

House District 11  
Senate District 5

THE TWENTY-SEVENTH LEGISLATURE  
APPLICATION FOR GRANTS AND SUBSIDIES  
CHAPTER 42F, HAWAII REVISED STATUTES

Log No:

For Legislature's Use Only

Type of Grant or Subsidy Request:

GRANT REQUEST - OPERATING

GRANT REQUEST - CAPITAL

SUBSIDY REQUEST

"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.

"Subsidy" means an award of state funds by the legislature, by an appropriation to a recipient specified in the appropriation, to reduce the costs incurred by the organization or individual in providing a service available to some or all members of the public.

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

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:  
South Maui Learning Ohana, Inc.

Dbas: South Maui Learning Ohana, Inc.

Street Address:  
467 Kalalao Place  
Kihei, HI 96753

Mailing Address:  
467 Kalalao Place  
Kihei, HI 96753

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name GENE ZARRO

Title CEO

Phone # (808) 264-2261

Fax # \_\_\_\_\_

e-mail gene@smlo.org

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION  
 FOR PROFIT CORPORATION  
 LIMITED LIABILITY COMPANY  
 SOLE PROPRIETORSHIP/INDIVIDUAL

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

PHOTOVOLTAIC SYSTEM AT NEW SOUTH MAUI LEARNING OHANA, KIHEI CHARTER SCHOOL

4. FEDERAL TAX ID #: \_\_\_\_\_

5. STATE TAX ID #: \_\_\_\_\_

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2015: \$ 755,000

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 \$10.8M FOR PROPOSED (\$17.7M TOTAL)  
COUNTY \$ \_\_\_\_\_  
PRIVATE/OTHER \$1,500,000 (SECURED)

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

AUTHORIZED SIGNATURE

GENE ZARRO, CHIEF EXECUTIVE OFFICER  
NAME & TITLE

JANUARY 31, 2013  
DATE SIGNED

# Application for Grants and Subsidies

*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. Include the following:

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

The South Maui Learning Ohana (SMLO) was the result of the community's drive to establish a new high school in South Maui. The Ohana was comprised of parents, educators, students, special needs experts, small business development advocates, school administrators and public officials who met regularly throughout the mid-1990s to develop educational initiatives for their community. In particular, the group resolved to establish a new high school in Kihei, as there was none. In late 1998, the South Maui Learning Ohana was established as a 501(c)(3) non-profit organization with the mission to support educational initiatives for the South Maui community.

SMLO submitted its charter to the State of Hawaii and, in July 2001, with strong support from the twelve-member SMLO steering committee and 1,200 Maui residents; Kihei Public Charter School (KCS) was established. The South Maui community had a vision for a new high school that was self-governed and prepared students for a rapidly changing world and workforce. Due to the efforts of the South Maui community, legislation was created that would give birth to the Charter School Movement in the State of Hawaii; a movement that has yielded 32 Charter Schools on five islands throughout the state.

Sixty students initially enrolled at KCS in 2001, serving grades ten through twelve. The students shared one classroom and a recreation room, totaling 2,500 square feet, at the Kihei Youth Center in North Kihei. In the 2013-2014 academic year, KCS enrollment has grown to 581 students with classroom facilities totaling 35,000 square feet in three buildings. Two of these buildings are contiguous: the Lipoa Shopping Center, located at 41 East Lipoa Street, serving students in kindergarten through eighth grades; and the Kihei Commercial Complex, located at 310 Ohukai Road, serving students in grades nine through twelve.

SMLO has secured funds from the United States Department of Agriculture for the purchase and remodeling of the Kukui Shopping Mall Complex located at 1819 South Kihei Road, which will house the middle and primary grades.

Currently, SMLO is awaiting a response to their purchase offer. SMLO has also recently acquired, partly through donation, property at the Maui Research and Technology Park, where a permanent high school will be built.

The early grassroots efforts of the SMLO led to an award-winning, fully accredited Science, Technology, Engineering, and Math (STEM) kindergarten through twelfth grade charter school, serving students throughout Maui. KCS has received numerous grants awards, recognizing the achievements of both their students and staff, including the Toyota Tapestry Large Grant Awardee for Innovate Environmental Science Education in 2008-2009, the Project Give Service Learning Grant in 2009-2010, and the Maui Economic Development Board's School Garden Grant in 2011-2012. Last year, KCS was the only school in the state, private or public, to receive an award from Michelle Obama's Healthy US Schools Challenge. To win an award, schools must demonstrate a commitment to the health of their students by improving the quality of foods served and providing nutrition education and opportunities for physical activity for students and staff.

2. Goals and objectives related to the request:

The purpose of this request is to obtain funds for a photovoltaic (PV) system and installation at the new Kihei Charter School to be located at SMLO's property at the Maui Research and Technology Park. The objective of this request is two-fold: first, the installation of the photovoltaic system will reinforce SMLO's commitment to increasing public awareness of green energy, reducing KCS' impact on the already fragile environment, and supporting KCS as a STEM school. The installation of a PV system will aid in qualifying for a high rating in the 'Leadership in Energy Efficient Design' (LEED) Program, which would allow the new KCS Charter School to pursue LEED certification in the future. A PV system generally covers the majority of a roof, in effect creating a solar-paneled roof over a roof that lowers air conditioning costs. In addition, harmful ultraviolet wavelengths of sunlight are prevented from coming into contact with the roof surface, thereby increasing the life span of the roof itself.

Secondly, a photovoltaic system will reduce KCS' energy expenditure, freeing up funds to be used for programming and community based programs. PV systems produce solar-based electricity without any moving parts and have a useful life span of 25 years or more. A PV system is one of the few property improvements that will pay for itself via its production of electricity. With the high price of electricity in Hawaii, PV systems amortize themselves in just a few years, aside from any State or Federal tax credits. At a fast growing institution like KCS, the savings can be used to continue to innovate more award-winning educational curriculum and programs.

3. **The public purpose and need to be served:**

**As SMLO serves as a community hub for dozens of local organizations and non-profits (See Appendix 1), a PV system will not only reduce the costs of KCS' annual electrical expenditure, but it will also allow KCS to serve even more community organizations and community members. SMLO anticipates increased community engagement in this new space that is both functional and designed with student safety in mind. A PV system also reinforces KCS and SMLO as pioneers in innovative technologies, as a model for clean energy usage in Hawaii. Furthermore, its cost savings will provide SMLO with the means to support many more community groups and organizations far into the future.**

Currently, SMLO's electric cost for KCS is \$15,000 a month. SMLO estimates a similar electric expenditure of \$12,000 to \$15,000 a month at the new school property, as the former location is nearly the same square footage as the new facility. The photovoltaic system will reduce utility costs and reinforce SMLO's commitment to supporting KCS as a STEM School while also supporting clean energy consumption and reducing its impact on the environment.

SMLO believes in building a model STEM charter school facility that integrates science and technology, so that the building itself allows for new and expanded STEM programs, and provides an opportunity for students' interests in STEM disciplines to deepen. The installation of a PV system will reinforce SMLO's commitment to STEM education as well as provide long term cost savings.

4. **Describe the target population to be served:**

Kihei Charter School at the Maui Research and Technology Park will serve the growing population of students who currently attend KCS in Kihei and Maui County. In the current school year, KCS serves 581 students and over 70 organizations. Kihei has a population of 16,479 with a median household income of \$46, 215. Nearly 20% of the population in Kihei is comprised of school-age children, ages five to 19 years old. Additionally, SMLO has been a community asset for 13 years, serving community organizations by allowing them to use KCS's facilities free of charge when not in use by the school (see Appendix 1 for full list of community partners). SMLO is committed to continuing this community partnership and looks forward to welcoming organizations to use its new facilities.

5. **Describe the geographic coverage:**

SMLO serves the entire island of Maui with more than 85% of KCS' students residing in the South Maui Area. The South Maui region includes Maalaea, Kihei, Wailea and Makena, and covers approximately 37.6 square miles.

## 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;

SMLO received preliminary data from a local photovoltaic installation company to determine the scope of work, tasks, costs, and responsibilities for such a PV system. SMLO will act in accordance with the State's procurement process to solicit bids and hire a firm. It is expected that the selected firm will provide the needed diagrams and drawings, and will obtain the necessary permits from the County and Maui Electric Company. This firm will also coordinate with the general contractor of the Kihei Charter School construction at the Maui Research and Technology Park on the PV installation. The PV system will likely include the following:

- (556) 300 watt photovoltaic panels with a 15+ year warranty;
- (556) 300 solar inverters with a 15+ year warranty;
- Anodized aluminum solar frame; stainless steel mounting hardware with a 5+ year warranty;
- All necessary disconnect switches, wire, conduits, and appurtenances necessary to complete job with a 5+ year warranty; and
- All labor, equipment, and fees necessary to complete job.

The two major components of a PV system are the PV panels and the solar inverters. These components have no moving parts to service or wear out, but are subject to corrosion over time. Keeping the PV panels clean will result in maximum energy output. A simple rinse of the PV panels on a regular basis will provide maximum efficiency, a task of which the school is committed to performing regularly. Washing the solar collector array will also rinse off any build-up of salt from ocean air and other environmental corrosion. This washing will extend the life of the PV panels, solar mounting frame, and solar mounting hardware. The solar inverters are generally installed indoors or underneath the panels, and there is no maintenance required for the solar inverters. In general, a PV system is one of the most reliable systems found on a building.

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

SMLO estimates that construction at the Maui Research and Technology Park will begin in September 2014 and will take approximately 12-18 months to complete. Once the roof has been constructed, PV installation can begin. SMLO anticipates a January 2015 start date for PV installation. SMLO expects installation to be completed by May 2015. Monthly, SMLO anticipates a \$7,500 reduction in its energy cost as a result of PV installation. This amounts to an amortization of approximately 6 and ½ years.

The major benchmarks of the proposed program are:

- PV installation start—January 2015
- PV installation completion—May 2015
- Realized cost savings – June 2015

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

SMLO will *monitor* the timeliness of the PV installer's estimate and actual installation. Based on the preliminary information, the goal is to reduce energy costs by 50% as a result of the photovoltaic system. SMLO will *evaluate* the success of the installation based on the actual cost savings. If the cost savings are less than anticipated, SMLO will *improve* upon this by working with the PV installation contractor to determine an appropriate course of action, such as cleaning the system more often. Additionally, SMLO will continue to *improve* the resources available in the community by continuing to support educational initiatives for KCS and throughout Maui County with the funds generated by the savings.

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 would need to be updated and transmitted to the expending agency.

Once the installation of the photovoltaic system is complete and operational, SMLO will report to the expending agency regarding the savings in utilities costs generated by the photovoltaic system. To assess the effectiveness (*achievement/accomplishment*) of the PV system it is necessary to compare prior energy costs to post-PV energy costs. SMLO's practical goal is to reduce energy costs by 50% a month (up to \$7,500); however some photovoltaic systems may reduce energy costs by 60-80% a month (savings of \$9,000 to \$12,000), depending on a number of factors.

### III. Financial

#### Budget

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.

See attached budget forms.

2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2015.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$188,750.00	\$188,750.00	\$188,750.00	\$188,750.00	\$755,000.00

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2015.

The South Maui Learning Ohana has received a \$17.7 million dollar Community Facilities loan from the United States Department of Agriculture to build new school facilities at the Maui Research and Technology Park and the Kukui Shopping Mall Complex. A requirement of the USDA grant is that SMLO must raise a portion of matching funds to aid in the construction of the high school. SMLO must match \$3 million of the USDA funds for a total project cost of \$20.7 million: \$10.8 million for KCS at the Maui Research and Technology Park and \$9.9 million for KCS at the Kukui Shopping Mall Complex. The amount requested in this proposal represents a small portion of the total matching funds required of \$3 million, of which SMLO has secured \$1.5 million.

SMLO is seeking \$755,000 from the State Legislature.

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 to the applicant.

5. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2013.

As of December 31, 2013, the balance of SMLO's unrestricted assets is \$827,419.62.

## **IV. Experience and Capability**

### **A. 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.

SMLO and KCS have the necessary skills, abilities, knowledge, and experience to successfully create truly innovative opportunities for not only students, but also the larger community, from the cost savings of this project. See Appendix 3 for Board of Directors' biographies.

KCS is the first STEM school in Hawaii and the only STEM school that offers STEM classes to all students. The school also focuses on 21st century skills and a blended education based in experiential learning. The core KCS curriculum for high school students includes math, science, engineering, technology, language arts, and social studies. Additionally, KCS facilities have served as a major community hub (see Appendix 1) for a variety of organizations and looks forward to continuing to be the community meeting place at the new KCS facilities.

SMLO will ensure the PV installation company who is awarded the contract is highly qualified and has the necessary skills, abilities, and knowledge by creating a bid process that is transparent, specific in its requirements, and fair. Additionally, SMLO anticipates working with the State of Hawaii Procurement Office to ensure procurement compliance.

### **B. 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 applicant shall also describe how the facilities meet ADA requirements, as applicable.

The South Maui Learning Ohana has received a \$17.7 million dollar Community Facilities loan from the United States Department of Agriculture to build new school facilities at the Maui Research and Technology Park and the Kukui Shopping Mall Complex. The new facilities at the Maui Research and Technology Park and the Kukui Shopping Mall Complex will meet ADA requirements. Please see Appendix 4 for architect's renderings of KCS' new facilities. SMLO estimates that the roof of the building at the Maui Research and



Technology Park should be constructed and ready for the start of PV installation by February of 2015.

## **V. Personnel: Project Organization and Staffing**

### **A. 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.

For more information on SMLO's Board of Directors, see Appendix 3.

### **B. 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 organizational chart that illustrates the placement of this Request.

SMLO maintains a memorandum of understanding (MOU) with KCS, which states that SMLO will lease all classroom and office space to KCS; currently a total of 35,000 square feet of space is under lease. As a public charter school, KCS' existence is dependent on continued funding and although funding is expected to continue, it is not guaranteed. As a result, KCS does not enter into any long-term financial agreements. The MOU allows KCS to occupy adequate facilities but limits their long-term financial obligations.

This understanding has allowed KCS to focus on education, while SMLO oversees all non-educational components and provides insurance, maintenance, and related operating expenses and duties. In addition, SMLO educates the community and the State on behalf of KCS regarding the challenges faced by Charter Schools in Hawaii. SMLO also develops community partnerships, which are necessary building blocks for expanding Charter Schools in Hawaii, and is committed to furthering educational initiatives in Maui County.

#### South Maui Learning Ohana, Inc. Board of Directors

Malia Johnson, Chair	Cheryl Zarro
Charla Hart, Vice Chair	George Fontaine
Diane Parrela, Secretary	Jay April
Eileen Ryckewaert, Treasurer	Junius Johnson
	Ray Hart

South Maui Learning Ohana, Inc. Staff

Gene Zarro, Chief Executive Officer (sole SMLO staff person)

As one of 32 charter schools in Hawaii, KCS is managed and operated by a local school board made of the following community members:

Steve Perkins, Chair

Gene Zarro, Vice Chair

Diane Parrella, Secretary

Richard Kehoe, Treasurer

George Winterscheid

Todd Lawson

**C. 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.

██████████, CEO: annual salary of \$60,000 (sole SMLO staff person)

**VI. Other**

**A. 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 to the applicant.

**B. Licensure or Accreditation**

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

SMLO is a 501(c)(3) non-profit organization with the mission to promote educational initiatives in Maui County. Additionally, SMLO provides fiscal and management support to KCS, which is one of only 12 Charter Schools in Hawaii to be fully accredited by the Western Association of Schools and Colleges. KCS is a member of the long-established *Coalition of Essential Schools*, a nationwide organization that advocates personalized instruction, small class sizes, and interdisciplinary studies. KCS is also the first Science, Technology, Engineering and Math (STEM) School in Hawaii.

**BUDGET REQUEST BY SOURCE OF FUNDS**  
(Period: July 1, 2014 to June 30, 2015)

Applicant: South Maui Learning Ohana

<b>BUDGET CATEGORIES</b>	<b>Total State Funds Requested (a)</b>	<b>USDA Loan Funds (new KCS high school) (b)</b>	<b>(c)</b>	<b>(d)</b>
<b>A. PERSONNEL COST</b>				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
<b>TOTAL PERSONNEL COST</b>				
<b>B. OTHER CURRENT EXPENSES</b>				
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. Plans		230,000		
10. Design		165,000		
11. Consttucion	755,000	9,150,000		
12				
13				
14				
15				
16				
17				
18				
19				
20				
<b>TOTAL OTHER CURRENT EXPENSES</b>	<b>755,000</b>	<b>9,545,000</b>		
<b>C. EQUIPMENT PURCHASES</b>		<b>500,000</b>		
<b>D. MOTOR VEHICLE PURCHASES</b>				
<b>E. CAPITAL</b>				
<b>TOTAL (A+B+C+D+E)</b>	<b>755,000</b>	<b>10,045,000</b>		
<b>SOURCES OF FUNDING</b>		Budget Prepared By:		
(a) Total State Funds Requested	755,000	Lesley Harvey	(808) 457-7100	
(b) USDA Loan Funds	10,045,000	Name (Please type or print)	Phone	
(c)			January 31, 2014	
(d)		Signature of Authorized Official	Date	
<b>TOTAL BUDGET</b>	<b>10,800,000</b>	Gene Zarro, CEO		
		Name and Title (Please type or print)		

## BUDGET JUSTIFICATION PERSONNEL - SALARIES AND WAGES

Applicant: South Maui Learning Ohana

Period: July 1, 2014 to June 30, 2015

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
██████████ CEO	1	\$60,000.00	10.00%	\$0
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
<b>TOTAL:</b>				
<b>JUSTIFICATION/COMMENTS:</b> South Maui Learning Ohana, CEO, Gene Zarro will oversee this project. His time is considered a matching contribution of \$6,000				

## BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Applicant: South Maui Learning Ohana

Period: July 1, 2014 to June 30, 2015

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
Construction Equipment	various		\$ 500,000.00	0
			\$ -	
			\$ -	
			\$ -	
			\$ -	
<b>TOTAL:</b>			\$ 500,000.00	N/A
<b>JUSTIFICATION/COMMENTS:</b> No equipment funds are requested from the state.				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
Not applicable			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
<b>TOTAL:</b>				N/A
<b>JUSTIFICATION/COMMENTS:</b>				

**BUDGET JUSTIFICATION  
CAPITAL PROJECT DETAILS**

Applicant: South Maui Learning Ohana

Period: July 1, 2014 to June 30, 2015

**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: 2012-2013	FY: 2013-2014	FY:2014-2015	FY:2014-2015	FY:2015-2016	FY:2016-2017
PLANS		\$ -		\$ 230,000.00		
LAND ACQUISITION		\$ -		\$ -		
DESIGN		\$ -		\$ 165,000.00		
CONSTRUCTION		\$ -	\$ 755,000	\$ 9,150,000.00		
EQUIPMENT		\$ -		\$ 500,000.00		
CAPITAL						
<b>TOTAL:</b>		\$ -	\$ 755,000	\$ 10,045,000.00		

**JUSTIFICATION/COMMENTS** SMLO has received a \$17.7 million dollar USDA Community Facilities loan. Funds are expected to be available September 2014. The above budget, totaling \$10.8 million, is for KCS at the Maui Research and Tech Park. The remaining \$9.9 million will be utilized for KCS at Kukui Shopping Mall Complex. As part of the USDA program, SMLO must match \$3 million of those funds for a total of \$20.7 million. Of the required \$3 million match, \$1.5 million is secured. SMLO is seeking \$755,000 from the State Legislature toward the \$3 million matching funds required.

**DECLARATION STATEMENT OF  
APPLICANTS FOR GRANTS AND SUBSIDIES PURSUANT TO  
CHAPTER 42F, HAWAII REVISED STATUTES**

The undersigned authorized representative of the applicant certifies the following:

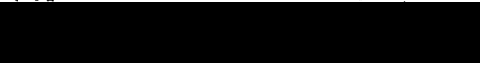
- 1) The applicant meets and will comply with all of the following standards for the award of grants and subsidies pursuant to Section 42F-103, Hawaii Revised Statutes:
  - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant or subsidy 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 or subsidy 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 or subsidy.
  
- 2) 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 or subsidy 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 or subsidies used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant or subsidy 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 or subsidy 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.

South Maui Learning Ohana

(Typed Name of Individual or Organization)



(Signature)

January 31, 2013

(Date)

Gene Zarro

(Typed Name)

Chief Executive Officer

(Title)

## **Appendix 1. Non-Exhaustive List of Community Supporters**

- Ace it Driving School
- AIHM – Association for the Improvement of Health care on Maui
- Alcoholic Anonymous
- Alternative Prom
- AYSO Kihei Soccer Group
- Best Buddies
- Black History Month
- Bonnie Bonce
- Boy Scout troop 22
- Civil Air Patrol
- Civil Air Patrol
- Cub Scouts
- Democratic Party community meetings
- Democratic Party district meetings
- Diabetes Health Group
- DOE Speech Pathologists training
- Feed my Sheep 501c3
- George Fontaine, State Representative
- Girl Scout troop 183
- Hale Kau Kau St. Theresa’s Feeding The Needy program
- Haleakala Waldorf School
- Hawaii Child Nutrition Program
- House Leadership Talk Story
- Island K9 Detection
- Jen Moss Parenting class
- Joe Bertram III, Former Hawaii Representative
- Kahoolawe Island Reserve Commission
- Kahu Rennie Mau and Game Kids
- Kaniela Ing, State Representative
- Kihei Canoe Club
- Kihei Community Association
- Kihei Dance Academy
- Kihei Youth Center
- Knights of Columbus
- Lokelani Cross Country team
- Make Food not Bombs
- Maui Band Clinic
- Maui Community Television
- Maui Economic Development Board
- Maui Film Commission
- Maui Improv Comedy Group
- Maui Meadows Community Association
- Maui Meadows Home Owners Association
- Maui Mountain Bikers Coalition
- Maui Tai Kwon Do
- Mele Carroll, State Representative
- Molokai Paddling Team
- Molokai Swim Team
- Molokai Tennis Team
- Neil Abercrombie
- Ohana Coalition
- Pacific Whale Foundation
- Rosalyn Baker, State Senate
- Save Makena Coalition
- South Maui Bike Coalition
- South Maui Sustainability Group
- South Maui Watershed project
- State Senator Gary Hooser
- Stop Smart Meters Group
- Swing Maui
- Theresa Marks acting classes
- Unity Church
- Vince Mina /Honey Bees
- Wailea 670 group
- Waimahaihai Community Association
- Women in Technology
- Youth Band Concerts



## **Appendix 2. Solar Systems Savings Methodology**

Various factors influence the actual savings from the installation of a photovoltaic system including weather, time of day, time of year, and air quality. To aid in the calculation of savings, the PV industry has developed an average called “Peak Sun Hours”. Peak Sun Hours refers to the solar radiation that a particular location would receive if the sun were shining at its maximum value for a certain number of hours. The average Peak Sun Hours for different locations on Maui must be calculated in order to estimate the energy available.

To calculate savings, the maximum power output of the solar panels is multiplied by the average Peak Sun Hours to calculate the maximum power output of the solar panels, or Gross Solar Harvest (GSH). The Gross Solar Harvest is the average total power produced by the PV panels on a daily basis. The GSH must be further adjusted for inherent system losses, such as from inverter efficiency, temperature, distance through wiring, environmental variances. As a result, the GSH is reduced by 18% for inherent system losses. These losses exist for any brand of solar equipment installed and must be factored in to get a true savings estimate. After adjusting the GSH for inherent system losses, the result is the “Net Solar Harvest”, which is the daily average of solar energy that the solar system will deliver to the electric grid for one year.

### **Appendix 3. Biographies for South Maui Learning Ohana's Board of Directors and Kihei Charter School's Board of Governors**

#### **Malia S. Johnson**

Chair, SMLO, founder of Kihei Charter School  
Retired

Malia is a retired educator with 50 years teaching in nursing education. She earned a doctorate in education at the University of Hawaii at Manoa. Her most recent position was teaching at Maui College, University of Hawaii. Malia has been on the state Grants Board and Program Board of the March of Dimes. She served as program chair for the Maui Division of March of Dimes. Malia served on board of Women Helping Women for Maui County

#### **Carla P. Hart**

Vice-chair, SMLO, founder of Kihei Charter School  
Employed by the State of Hawaii Library System

Before coming to Maui, Carla was a native of Seattle. She has a BS of Ed. with majors in English and Social Studies. She is certified for secondary as well as elementary education. She is the mother of three children who stayed home until the last was in school before returning back to work. Carla has worked on Maui as a library clerk for the public library and pursued her graduate work in library science. These all were related to her passion for reading which she continues to pass on to others while carrying on her own commitment to reading. She has a long involvement in party politics in the state of Washington.

#### **Eileen Ryckewaert**

Treasurer, SMLO  
Retired

Eileen has been Treasurer for SMLO Board of Directors for approximately two years. Eileen was General Ledger for Bank of America for twelve years, Office Manager and Chief Financial Officer for J & D Masonry, Inc. for thirty-seven years and Treasurer for Maui Gardens Board of Directors for six years.

#### **Diane Parrella**

Secretary, SMLO, founder of Kihei Charter School  
Retired

Diane Parrella, is also the secretary on the Kihei Charter School Governance Board Her experience includes teaching high school in New York and New Jersey for thirty-five years, as well as serving as the chair of their Faculty/Administration Liaison Committee for twenty-five years.

**Gene Zarro**

CEO, SMLO, founder of Kihei Charter School

Gene is the CEO of South Maui Learning Ohana, Inc. and the founder of Kihei Charter School. Gene is a graduate of Rutgers University, Newark, with a BA Economics with a minor in Business Administration. A resident of Maui since the mid-seventies, Gene worked in retail and sales management for over 25 years and in the mortgage industry for 4 years. Gene is also the Vice-chair of the Kihei Charter School Governance Board and was the Chair of SMLO for the twelve years prior to becoming its CEO. Gene is the past president of the Hawaii Charter Schools Network and Maui County Board of Registration.

**R. Ray Hart**

Board member, SMLO, Founder Kihei Charter School  
Semi-retired

Ray is a retired teacher of over 40 years working in elementary schools in Washington, Idaho, and Hawaii. He was an active union leader throughout his career. Ray's advanced work and activities were in curriculum development. He has held numerous offices in the teachers' unions from curriculum to negotiations. Ray Hart served as president of two teachers unions as well as Phi Delta Kappa. He also has been very active in politics from candidate to registered lobbyist. As a parent of three children and a professional educator, his focus has always been on education and its impact on the children.

**Junius Johnson**

Board member SMLO, Founder of Kihei Charter School  
Retired

Junius is a talented retired educator with extensive teaching experience at the secondary and college level. He has taught biology and philosophy for many years at Austin Community College. Junius has completed all but his doctoral dissertation in Educational Foundation at the University of Texas. Junius is the father of five biological children and two-step children. He has guided all of these children in their educational endeavors.

**Cheryl Zarro**

Board member SMLO, Founder of Kihei Charter School  
Employed as the Fiscal Administrator for Kihei Charter School

Cheryl was a founding member of Kihei Charter School and has dedicated time and efforts over the past 15 years towards establishing and growing KCS. Entrepreneurial endeavors have driven her to participate in diverse businesses over the years: antique store management, food industries, summer school programs, youth programs, printing, signage, publications, marketing, and sales. She has experiences as a business owner and manager. Cheryl is active in the community, and is currently serving on the Board of South Maui Learning Ohana. She is the proud mother of seven children, ranging in age from 16 to 33, two of who are KCS alums and one of who is currently attending KCS. She enjoys gardening, gymnastics, dance, and spending time with her family. Cheryl joined Kihei Charter School in 2004.

**Jay April**

Board member SMLO

President/ CEO of Akaku Community Television

Jay is a television producer, director, video journalist and filmmaker whose work has been featured on many national networks and won awards from film festivals worldwide. Credits include special correspondent to CNN's Environmental Unit, the much-acclaimed PBS series, The 90s, the successful startup of E! Entertainment Television and Best Super Bowl commercial according to USA today. His documentaries about ecology and American culture have been called, "prolific and passionate" by The Wall Street Journal, "poignant" by the LA Weekly, and "provocative" by The Los Angeles Times. In recent years, Mr. April has specialized in documentaries about Hawaiian culture and has been exploring the parameters of emerging digital tools to make groundbreaking new media. Mr. April is an experienced national cable television consultant with a specialty in telecommunications policy, cable regulation and community programming

**George Fontaine**

Board member SMLO

George is a past member of the Hawaii House of Representatives for Kihei as well as a past Hawaii Rotary Governor. George is a retired Maui Police Captain and currently serves as property manager.

**Kihei Charter School Board of Governance members**

**Steve Perkins**

Chair, KCS Board of Governance

Steve joined Pacific Rim Land as a Project Coordinator in July 2008. Previously, he was a Program Director with the Maui Economic Development Board, Inc. (MEDB). In his eight years at MEDB he was responsible for business attraction, retention, and expansion. He was Project Manager for the design, construction, financing, and leasing for MEDB's Ke Alahele Center. He also negotiated and managed the installation of -at the time- the largest solar photovoltaic array in Maui County. Steve is currently the Project Coordinator for the Maui Research and Technology Park. Steve previously served as a member of the Hawaii Clean Energy Initiative, the Maui County Energy Alliance, and the Maui County Solid Waste Resource Advisory Committee. He was also the volunteer information technology consultant for "A Keiki's Dream". Steve is a veteran of the US Navy, and has a B.S. in Management and Business Information Systems from George Fox University in Newberg, OR.

**Gene Zarro**

Vice Chair, KCS Board of Governance

Gene is the CEO of South Maui Learning Ohana, Inc. and the founder of Kihei Charter School. Gene is a graduate of Rutgers University, Newark, with a BA Economics with a minor in Business Administration. A resident of Maui since the mid-seventies, Gene worked in retail and sales management for over 25 years and in the mortgage industry for 4 years. Gene is also the Vice-chair of the Kihei Charter School Governance Board and was the Chair of SMLO for the twelve years prior to becoming its CEO. Gene is the past president of the Hawaii Charter Schools Network and Maui County Board of Registration.

**Richard Kehoe, MBA, CPA**

Treasurer, KCS Board of Governance

Richard is an independent CFO with 20 years of small business experience in all stages of developing a business from setting up, managing and exiting from a business.

**Diane Parrella**

Secretary, KCS Board of Governance

Retired

Diane is a Founder of Kihei Charter School. Her experience includes teaching high school in New York and New Jersey for thirty-five years, as well as serving as the chair of their Faculty/Administration Liaison Committee for twenty-five years.

**George Winterscheid**

Executive Director of Kihei Charter School

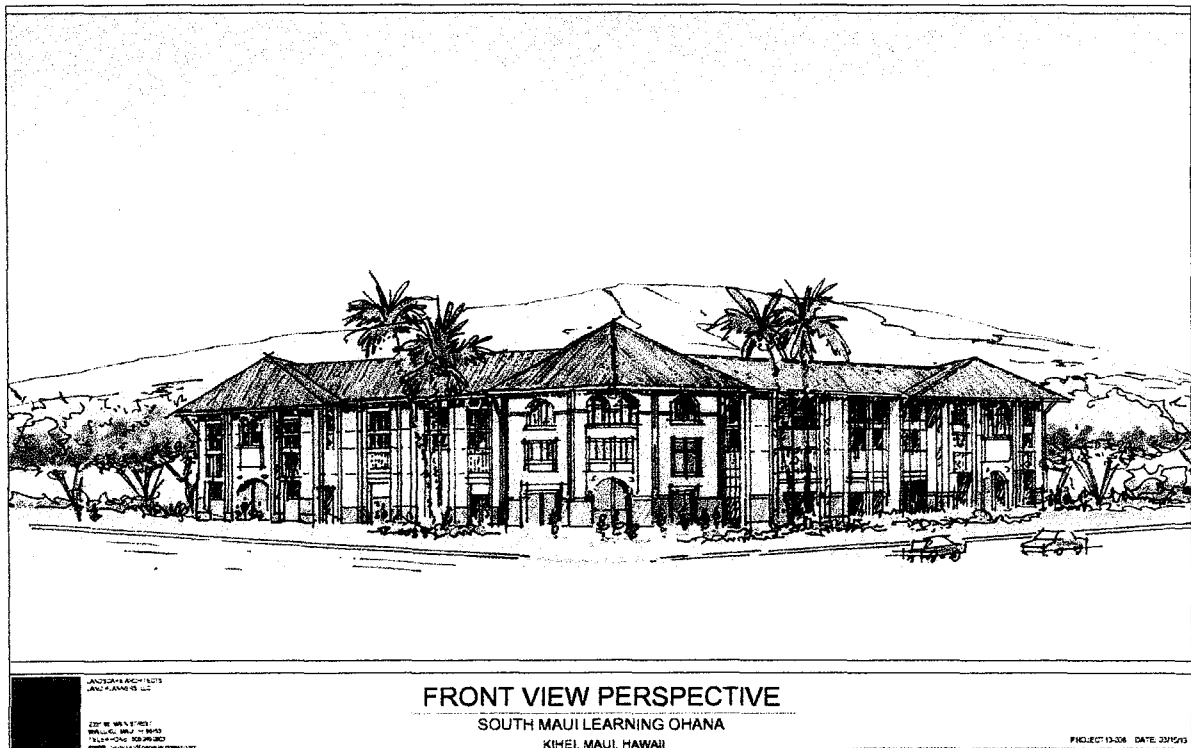
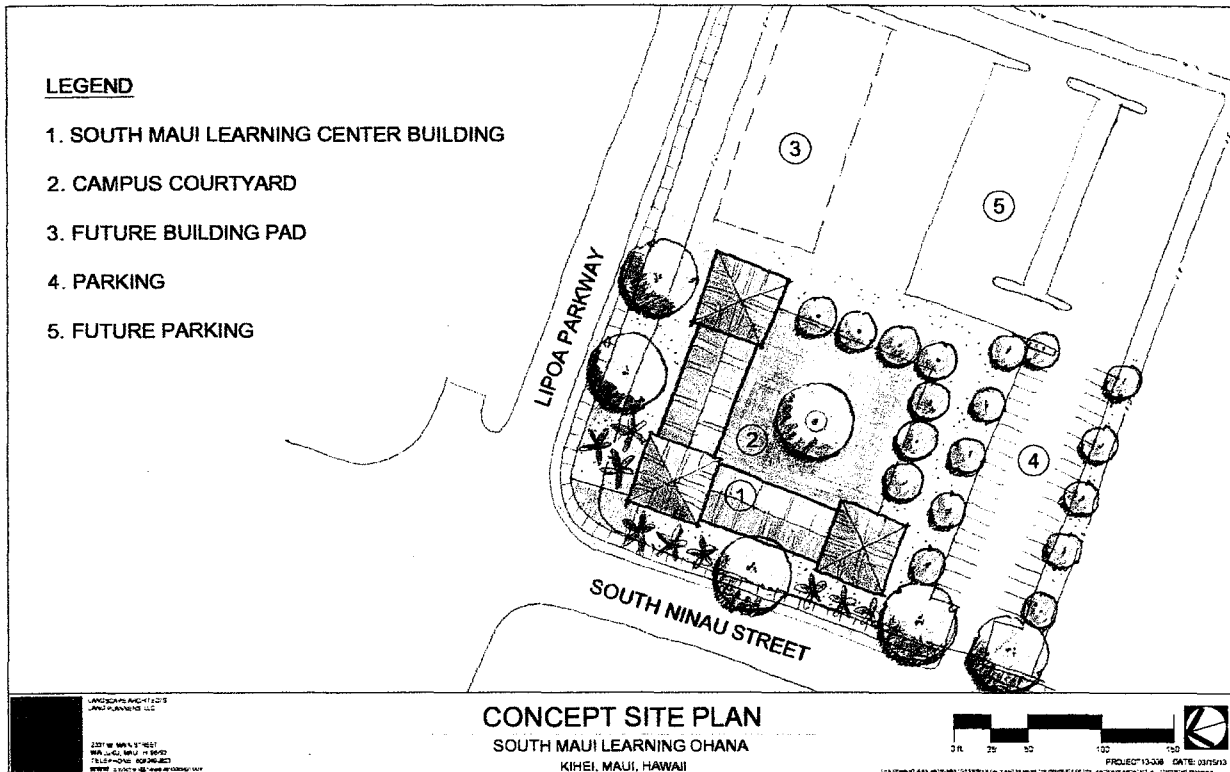
Winterscheid has been an educator for over 30 years in Oregon and Washington. His positions included educational assistant, social studies teacher, school counselor and principal and superintendent in the Siuslaw School District in Florence, Oregon. He earned an undergraduate degree from the University of Puget Sound in Tacoma, Washington, and graduate degrees from the University of Washington in Seattle, Washington.

**Todd Lawson**

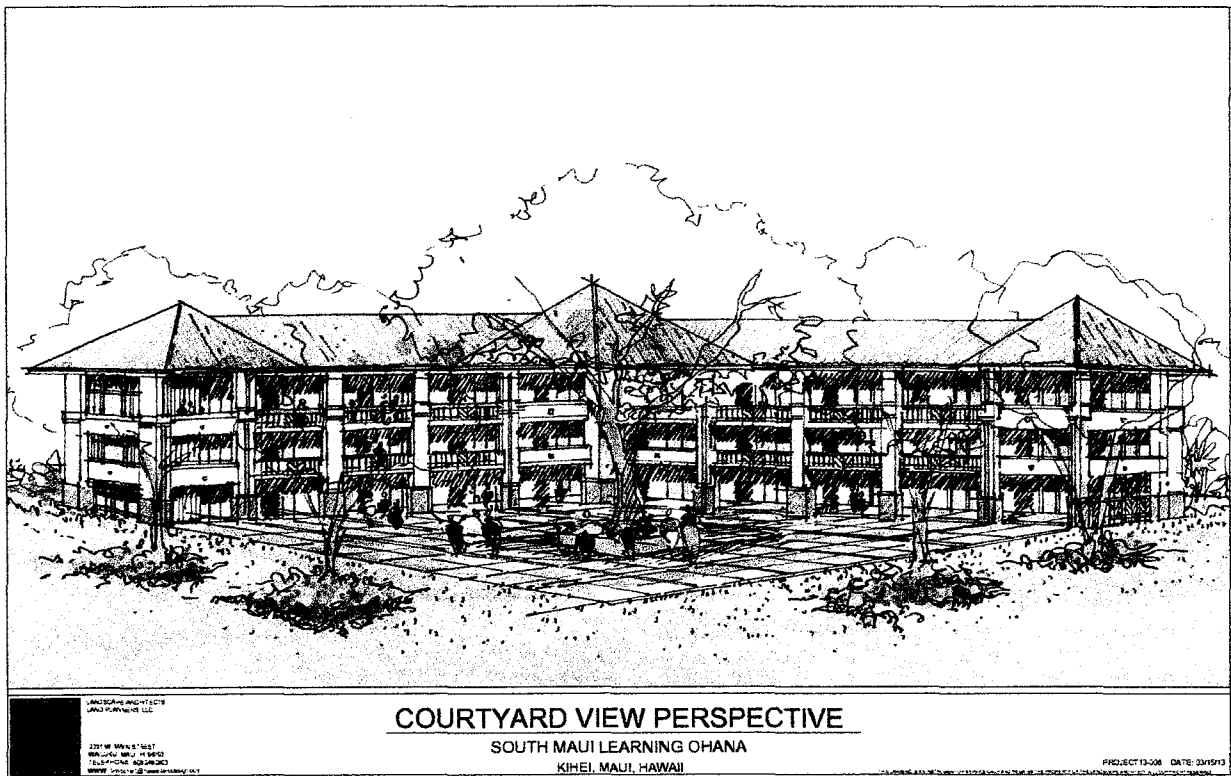
Board member Kihei Charter School Board of Governance

Mr. Lawson, a long time Maui resident is considered a business leader within the community. Mr. Lawson is currently the Vice President of Pacific Operations for 2c4 Technologies, Inc. a company that specializes in Information Technology (IT) engineering services and solutions. He has focused his efforts in conjunction with Federal, State and County initiatives to grow Science, Technology, Engineering and Math (STEM) careers for the county. His company is recognized as one of the "forward thinkers" in developing business opportunities within the Maui Research and Technology Park (MRTP) to grow long-term sustainable jobs for the county of Maui. As a community leader, Mr. Lawson is a long-term member of Kihei Lutheran Church and has served on the Church Council; he has served as a Maui County Liquor Commissioner, and has coached for several years within the Kihei Little League Baseball system.

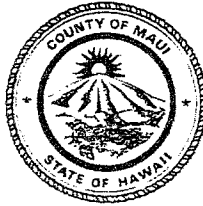
### Appendix 4. Architect's Renderings for New Kihei Charter School High School



**Appendix 4. Architect's Renderings for New Kihei Charter School High School, continued.**



ALAN M. ARAKAWA  
MAYOR



200 South High Street  
Wailuku, Hawaii 96793-2155  
Telephone (808) 270-7855  
Fax (808) 270-7870  
e-mail: mayors.office@mauicounty.gov

**OFFICE OF THE MAYOR**

Ke'ena O Ka Meia  
COUNTY OF MAUI – Kalana O Maui

January 30, 2014

Hawai'i State Legislature  
Hawai'i State Capitol  
Honolulu, Hawaii 96813

Dear Members of the Hawaii Legislature, GIA Review Committee:

It is my pleasure to write a letter in support of the proposal being submitted to the State of Hawaii Grant-In-Aid program on behalf of the South Maui Learning Ohana.

As a member of the Maui community, I have watched the South Maui Learning Ohana make their indelible mark on the youths of South Maui and their families for the past decade through their support of Kihei Public Charter Schools. I support their efforts to install a photovoltaic system. This important project will help the school realize a significant reduction in its utility costs and reduce its oil consumption, which will allow more innovative projects to be initiated at the school. South Maui Learning Ohana has initiated a number of award-winning programs. I look forward to many more, which will be made possible by funding for their photovoltaic system.

In conclusion, I fully support the efforts of the South Maui Learning Ohana as they seek state support for the installation of solar panels. Any project that supports the Maui community, by decreasing its environmental impact while providing a tangible benefit to its schools, is a project that I am happy to support.

Sincerely,



ALAN M. ARAKAWA  
Mayor, County of Maui

AMA:rp/me



Council Chair  
Gladys C. Baisa

Vice-Chair  
Robert Carroll

Presiding Officer Pro Tempore  
Michael P. Victorino

Council Members  
Elle Cochran  
Donald G. Couch, Jr.  
Stacy Crivello  
Don S. Guzman  
G. Riki Hokama  
Mike White



Director of Council Services  
David M. Raatz, Jr., Esq.

**COUNTY COUNCIL**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.mauicounty.gov/council](http://www.mauicounty.gov/council)

January 22, 2014

Honorable Chair and Members of the House Committee on Finance  
Grant-in-Aid Review Committee:

**SUBJECT: LETTER OF SUPPORT FOR SOUTH MAUI LEARNING  
OHANA, INC.'S (SMLO) GRANT-IN-AID FUNDING  
REQUEST FOR KIHEI CHARTER SCHOOL (KCS)**

I would like to express my strong support for the South Maui Learning Ohana, Inc.'s (SMLO) request for Grant-in-Aid funding for Kihei Charter School's (KCS) photovoltaic system.

The SMLO and KCS continue to benefit the students and community of South Maui and their efforts to install a photovoltaic system will help the school realize a significant reduction in its utility costs which will enable the school to initiate additional innovative projects for its students.

Your consideration of their request is greatly appreciated. If you have any questions, please feel free to contact me at 808-270-7108 or via email at [don.couch@mauicounty.us](mailto:don.couch@mauicounty.us).

Sincerely,

A large black rectangular redaction box covering the signature of Donald G. Couch, Jr.

DONALD G. COUCH, JR.  
Council Member

January 20, 2014

Hawaii State Legislature  
State Capitol  
Honolulu, Hawaii

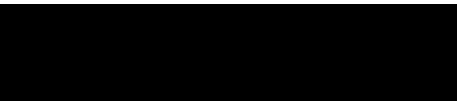
Dear Members of the Hawaii Legislature, GIA Review Committee:

I write for the purpose of expressing my support for the South Maui Learning Ohana's proposal to the State of Hawaii's Grant-In-Aid program.

The work of the South Maui Learning Ohana and its support of the Kihei Public Charter Schools have really made a positive difference for our South Maui youths and their families. Their request for funding to allow for the installation of a photovoltaic system for their new facility will help them to continue providing excellent educational opportunities to our Maui students. The system is anticipated to reduce the operational costs associated with their facility by an estimate of as much as \$12,000 per month, funds that can be used towards continuing innovation in education at the school.

Thank you very much for your favorable consideration of this very sensible and reasonable request.

Sincerely yours,



GRANT Y. M. CHUN  
Vice President

1/24/2014

**Members of the Hawaii Legislature  
GIA Review Committee**

**Aloha Ohana,**


**It is my pleasure to write a letter in support of the proposal being submitted to the State of Hawaii Grant-In-Aid program on behalf of the South Maui Learning Ohana.**

**As a member of the Maui community, I have watched the South Maui Learning Ohana make their indelible mark on the youths Maui and their families for the past decade through their support of Kihei Public Charter Schools. I support their efforts to install a photovoltaic system. This important project will help the school realize a significant reduction in its utility costs and reduce its oil consumption, which will allow more innovative projects to be initiated at the school. South Maui Learning Ohana has initiated a number of award-winning programs. I look forward to many more, which will be made possible by funding for their photovoltaic system.**

**Kala Power Inc. developed our company to create affordable power for low income family housing, churches and schools.**

**In conclusion, I fully support the efforts of the South Maui Learning Ohana as they seek state support for the installation of solar panels. Any project that supports the Maui community by decreasing its environmental impact while providing a tangible benefit to its schools is a project that I am happy to support.**

**Mahalo Nui Loa,**

  
**Kimokeo Kapanuenua  
CEO  
Kala Power, Inc.  
P.O. Box 2281  
Wailuku, Maui, Hawaii 96793  
808-276-7219  
honokohau@gmail.com**