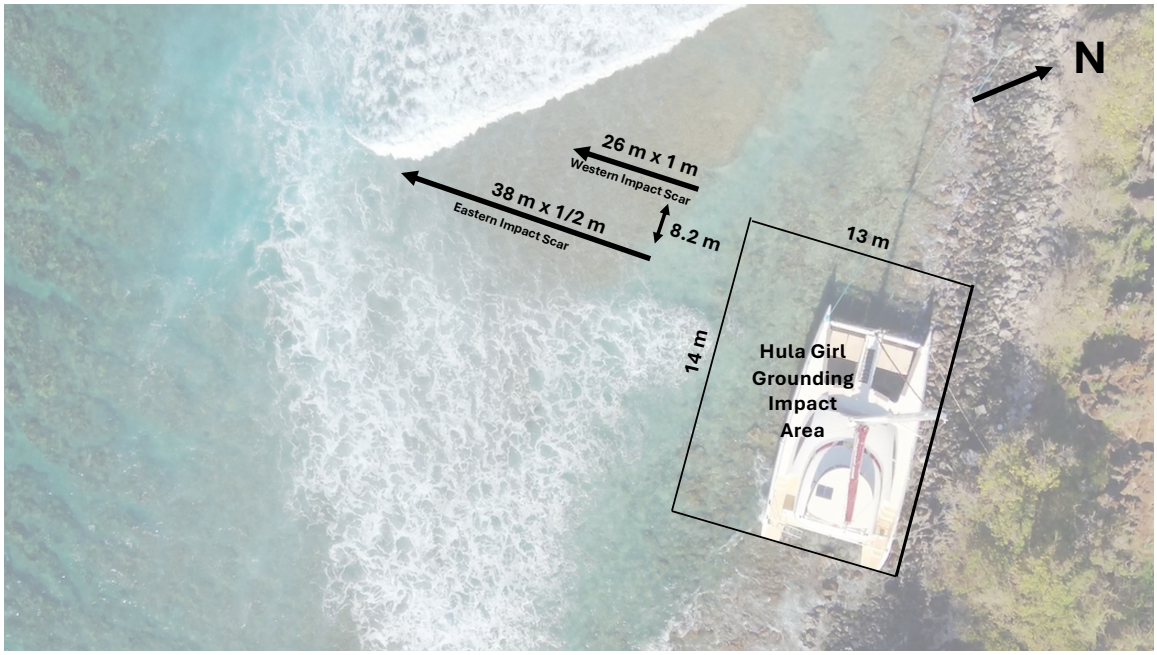

Figure 1: Detailed map of the impacted area. The map shows the Initial Grounding impact area, and the two salvage scars.

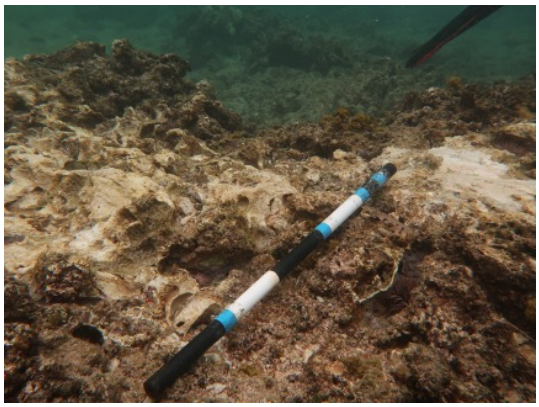

Figure 2: Damaged calcified pavement with turf algae habitat in the deeper water Next to the grounding site.

Figure 3: Scraped boulder habitat where the the Hula Girl was grounded.

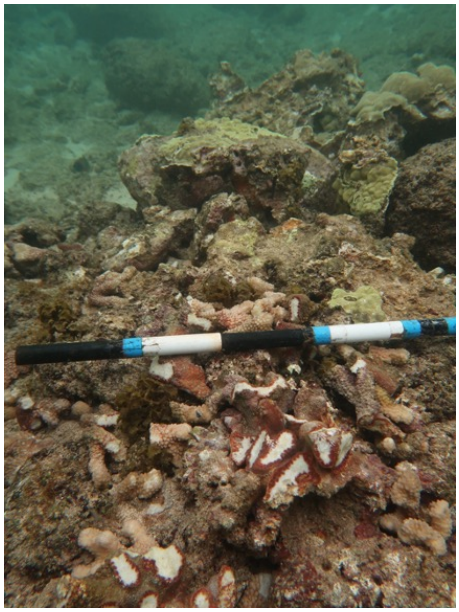

Figure 4: Damaged *P. lobata* and *P. meandrina* in the deeper water Immediately next to the grounding site.

The final removal of the Hula Girl occurred on Friday, March 14, 2025. This salvage operation pulled the vessel out over a section of very shallow carbonate pavement habitat covered with macro algae (composed mostly of the brown algae *Turbinaria ornate*). The two hulls of the vessel were dragged over this very shallow habitat resulting in two parallel impact scars that were very distinct and separated by 8.2 meters. The scar on the eastern side was 38 meters long by approximately ½ meter wide (19 square meters) and the western side scar measured out at 26 meters long by approximately 1 meter wide (26 square meters) (Figure 5). In addition to the damage to live rock, there were some live corals damaged or dislodged from this habitat as well. We located and documented a total of 31 impacted coral colonies damaged in and/or around these two impact scars (20 - *Pocillopora meandrina*, 9 – *Porities lobata*, and 2 - *Pavona duerdeni*) (Figure 6).

Figure 5: A section of the eastern salvage scar on the flat pavement habitat covered with macro algae (*T. ornate*).

Figure 6: An example of a damaged coral colony (*P. Meandrina*).

Summary

The entire grounding and salvage incident resulted in specific documented impacts to 48 square meters of live rock nearshore habitat. Of that total impacted area, the two salvage scars were focused on shallow pavement with macro algae growth (45 square meters). The additional 3 square meters of documented carbonate hard bottom was mostly covered with turf algae. We also documented and photographed a total of 36 damaged, dislodged or smashed coral colonies. The corals impacted were composed of three common species found in shallow high wave energy environments and consisted of 21 colonies of *Pocillopora meandrina* (cauliflower coral), 13 colonies of *Porites lobata* (lobe coral) and 2 colonies of *Pavona duerdeni* (pork chop coral). The overall area impacted by this event was categorized as having a low coral area value given that it was shallow and flat with low rugosity and with a total coral cover below 20%. All 13 colonies of *Porities lobata* were growing in a low crustose morphology and the damaged *Pocillopora meandrina* colonies were all composed of the typical robust branching morphology found with this species. A complete list of all damaged corals and live rock can be found in Table 1.

In addition to the damage that occurred to live rock substrate and living corals within the MLCD, there were unidentified social and economic impacts to the public and local businesses that we do not attempt to quantify (ie. cultural impacts, loss of use of the area, etc.). This report is not intended to assign a specific monetary value to the ecosystem damage or other social or economic impacts that resulted from this incident, but rather to serve as a complete documentation and accounting of the damages sustained to the habitat and associated benthic marine resources that can be directly attributed to the grounding and subsequent salvage operations of the vessel “Hula Girl”.

Table 1: Impacts documented to Live Rock and Living Coral Colonies with estimated sizes of the corals and/or damaged live rock and the reference picture number.
(Pm = *Pocillopora meandrina*, Pl = *Porites lobata*, Pav D = *Pavona duerdeni*)

East scar: 38 meters by ½ meter

Picture Number	Species	Size
9694	Live rock	1mx1m (Included in eastern impact scar damage)
9695	Pm	30 cm
9696	Pm (small chips on coral)	30 cm
9697	Pm	20 cm
9698	Pl	20 cm
9699	Pl	30 cm
9700	Pl	10 cm
9701	Pl	40 cm
9702	Pl	20 cm
9703	Pm	20 cm
9704	Pm	20 cm
9705	Pm	20 cm
9706	Pl	50 cm
9707	Pm	20 cm
9708	Pm	30 cm
9709	Pm	20 cm
9710	Pl	10 cm
9711	Pav D	40 cm
9712	Pm	30 cm

9713	(2) Pm	30 cm each
9714	Pav D	50 cm
9715	Coral debris	1m x 1m
9716	Pm	30 cm
9717	Pm	30 cm
9718	Pl	30 cm
9719	Pm	30 cm
9720	Pm	30 cm
9721	Pm	30 cm

West scar: 26 meters by 1 meter

Picture Number	Species	Size
9723	Pm	20 cm
9724	Pl	20 cm
9725	Pm	20 cm
9726	Pm	10 cm

Vessel Grounding Site: approximately 13 meters by 14 meteres

Picture Number	Species	Size
9727	Live rock	1.5m x 2m
9730	Pl	50 cm
9731	(3) Pl	50 cm each
9732	Pm	30 cm

EXHIBIT D –

CORAL AND LIVE ROCK PENALTY MATRICES

CORAL PENALTY MATRIX

	Encrusting	Solitary	Branching	Digiform	Plate-Like	Massive
0 – 5 cm	$10	$20	$25	$25	$25	$20
5 – 10 cm	$20	$40	$50	$50	$50	$40
10 – 20 cm	$50	$100	$100	$100	$100	$100
20 – 40 cm	$100	$200	$200	$200	$200	$200
40 – 80 cm	$200	n/a	$400	$400	$500	$500
80 – 160 cm	$500	n/a	$800	$800	$1000	$1000
+ 160 cm	$750	n/a	$1000	$1000	$1000	$1000

FMA CORAL PENALTY MATRIX

	Encrusting	Solitary	Branching	Digiform	Plate-Like	Massive
0 – 5 cm	$15	$30	$35	$35	$35	$30
5 – 10 cm	$30	$60	$75	$75	$75	$60
10 – 20 cm	$75	$150	$150	$150	$150	$150
20 – 40 cm	$150	$300	$300	$300	$300	$300
40 – 80 cm	$300	n/a	$600	$600	$750	$750
80 – 160 cm	$750	n/a	$1000	$1000	$1000	$1000
+ 160 cm	$1000	n/a	$1000	$1000	$1000	$1000

RARE CORAL PENALTY MATRIX

	Encrusting	Solitary	Branching	Digiform	Plate-Like	Massive
0 – 5 cm	$20	$40	$50	$50	$50	$40
5 – 10 cm	$40	$80	$100	$100	$100	$80
10 – 20 cm	$100	$200	$200	$200	$200	$200
20 – 40 cm	$200	$400	$400	$400	$400	$400
40 – 80 cm	$400	n/a	$800	$800	$1000	$1000
80 – 160 cm	$1000	n/a	$1000	$1000	$1000	$1000
+ 160 cm	$1000	n/a	$1000	$1000	$1000	$1000

MLCD CORAL PENALTY MATRIX

	Encrusting	Solitary	Branching	Digiform	Plate-Like	Massive
0 – 5 cm	$20	$40	$50	$50	$50	$40
5 – 10 cm	$40	$80	$100	$100	$100	$80
10 – 20 cm	$100	$200	$200	$200	$200	$200
20 – 40 cm	$200	$400	$400	$400	$400	$400
40 – 80 cm	$400	n/a	$800	$800	$1000	$1000
80 – 160 cm	$1000	n/a	$1000	$1000	$1000	$1000
+ 160 cm	$1000	n/a	$1000	$1000	$1000	$1000

LIVE ROCK PENALTY MATRIX (m^2)

	Rubble	Pavement	Reef	Basalt	High Rugosity	
Turf / Cyanobacteria	$10	$20	$40	$20	$40	
Macroalgae	$20	$100	$200	$100	$200	
CCA - Encrusting	$200	$400	$600	$400	$600	
CCA - Rugose	$400	$800	$1000	$800	$1000	
Sponge, Bryozoan, Other Sessile	$100	$150	$300	$150	$300	
Soft Coral / Zoanthid	$80	$200	$400	$200	$400	
High Biodiversity	$200	$400	$600	$400	$600	

FMA LIVE ROCK PENALTY MATRIX (m^2)

	Rubble	Pavement	Reef	Basalt	High Rugosity	
Turf / Cyanobacteria	$15	$30	$60	$30	$60	
Macroalgae	$30	$150	$300	$150	$300	
CCA - Encrusting	$300	$600	$800	$600	$900	
CCA - Rugose	$600	$1000	$1000	$1000	$1000	
Sponge, Bryozoan, Other Sessile	$150	$225	$450	$225	$450	
Soft Coral / Zoanthid	$120	$300	$600	$300	$600	
High Biodiversity	$300	$600	$800	$600	$900	

MLCD LIVE ROCK PENALTY MATRIX (m^2)

	Rubble	Pavement	Reef	Basalt	High Rugosity	
Turf / Cyanobacteria	$20	$40	$80	$40	$80	
Macroalgae	$40	$200	$400	$200	$400	
CCA - Encrusting	$400	$800	$1000	$800	$1000	
CCA - Rugose	$800	$1000	$1000	$1000	$1000	
Sponge, Bryozoan, Other Sessile	$200	$300	$600	$300	$600	
Soft Coral / Zoanthid	$160	$400	$800	$400	$800	
High Biodiversity	$400	$800	$1000	$800	$1000	