

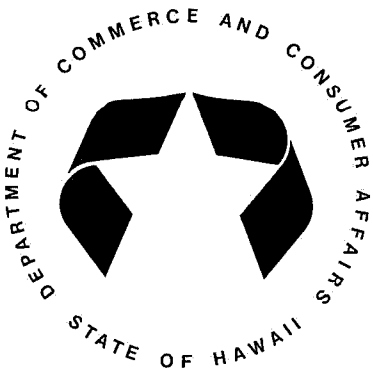
Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

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

SHAC FOUNDATION

was incorporated under the laws of Hawaii on 03/23/2021 ; 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: January 18, 2023

Director of Commerce and Consumer Affairs

Application for Grants

If any item is not applicable to the request, the applicant should enter "not applicable".

3. Public Purpose

The names of the requesting organization	SHAC Foundation
The public purpose of the grant	Supporting diversified agriculture, specifically in the Puna district.
The services to be supported	Installation of a water well to increase production of cattle, papaya and floriculture. Will also support nursery operations for coffee and macadamia nut industries.
The target group	Agricultural producers in the area near Kea'au
The cost of the grant and the budget	\$99,713

II. 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;

The SHAC Foundation, a Hawai'i 501(c)3 focused on agricultural and resource sustainability, is a support organization for the Synergistic Hawai'i Agriculture Council, a Hawai'i 501(c)6. Our mission is to remove economic and agronomic barriers for agricultural producers.

SHAC's consortium of four statewide agricultural associations: the Hawai'i Papaya Industry Association (HPIA), the Hawai'i Floriculture and Nursery Association (HFNA), the Hawai'i Coffee Association (HCA) and the Hawai'i Macadamia Nut Association (HMNA) - represent over 1,000 agribusinesses, and 90 percent of their respective industry's production and sales. All Hawai'i agricultural non-profits are eligible for membership.

SHAC and its Foundation have a long history of supporting growers directly. Many of our activities reach and benefit the 4,500 producers statewide who are

not direct members of a trade association. Membership is not required to participate in our programs, which are crafted to benefit all agricultural growers. SHAC's primary office space is in Hilo, Hawai'i.

2. The goals and objectives related to the request;

The SHAC Foundation will work with agricultural partners to install a cooperatively-owned ag water well to provide water to diversified agricultural businesses in the Puna district of Hawai'i island and increase local food production. Water is a key limiting factor in agricultural development. Expanded access to water is expected to contribute to income generation of upwards of \$3 million per year of increased productivity by year 5 of the well's installation.

Kea'au and Puna agribusinesses are currently dependent on either limited catchment or natural rainfall. With January 2023 drought conditions, farmers are unable to get water delivery, as truckers focus their deliveries on residential users. Growers are at the increasing mercy of water delivery trucks, as droughts have become increasingly commonplace. In extreme and exceptional drought conditions, which have occurred annually for the last three years, cattle must be culled or die, and specialty crops fail.

The County of Hawai'i's Department of Water Supply (DWS) and DLNR Water Use Commission have previously issued a permit for this well. The Puna Ag Well will develop a groundwater monitor plan that meets the requirements of the State's DLNR Water Use Commission and the County's Department of Water Supply and report water quality and usage data as required under the permit.

3. The public purpose and need to be served;

The Puna district on Hawai'i supports three key agricultural industries, floriculture, papaya and cattle, all with a high proportion of socially disadvantaged farmers. The unique microclimate creates a growing region that is known as the "Napa Valley of Papayas." Commercial orchids grown in this area are in high global demand due to their rarity, and even one-acre nurseries can economically sustain a family. The floriculture industry was listed as an economic "strength" in the 2016 County Comprehensive Economic Development Strategy (CEDS). Cattle are extensively grazed in this area as well. In addition, vegetables, macadamia nuts and banana are located within Kea'au.

The Puna Ag Well will service an area that is currently in heavy use for diversified agriculture. Most of the agricultural sites are dependent on natural rainfall. A limited number of the agricultural sites have partial access to water from the village of Kea'au, putting a burden on the residential potable water system. Fully maximized, the Puna Ag Well will supply an additional 81 acre-feet of water to its agricultural and industrial use constituents annually through a 50

gpm pump with a 6" casing. By moving the agricultural use from city water to a non-potable well water, it reduces water limitations for residents during drought cycles and prevents the potential loss of crops or cattle due to drought restrictions.

According to the USDA Risk Management Agency (RMA), insured crop losses through the State of Hawai'i as a result of drought conditions for the six-year period of 2012 to 2017 totaled \$2,829,361. Please note that this data only applies to insured crops, and the actual numbers are much higher. Drought preparedness in Kea'au will provide an avenue for the long-term stability of agriculture in this region.

In 2021, and 2022, the USDA declared Hawai'i County a disaster area because of severe drought. The frequency of these disasters is limiting the agricultural production of growers. This is indicative of the ongoing vulnerability of Hawai'i to a changing climate and the regular droughts that agribusinesses struggle under. In particular an extreme period of drought between 2008 to 2014 significantly impacted 69% of the islands, devastated agricultural yields and reduced grazing and reproductive capability for livestock. Currently, some producers in Kea'au are paying several thousand dollars monthly for water to be trucked in via tanker.

4. Describe the target population to be served; and

This well will directly service agricultural growers near the Kea'au triangle, including papaya growers, cattle, a floricultural cooperative as well as a rock quarry. The Puna Ag Well will beneficially impact a disadvantaged and underserved community. Census data for Kea'au indicate the total population at 5,052 persons, with race reported as 39.5% Native Hawai'ian or Pacific Islander and 60.2% Asian (alone or in combination). Almost 22% of the households are below the poverty level. Hawai'i County has the lowest median income in the state, coupled with an exceptionally high cost of living. The median household size is 3 people with a median income of \$53,981, significantly lower than the statewide median income of \$81,275.

The Puna Ag Well will beneficially impact a disadvantaged and underserved community that is closely connected to agriculture. Almost 22% of the households are below the poverty level. Hawai'i County has the lowest median income in the state, coupled with an exceptionally high cost of living. The median household size is 3 people with a median income of \$53,981, significantly lower than the statewide median income of \$81,275.

The Puna district on Hawai'i was heavily impacted by the 2018 Kilauea lava flow. Hundreds of acres of State Important Agricultural Lands and Hawai'i County-identified "Core Crop Lands" were either destroyed or had access roads blocked. Over \$30 million dollars in agriculture infrastructure was destroyed. Utilities such

as water and power were also cut off or access lines destroyed. This increased the agricultural and residential pressure in the Kea'au portion of Puna, as it was close, but still outside of the lava rift zone. The population of Kea'au doubled. Agribusinesses relocated as well, and have increased their usage of the Kea'au residential water to meet the shifted demand for agricultural products and rangeland. Most of these agricultural growers identify as minority, and would qualify under the USDA "socially disadvantaged farmer" category.

5. Describe the geographic coverage.

The project will be located near Kea'au, a census-designated place in the Puna district of Hawai'i County. The approximate latitude is 19°37'45"N and longitude 155°01'11"W, roughly one mile east of the town center. The county seat of Hilo is located eight miles away. The water is expected to cover agricultural operations in a 15,000 acre area.

III. 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;

The water lens is approximately 200 feet below the project location. Based on competitive bids provided to the SHAC Foundation, a well will be drilled using PVC Schedule 40 6" Well Screen and Casing with gravel pack and grout seal. Because the location is off-grid, a Franklin Subdrive SolarPAK 3.0 HP pump with solar/AC controller will be installed, including panels, inverters and storage capacity. The drop pipe will be 2" PVC Schedule 120 with stainless steel couplings. Submersible 10/3 stranded pump cable will connect the pump to the solar controller. A 2" check valve and a well seal will also be installed.

In addition to the well, the following items are necessary to complete the installation and ensure consistent water availability. An 80,000 gallon storage tank will be located at the high point of the project area to allow for gravity feed access to water for most users. Sufficient plumbing (1,000 feet estimated) from the well to the storage tank and from the storage tank to the users connection will be run. At least three water meters will be initially installed to monitor consumption by the users. Additional submeters are already in place from current potable connections and will be transitioned to well meters.

All work will be done by Hawai'i contractors and overseen by SHAC Foundation staff.

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

A nominal start date of July 1 is estimated and can be adjusted.

Task	July 1, 2023 - Jan 30, 2024						
	July	Aug	Sept	Oct	Nov	Dec	Jan
Work Plan							
Complete permitting							
Cultural Resources Compliance							
Drill well							
Install solar							
Install tank, piping, meters and ancillary equipment							
Connect growers to well water. Disconnect from County water							
Grant management & reporting							

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

SHAC's agricultural commodities have a long and successful history of building infrastructure to assist our growers in facing the unique challenges of Hawai'i ag. Installation of the well will meet all permit requirements of the State and County.

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.

The SHAC Foundation will measure and report the following items to the State.

- Installation date of well and activation of water flow.
- Number of growers accessing non-potable water from the ag well.
 - Number of growers transferring from County water to ag well
 - Number of growers transferring from trucked-in water to ag well
- Water usage and quality reports, if required by County DWS and/or DLNR
- Estimated water savings to County DWS and Kea'au potable water users.
- Estimated crop values and crop yield improvements of users on ag well.

IV. 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)

See attached forms.

2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2023.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
35,000	\$30,000	\$15,000	\$10,200	\$90,200

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2024.

No other funding is being sought at this time.

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. No tax credits sought or granted.

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 2024 for program funding.

The SHAC Foundation was organized as a support 501(c)3 for SHAC in 2021. At this time there are no current or past grants to report.

6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2022.

The SHAC Foundation is primarily a pass-through organization, seeking grants on behalf of agricultural producers. Current unrestricted assets as of 12/31 was \$1,479.

V. 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.

SHAC and its Foundation share a common board and staff. SHAC and its member commodities have lengthy experience in managing programs for our industries. A USDA Cooperator under the Foreign Agriculture Service's Market Access Program, SHAC receives federal funds annually to promote our commodities' exports. In addition, SHAC has received Technical Assistance for Specialty Crops (TASC) grants from USDA to assist our members with emergency responses to invasive pests as well as to overcome barriers to trade. With TASC funding, we trained over 750 coffee growers in new Integrated Pest Management procedures to combat a destructive invasive beetle. In 2020, we coordinated with USDA and UH to certify Hawaiian Papaya as food-safe for entry into China.

SHAC and its member associations have received State and County grants to pursue activities that benefit our members. A brief sampling is County Research and Development grants to fund inbound trade missions, bringing Japanese buyers to Hilo and Honolulu to promote export sales. The Hawaii Department of Agriculture has awarded us grants to assist our coffee growers with pest relief and staff have collaborated previously with The Kohala Center on Socially Disadvantaged Producer grants through USDA.

In the 2018 Kilauea lava disaster, SHAC organized and hosted multiple relief agency meetings, bringing up to 18 governmental agencies together to present to ag producers and businesses. The organization received a grant from the Department of Commerce

for disaster relief services. Producers were offered technical assistance, business and marketing planning, skills refresher courses. We also developed two pilot projects: one floriculture “model farm” for skills training and one papaya project where growers developed best management practices for increasing yield.

In 2021, SHAC spearheaded a significant grant for coffee leaf rust research, bringing \$6.1 million to Hawaii to fund research at UH and USDA to benefit our growers’ response to the deadly fungus.

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.

The SHAC Foundation is currently located within the physical offices of Synergistic Hawai’i Agriculture Council (SHAC) at 190 Keawe St, Suite 204, Hilo, Hawai’i, 96720.

The well site is 7 miles away, in the Kea’au agricultural corridor, adjacent to the Puna Rock Quarry.

VI. Personnel: Project Organization and Staffing

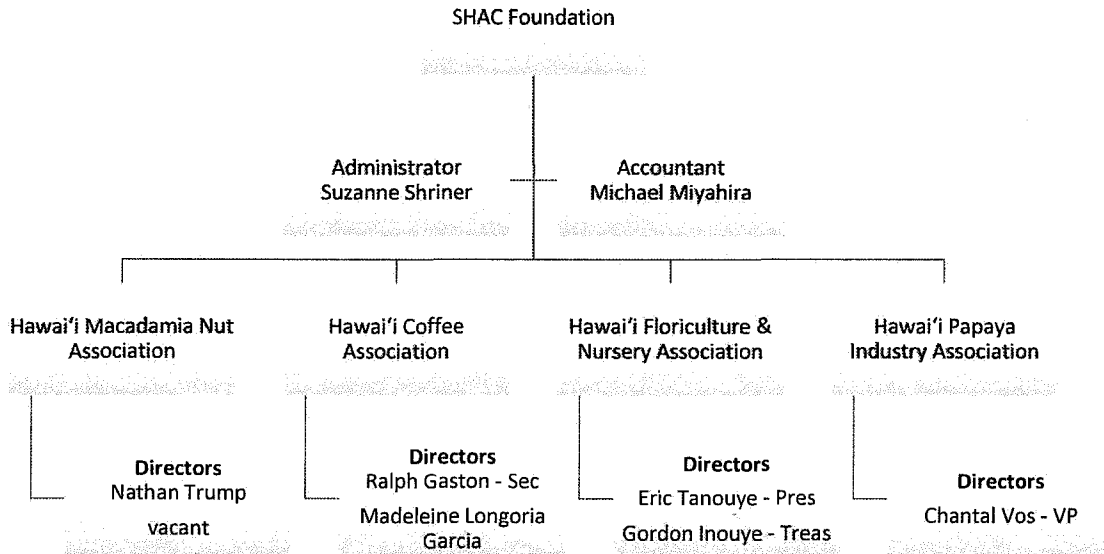
1. Proposed Staffing, Staff Qualifications, Supervision and Training

Suzanne Shriner, Administrator for SHAC, has 15 years of experience in the implementation, and management of environmental engineering contracts, including State and Federal projects. She has an additional 16 years of experience in Hawai’i small business, farmer-to-farmer education, and non-profit management. With SHAC, she has she conducted industry-wide strategic and infrastructure planning, drafted marketing plans, wrote white papers and organized workshops and trainings. She will be the primary contact for this grant and will oversee all activities.

Gordon Inouye, Board Treasurer for SHAC Foundation, is a Big Island farmer, businessman and entrepreneur, born and raised in Hilo, Hawai’i. While he holds a BS in Engineering as well as an MBA, floriculture called him back to the islands, where he founded Puna Orchids Inc, a pioneer in the potted orchid business. Gordon is an active member of the local community and also serves on the Board of Hawai’i Floriculture and Nursery Association. He is a Founding Member of the Puna Flower Power cooperative, which is currently growing orchids in Kea’au. He will liaison with contractors and water well users to streamline the buildout and downstream connections.

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.



3. Compensation

The applicant shall provide an annual salary range paid by the applicant to the three highest paid officers, directors, or employees of the organization by position title, not employee name.

Administrator: \$85,000
Accountant: \$20,000

VII. 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.

Not Applicable

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.

Not Applicable

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 1, of the State Constitution for the relevance of this question.

No.

4. Future Sustainability Plan

The applicant shall provide a plan for sustaining after fiscal year 2023-24 the activity funded by the grant if the grant of this application is:

- (a) Received by the applicant for fiscal year 2023-24, but
- (b) Not received by the applicant thereafter.

It is expected that this will be a single request with no followup funding needed. Well maintenance costs will be considerably lower than the current cost of water, thus reducing costs to ag producers overall. The cooperatively-owned well will share maintenance costs between water recipients.

If the funding is not received, the well will not be constructed. SHAC Foundation will continue to provide services to agricultural producers in the area and will continue to seek funding to construct the well on behalf of growers. Mahalo.

**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS PURSUANT TO
CHAPTER 42F, HAWAII REVISED 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; and
- 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.
- 4) The use of grant-in-aid funding complies with all provisions of the Constitution of the State of Hawaii (for example, pursuant to Article X, section 1, of the Constitution, the State cannot provide "... public funds ... for the support or benefit of any sectarian or nonsectarian private educational institution...").

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.

SHAC Foundation
(Typed Name of Individual or Organization)
Suzanne Shriner
Digitally signed by Suzanne Shriner
DN: cn=Suzanne Shriner, o, ou, email=suzanne@shachawaii.org,
c=US
Date: 2023.01.19 11:51:18 -10'00'
(Signature) (Date)

Suzanne Shriner Administrator
(Typed Name) (Title)

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2023 to June 30, 2024

App

SHAC Foundation

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	8,071	0	0	0
2. Payroll Taxes & Assessments	807	0	0	0
3. Fringe Benefits	0	0	0	0
TOTAL PERSONNEL COST	8,878			0
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance	2,250			
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
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	2,250			
C. EQUIPMENT PURCHASES	50,587			
D. MOTOR VEHICLE PURCHASES	0			
E. CAPITAL	37,998			
TOTAL (A+B+C+D+E)	99,713			
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	99,713	Suzanne Shriner 808-365-9041		
(b) Total Federal Funds Requested	0	Name (Please type or print) Digitally signed by Suzanne Shriner Phone		
(c) Total County Funds Requested	0	Suzanne Shriner DN: cn=Suzanne Shriner, o.ou, email=suzanne@shachawaii.org, c=US		
(d) Total Private/Other Funds Requested	0	Date: 2023.01.18 23:29:45 -10'00' 1/18/23		
TOTAL BUDGET	99,713	Signature of Authorized Official Date		
		Suzanne Shriner, Administrator Date		
		Name and Title (Please type or print)		

BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES

Period: July 1, 2022 to June 30, 2023

Applicant: SHAC Foundation

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
Project Manager	2080	\$107,220.00	2.50%	\$ 2,680.50
Site Manager	2080	\$77,000.00	7.00%	\$ 5,390.00
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				8,070.50
JUSTIFICATION/COMMENTS:				

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2023 to June 30, 2024

Applicant: SHAC Foundation

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
Water Pump and solar module	1.00	\$17,787.00	\$ 17,787.00	17787
Water Tank and Liner (master tank and subtank)	1	\$26,000.00	\$ 26,000.00	26000
Piping	1	\$4,200.00	\$ 4,200.00	4200
Cable, check valve and seal kit	1	\$1,400.00	\$ 1,400.00	1400
Water Meters	3	\$400.00	\$ 1,200.00	1200
TOTAL:	7		\$ 50,587.00	50,587
JUSTIFICATION/COMMENTS:				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
None requested			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2023 to June 30, 2024

Applicant: SHAC Foundation

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	0	0	0	0	0	0
LAND ACQUISITION	0	0	0	0	0	0
DESIGN	0	0	0	0	0	0
CONSTRUCTION	0	0	37998	0	0	0
EQUIPMENT	0	0	0	0	0	0
TOTAL:			37,998			
JUSTIFICATION/COMMENTS:						
Equipment listed on Spreadsheet #8.						

GOVERNMENT CONTRACTS, GRANTS, AND / OR GRANTS IN AID

Applicant: SHAC Foundation

Contracts Total: -

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S./State/Hawaii/ Honolulu/ Kauai/ Maui County)	CONTRACT VALUE
1	None				
2					
3					
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