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September 11, 2025

DAWN N.S. CHANG
Chairperson
Board of Land & Natural Resources
State of Hawaii
1151 Punchbowl Street, Room 130
Honolulu, Hawaii 96813

VIA E-MAIL @ blnr.testimony@hawaii.gov

Re: ***BLNR Hearing Date***: September 12, 2025
Time: 9:00 a.m.
BLNR Agenda Item: DAR - F.1.
Our File No. 2501.0494

Chairperson Chang and Members of the Board,

I represent Kapalua Kai Sailing, Inc. ("KKSI"), in connection with the September 12, 2025 petition for administrative enforcement action (AEA), submitted by DLNR, Division of Aquatic Resources ("DAR"), seeking compensation for natural resource damage arising out of the January 31, 2025 grounding of the HULA GIRL, O.N. 1215955, in the Honolua-Mokule'ia Bay Marine Life Conservation District ("MLCD").

After a careful and thorough ecological assessment of habitat damage incurred, as well as, a detailed investigation of the facts and circumstances that resulted in the stranding of HULA GIRL, DAR determined the appropriate assessment that fairly compensates the State of Hawaii for environmental damage ($22,520) and administrative/investigative expenses ($7,928.67) is $30,448.67, which subject to Board approval, KKSI has agreed to pay.

For the reasons outlined below, the joint settlement proposed by DAR and KKSI is a fair, reasonable and appropriate resolution of this AEA considering the facts and circumstances applicable to this unfortunate incident and KKSI's post casualty efforts to eliminate all pollution threats, mitigate harm to the environment, and safely remove its Vessel from the MLCD.

Pre-Casualty Events. 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 commercial passenger catamarans, HULA GIRL and SHANGRI LA, O.N. 1095431, per their normal routine/procedure, relocated their boats from moorings offshore of Mala boat

ramp to a safe anchorage in sheltered waters off the east coast of Lanai. Jack McFadden ("Capt. McFadden") was in command of HULA GIRL with two crew. Peter was Master of SHANGRI LA with one crewman. Both men are U.S. Coast Guard credentialed Mariners. The vessels departed Mala simultaneously on January 29, 2025 at 1600. All systems and machinery on HULA GIRL were fully operational. They arrived at the planned anchorage at 1745, the anchor was set, Capt. McFadden engaged the anchor alarm, and advised the crew of the watch schedule. The anchor and vessel's position was checked hourly by the person on watch. At 2100, under partly cloudy skies, seas were under 2' and winds light out of the southwest.

At 0100, January 30, 2025, the wind speed increased to 10-12 knots, then 40 knots at 0800. Wave heights also increased to 2'-4'. Despite the worsening conditions, HULA GIRL's anchor held her position. At 1015, Capt. McFadden noted the anchor chain "popped" 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 retrieved the anchor while Capt. McFadden started the engines. The port engine fired up normally, but the starboard engine room filled with smoke because the starter motor failed. While retrieving the anchor chain, the crew discovered a link had failed resulting in the loss of HULA GIRL's anchor and two-thirds of the total chain deployed.

Without an anchor, HULA GIRL could no longer remain in the lee of Lana'i and was forced to seek refuge at another location with installed moorings. Peter asked Inca to drive to Honolua Bay and assess conditions at the moorings there. Based on Inca's photos and verbal report, Peter and Capt. McFadden were able to confirm conditions were calm. Light winds, flat seas, and clear water. They jointly decided, given the favorable conditions at Honolua Bay versus HULA GIRL's single point mooring offshore Mala Boat Ramp, it was best to go to Honolua Bay and tie bow and stern lines on two separate moorings for redundant safety and added strength. HULA GIRL transited from Lanai to Honolua Bay under sail power. En route to Honolua, Capt. McFadden tried, but was not able to repair the starboard engine.

As an added measure of safety, KKSI put a fourth crewman on HULA GIRL when she reached Honolua Bay. HULA GIRL was secured to separate moorings with lines on the bow and a second connection on the stern by 1800, January 30, 2025. Conditions in the bay were calm. Winds were light and variable. There was a small ocean swell, but it was not cause for concern. The mooring lines and connections were checked hourly by the person on watch.

At approximately 2030, January 30, 2025, 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 HULA GIRL's connection to that mooring anchor. With HULA GIRL swinging on just the bow mooring lines, Capt. McFadden started the port engine and discovered the force of impact by the water spout had disabled the vessel's steering. Capt. McFadden called Peter, Inca, and reported these recent developments. Peter called the U.S.

Coast Guard and asked for them to render assistance, but was told they did not have any available assets. Capt. McFadden tried to use the port engine to keep HULA GIRL's bow into the swell in order to mitigate the stress and strain on the bow mooring lines. The bow lines were securely fastened and seemed to be holding. The crew regularly inspected the line for chafing. Capt. McFadden also unsuccessfully attempted to restore HULA GIRL's steering between 2130 - 2230. Throughout the evening the prevailing swell and wind speed increased dramatically, with extreme gusts. At 0145, 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. Capt. McFadden tried maneuver HULA GIRL using just the port engine toward the center of the bay, but the force of the wind and surf in that area was too strong. HULA GIRL stranded at approximately 0220. The crew was safely off the boat and on shore by 0225.

Post Casualty Response. After ensuring all crew were rescued and unhurt, at first light on January 31, 2025, KKSI immediately initiated efforts to eliminate all pollution threats and mitigate harm to the environment. KKSI's efforts included, but were not limited to: 1) removing all diesel fuel from the fuel tanks, hydraulic oil, and lube oil from the engines/generators; 2) the removal of all batteries; 3) anchor HULA GIRL to multiple points on shore in an effort to prevent her from moving along the coastline on the high tide; 4) hire a helicopter remove all food and loose items that might be released from the vessel into the Bay; 5) initiate efforts to hire Cates Marine Services LLC to salvage/remove HULA GIRL intact; and 6) providing a security watch in an effort to prevent people from trespassing on the vessel and sustaining injury, causing damage or discharging debris into the Bay. During the period prior to HULA GIRL's removal, KKSI provided daily written reports to all federal (USCG) and state (DAR/DOBOR) agencies and was fully transparent regarding KKSI's daily operations, progress, condition of the vessel, plan for/method to salvage the vessel, as well as, considered any questions or concerns expressed by any agency. Before Cates Marine Services commenced operations, it was required to submit a written salvage plan that was subject to review and prior approval by the USCG, DOBOR and DAR. ***It is important for the Board to note that almost every day between January 31, 2025 and March 14, 2025 when HULA GIRL was refloated, and work was being done, Peter was on scene working, even when Cates was preparing the vessel for removal***.

Proposed Civil Fine. As noted in DAR's submission, the proposed $30,448.67 civil fine represents DAR's evaluation of the total monetary award that fairly and completely compensates the State of Hawaii for natural resource damage caused and administrative/investigative expenses incurred. Although KKSI had a valid basis, per footnotes 19 and 24 of DAR's submission, to negotiate for a lower monetary assessment, they did not. In an effort to demonstrate its good faith and sincerity, KKSI accepted DAR's settlement proposal at full value.

The settlement negotiated between KKSI and DAR is compensatory, not penal, in nature. It contemplates a payment that fully compensates the State of Hawaii for environmental damage and administrative/investigative expenses incurred, as determined by DAR's economic and ecological analysis and matrices. KKSI submits any fine above $30,448.67 would be punitive, completely unwarranted, and potentially set a bad precedent for other mariners in the future similarly seeking safe refuge in severe weather and sea conditions in an effort to protect the lives of all persons on board, as well as, safety of their vessel.

If you have any questions, Peter Wood and I will be present in person at the September 12, 2025 Board meeting and will be happy to provide any additional information required.

Sincerely,

/s/ Bryan Y.Y. Ho

cc: Peter Wood & Inca Robbin (via e-mail @ sailingmaui@yahoo.com)

PETERWOOD\KAPALUAKAISAILINGINC\DARAEA\001

From: Save Honolua
To: DLNR.BLNR.Testimony
Subject: [EXTERNAL] supporting testimony for 9/12 - F.1.
Date: Thursday, September 11, 2025 1:21:59 PM

Hello BLNR, I will come in and testify in person on Sept 12.

But for the record, here is our report of the damage. After the extraction of Hula Girl, one of Save Honolua's Board Members Zane Schweitzer, had one of his trained Ocean Academy employees in the water immediately. Below is that report. Here is video that was taken: https://youtu.be/PCLkYQJUcQA?si=9Rm6pSvzSeyjZahG

Also, here is a link to how busy Honolua is. You need to see this to believe it. https://youtu.be/YjTd6Rx-d_s?si=K9eT0svvRahkAE_v

Mahalo, John Carty

Save Honolua Coalition

Scientific Observation: Impact Assessment of Vessel Salvage at Honolua Bay Marine Reserve

Observation Date & Time:

Friday, March 14th, 3:30 PM

Location:

Honolua Bay Marine Reserve, Maui, Hawaii

Observer:

Inaldo Vieira, Kahākūkahi Ocean Academy Ocean Safety Team

Background

Honolua Bay is a designated Marine Reserve known for its coral reef ecosystem, which supports diverse marine life and provides critical habitat for fish, invertebrates, and other marine organisms.

On January 31st, 2025, the sailing catamaran Hula Girl ran aground on Honolua Reef. On March 14th, the vessel was removed from the reef by the salvage company Cates Marine. This observation documents the immediate post-removal impacts on the reef structure, benthic environment, and surrounding waters.

It is important to note that prior to the vessel grounding, the coral reef population in the impacted area was already at a low level due to excessive marine traffic, overexposure from human activity, and limited freshwater input to the bay. These pre-existing stressors likely made the reef more vulnerable to further damage from the vessel and salvage operations.

Observations

1. Reef Damage

• Noted visible reef damage in the area where Hula Girl was removed.

• Observed broken coral structures and two distinct drag marks, each approximately 30 yards in length (not 30 feet as previously stated):

• One was thinner (~6 inches wide)

• The other was wider (~24 inches wide)

• Some areas had a maximum width of 3 feet of visible drag/tear in coral from the vessel removal.

• Visible tears in the reef, creating areas where coral larvae may settle and new coral formation could begin.

• Hard surfaces in the impacted area were damaged, which is a primary substrate for productive coral larvae settlement.

• Notable sand movement due to disturbance, leading to increased sand turbidity over live reef —a significant concern as corals require hard, stable surfaces to thrive.

• Crustose coralline algae damage observed on previously existing rock and non-coral

surfaces, which play a crucial role in reef stabilization and coral settlement.

• GXO10077 is the best available clip documenting the damage.

• When the diver filmed the documentation of visible broken coral, they became overwhelmed with emotions—knowing the place well, understanding its ecological importance, and noticing the clear changes and damage to the ecosystem.

2. Debris Presence

• Floating debris observed in the water column and along the shoreline.

• Attempted to document and collect debris, but the salvage crew requested possession of recovered materials.

3. Water Clarity & Suspended Particulates

• Water clarity was relatively good for Honolua Bay, despite ongoing surf (1-3 ft face).

• No immediate significant increase in suspended particulates, but further monitoring is needed to assess long-term sedimentation impacts.

4. Marine Life Behavior & Currents

• Noted potential disruptions to marine life in the immediate vicinity; further monitoring is necessary to determine long-term ecological impacts.

• Current flow was strong, pulling from the cave toward the boat ramp along the shoreline.

Recommendations for Further Monitoring

• Conduct follow-up reef surveys to document recovery and coral regrowth.

• Assess water quality parameters, including turbidity and sedimentation rates, post-salvage.

• Engage with local conservation organizations to support reef restoration efforts if necessary.

• Monitor for ongoing debris presence and assess its impact on the ecosystem.

• Implement proper protocols for commercial snorkeling and marine activities to minimize stress on the reef. Excessive marine traffic and overexposure from human activity have

contributed to the reef's decline, and management strategies should be established to regulate commercial operations in the area.

• Encourage sustainable tourism practices and educate visitors on proper reef etiquette to reduce further degradation.

Conclusion

The immediate post-salvage assessment indicates noticeable reef damage, including broken coral structures, sand movement, and disturbances to hard settlement surfaces essential for reef recovery. Pre-existing stressors, such as heavy marine traffic, overexposure, and limited freshwater flow, had already weakened the coral population before the vessel grounding, increasing the reef's vulnerability to further damage.

Floating debris was observed, and while water clarity remained relatively stable, further monitoring is necessary to evaluate the long-term ecological impact on the reef and surrounding marine life. Given the significance of Honolua Bay as a Marine Reserve, continued restoration efforts, sustainable tourism management, and conservation initiatives may be required to support reef recovery and mitigate long-term consequences.

Aloha and Mahalo,

Zane Kekoa Schweitzer

Executive Director

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