

KAHANA RIDGE

NEWS LETTER

Third Quarter September 2011

LED Streetlight Conversion Investigation – June Newsletter

At the last Board meeting, the Board appointed a committee to be chaired by Dick Manthei to investigate the possibility of converting the current streetlights to LED type. The committee's findings:

- It is possible to save 50% - 75% of our electricity lighting costs by converting to LED's.
- The estimates cost from our current light maintenance company to convert our 72 street lights would be \$95,424.00.
- An energy audit of Kahana Ridge electrical usage indicated that only 10% of our electricity usage was coming from lighting. The remaining usage is for our well pump and sewer pump.
- The electricity cost for the first quarter of 2011 was \$8,791.69. That would indicate a lighting cost of \$879.17 for the quarter using the 10% figure from the energy audit.

The committee felt that the cost of conversion compared to the dollars saved does not justify considering a change to LED street lighting. The dollars saved on electricity would be minimal compared to the conversion cost.

Status of Proposed Bylaw Changes - Discontinued

The Board, in the July meeting, reviewed the owner response to these two proposals, 1) reduce the number of Board members, 2) change the Bylaw/CC & R's collection procedures, and decided to discontinue the effort to make these changes.

Solar Voltaic Panel Investigation

The Board added another request, that the Committee investigate, as a newly formed Solar Voltaic Committee, the purchase of a solar voltaic system for Kahana Ridge to provide electricity for running our pumps and streetlights.

The Board's Solar Voltaic Committee, after initial inquiry, found that a system would cost more than \$250,000 installed within our existing pump house area, and that the Association was not eligible to receive government subsidies being offered to individual homeowners.

During the inquiry, it was suggested that Kahana Ridge investigate an offer by a private outside financier to build/install and finance a complete system at no cost to Kahana Ridge. The financier would take advantage of the government subsidies and provide a complete Solar Voltaic system at no cost to Kahana Ridge for a contracted period.

The Solar Voltaic Committee was offered a 20 year contract to review. The Committee had an attorney, with expertise in similar solar contracts, review and suggest changes more favorable to Kahana Ridge. After our attorney's evaluation and suggested modifications were inserted and accepted by the financier's attorney, the Committee recommended to a special Board meeting that the contract be accepted. The Board did accept and authorized the signing of the no-cost contract or Purchase Power Agreement.

The financier benefits from any federal and/or state credits, since Kahana Ridge is not eligible to receive them.

Kahana Ridge 20 Year Solar Power Purchase Agreement

On September 16, your Kahana Ridge Board of Directors authorized the signing of a Power Purchase Agreement (PPA) with the investor group Kahana Ridge Solar LLC through Rising Sun Solar & Electric. The contract provides complete installation and maintenance for a 126 panel, 6 inverter photo voltaic system, producing approximately 59,000 kWh a year in the first year. The system will be housed within the enclosed pump house fenced area, and provide electricity for our street lights, water pump, and sewer pumps.

This system will be installed at **no cost** to our Association. The selection of this option was based on the recommendation of the Solar Voltaic Committee's analysis and the attorney's opinion review with known expertise in solar contracts. Under the contract, Kahana Ridge will purchase our electric power through Kahana Ridge Solar LLC billings/statements at a cost less than that charged by MECO. Initially, the cost will be \$0.10 less per kWh than MECO's current rate, and will still be less than MECO's current rate after 20 years, the length of the agreement. Another advantage to the Association is that the financier is under pressure to have this system fully operational by December 31, 2011, when the federal subsidies are due to expire.

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It is estimated that the first year cost savings in electrical costs will be in excess of \$6,000, with a 20 year contract cumulative savings of \$368,000.

Your current Kahana Ridge Board of Directors is committed to wise spending and cost savings, without a decrease in any current services. We are proud of this PPA accomplishment, and may have created a model for other similar associations.

We have just learned that the condominium owners of the Aina Nalu Condominium in Lahaina have entered into a similar agreement for their electrical needs, and have had an operating system in place for two months now. We are not the first.

Solar Panel Kahana Ridge House Rule Change

Under EXHIBIT C - DESIGN STANDARDS - ARCHITECTURAL AND BUILDING STANDARDS

Change to **House Rule 17 – Paragraph 8. Roofs – Solar Panels.** Solar energy panels shall be allowed after Architectural Design Committee review and according to Hawaii Revised Statute **§196-7 Placement of solar energy devices** within (b) *[Subsection effective until June 30, 2015 and (b) [Subsection effective July 1, 2015 and both effective July 1, 2011 without assessments or fees.*

In Effect September 9, 2011

Hillside Project Final Evaluation

The developer had been asked about landscaping this hillside by different owners, but avoided any firm response on the issue. And nothing was ever done.

Most all owners agree that beautification of these owners lots that were not landscaped at the time of development is a good idea.

It was requested that the Board look into doing this. The Board consulted with engineering experts, landscaping firms on costs and the Associations lawyer, on liability issues. The County regulations for landscaping such a steep area were not consulted, but could affect such a project.

Cost estimates were obtained for plant removal, replanting, an irrigation system, engineering requirements, and stone wall building, mandatory on such a steep hillside. The total preliminary estimate for all the above hillside lot landscaping on all the lots was over one million dollars.

Our attorney advised us that the Declaration of CC & R's contains no language that would indemnify the Association for damage that may arise from such landscaping work, if pursued. He recommended that if such a project is undertaken that the Association must first obtain a signed waiver/release/indemnification agreement from all hillside owners. None of the hillside owners who attended a meeting were willing to sign a waiver of liability in favor of the Association since the owners on Ho'ohui Road never had to. They also felt that an engineering study and retaining walls were unnecessary and the costs were overstated.

The Board decided that under the circumstances and the cost estimates, landscaping of the owner's hillside lots would not be undertaken at this time.

Nightly Security Audits Increased

The Board, at the request of several owners, and security reports from Condo & Office Protection Service has increased the number of weekly random security audits from three (3) to five (5) audits per week. Should an owner wish to report an incident please call them at **669-4931**.

Summary of the House Rules Mailing

A Summary of our House Rules is enclosed for your convenience. This Summary will **ALSO** be mailed to all known renters living in Kahana Ridge at this time and is available at <http://Kahanaridge.org>

Skateboarding

Please be aware that Kahana Ridge streets are privately owned by your Association and not designed for skate boarding. Skateboarding accidents on the property could increase the Associations liability, and costs.

You may contact the Board through the Kahana Ridge Website at <http://kahanaridge.org>