

Application Submittal Checklist

The following items are required for submittal of the grant application. Please verify and check off that the items have been included in the application packet.

- 1) Certificate of Good Standing (If the Applicant is an Organization)
- 2) Declaration Statement
- 3) Verify that grant shall be used for a public purpose
- 4) Background and Summary
- 5) Service Summary and Outcomes
- 6) Budget
 - 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](#))
- 7) Experience and Capability
- 8) Personnel: Project Organization and Staffing


AUTHORIZED SIGNATURE

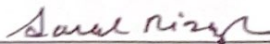
SARAH RIZNYK Vice President
PRINT NAME AND TITLE

1-21-2022
DATE

Application Submittal Checklist

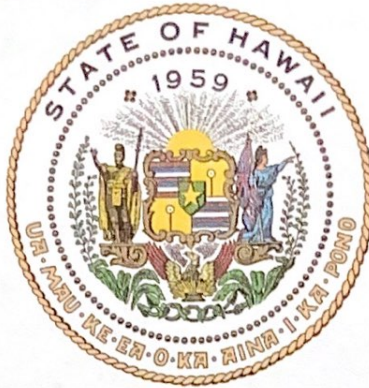
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SARAH RIZNYK Vice President
PRINT NAME AND TITLE

1-21-2022
DATE



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 according to the records of this Department,

HANA HOU RECYCLING, INC.

was incorporated under the laws of Hawaii on 03/09/2010 ; and that it is an existing corporation in good standing, and is duly authorized to transact business.

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: January 21, 2022

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, Hawaii 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, Hawaii 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, Hawaii 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, Hawaii 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.

HANA HOV RECYCLING, INC.
(Typed Name of Individual or Organization)

Sarah Riznyk Vice President
(Signature)

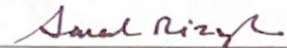
1/21/2022
(Date)

SARAH RIZNYK

Rev 12/2/16

5Application for Grants

Hana Hou Recycling hereby verifies that any and all funding awarded to our S-Corp organization by the State of Hawaii through its Grants-in-Aid program will be used for public purpose pursuant to Section 42F-102 Hawaii Revised Statutes.



Sarah Riznyk
Vice President

1-21-2022
Date

Hana Hou Recycling Inc.

State GIA Grant Narrative 2022

BACKGROUND AND SUMMARY

Hana Hou Recycling is a small, locally funded, and run company on Hawai'i Island. As a triple-bottom-line company, it's unique because social, environmental, and economic returns are equally important to its mission. As a for-profit, community service, Hana Hou Recycling pays its employees and contractors a living wage, gives back to the community in many ways, and has provided waste management and waste reduction consulting, residential curbside and small & medium-sized commercial recycling services for over 14 years.

Hana Hou Recycling serves communities from Kawaihae to Kealahou, a distance of roughly 50 miles, and over an hour away, just one way. Hawai'i Island has rural infrastructure, and extremely high business costs. There is sky-high transportation, supply, and labor costs. Residents and businesses are in remote communities, and are spread out thinly, over great geographic distances. All of these factors are an antithesis to waste and recovery services, where successful models must serve densely-populated communities, located closely together, and enjoy massive economies of scale. Despite these steep challenges, Hana Hou has persevered, and diverts hundreds of tons of materials annually from our island landfill.

Very little recycling infrastructure exists on Hawai'i island. In October 2019, Hawai'i County further reduced its recycling program to accept only residential, self-haul corrugated cardboard and glass. Then, in December 2019, Hawai'i Island went from two landfills to just one. With the closure of the South Hilo Sanitary Landfill, waste from the entire island now must be hauled to just one landfill (Recycle Hawai'i, 2008) – At a rate of 575 – 1000 tons a day. County semi-trucks must haul waste hundreds of miles a day. This has significantly increased the greenhouse gas footprint, and cost of Hawai'i County's waste management operations. The cost to the taxpayer is an estimated \$342/ton yet many of the currently landfilled materials are recyclable (Hawai'i County, 2021).

As Hawai'i Island residents and businesses were faced with both local waste and global climate crises, the Covid pandemic struck. Consumption and waste patterns changed significantly. On-line shopping, and shipping materials directly to the home, resulted in a 5-10x increase in cardboard and packing materials left curbside. Part-time residents moved to Hawai'i Island on a permanent basis in droves. New people left mainland lives to run away from the pandemic and work online in Hawai'i. All these factors combined to further increase the volume and the demand for recycling.

Hana Hou staff, utilizes mostly hand labor and boxtrucks. Our clean-stream, source-separated service model has scaled from a boutique-niche vendor, to a larger community service. However, the Covid pandemic has been a painful experience. Without any automation, or a Materials Recovery Facility (MRF) on island, Hana Hou Staff has drowned in volumes of recyclable materials every week, and struggles to keep up. This extra volume means a lot more labor is required. A lot more hauling and transporting is also necessary. In parallel, prices for diesel fuel have increased 53% over the last year. Despite all these additional costs, Hana Hou isn't in a position to raise subscription fees, nor add additional revenue to cover expenses.

Hana Hou Recycling will require automation, and new equipment to keep pace and serve the community. After speaking with global experts, and researching the options thoroughly, we've determined that acquiring several pieces of equipment could help build a Mobile Recovery Center (MRC). A MRC is a low-cost alternative to the extremely expensive, and outdated Materials Recovery Facility (MRF). These units have been used successfully in many other rural regions of the world. They allow for automation, scalability, and dramatically lower labor costs. Moverover, it reduces risks to injury, and makes a much safer environment for workers to handle materials. Finally, MRCs create more opportunity for valuable resources to be diverted away from landfills, and decrease waste costs.

GOALS AND OBJECTIVES

Creating a MRC – The overall goal is to meet the increased demand for recycling on Hawai'i island, and be able to scale capacity to collect and process growing recycling volumes. Build a process to meet future growth.

Goal 1: Demonstrate a clean-stream, source-separated Mobile Recovery Center (MRC) model for North and South Kona. Prove-out a low-investment, low-tech solution can create a high output of recyclables, compared to a traditional \$20M MRF investment.

Goal 2: Partner with Atlas Recycling, include donated equipment, and purchase of additional, new equipment to complete MRC. Process and equipment is outlined in the budget request.

Goal 3: Collaborate with Recycle Hawai'i, and Circle Pack HI, to hold community recycling drives, and help manage a social media campaign to attract community involvement in recovering more materials.

Goal 4: Provide services to small and medium-sized businesses, and residents that are in dire need of recycling programs. Help lead a pathway towards a diversion rate of 60% of average household waste.

Goal 6: Reduce risk and increase the safety of Hana Hou staff. Materials handling in the solid waste industry has a high frequency of back and neck injury, and Musculoskeletal disorders (MSDs).

PUBLIC PURPOSE AND NEED TO BE SERVED

Hawai'i Island residents and businesses have little to no opportunity to recycle and divert tons of resources destined to our single island landfill. Creating a low-cost, high-production solution for materials recovery, gives the Hawai'i Island community a channel to divert valuable commodities from the landfill, saving thousands of dollars in taxpayer costs as a result. Moreover, proving the MRC concept, allows for additional MRCs to be integrated and scale Hawai'i Island diversion, and create new green jobs in the process. With global warming an existential imperative, our mission has never been more urgent. The task of implementing and sustaining resilient and effective waste reduction programs cannot be left to the government alone. It is not enough to pass laws and resolutions that declare ambitious goals. There must be some mechanism to generate the political will and public support needed to achieve such goals, and it is the responsibility of the private and voluntary sectors to develop and drive that mechanism.

Hana Hou Recycling is uniquely positioned to assist Hawai'i County as it strives to rebuild its diversion programs. As a small, private sector company, it can explore and implement solutions in ways the government cannot. Hawai'i County's ambitious waste reduction goals can only be met through strong partnerships that allow it to leverage resources and increase public buy-in. Although the primary target of our programs is Hawai'i Island residents and visitors, as our partnership with Hawai'i County succeeds, we pave the way for similarly successful endeavors throughout the Hawaiian Islands.

TARGET POPULATION TO BE SERVED

This project will center on the residents, businesses and farms of rural, North and South Kona. We expect this solution to also service locally-owned businesses and wider community members during recycling drives or events. In addition, the MRC will allow for a safer work environment for Hana Hou employees and vendors, which include men and women of Native Hawaiian Ancestry.

It is worth noting that most of Hawaii County is rated as "poverty-persistent" areas and the intended service area will fall within a poverty-persistent area.

GEOGRAPHIC COVERAGE

While this mobile pilot will be staged in West Hawai'i, the goal is for the program is to be a proof of concept, and further MRCs can be integrated in other regions of Hawai'i County further diverting recyclable materials from the landfill.

SERVICE SUMMARY AND OUTCOMES

TASK	MONTH												
	-1	1	2	3	4	5	6	7	8	9	10	11	12
1. Receive quotes for equipment													
2. Place equipment orders and receive donated equipment													
3. Develop outreach materials													
4. Finalize operating logistics													
5. Hire two individuals													
6. Begin capturing and staging recyclables													
7. Hire one individual													
8. Receive broker shipping container and return													
9. Pilot assessment													

Following the first shipment of materials off-island, Hana Hou will make assessments: (1) an internal post-mortem with staff to review logistical inefficiencies, new ideas, and financial costs and (2) an external presentation with stakeholders to share the results of the pilot and discuss opportunities for sustained programming.

Measures of effectiveness to be monitored throughout the pilot are

1. The tonnage of materials recycled. Tonnage of materials recycled will be weighed in the shipping containers at the Kawaihae dock prior to receiving materials at the port in Long Beach, where a final weight confirmation will be conducted.
2. Percent time spent by staff on each part of the recycling process – quality assurance, bailing, maintenance, transportation.
3. Month over month business partner commitments to the mobile pilot recycling from April to December.
4. Community awareness of recycling opportunities, quantified by community events, and NGO partnerships over time.

5. Reduced "hard" labor, means a safer and easier method to move and manage materials. Less labor per ton of material recycled should be another result. Survey of staff's reduction in lifting and ease of materials handling.

EXPERIENCE AND CAPABILITY

Hana Hou Recycling has been planning, and implementing recycling programs for 14 years on Hawai'i Island. The company serves nearly 2000 individual residences in the Kona-Kohala region, along with many small and medium-sized commercial clients. Hana Hou has strong networks and partnerships with many public and private leaders, and nonprofits. The company has demonstrated sustained recycling services, and a commitment to Hawai'i Island. The Hana Hou team is composed of people with deep experiences in business management, operations, logistics and markets, as well as community engagement.

Nick Riznyk is a business owner, consultant, and investor in local start-ups. He grew up splitting time between Alaska and Hawaii. After college, he spent a decade in the high-tech industry, helping develop mobility solutions, and early internet technologies. Upon completing his MBA, he chose to downshift corporate life, return to Hawaii, and pursue his passions of sustainability and entrepreneurship. He co-founded Hawaii Angels, Big Island – a network for high net-worth private equity investors, and worked with several local start-ups in the "green tech" space. Nick founded Hana Hou Recycling in 2008, to bring zero-waste consulting, and recycling services to the Kona-Kohala coast. He continues to work with start-ups, and projects focused on delivering local, sustainable solutions for Hawaii Island communities.

Sarah Riznyk is co-founder of Hana Hou Recycling and owns a private nursing company. She grew up in the Pacific Northwest and worked as a neurovascular surgical intensive care unit nurse, and developed a specialty as an organ procurement coordinator. Sarah was mentored by Earl E. Bakken as part of his nursing team and also held various clinical and leadership positions at Queens North Hawaii Community Hospital. She aims for balance in six aspects of wellbeing: environment, health, relationships, security, purpose, and community involvement.

FACILITIES

This request is for development and proof of concept of a Mobile Recovery Center (MRC). Used successfully in other countries such as Australia for large events and rural communities, the MRC is a replacement for traditional, and very expensive Materials Recovery Facility (MRF). The MRC is a low-cost, low-tech, high-output materials recovery solution for rural, and small communities without the economies of scale to support a traditional \$20-\$40M MRF.

The MRC accepts "cleanstream," source-separated material, and allows for quality assurance and removal of some contamination. It includes an off-grid solution for separation, a trailer-mounted generator, bailers and a glass-to-sand machine. Moreover, the MRC can be transported to different communities as needed. It is a new materials recovery model which replaces the outdated, Materials Recovery Facility (MRF) accepting single-stream or dirty stream materials. Not only MRF's require a massive capital investment, they include high operating costs, and due to high contamination rates, they have a lower percentage of diversion.

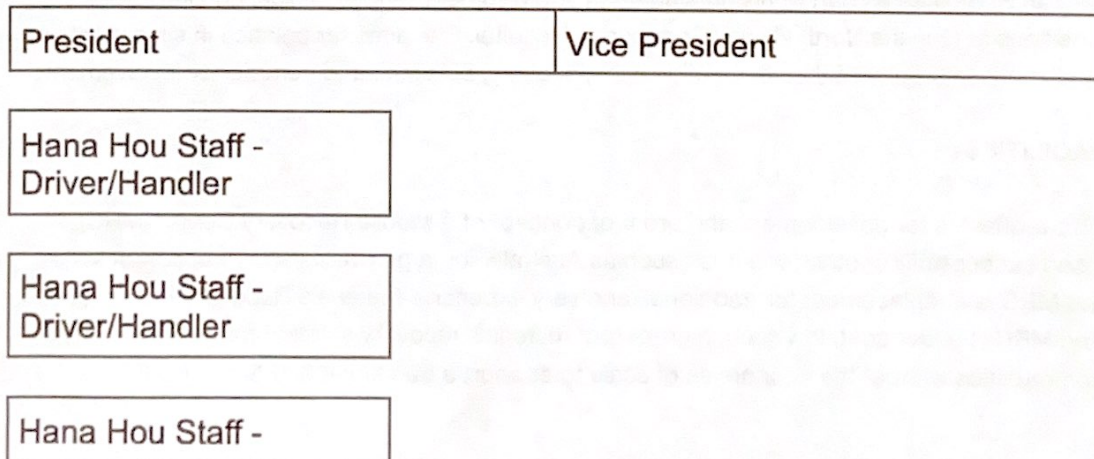
A local company and local nonprofit are committed to supporting this MRC and its diversion of operations: Atlas Recycling and Recycle Hawai'i. Atlas is a local scrap recycler and has certified recycling and processing facilities and extensive equipment for processing and staging recoverable materials. Recycle Hawai'i is a legacy 30-year organization with deep community ties, and expansive networks.

PERSONNEL | ORGANIZATION AND STAFFING

The vice president shall serve as the primary agent for the company, manage the organization's staff, oversee office functions and generate financial documents and reports as needed. The VP will also interact with Hawaii County officials involved in waste management to keep them informed, build relationships, and keep abreast of contract opportunities as they arise.

Hana Hou's staff and business and community partners will utilize the MRC, helping divert, collect, and process materials.

ORGANIZATION CHART



Driver/Handler

COMPENSATION - DIRECTORS

President	\$30,000
Vice President	\$30,000
Staff and Vendors	\$130,000

LITIGATION & PRIVATE EDUCATION INSTITUTIONS

There is no ongoing or outstanding litigation with Hana Hou Recycling at the time of writing. This grant will not be used to support any secretarian or non-secretarian private education institution within the state of Hawaii.

SUSTAINABILITY PLAN

During the 14 years Hana Hou has served the public interest as a for-profit, community service. Its management has sustained services and programs through tough and lean times. Support from the GIA program will allow a more sustainable operations model, and allow the company to scale and offer services to the extended community. Not only can Hana Hou sustain its services to more people, but it will prove that a MRC is a fantastic rural solution to waste diversion. The MRC model can then be replicated in other regions of Hawai'i, sustaining more communities.

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2022 to June 30, 2023

Applicant: Hana Hou Recycling

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				
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space	\$9,000.00			
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES	\$9,000.00			
C. EQUIPMENT PURCHASES	\$104,400.00			\$15,000.00
D. MOTOR VEHICLE PURCHASES	\$200,000.00			
E. CAPITAL				
TOTAL (A+B+C+D+E)	\$313,400.00			\$15,000.00
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	\$313,400.00	SARAH RIZNYK 808 322 7505 <small>Name (Please type or print) Phone</small>		
(b) Total Federal Funds Requested		Sarah Riznyk 1/21/2022 <small>Signature of Authorized Official Date</small>		
(c) Total County Funds Requested				
(d) Total Private/Other Funds Requested	\$15,000.00	SARAH RIZNYK, VICE PRESIDENT <small>Name and Title (Please type or print)</small>		
TOTAL BUDGET	\$328,400.00			

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES Period: July 1, 2022 to June 30, 2023

Applicant: Hana Hou Recycling

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
Generator	1.00	\$8,000.00	\$ 8,000.00	
Forklift	1	\$20,000.00	\$ 20,000.00	
Mini excavator	1	\$15,000.00	\$ 15,000.00	
Glass crusher	1	\$30,000.00	\$ 30,000.00	
40' shipping container	1	\$5,000.00	\$ 5,000.00	
Cement pad	1	\$20,000.00	\$ 20,000.00	
Super sacks	40	\$35.00	\$ 1,400.00	
Tipping slide	2	\$2,500.00	\$ 5,000.00	
TOTAL:	48		\$ 104,400.00	

JUSTIFICATION/COMMENTS:

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
Hooklift Truck	1.00		\$ 100,000.00	
Curbside packer	1.00		\$ 100,000.00	
			\$ -	
			\$ -	
			\$ -	
TOTAL:	2		\$ 200,000.00	

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS Period: July 1, 2022 to June 30, 2023

Applicant: Hana Hou Recycling

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. 2020-2021	FY. 2021-2022	FY.2022-2023	FY.2022-2023	FY.2023-2024	FY.2024-2025
PLANS						
LAND ACQUISITION			\$9,000			
DESIGN						
CONSTRUCTION						
EQUIPMENT			\$304,400	\$15,000		
TOTAL:	\$0	\$0	\$313,400	\$15,000		
<i>JUSTIFICATION/COMMENTS: The mobile resource recovery project is a new initiative for 2022, no prior funding has been accepted yet.</i>						