

House District(s) 4

Senate District(s) 2

THE TWENTY-NINTH LEGISLATURE
APPLICATION FOR GRANTS
CHAPTER 42F, HAWAII REVISED STATUTES

Log No:

For Legislature's Use Only

Type of Grant Request:

GRANT REQUEST - OPERATING

GRANT REQUEST - CAPITAL

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Recipient" means any organization or person receiving a grant.

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN): _____
STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN): _____

1. APPLICANT INFORMATION:
Legal Name of Requesting Organization or Individual:
KALANI HONUUA
Dba: KALANI HONUUA
Street Address: 12-6860 KALAPANA-KAPOHO RD
Mailing Address: RR2 BOX 4500

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:
Name AMBER TERNUS
Title FUND DEVELOPMENT COORDINATOR
Phone # 808-965-7828
Fax # 808-965-0527
E-mail AMBER.TERNUS@KALANI.COM

3. TYPE OF BUSINESS ENTITY:
 NON PROFIT CORPORATION INCORPORATED IN HAWAII
 FOR PROFIT CORPORATION INCORPORATED IN HAWAII
 LIMITED LIABILITY COMPANY
 SOLE PROPRIETORSHIP/INDIVIDUAL
 OTHER

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:
KALANI HONUUA CESSPOOLS TO SEPTIC TANKS CONVERSION PROJECT.

4. FEDERAL TAX ID #: _____
5. STATE TAX ID #: _____

7. AMOUNT OF STATE FUNDS REQUESTED:
FISCAL YEAR 2019: \$. \$228,680

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:
 NEW SERVICE (PRESENTLY DOES NOT EXIST)
 EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE AT THE TIME OF THIS REQUEST:
STATE \$ _____
FEDERAL \$ _____
COUNTY \$ _____
PRIVATE/OTHER \$ _____



AMBER TERNUS- FUND DEVELOPMENT COORDINATOR

NAME & TITLE DATE SIGNED

JAN 9 2018 10:30 AM

Grant in Aid Application

Kalani Honua

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Application for Grants

Please check the box when item/section has been completed. If any item is not applicable to the request, the applicant should enter "not applicable".

I. Background and Summary

This section shall clearly and concisely summarize and highlight the contents of the request in such a way as to provide the State Legislature with a broad understanding of the request. Please include the following:

1. A brief description of the applicant's background;

Kalani Honua is a 501 (c)(3) non-profit educational retreat center and residential community located in the jungle of Puna on Hawaii Island. Kalani Honua means 'harmony of heaven and earth,' and our mission is to facilitate new ways of being in the world by living simply, learning joyfully, experiencing community and honoring the land. Kalani Honua strives to provide a learning environment promoting a better understanding of Hawaiian culture and the natural environment. As Hawaii's largest retreat center, Kalani Honua has provided opportunities for personal growth and transformation via nature, culture, and wellness for over 40 years. Our diverse and dedicated team of staff and volunteers supports Kalani's Non-Profit mission in a wide range of disciplines.

Kalani Honua co-creates a dynamic environment where all can thrive. We aim to be a living model for a healthy and vibrant planet. We welcome all in the spirit of aloha and are guided by the Hawaiian tradition of `ohana (extended family) - both respecting our diversity and sharing in our collective wisdom in unity.

2. The goals and objectives related to the request;

Goal: Kalani Honua will take actions to convert 11 existing cesspools to 12 septic systems and leach fields by the end of 2019. These conversions needs to be completed in order to become State and Federally compliant as required by the Environmental Protection Agency.

The difficulty of completing and funding these EPA required conversions to septic systems and leach fields is magnified by the other major capital investments that Kalani Honua is facing over the next 5 years: complete kitchen re-build, ADA compliant access to public facilities, water storage and distribution systems, new solar and power system expansion and improvements, wellness facility replacement, and replacement of 2 community class spaces.

3. The public purpose and need to be served;

The primary public purpose and need served through the conversion of cesspools to EPA compliant septic systems and leach fields is the preservation, stewardship, and health of local human and marine environments.

Kalani Honua is the first response and emergency management hub for lower Puna. Several staff members at Kalani Honua have had community emergency response training (CERT) certified in order to continue to offer these crucial emergency services. Kalani Honua contributed a value of \$89,000 to provide food, water, and ice to the people of Puna who were effected by Hurricane Iselle.

According to The House of Representatives for the State of Hawaii, Kalani Honua is responsible for over 25 million dollars of yearly economic output for Puna. We believe we have significant value for the region, especially in this time of rapid development and growth. As a community-based organization we are able to counter many of the negative effects of gentrification in our area by offering both public access to resources and job creation. We are the economic anchor for this region offering basic amenities and services for locals and tourists in an underdeveloped, off-grid area.

Kalani offers access to affordable local food and healthy food choices through our newly EBT ready market, Hale Aloha. We also host over 50 free classes for the community in Hawaii cultural and environmental education for all ages. Our additional services include general visitor information, free Wifi, access to drinking water, public washrooms, and a public lounge area for gathering. Our main campus offers accommodations, swimming pool, workshop spaces and a large dining area on our naturally landscaped grounds.

4. Describe the target population to be served; and

Kalani Honua's programs engage a diverse audience of over 13,000 people annually including local community members in the Puna district, residents of all of the Hawaiian Islands, and seekers and sharers of knowledge from all over the world. Offering year-round programming, Kalani Honua is consistently active with people of all ages, races, and cultures coming together to utilize services, learn, dance, eat local organic fare, and connect with one another in a setting that supports wellness and a healthy lifestyle. Kalani Honua also serves as a bridge between newcomers to the area and the local community, offering opportunities for employment and volunteerism.

5. Describe the geographic coverage.

Kalani Honua is located at 12-6860 Kalapana-Kapoho Rd. in the district of Puna, on Hawaii Island (2010 Census for zip code 96778 Pop = 14, 409). Kalani Honua has a year-round residential community that operates the retreat center, which hosts guests from all of the Hawaiian islands, and around the world. The location is only a few miles from the current entry point of lava, near Kalapana and Kaimu. This is an isolated area with minimal to no

public services available. For 43 years Kalani Honua has been one of the cornerstones of this region, offering services to the benefit of the public. This land is home to two historic archeological sites: Loko-Kanaloa HEIAU (temple) and a HALAU (school).

II. Service Summary and Outcomes

The Service Summary shall include a detailed discussion of the applicant's approach to the request. The applicant shall clearly and concisely specify the results, outcomes, and measures of effectiveness from this request. The applicant shall:

1. Describe the scope of work, tasks and responsibilities;

In compliance with the EPA and laws of Hawaii, Kalani Honua is implementing a process to convert existing cesspools to septic systems. Staff at Kalani Honua have identified 6 Large Capacity Cesspools (LCC) and 5 cesspools that do not fall under the category of Large Capacity to be included in this project.

Stage one needs to be completed as soon as possible. This is the conversion of 6 LCCs to septic systems. As funding allows, the remaining 5 cesspools will be converted and completed by year end 2019.

Kalani Honua has contracted with Atlas Engineering, of Hilo, Hawaii to size and design the septic systems. Sewer Solutions, a Hilo based, family run company, has been contracted for the installation of the septic tanks and leach fields, in addition to closing and filling the current cesspools. Atlas Engineering will also file the paperwork related to compliance around closing of existing cesspools.

The entire project is comprised as follows:

a. Identify the location of the cesspools and lines draining into the cesspool. This has been completed by Sewer Solutions.

b. From the notes on the location of the cesspools, flow rates, and facility size, Atlas Engineering will properly size the new septic systems and make drawings/plans for the installation of the systems.

c. Kalani Honua will proceed with the conversion of 1 cesspool at a time.

d. Sewer Solutions will uncover and pump out existing cesspools. They will then close cesspools in accordance with local requirements.

e. Sewer Solutions will use 2 excavators to dig through the lava rock to create holes for the new septic systems and leach fields and will properly install the septic systems.

f. Sewer Solutions will haul in the proper fill for the leach fields and carry away any remaining debris.

g. Kalani Honua's maintenance team will take measurements to be able to locate the tanks clean outs once they are buried.

h. Paul Nash, from Atlas Engineering, will inspect the new septic tanks.

i. Kalani Honua's Landcare crew will replant and re-vegetate all disturbed landscaping.

j. Ongoing maintenance: have septic pumped at least every 3 years.

k. Have kitchen grease trap cleaned every 1-3 months.

2. Provide a projected annual timeline for accomplishing the results or outcomes of the service;

With adequate funding, the entire project will be completed by June of 2019.

July 2018 – projected conversion of 1 LCC to septic system

August 2018 – projected conversion of 1 LCC to septic system

September 2018 - projected conversion of 1 LCC to septic system

November 2018 - projected conversion of 1 LCC to septic system

February 2019 - projected conversion of 1 LCC to septic system

March 2019- projected installation of 2 septic systems

May 2019- projected installation of 2 septic systems

June 2019 - projected installation of 2 septic systems

3. Describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results; and

Kalani Honua will have a Project Manager for the duration of the conversion and installation of new septic tanks. The Project Manager will conduct the following activities:

- Daily observation and assistance to contractors and suppliers***
- Assistance with staging and storage of materials and ensuring equipment access***
- Ensuring general safety of all persons surrounding the project sites and access routes***
- Photographs of installation procedures and placement including measurements for future maintenance***

Kalani Honua has contracted with Sewer Solutions, LLC for the installation and upkeep of all newly installed sewage systems.

This includes 2 main responsibilities:

- a. Ongoing maintenance: pump each septic system at least every 3 years.***
- b. Have kitchen grease trap cleaned every 1-3 months as necessary.***

To date, several Kalani Honua maintenance personnel have also been involved throughout the initial project phases, feasibility research, as well as procuring licensed and qualified professionals as contractors. This involvement has included both physical and document related research of the existing systems at Kalani Honua. Staff have assisted with sewer line scoping and documentation including floor plan drawings of all affected buildings. Atlas Engineering has been contracted as the design engineer.

4. List the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency). The measure(s) will provide

a standard and objective way for the State to assess the program's achievement or accomplishment. Please note that if the level of appropriation differs from the amount included in this application that the measure(s) of effectiveness will need to be updated and transmitted to the expending agency.

- *Compliance with the Environmental Protections Agency, as per State and Federal guidelines for cesspool conversions.*
- *Completion of eleven (11) septic systems and leach fields by the end of 2019*
- *The increase in environmental stewardship of this land, and the ocean, that is impacting ocean and coral reef marine environments through potential cesspool run-off.*
- *Decrease in potential risk to the public related to negative effects of cesspool run-off.*
- *Education of the local community around the importance of converting cesspools to septic systems, and the negative environmental impact of using cesspools (especially on properties close to the ocean and reef environments)*

III. Financial

Budget

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.
 - a. Budget request by source of funds ([Link](#))
 - b. Personnel salaries and wages ([Link](#))
 - c. Equipment and motor vehicles ([Link](#))
 - d. Capital project details ([Link](#))
 - e. Government contracts, grants, and grants in aid ([Link](#))

2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2019.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
81,695	28,395	55,195	63,395	\$ 228,680

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2019.

Hawaii Tourism Authority: \$ 30,000

Crowdfunding Capital Campaign Launch February 15, 2018: \$20,000-100,000

Non-Government Grants (foundations): \$75,000

Gore Family Memorial Fund Trust: \$27,000

4. The applicant shall provide a listing of all state and federal tax credits it has been granted within the prior three years. Additionally, the applicant shall provide a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable.

Not Applicable

5. The applicant shall provide a listing of all federal, state, and county government contracts, grants, and grants in aid it has been granted within the prior three years and will be receiving for fiscal year 2019 for program funding.

See Attachment

6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2017.

None

IV. Experience and Capability

1. Necessary Skills and Experience

The applicant shall demonstrate that it has the necessary skills, abilities, knowledge of, and experience relating to the request. State your experience and appropriateness for providing the service proposed in this application. The applicant shall also provide a listing of verifiable experience of related projects or contracts for the most recent three years that are pertinent to the request.

Kalani Honua has 43 years of experience developing and making capital improvements to its 120 acre campus. In the last fiscal year (2017) Kalani Honua spent \$171,000 on safety and service upgrades to our kitchen. In addition \$89, 680.56 has been spent (primarily) contracting with architects and lawyers for our Land Use Permit Application. We have a strong administrative team, a qualified (and 100% volunteer run) board of directors, as well as long-standing relationships with many contractors and other building and development specialists.

In addition to our current capacities, Kalani Honua has also retained Jerry O'Malley as the Kalani Compliance and Safety Specialist. Mr. O'Malley has 30 years of Facility Management Experience with the State of Alaska. He represented the Palmer Veterans & Pioneers Home through multiple remodel and expansion projects as well as the continued management of preventative building maintenance and grounds maintenance for Kalani Honua.

2. Facilities

The applicant shall provide a description of its facilities and demonstrate its adequacy in relation to the request. If facilities are not presently available, describe plans to secure facilities.

Kalani Honua is Hawaii's largest educational non-profit, with a 120 acre property on the Puna coast. We are currently operating on 50 acres of this site, and have been upgrading, repairing and re-building aspects of the physical structures consistently over the last 43 years.

V. Personnel: Project Organization and Staffing

1. Proposed Staffing, Staff Qualifications, Supervision and Training

The applicant shall describe the proposed staffing pattern and proposed service capacity appropriate for the viability of the request. The applicant shall provide the qualifications and experience of personnel for the request and shall describe its ability to supervise, train and provide administrative direction relative to the request.

Jerry O'Malley, has 30 years of experience managing facilities for the State of Alaska. This includes maintenance construction, and the management of contracts and contractors. He is a staff member of Kalani Honua, and has managed several construction related projects.

Dan Drentlaw is a four year returning volunteer who has been a planning and building director for 17 years. He has a Masters in City Planning. Most recently he managed the budget and contracts for a \$10 million police facility, along with street and infrastructure improvements.

Ryan Adams, has a Masters Degree in Environmental Engineering with a specialty in waste water treatment. He is an employee of Kalani Honua and will be involved with this project.

Joe Joppe, is a maintenance manager for Kalani and is the on site supervisor for most Kalani Honua construction projects.

2. Organization Chart

The applicant shall illustrate the position of each staff and line of responsibility/supervision. If the request is part of a large, multi-purpose organization, include an organization chart that illustrates the placement of this request.

See attached

3. Compensation

The applicant shall provide the annual salaries paid by the applicant to the three highest paid officers, directors, or employees of the organization by position.

<i>Executive Director</i>	<i>\$39, 879.90</i>
<i>Executive Chef</i>	<i>\$29, 440.0</i>
<i>Director of Storytelling</i>	<i>\$29, 440.0</i>

VI. Other

1. Litigation

The applicant shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgement. If applicable, please explain.

No pending Litigation as of 01/10/2018

2. Licensure or Accreditation

The applicant shall specify any special qualifications, including but not limited to licensure or accreditation that the applicant possesses relevant to this request.

Licensed Massage Studio

3. Private Educational Institutions

The applicant shall specify whether the grant will be used to support or benefit a sectarian or non-sectarian private educational institution. Please see Article X, Section I, of the State Constitution for the relevance of this question.

Not Applicable

4. Future Sustainability Plan

The applicant shall provide a plan for sustaining after fiscal year 2018-19 the activity funded by the grant if the grant of this application is:

- (a) Received by the applicant for fiscal year 2018-19, but
- (b) Not received by the applicant thereafter.

The installation of new septic systems is a one-time only project. Once the system is installed, it will be maintained as part of the contracts awarded to Septic Solutions and Atlas Engineering.

Compliance with the Environmental Protection Agency, as well as State and Federal Laws, will allow Kalani Honua to continue regular organizational operations.

Kalani Honua has a strong commitment to our current social enterprise operation that generates funds, as well as to expanding and activating our fundraising capacity over the next 5 years.

5. Certificate of Good Standing (If the Applicant is an Organization)

If the applicant is an organization, the applicant shall submit one (1) copy of a certificate of good standing from the Director of Commerce and Consumer Affairs that is dated no earlier than December 1, 2017.

See Attached

6. Declaration Statement

The applicant shall submit a declaration statement affirming its compliance with Section 42F-103, Hawaii Revised Statutes. ([Link](#))

7. Public Purpose

The applicant shall specify whether the grant will be used for a public purpose pursuant to Section 42F-102, Hawaii Revised Statutes. ([Link](#))

Should we be awarded funds, Kalani Honua will use the resources for a public purpose pursuant to Section 42F-102, Hawaii Revised Statutes.

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2018 to June 30, 2019

App

Kalani Honua

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
A. PERSONNEL COST				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST	9,580			
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
9. Service Contracts (Sewer Solutions)	180,600			
10. Service Contracts (Atlas Engineering)	27,000			
11. Service Contracts (other)	11,500			
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
TOTAL OTHER CURRENT EXPENSES	219,100			
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	228,680			
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	228,680	Annie Witkowski 965-7828		
(b) Total Federal Funds Requested		Name (Please type or print) Phone		
(c) Total County Funds Requested		Signature of Authorized Official Date		
(d) Total Private/Other Funds Requested		Maintenance and Plumbing lead		
TOTAL BUDGET	228,680	Name and Title (Please type or print)		

Budget Justification - Personnel Salaries and Wages
 Period: July 1, 2018 to June 30, 2019

Applicant: _____ KALANI HONUA _____

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
Maintenance- Plumbing Lead		\$74,960.00	4.08%	\$ 1,017.12
Kalani Compliance and Safety Specialist		\$26,520.00	16.00%	\$ 4,243.20
Landscaping Manager		\$28,800.00	15.00%	\$ 4,320.00
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				9,580.32
JUSTIFICATION/COMMENTS:				
The Safety Specialist will be the on-site supervisor of the outside contractors. The Plumbing Lead will need to take measurements and be available for consultation. The Landscaping Manager will be responsible for returning the construction areas into green space.				

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2018 to June 30, 2019

Applicant: Kalani Honua

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2018 to June 30, 2019

Applicant: Kalani Honua

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OTHER SOURCES OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2016-2017	FY: 2017-2018	FY:2018-2019	FY:2018-2019	FY:2019-2020	FY:2020-2021
PLANS			27000			
LAND ACQUISITION			0			
DESIGN						
CONSTRUCTION			201680			
EQUIPMENT						
TOTAL:			228,680			
JUSTIFICATION/COMMENTS:						

Grants Received in Past 3 Years by Kalani Honua, Inc.

2015

Hawaii County Contract C.004152: \$20,000 award
Project: Hawaii Yoga Festival 2015

Hawaii County Contract C.004290: \$10,000 award
Project: Kalani Permaculture Workshops

Hawaii County Contract C.004294: \$5000 award
Project: Hawaiian Culture in Permaculture: Modern Ahupua'a, the next step

Hawaii County Contract: C004979: \$10,000 award
Project: Puna Food Sustainability Promotion

Hawaii County Contract C.005242: \$10,000 award
Project: Puna Food Sustainability Promotion

Hawaii County Contract C.005314: \$7000 award
Project: Puna Resiliency Block Party

State of Hawaii, Hawaii State Foundation on Culture and the Arts #BS150086P2: \$1791.00 award
Project: Empowering Puna Through Art

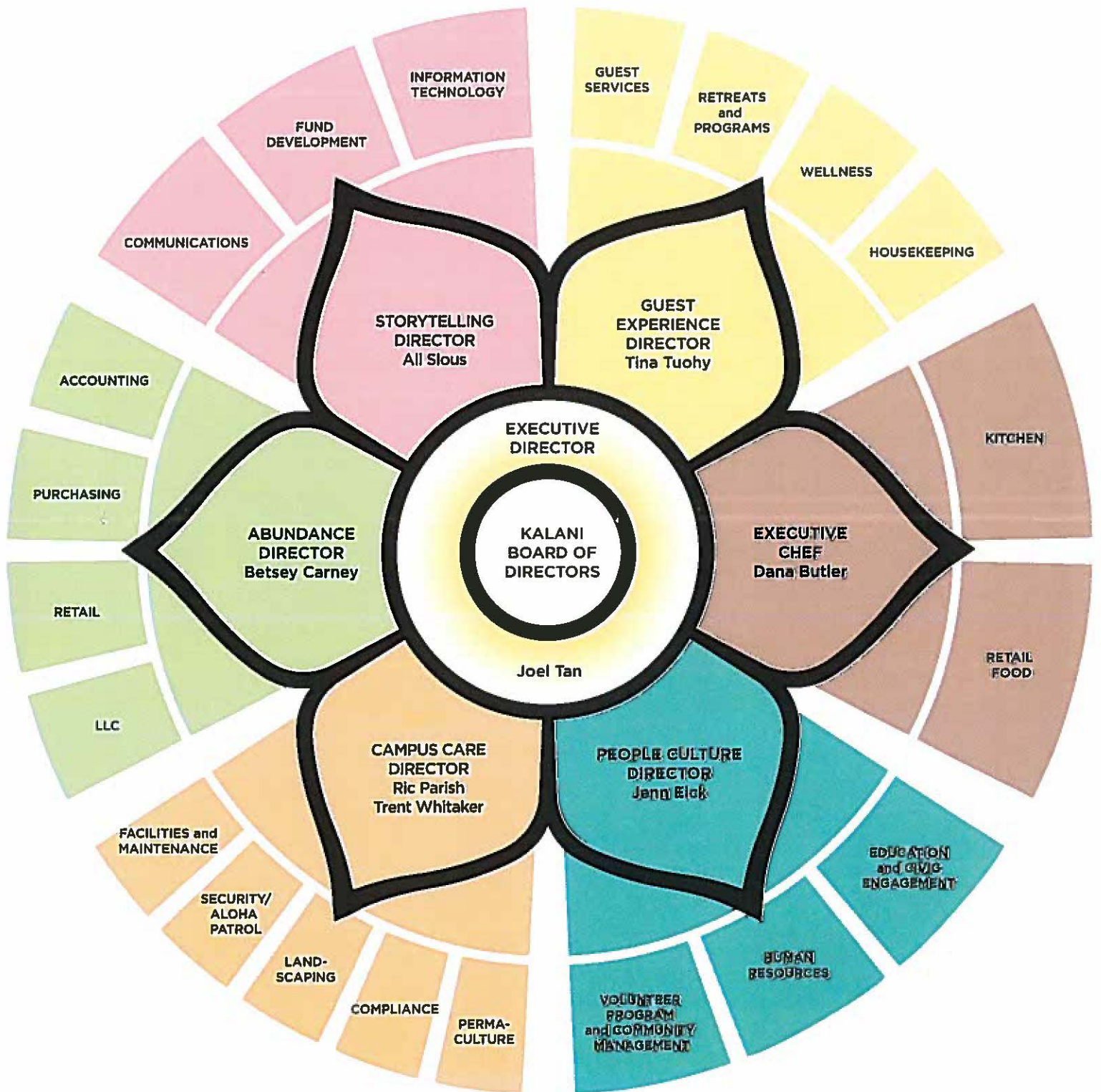
2016

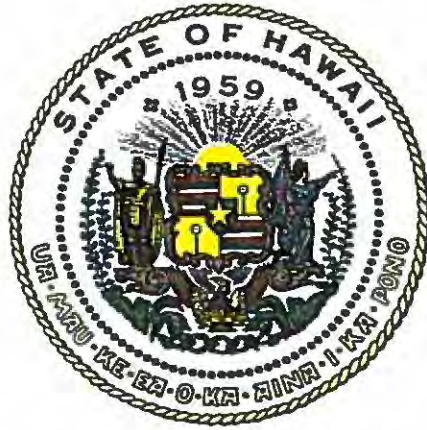
Hawaii County Contract C.005580: \$22,000 award
Project: Puna Food Sustainability Promotion

Hawaii County Contract C.005565: \$20,000 award
Project: Hawaii Yoga Festival 2016

2017

HTA (Hawaii Tourism Authority) Contract #CON17095: \$20,000 award
Project: Hawaii Yoga Festival 2017





Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that

KALANI HONU A INC.

was incorporated under the laws of Hawaii on 06/03/1981 ;
that it is an existing nonprofit corporation; and that,
as far as the records of this Department reveal, has complied
with all of the provisions of the Hawaii Nonprofit Corporations
Act, regulating domestic nonprofit corporations.



IN WITNESS WHEREOF, I have hereunto set
my hand and affixed the seal of the
Department of Commerce and Consumer
Affairs, at Honolulu, Hawaii.

Dated: August 17, 2017

Director of Commerce and Consumer Affairs

**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS PURSUANT TO
CHAPTER 42F, HAWAII REVISIED STATUTES**

The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawai'i Revised Statutes:
 - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant is awarded;
 - b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
 - c) Agrees not to use state funds for entertainment or lobbying activities; and
 - d) Allows the state agency to which funds for the grant were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant.
- 2) If the applicant is an organization, the applicant meets the following requirements pursuant to Section 42F-103, Hawai'i Revised Statutes:
 - a) Is incorporated under the laws of the State; and
 - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant is awarded shall be conducted or provided.
- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawai'i Revised Statutes:
 - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
 - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawai'i Revised Statutes, for grants used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

KALANI HONUA

(Typed Name of Individual or Organization)



1/18/18

(Date)

JOEL TAN
(Typed Name)

Joel Tan

EXECUTIVE DIRECTOR
(Title)

Five Year Strategic Plan for Capital Improvement

Year 1, 2017 *(complete)*

-Kitchen house upgrade	\$89,000
-Assembly space improvements	7,300
-Front gate replacement	20,300
-Pool improvements	3,300
Total:	119,900

Year 2, 2018 *(proposed)*

-Assembly Space improvement	\$65,000
-Water storage and distribution	10,000
-New kitchen design (architectural & engineering)	70,000
-Kitchen demolition	30,000
Total:	175,000

Year 3, 2019 *(proposed)*

-New kitchen construction	\$1,150,000
- Water storage and distribution improvements	10,000
-ADA compliance retrofit	51,000
Total:	1,211,000

Year 4, 2020 *(proposed)*

Wellness center:	
-Design (architectural and engineering)	\$11,200
-Old massage studio demolition	8,400
-Construction	160,000
Water storage and distribution improvements	10,000
Total:	189,600

Year 5, 2021 *(proposed)*

-Solar conversion	\$1,375,000
- Water storage and distribution improvements	10,000
Total:	\$1,385,000

Total Funds needed: Capital improvements 2017-2021 \$3,309,180

Kalani Honua, Inc.

Current Major Projects as of 1/13/18

Project	Kitchen Upgrade to date		
	\$	14,419.11	Plumbing & Electrical upgrades per Fire Marshall
	\$	2,426.31	parts for installation and housing
	\$	15,563.07	whisperwatt
	\$	48,262.57	kitchen equipment
	\$	1,134.00	walk in fridge repair
	\$	2,732.00	floor/ceiling Kitchen Building
	\$	8,164.31	Hood Exhaust, Fire Suppression Vent
	\$	79,000.00	Labor, refurbish structural integrity
	\$	<u>171,701.37</u>	
Project	LUC to date		
	\$	560.00	books & supplies
	\$	38,500.00	archaeological survey
	\$	11,500.00	traffic study
	\$	986.00	economical impact study
	\$	37,738.56	legal
	\$	396.00	consultant, research & recommend
	\$	<u>89,680.56</u>	
Project	EPA, Cess Pool to Septic to date		
	\$	1,050.00	locating Cess Pools
	\$	5,000.00	Deposit
	\$	20,000.00	Anicipated future bills
	\$	<u>26,050.00</u>	

Balance Sheet

As of December 31, 2017

	Dec 31, 17
ASSETS	
Current Assets	
Checking/Savings	
BK- BOH Checking	12,537.51
BK- Cash on Hand	23,111.54
BK- HFS Checking - 8	-34,498.50
BK- HFS MM- 5 Capital Campaign	1,247.76
BK- HFS MM-6 Anonymous Donatio	1,041.27
BK- HFS Money Manager - 4	228,669.76
BK- HFS Savings - 0	248.23
BK-PayPal	
Accounting	5,311.31
Total BK-PayPal	5,311.31
BK - Square Clearing	4,205.71
BK - Stripe Clearing	67,208.19
Total Checking/Savings	309,082.78
Accounts Receivable	
Accounts Receivable	9,923.10
Total Accounts Receivable	9,923.10
Other Current Assets	
*Undeposited Funds	13,371.31
Other Assets	26,162.90
Total Other Current Assets	39,534.21
Total Current Assets	358,540.09
TOTAL ASSETS	358,540.09
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	446,228.05
Total Accounts Payable	446,228.05
Credit Cards	
CC-American Express	888.00
CC-Capital One	25,478.02
CC-Home Depot	4,062.36
Total Credit Cards	30,428.38
Other Current Liabilities	
Liabilities	
Direct Deposit Liabilities	429.79
Due to LLC	111,292.45
FHB Line of Credit	69,000.00
Payroll Liabilities	31,520.33
Prepayments & Deposits	494,826.03
Residential Package	309,040.67
Tax Liabilities	8,839.67
Liabilities - Other	22,041.03
Total Liabilities	1,046,789.97
Sales Tax Payable	206.44
Total Other Current Liabilities	1,046,996.41
Total Current Liabilities	1,523,652.84

8:52 AM

01/12/18

Accrual Basis

Kalani Honua, Inc 2017
Profit & Loss
January through December 2017

	<u>Jan - Dec 17</u>
Ordinary Income/Expense	
Income	
Operations Income	3,563,782.84
Total Income	3,563,782.84
Cost of Goods Sold	
Cost of Goods Sold	1,538,272.61
Total COGS	1,538,272.61
Gross Profit	2,025,510.23
Expense	
Operations Expenses	1,190,603.73
Payroll Expenses	1,747,562.10
Reconciliation Discrepancies	-0.66
Total Expense	2,938,165.17
Net Ordinary Income	-912,654.94
Other Income/Expense	
Other Income	
LLC Income	437,249.07
Total Other Income	437,249.07
Other Expense	
LLC Expense	195,079.64
Total Other Expense	195,079.64
Net Other Income	242,169.43
Net Income	<u>-670,485.51</u>

[Additional information on Sewer Solutions quote: This is an initial quote to begin the cesspool to septic conversion project. It is not a quote for the entire project. This quote deals with the cesspools in our high use areas.]

Quote



Sewer Solutions
 808-430-2323
 Po Box 262 Kurtistown Hi 96760
 LIC# C-34698

Date: 01/12/2018
 Quote No.: 10035
 Salesperson: Shawn A Barros

Bill To:
 Kalani Honua INC
 12-6860 Kalapana Kapoho Road
 Pahoa Hi 96778

Item	Description	Unit Price	Total
1	this quote is based on a rough draft from Atlas engineering and is subject to change on final approved permitted plans. Lower or higher	\$0.00	\$0.00
1	Sewer Solutions will provide and furnish all materials.	\$0.00	\$0.00
1	Rough draft quote consists of,	\$0.00	\$0.00
1	C2 Kitchen, Proper abandonment of cesspool. install of sewer septic system one 1500 gallon tank two 1250 gallon tank and two 12 feet by 30 feet leach beds. and fog hog 100 grease trap	\$28,000.00	\$28,000.00
1	Bathroom, proper abandonment of cesspool. install of sewer septic system. one 1500 gallon septic tank. two 1250 gallon septic tanks. two 12 feet by 30 feet leach beds.	\$23,800.00	\$23,800.00
1	C7 detached two bedroom homes. complete septic system install one 1000 gallon septic tank, one 12 feet by 12 feet leach bed.	\$8,000.00	\$8,000.00
1	Laundry room, proper abandonment of cesspool. complete septic system install, two 1000 gallon septic tanks, two 12 feet by 24 feet leach bed.	\$20,000.00	\$20,000.00
1	C6 office and let it go bathroom. proper cesspool abandonment, one 1000 gallon septic tank. one 12 feet by 24 feet leach bed.	\$11,500.00	\$11,500.00
1	C5 Pool, proper cesspool abandonment, one 1000 gallon septic tank, one 12 feet by 18 feet leach bed with traffic grade leach bed.	\$15,000.00	\$15,000.00
1	this quote is a base price there will be unforeseen cost that may lower or raise quote such as under ground utilities that would have to be relocated and subbed out to the right contractors if necessary.	\$0.00	\$0.00

Total \$106,300.00

this is not a locked in price or contract it is based on a rough draft from engineer and states a close budget.

Please contact us for more information about payment options.

Thank you for your business.



The House of Representatives State of Hawaii

hereby presents this certificate to

KALANI HONUA

WHEREAS, the people of the State of Hawai'i are proud to recognize those individuals and organizations that are committed to selflessly giving so much of their time, energies, and talents to faithfully serve the community and contribute to the well-being of the State; and

WHEREAS, KALANI HONUA spent approximately \$89,000 of their own money to provide food, ice, and water to the people of Puna who were affected by Hurricane Iselle and who were without power and refrigeration; and

WHEREAS, KALANI HONUA is a vital and important contributor to the community of the lower Puna region, showcases lower Puna to the rest of the world as a sustainable healthy agricultural Hawaiian community, and has been featured multiple times in Yoga Journal; and

WHEREAS, every year, KALANI HONUA provides over \$25,000,000 to the County of Hawaii economy in tourism revenue; and

WHEREAS, KALANI HONUA truly exemplifies the aloha spirit, not only for lower Puna but for all of the islands of Hawai'i; now, therefore,

BE IT RESOLVED by the House of Representatives of the Twenty-eighth Legislature of the State of Hawaii, Regular Session of 2015, that this body hereby expresses its deepest appreciation for KALANI HONUA's dedication to the community, and extends its warmest aloha and sincere best wishes for continued success in all future endeavors.

Richard Lee
Guthrie Wilson
Mark Takashima

Nide E. Louie
Christou
ed
John M. Hagan

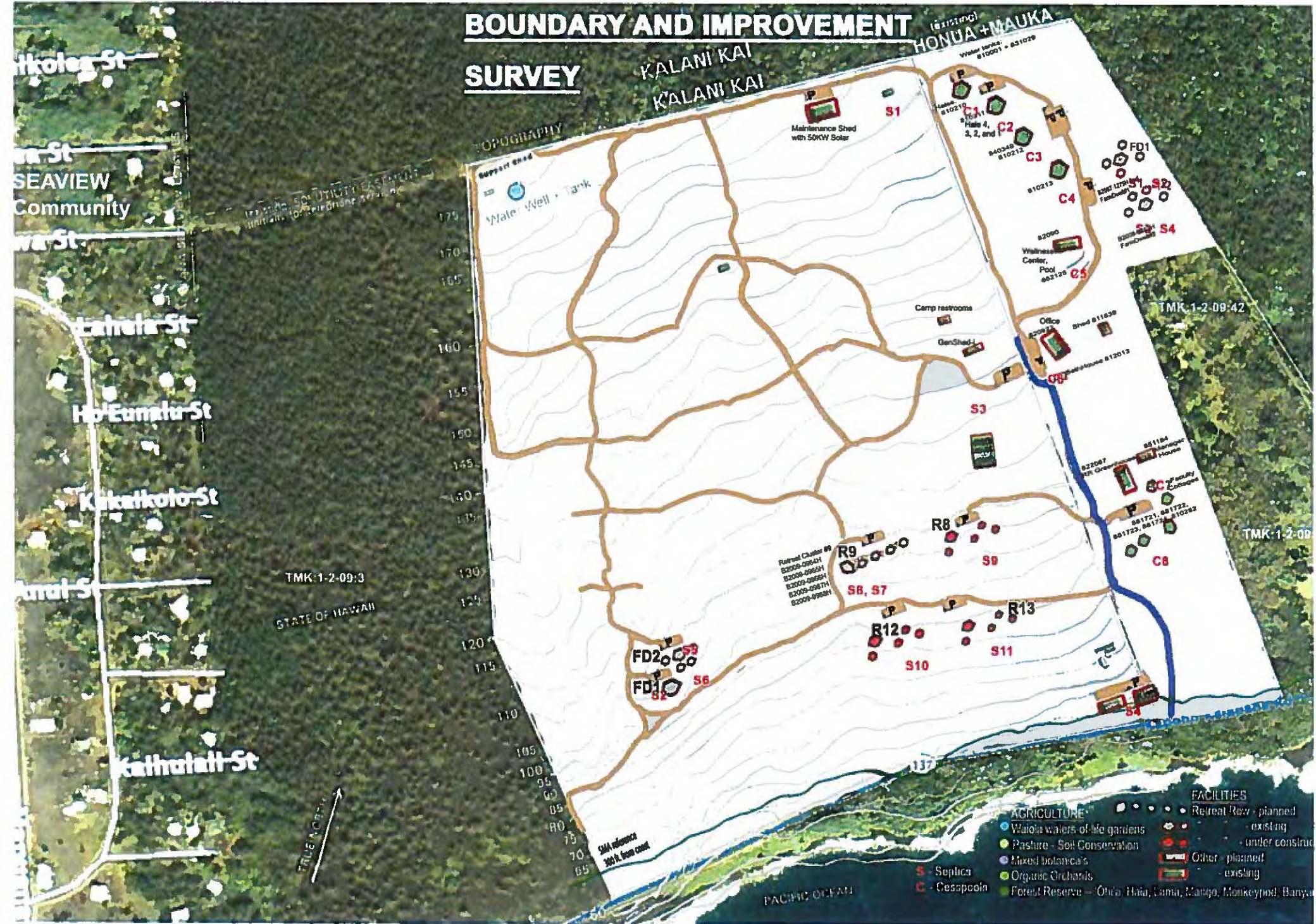
Carly Evans
Kal
John

Joseph M. Soule
Joseph M. Soule, Speaker of the House
Brian L. Takashita
Brian L. Takashita, House Chief Clerk

[Signature]
[Illegible Title]

BOUNDARY AND IMPROVEMENT SURVEY

(81121MG) HONUA + MAUKA



TMK 1-2-00:3
STATE OF HAWAII

TMK 1-2-09:42

TMK 1-2-09



- AGRICULTURE**
- Waipua waters of life gardens
 - Pasture - Soil Conservation
 - Mixed botanica's
 - Organic Orchards
 - Forest Reserve - Ohia, Hala, Liana, Mango, Monkeypod, Banyan
- FACILITIES**
- Retreat Rwy - planned
 - Retreat Rwy - existing
 - Other - planned
 - Other - existing

PACIFIC OCEAN

RE: Grant In Aid

1/12/18

Aloha Grand Advisory Council,

My name is Hazen Komraus. I am currently, and have served for three years as President of the Kalapana Seaview Estates Community Association. I write both as a 15 year resident and the presiding representative of the most proximal neighborhood to Kalani. I have spent much of these 15 years interacting with Kalani staff, guests, and management. We are a cross-pollinating community. Many, many people who have been or are guests, volunteers, or are employees at Kalani have since become owners and residents of our community.

Kalani has been a consistent influence on the entire community here on the Red Road. Whether by hosting classes and events or by serving as a shelter or public venue for this area of Puna, Kalani has been a consistent participant and supporter in the creation and maturation of this wonderful place we here choose to call home. They are long time collaborators with the Uncle Robert's Family, our own Seaview Performing Arts Center for Education, and various charities and outreach groups in Lower Puna. There have been numerous growing pains and changes to this district. Woefully misguided in it's layout Puna, is a nightmare of governance, inadequate tax income, capricious real-estate markets, and the vagaries of leadership. Long under-represented, and the fastest growing part of the State we have banded together with other groups to help create a sustainable, responsible, and productive place for families and business to thrive. We are truly outside the box thinkers. Our diversity is only rivaled by the natural beauty of our area.

Thus it brings me to the point of this letter. We desperately need to preserve this beauty and environment that is so central to our economy. The vigorous vacation/rental/real estate markets here, the homegrown local entrepreneurs whose incomes stay here, and the many, many businesses that rely on this area need to be considered in how we move forward. We need to bring more compliance to this area in regards to our waste systems. The mandates put forward by the State and County are a heavy financial burden to the local businesses here. I know, I specialize in off-grid, sustainable building in this area. The cost of a septic system compared to the cost of a cesspit in private residences is a difference of about 600%. Kalani is not a multinational business conglomerate. It is a local, homegrown fixture in our community. It relies on much smaller profit margins and has been strained by it's extensive efforts in the last few years to update it's facilities so as to fully meet changes in regulations. It has realized this through changes in management and mission that prioritize that compliance. I highly endorse these efforts in addition to their existing environmentally responsible practices. I wish more businesses behaved with such ethics and foresight. I support the award of this Grain In Aid and all assistance to these ends. I know the State has a massive challenge in front of it in addressing private, municipal, and commercial cesspool systems that are out of date. I hope that the Legislature can find progressive and equitable solutions to this massive need. I hope that YOU can help Kalani become a deserving example of this initiative.

Please feel free to contact me further with any questions.

Sincerely,

Hazen Komraus



– Kalapana Seaview Estates Resident, and Community Association President.
hazenkomraus@hotmail.com, KSECA.org

HILO COFFEE MILL

Paradise in your cup!

January 13, 2018

Dear Legislators and Grant Advisory Council.

RE: Kalani Honua State of Hawaii Grant Application (GIA, Grant in Aid)

Aloha.

My name is Jeanette Baysa and I am connected to Kalani Honua as a vendor. We are a small, locally owned coffee roaster.

My purpose for sending this letter is to show my utmost support for their GIA application. I understand the funds they are requesting will allow them to complete this critical next step of converting their cesspools to septic, thus ensuring their continued operations.

By doing so, Kalani will finally be able to achieve what is pono for the 'aina, and, at the same time, leading the way for the rest of Puna.

Kalani Honua offers vital educational space for visiting students, a community resource location for residents, and employment for many. In addition, they support local business, local agriculture and incorporate the many cultures of our state.

We are and will continue to be committed to our business relationship with Kalani Honua, Inc. Helping Kalani Honua helps the rest of Hawaii.

Mahalo for your favorable consideration.

Sincerely,


Jeanette Baysa

Owner

Sustainable

Island Products

Date: January 12, 2018

Dear Legislators and Grant Advisory Council.

RE: Kalani Honua State of Hawaii Grant Application (GIA, Grant in Aid)

Aloha, my name is Julie Elkjer and I am connected to Kalani Honua as a vendor.

My purpose for sending this letter is to show my utmost support for their GIA application. I understand the funds they are requesting will allow them to complete this critical next step of converting their cesspools to septic, thus ensuring their continued operations.

By doing so, Kalani will finally be able to achieve what is pono for the aina, and, at the same time, leading the way for the rest of Puna.

Kalani Honua offers vital educational space for visiting students, a community resource location for residents, and employment for many.

We are and will continue to be committed to our business relationship with Kalani Honua, Inc. Helping Kalani Honua helps the rest of Hawaii.

Sincerely,



Julie Elkjer
Pacific J Partners LLC
Dba Sustainable Island Products
831 Leilani Street
Suite N
Hilo, HI 96720
808.769.4905

Date: Jan. 13, 2018

Dear Legislators and Grant Advisory Council.

RE: Kalani Honua State of Hawai'i Grant Application (GIA, Grant in Aid)

Aloha, my name is Tammy Moser, and I am connected to Kalani Honua as a vendor selling them fruit from our farm here in Puna.

My purpose for sending this letter is to show my utmost support for their GIA application. I understand the funds they are requesting will allow them to complete this critical next step of converting their cesspools to septic, thus ensuring their continued operations.

By doing so, Kalani will finally be able to achieve what is pono for the aina, and, at the same time, leading the way for the rest of Puna.

Kalani Honua offers vital educational space for visiting students, a community resource location for residents, and employment for many.

We are and will continue to be committed to our business relationship with Kalani Honua, Inc. Helping Kalani Honua helps the rest of Hawaii.

Sincerely,

A solid black rectangular box redacting the signature of the sender.

**Tammy and Mike Moser
Serendipity Farms LLC**

Ginger Ridge Farms
P O BOX 1147
Kurtistown, Hawaii
9 6 7 6 0

1/10/18

Dear Legislators and Grant Advisory Council,

My name is Howard James. I am the owner of Ginger Ridge Farms.

We have supplied Kalani Honua with organic produce for almost 30 years.

I along with many others support Kalani's work in providing employment, community events as well as nature and health related education in such things as Yoga, Hula and Permaculture in Hawaii.

Kalani also attracts visitors from around the world to come experience our unique location and culture.

We hope you can provide the GIA to Kalani Honua so that they can continue their work in our community.

Thank You



Howard James

Date: _____ 1.16.18 _____

Dear Legislators and Grant Advisory Council.

RE: Kalani Honua State of Hawaii Grant Application (GIA, Grant in Aid)

Aloha, my name is Kela Cosgrave, Vice-President of Big Island Booch Inc. and we have been working with and vending our Kombucha, Jun and fermented Veggie products to the wonderful folks at Kalani Honua for almost 4 years now.

My purpose for sending this letter is to show my utmost support for their GIA application. I understand the funds they are requesting will allow them to complete this critical next step of converting their cesspools to septic, thus ensuring their continued operation. These undertakings are often colossal and very difficult for a business to surmount on their own. Kalani Honua is a very positive member of the Puna community that would be sorely missed should they be unable to make the improvements necessary go on.

By making these improvements, Kalani will finally be able to properly deal with the waste created and achieve what is pono for the aina, and, at the same time, leading the way for the rest of Puna allowing them to see what is possible.

In addition to bringing a deeply holistic, open, welcoming element to Puna, Kalani Honua offers vital educational space for visiting students in a plethora of mediums, a community resource location for residents, and employment for many.

We are and will continue to be committed to our business relationship with Kalani Honua, Inc. Helping Kalani Honua helps the rest of Hawaii.

Sincerely,



Kela L. Cosgrave

January 11, 2018

I have been a volunteer for Kalani starting back in 2014 and believe in the values it represents. One of those values relates directly to improving the unique environment surrounding this special place. To that end I am happy to assist Kalani in the conversion of several cesspools to septic systems ; ones that meet current health standards.

My background is quite helpful in this regard . I have Masters of Science degree in City Planning and several years of experience as a Planning Director three cities in Oregon and Washington. I have extensive experience in managing contracts and contractors, particularly in my last position for the City of Canby, Oregon, where I managed the construction and budget for a new \$10 million police facility.

I look forward to helping you on this project

Sincerely,



Dan Drentlaw