

RULES AND REGULATIONS
GOVERNING RATE SCHEDULES AND
THE PROVISION OF WATER SERVICE TO CONSUMERS

OLOWALU WATER COMPANY, LLC

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CHECK LIST SHEET

<u>Sheet</u>	<u>Revision</u>
1	Original
1A	Original
1B	Original
1C	Original
1D	Original
2	Original
3	Original
3A	Original
4	Original
5	Original
6	Original
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CHECK LIST SHEET

<u>Sheet</u>	<u>Revision</u>
35	Original
36	Original
37	Original
38	Original
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41	Original
42	Original
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46	Original

FOREWARD

These Rules and Regulations have been adopted to establish uniform practices governing water service and to define the obligations of the Company to Consumers and of Consumers to the Company.

It is the policy of the Company to render fully satisfactory service to all Consumers and to encourage courtesy to the public by all its employees. The Company desires to cooperate with Consumers to eliminate the waste of water and thus minimize charges to the Consumer.

Consumers are advised to obtain information from the Company on the availability of water, pressure conditions and other pertinent data to assure satisfactory service.

It is the Company's objective to deliver potable water to Consumers at a minimum cost consistent with the Company receiving a reasonable rate of return.

The Company will comply with the Clean Water Act and all State Department of Health drinking-water program requirements.

SYMBOLS

When a change in tariff sheet is filed with the Commission, attention shall be directed to such change by a symbol along the right-hand margin of the tariff sheet utilizing the following symbols as appropriate:

- (C) To signify change in wording of text which may result in change in rate, rule or condition.
- (D) To signify discontinued material, including listing, rate, rule or condition.
- (I) To signify increase.
- (L) To signify material relocated from or to another part of tariff schedules with no change in text, rate, rule or condition.
- (N) To signify new material including listing, rate, rule or condition.
- (R) To signify reduction.
- (T) To signify change in working of text but not change in rate, rule or condition.

**RULE I
DEFINITIONS**

For the purpose of these Rules and Regulations, unless it is plainly evident from the context that a different meaning is intended, certain words and phrases used herein are defined as follows:

1. The word "Company" shall mean the Olowalu Water Company, LLC, a Hawaii corporation.
2. The word "Consumer" shall mean the person or persons, firm, corporation, association, or governmental department, whether owner or tenant, whose name(s) appear on the records of the Company as the party receiving water service and responsible and liable for payment of charges to the Company.
3. The term "service connection" shall mean the main tap, pipe, fittings, and valves, from the water main to and including the meter and shut-off valve.
4. The term "cost of service connection" shall mean the sum of the cost of the labor, materials, transportation, equipment, and road repair, if any, and other incidental charges necessary for the complete installation of a service connection, including the cost of the meter.
5. The term "Consumer's supply pipe" shall mean the pipe extending from the shut-off valve to the Consumer's facility.
6. The word "main" or "main pipe" shall mean the Company's supply or distribution pipe to which service connections are made.
7. "Company water system" means the system owned and operated by the Company.
8. The word "standby charge" is a service charge that seeks to recover some of the administrative and maintenance costs associated with providing potable water services including, but not limited to, the costs of meter reading, billing, collections, accounting and maintenance fo water meters.
9. The word "subdivision" shall mean improved or unimproved land or lands divided or proposed to be divided into two or more lots, parcels, sites, or other divisions of land for purposes, whether immediate or future, of sale, lease, rental, transfer of title to or interest in any or all of such parcels, and shall include resubdivision, and when appropriate to the context shall related to the process of subdividing of the land or territory subdivided. Easements for roadway or access purposes shall be construed as subdivided land. The term includes a building or group of buildings, other than a hotel,

containing or divided into three or more dwelling units. Planned unit development and condominiums shall be included in this definition for purposes of this rule.

10. The term "U.S.G.S." shall refer to the United States Geological Survey.

RULE II
GENERAL CONDITIONS

1. Any prospective Consumer whose premises are within service limits established by the Company and adjacent to a distribution main, where pressure conditions permit, may obtain water service provided that the Company has a sufficient water supply developed for domestic use and for fire protection to take on new or additional service without detriment to those already served. The Consumer shall be responsible for potable and non-potable water uses within its premises when required by the Company.
2. Where an extension of mains is necessary or where large quantities of water are required or a substantial investment is necessary to provide service, the Consumer will be informed by the Company as to the conditions and charges to be made for the particular area and situation in question before water service may be approved.
3. All water supplied by the Company will be measured by means of suitable meters registering in gallons. When it is impractical to meter the service, a flat rate may be charged. The amounts to be paid for water and water service shall be in accordance with the rates on file with the Public Utilities Commission of the State of Hawaii. The Company will determine the location and size of all meters and service connections to its system. All service connections shall become the property of the Company for operation and maintenance after installation and new connections or disconnections may be made thereto by the Company at any time.
4. The Company shall provide services in the areas listed and identified on the map attached as Exhibit "A".
5. Fire hydrants and necessary pipelines and appurtenances shall be installed by the developer in residential, business, industrial, apartment, duplex, commercial, airport, and hotel districts as required by the Company for adequate fire protection. The Maui County Water System Standards shall be used as a guide in designing mains for fire flow requirements as covered in Rule XXII of these Rules and Regulations.
6. The developer shall install, in accordance with these Rules and Regulations and the County Water System Standards, and pay for the water system required for the development.

RULE III
CONSERVATION MEASURES AND INTERRUPTION
OF WATER SUPPLY

1. The Company will exercise reasonable diligence and care to deliver an adequate supply of water to the Consumer, to avoid shortages or interruptions in water service and to maintain adequate pressure in its water mains. It will not be liable for any interruption, shortage, insufficiency of supply, lack of or excessive water pressure, or for termination of water service without notice for conservation measures and for other reasons deemed necessary and proper.

The Company will not be liable for temporary colored or turbid water conditions caused by emergency repair of water mains.

2. Whenever, in the Company's opinion, special conservation measures are advisable in order to forestall water shortage and a consequent emergency, the Company may restrict the use of water by any reasonable method of control. In determining the priorities in restricting the use of water, the health and safety of the public shall be given first consideration over other uses.

3. The Company reserves the right to shut off water from the mains for the purpose of making repairs, extensions, alterations, or for other reasons, and will not be responsible nor liable for any property loss or damage incurred by the Consumer due to such interruption of service. Except in cases of emergency repairs, the Company shall use its best efforts to give Consumers 24 hours notice before shutting off water. Consumers depending upon a continuous supply of water shall provide emergency water storage and any check valves or other devices necessary for the protection of plumbing or fixtures against failure of the pressure or supply of water in the Company's mains. Repairs or improvements will be prosecuted as rapidly as practicable and, insofar as practicable, at such times as will cause the least inconvenience to the Consumer.

**RULE IV
ELEVATION AGREEMENT, PRESSURE CONDITIONS**

1. Where property is situated at such an elevation that it cannot be assured of a dependable supply or of adequate service from the Company's distribution system, the Consumer, in consideration of connection with the Company's system, must agree to accept such water service as the Company is able to render from its existing facilities, or to install if necessary and maintain at the Consumer's expense a tank and pump of suitable design and of sufficient capacity to furnish an adequate and dependable supply of water. The Company shall make every effort to maintain pressure in its water mains, but shall not accept responsibility for failing to maintain pressure or accept any liability for any loss due to lack of pressure. The Consumer shall execute a written release in favor of the Company for all claims on account of any inadequacy in the Company's system or inadequacy of water supply to the Consumer.

2. When the pressure of the Company's supply fluctuates or is higher than that for which individual fixtures are designed, the Consumer shall protect such fixtures by installing and maintaining pressure reducing and relief valves. The Company will not be liable for damage due to pressure conditions or caused by or arising from the failure or defective condition of such pressure regulators and relief valves or for damage that may occur through the installation, maintenance, or use of such equipment.

3. When required by the Company, the Consumer shall install an air gap or other protective devices between the Consumer's supply pipe and the service connection.

4. Wherever a check valve or pressure reducing valve is installed on the Consumer's cold water supply line between the main and a hot water storage tank and/or heater, there shall be installed on the Consumer's hot water distributing system a suitable pressure relief valve.

5. The Company will not accept responsibility to maintain pressure in its water mains.

RULE V
APPLICATION FOR WATER SERVICE AND
SERVICE CONNECTION

1. Each prospective Consumer may be required to sign the standard application form for the water service desired, assuming responsibility for the payment of future charges for water service at the designated location, before water is turned on for any use whatever. The Consumer signing the application form shall be held liable for the payment of all charges for Service at the designated location.

2. Service may be granted only to property owners or to those having leases with at least a one-year term. Service may be provided to tenants of any lessee or owner if the lessee or owner will guarantee the tenant's service charges. If a tenant is responsible to pay water bills rendered, and fails to pay the water bills, the landlord who co-signed the application for service, shall pay such bills and in the event of his failure to do so, the Company may refuse to furnish services until the outstanding bills are paid.

3. Charges will begin when the water service is established and will continue until notification to stop is received from the Consumer, or until discontinuation by the Company for failure of the Consumer to comply with the Rules and Regulations.

4. When an application for water service is made by a Consumer who was responsible for and failed to pay all bills previously rendered, regardless of location or time incurred, the Company may refuse to furnish water service to such applicant until the outstanding bills are paid. Further, in this case Company may charge a deposit equal to three months estimated billing. Such deposit shall be held for the benefit of Consumer and interest accrued at six percent annual simple interest. Deposit with interest shall be refunded within 30 days after final bill is paid or two years of timely payment, whichever comes first.

5. A Consumer taking possession of property and using water without having made an application for the transfer of water service shall be held liable for the water delivered from the date of the last recorded meter reading. If proper application for transfer is not made, and accumulated bills for water service are not paid upon presentation, the water service may be discontinued five days after written notice is given to the user.

RULE VI
CONNECTIONS AND CUT-OFFS

1. Installation. When the application for service connection has been approved, such connection will be installed by the Company at the expense of the applicant and thereafter will be maintained by the Company at its expense. There shall be one meter for each service connection unless the Company, because of operating necessity, installs two or more meters in parallel. All meters will be sealed by the Company before installation and no seal shall be altered or broken except by one of its authorized employees. All meters shall be installed in locations selected by the Company. The stop-cock before the meter is installed for the sole use of employees of the Company. All service connections shall become the property of the Company for its operation and maintenance after installation, and new connections or disconnections may be made thereto by the Company at any time.

2. Deposit. A deposit at least equal to the Company's estimate of the cost of the service connection may be required of the applicant before the connection is installed. If the actual cost of the connection is in excess of the deposit, the applicant will be billed and shall pay for the difference. Installation cost shall be based on the cost of installation as established by the Company. In the event that a meter box is required, the Consumer shall be responsible for construction of the meter box in accordance with the Company's standards.

3. Consumer's Supply Pipe. The Consumer shall install and connect at his expense his supply pipe to the shut-off valve installed by the Company. The Consumer's supply pipe shall at all times remain the sole property of the Consumer, who shall be responsible for its maintenance and repair. If the Consumer's supply pipe is installed before the service connection is set, the Company will not be responsible for the connection to it.

4. Connection to the Main. Only employees of the Company will be allowed to connect or disconnect the service connection to or from the Company's main.

5. Compensation. Employees of the Company are strictly forbidden to demand or accept personal compensation for services rendered.

6. Pipe Through Wall. Where the applicant requires his supply pipe extended through a wall, he shall provide the entranceway through such wall and be responsible for the service connection. The Company will not be responsible for any damage caused by leakage through or inside such entranceway.
7. Location of Service Connection or Main. The Company will determine the location and size of all service connections to its systems. No service connection or water main will be installed by the Company in any private road, lane, street, alley, court or place, until such private streets are open to the public and brought to proper grade and unless the Company is given proper easements or other rights satisfactory to the Company for the main or service connection. Otherwise, an applicant desiring water service to property fronting on such private roads, lanes, etc., must extend his supply pipe to the nearest public street on which a main exists.
8. Change in Location or Size of Service. When the proper size of a service connection for any premises has been determined and the installation has been made, the Company has fulfilled its obligations insofar as the size of the service and the location are concerned. If the Consumer subsequently desires a change in size of the service connection or a change in the location thereof, he shall bear all costs of such change.
9. Shut-Off Valve. A readily accessible shut-off valve controlling all outlets will be installed by the Company at the expense of the Consumer on his supply pipe at a location to be determined by the Company. If a replacement of the shut-off valve is necessary, it shall be paid for by the Consumer.
10. Alteration to Water System. All work and materials in connection with the change in location or elevation of any part of the existing water system made necessary by the new service connection shall be at the expense of the applicant.
11. Contours or Elevations. When required by the Company, contours or elevations shall be furnished by the applicant, based upon U.S.G.S. or County of Maui data.
12. Size of Meter or Service Connection. The Company will determine the location and size of all meters and service connections to its system.
13. Number of Meters. The Company will provide service to one meter per lot. Sharing of meters between lots is not permitted.

RULE VII
METER READING, RENDERING OF BILLS AND PAYMENT OF BILLS

1. All water supplied by the Company will be measured by means of suitable meters registering in gallons.
2. Meters are read and bills are rendered monthly or bimonthly at the option of the Company. Special readings will be made, when necessary, for closing accounts or for other reasons.
3. Readings of separate meters are not combined. For the purpose of computing charges, all meters serving the Consumer's premises shall be considered separately, and the readings thereof shall not be combined except in cases where the Company, because of operating necessity, installs two or more meters in parallel to serve the same Consumer's supply pipe.
4. All bills shall be due and payable upon deposit in the United States mail, receipt by the Consumer, or other presentation to the Consumer. Payment shall be made at the office of the Company or, at the Company's option, to duly authorized collectors of the Company. If any bill is not paid within thirty (30) days after presentation or deposit in the United States mail, the water service shall be subject to discontinuance without further notice.
5. In all cases of nonpayment of water rates for thirty (30) days after due date, there shall be added twelve percent (12%) per annum in addition to the regular rate as the amount due and payable by said privilege holder.
 - (a) Consumers who become delinquent and cause their water to be cut off shall pay a charge of One Hundred and No/100 Dollars (\$100) to cover costs of cutting off and turning on water before service will be resumed.
6. Consumers shall submit any dispute regarding the charges appearing on the bill to the Company in writing no later than twenty (20) days following the due date for the bill. The Company shall furnish a written response regarding its investigation and determination as to the correctness of or any adjustments to the bill within fifteen (15) days of its receipt of the written dispute. Consumers may pay the disputed bill under protest within the time required by this rule to avoid discontinuation of service, in which event the dispute will be submitted to the Hawaii Public Utilities Commission for final determination.

7. If a meter fails to register due to any cause except the non-use of water, an average bill may be rendered. Such average bill will be subject to equitable adjustment taking into account all factors before, during, and after the period of said bill.

RULE VIII
METER TESTS AND ADJUSTMENTS OF BILLS FOR METER ACCURACY

1. Any Consumer who, for any reason, doubts the accuracy of the meter serving his premises may request a test of the meter. The Consumer, if he so requests, will be notified as to the time of the test and may witness the test if he so desires. No charge will be made for meter tests if the meter is inaccurate. The Consumer will be charged the actual costs connected with such test if the meter is accurate within range of plus or minus five percent (5%).

2. If, as a result of the test, the meter is found to register more than five percent (5%) fast under conditions of normal operation, the Company will refund to the Consumer the overcharge based on past consumption, for a period not exceeding six (6) months unless it can be proved that the error was due to some cause, the date of which can be fixed. In this latter case, the overcharge shall be computed back to, but not beyond, such date.

If, as a result of the test, the meter is found to register more than five percent (5%) slow under conditions of normal operation, the Company will bill the Consumer the undercharge based on past consumption, for a period not exceeding six (6) months, unless it can be proven that the error was due to some cause, the date of which can be fixed. In this latter case, the additional charge shall be computed back to, but not beyond, such date.

3. The Consumer will be responsible for maintenance and repairs to pipes and fixtures on the Consumer's side of the meter.

RULE IX
TERMINATION OF SERVICE AND DISCONNECTION

1. Each Consumer about to vacate any premises supplied with water by the Company shall give fifteen (15) days' notice of his intention to vacate prior thereto, specifying the date service is desired to be discontinued; otherwise the Consumer shall be held responsible for all water service furnished to such premises until the Company has received such notice of discontinuance. Before any buildings are demolished the Company should be notified so the service connection can be closed.

2. Closing bills will ordinarily be determined by measuring the amount of water used since the last bill, as indicated by the meter reading, and adding a pro-rated service charge. In pro-rating service charges, a billing month will be considered as 30 days. If a meter cannot be read, an estimated billing will be rendered.

3. Water service may be discontinued for non-payment of a bill within thirty (30) days after the mailing or presentation thereof to the Consumer.

4. If the Consumer fails to comply with any of these Rules and Regulations, or tampers with the service facilities of the Company, the Company will have the right to discontinue the service.

5. The Company may refuse to grant service or may discontinue existing water service to any premises to protect itself against fraud, abuse or unauthorized use of water.

6. Where negligent or wasteful use of water exists on any premises, the Company may discontinue the service if such conditions are not corrected within five (5) days after giving the Consumer written notice of intent to do so.

7. The Company may refuse to furnish water, and may discontinue the service to any premises, where the demands of the Consumer will result in inadequate service to others.

8. Unless otherwise stated or unless termination without notice is necessary to protect against a condition determined by the Company to be hazardous or to prevent an abuse of service that adversely affects the Company water system or its service to other Consumers, a Consumer shall be given at least five (5) days' written notice prior to termination of service, and the Consumer's service shall not be discontinued on the day preceding or days on which the Company's business office is closed.

9. The Company may assess a penalty of Fifty and No/100 Dollars (\$50.00) on any customer in lieu of discontinuance of service. Each day in which a violation occurs shall be considered a separate violation and upon five (5) successive days of violation, service will be discontinued in addition to the monetary penalties assessed. Any change in ownership or occupancy shall not be cause for reducing or eliminating these penalties.

RULE X
RESTORATION OF WATER SERVICE

If water service is turned off because of failure to pay a bill, for violation of any of the regulations of the Company, or for other reasons, all outstanding accounts against the Consumer plus the charge for reopening, reinstallation or reconnection must be paid before water service will be restored. Said charges shall be as established by the Company.

RULE XI
**DAMAGE AND ACCESSIBILITY TO COMPANY'S PROPERTY,
METER DAMAGED BY HOT WATER, RELIEF VALVES**

1. Any damage to water mains, service connections, valves, fire hydrants, or other property of the Company, including consequential damage caused by damage to water facilities, shall be paid for by the person or organization responsible for the damage.

2. All equipment belonging to the Company and installed upon the Consumer's premises for measurement, test, check or any other purpose, shall continue to be the property of the Company, and may be repaired, replaced or removed by the Company at any time without the consent of the Consumer. The Consumer shall exercise reasonable care to prevent damage to meters and other equipment of the Company upon said premises and shall in no way interfere with the operation of the same.

3. The Consumer shall be liable for any damage to a meter or other equipment or property of the Company caused by the Consumer or his tenants, agents, employees, contractors, licensees or permittees, on the Consumer's premises, and the Company shall be promptly reimbursed by the Consumer for any such damage upon presentation of a bill therefore.

4. When a meter is found to have been damaged by hot water or steam emanating from the premises served, the Consumer shall pay for all costs required to repair the meter.

5. No obstruction shall be placed on or around any water meter, fire hydrant or valve so as to render it inaccessible.

6. Wherever a check valve or pressure reducing valve is installed on the Consumer's cold water supply line between the main and a hot water storage tank and/or heater, there shall be installed on the Consumer's hot water distributing system a suitable pressure relief valve.

**RULE XII
INGRESS TO AND EGRESS FROM CONSUMER'S PREMISES**

Any officer or employee of the Company shall have the right of ingress to and egress from the Consumer's premises at all reasonable hours for purposes reasonably connected with the furnishing of water to said premises and the exercise of any and all rights secured to the Company by law or these Rules and Regulations. In case any such officer or employee is refused admittance to any premises, or being admitted shall be hindered or prevented from making such inspection, the Company may cause the water to be turned off from said premises after giving twenty-four (24) hours notice to the owner or occupant of said premises of its intention to do so.

**RULE XIII
RESPONSIBILITY FOR WATER RECEIVING EQUIPMENT**

1. The Consumer shall at his own risk and expense furnish, install and keep in good and safe condition all equipment that may be required for receiving, controlling, applying and utilizing water. The Company will not be responsible for any loss or damage caused by the improper installation of such equipment, or the negligence, want of proper care, or wrongful act of the Consumer or of any of his tenants, agents, employees, contractors, licensees or permittees in installing, maintaining, using, operating or interfering with any such equipment.

2. Water service may be discontinued to any Consumer whose water system includes plumbing fixtures, or water containers in any form, or of any use, which in the opinion of the Company may endanger the Company's water supply from a public health standpoint. Any such discontinuation of service shall continue until objectionable installations have been corrected and the Company has been assured that the objectionable uses and practices will not be resumed.

3. The Company will not be responsible, and the Consumer will be responsible, for water damage or other damage to property caused by spigots, faucets, valves and other equipment that may be open when water is turned on at the meter, whether this occurs at the time of first installation or after a temporary shutdown.

**RULE XIV
ABATEMENT OF NOISES**

Where it has been determined that noises emanating from a Consumer's premises are caused by plumbing fixtures or other equipment attached to water pipes and such noises are being transmitted through the water pipes and causing annoyance to other Consumers, the Company may issue a notice in writing to the offending Consumer or to the owner of such premises, or to his agent, giving reasonable time within which to correct or to remove the cause of complaint. Failure on the part of such Consumer, owner, or person responsible to correct or remove the cause of the noise will be sufficient reason for discontinuance of water service to the Consumer until such time as the condition complained of has been remedied.

RULE XV
ELECTRICAL GROUNDING

1. Protective grounding of alternating current secondary distribution circuits made to the water system shall be subject to the following conditions:
 - (a) The grounding installation shall conform in all details with the National Electrical Code of the National Board of Fire Underwriters and with the County Building Code. The Company shall not be responsible for any damage or injury caused by any electrical grounding.
 - (b) The installation of the bonding jumper around the meter shall be the responsibility of the installer of the grounding connection. The bonding jumper shall be installed in such a manner as not to interfere with the installation or removal of any of the Company's facilities.
2. No grounding of direct current system to any portion of the water system shall be permitted.
3. No grounding other than as provided in paragraph 1, (a) and (b) hereof shall be made to any portion of the water system without the Company's written approval.
4. The Company does not maintain a continuous metallic water piping system and disavows any liability to public utility electric companies, electric Consumers, or any other agency or individual to maintain or operate such a system.
5. Whenever grounding fault occurs and causes electrical current to flow into the pipeline system, the Consumer shall have the corrections made immediately and shall pay for any damages attributable to such grounding fault. Corrections not made will be subject to discontinuance of water service.

**RULE XVI
CONSUMER'S PUMPING INSTALLATIONS**

1. Consumers shall not be permitted to install or operate pumps pumping water directly from the mains of the Company's system except in cases approved in writing. No such approval will be given in cases where it is the opinion of the Company that such an installation and the operation thereof may adversely affect the water service extended by the Company to other Consumers.
2. Approvals given by the Company under this section will be qualified by clauses making them revocable upon sixty (60) days' notice during which period the Consumer, if he desires to continue the operation of the pump, shall eliminate the objectionable features causing the giving of such notice.
3. No pump shall be equipped with a direct water supply connection for priming purposes except with the written permission of the Company.

RULE XVII
**CROSS-CONNECTIONS, BACKFLOW PROTECTION AND
IRRIGATION SYSTEM ANTI-SIPHON VALVES**

1. In order to provide proper sanitary protection to the Company's water supply and to comply with the applicable regulations of the United States Public Health Service and of the State Department of Health, as adopted or amended from time to time, the Company will require that following the effective date of these Rules and Regulations no cross-connections with other water supplies, or other physical connections, shall exist, or be installed, located, maintained or operated which could permit backflow of contaminated water or any other dangerous, impure, unsanitary, or unpotable substance from the Consumer's premises into the Company's water supply system, except as provided below:

(a) Owners or operators of presently existing water supplies which are in active use and cross-connected to the Company's system will be required to secure permits for the continuance of such cross-connections. Permits will be granted on a provisional basis, renewable yearly, under the following conditions:

(i) Where such water supplies are regularly examined by the Company, or other agencies satisfactory to the Company, and are approved by the Company as acceptable, safe and sanitary supplies and continue as such at all times while the connections are in existence.

(ii) Where such water supplies do not meet the requirements of (i) above, are not normally under pressure and are maintained solely for fire fighting purposes, and where adequate protection against backflow to the Company's water system is provided by mechanical, or other, methods or devices satisfactory to the Company.

(iii) The company may waive the requirement of a permit and allow cross-connections to be continued or established if the connections are with water supplies defined as primary or community supplies by the State Department of Health and approved by the Company and the State Department of Health as acceptable, safe and sanitary supplies.

(b) Other physical connections may be permitted if, in the judgment of the Company, adequate protection can be provided the water supply of the Company against backflow by the installation of mechanical, or other methods or devices approved by the Company and installed, maintained and operated by the Consumer in a manner satisfactory to the Company at all times; provided, however, that the Company may require the Consumer to eliminate or rearrange designated plumbing or piping connections or fixtures, or to install a backflow device at the meter or other location subject to the approval of the company, as an added safety measure in addition to any and all other backflow protection required or provided by mechanical or other, methods or devices, whenever (i) the Consumer is engaged in the handling of dangerous or corrosive liquids or industrial or process waters, highly contaminated water or sewage, or is engaged in the medical or dental treatment of persons who might have diseases transmittable by water, or whenever (ii) in the judgment of the Company there exists a danger of backflow into the Company's mains because of the possibility of unauthorized connections being created through non-compliance or inadvertence on account of the complexity of the system or systems or because of failure by the Consumer to provide adequately qualified personnel and supervision for maintenance and extension of the Consumer's piping system or systems, or for any other sufficient reason or cause.

2. The Company will require the installation of mechanical, or other, methods or devices on the Consumer's side of the meter to prevent backflow whenever the Consumer maintains a separate pressure system or a separate storage facility, or in any way increases the pressures of the water within his premises above the pressure furnished by the Company or has such equipment devices or arrangement of piping, storage or industrial methods or processes that might under certain conditions raise the pressure of the water within his premises above the pressure of the water in the mains of the Company. Plans for such installations must be approved by the Company.

3. As a protection to the Consumer's plumbing system a suitable pressure relief valve must be installed and maintained by him at his expense when backflow devices are installed on the Consumer's side of the meter.

4. Any device installed for the prevention of backflow as may be required under these Rules and Regulations, shall, unless the Company approves otherwise in writing, be located above ground and in such a manner as to be safe from flooding or submergence in water or other liquids, properly protected

from external damage, freely accessible and with adequate working room for inspections, testing and repairing. All such devices shall be tested at least once every four months and inspected internally not less than once annually. Repairs, replacement of parts, etc., shall be made whenever necessary at the expense of the Consumer. Making of tests and annual inspections shall be the responsibility of the Consumer and shall be made by the Consumer or other qualified person or persons in accordance with methods acceptable to the Company. Records of tests and inspections shall be made on forms prescribed by the company and a copy of such records shall be furnished to the Company. Failure of the Consumer to make the proper tests and submission of records may, at the option of the Company, result in the Company's making the tests, needed repairs and replacements and charging the costs thereof to the Consumer.

5. In the case the Consumer connects an irrigation system to the Company's system, an anti-siphon valve or back-flow prevention valve, which provides an air gap when there is no water flow into the irrigation system, shall be installed before the irrigation system begins. Inspection and approval of such devices shall be by the Company. Installation, maintenance and operation shall be by the Consumer.

6. Upon request of the Company, the Consumer shall present an affidavit either certifying to the fact that there are no connections or other installations of the type prohibited in paragraph 1 of this Section on his premises or describing in detail all non-conforming connections or installations.

7. The several conditions relative to the installation and maintenance of cross-connections and other physical connections referred to in this Section shall be subject to change to meet changing requirements of the State and Federal health authorities and of the county Building Code.

8. Failure on the part of the Consumer to comply with the Company's requirements relative to cross-connections and backflow protection will be sufficient reason for discontinuing water service until such time as the requirements have been met.

**RULE XVIII
AUTOMATIC FIRE SPRINKLER SERVICE**

1. Automatic fire sprinkler service may be furnished only where adequate provision is made to prevent diversion of water through such service to other purposes. The fire service connection will be installed by the company and shall be paid for by the Consumer in accordance with the provisions for the installation of new service connections. After the water is turned on, the Company assumes no liability for damage of any kind whatsoever that may occur to the premises served, regardless of cause.

2. No charge will be made for water used through such connection for fire protection purposes but any water lost through leakage or used in violation of the conditions contained herein shall be paid for by the Consumer at the regular schedule of water rates and charges. The Company may disconnect and remove the said service connection if water is used for other than fire protection purposes or if leaks are not corrected. Whenever such disconnection is in effect, the Company shall not be held in any way liable for loss or damage sustained due to such condition.

3. Service charges will be in accordance with the rates established by the Company from time to time.

4. All automatic fire sprinkler services may be metered with a detector check valve and a by-pass meter of a type approved by the Company. The meter and the meter box required therefor shall be furnished by the Company without cost to the Consumer. All service connections shall become the property of the Company after installation.

RULE XIX
USE OF AND DAMAGE TO FIRE HYDRANTS, CHANGE IN
HYDRANT LOCATION, RESPONSIBILITY FOR MAINTENANCE
AND OPERATION OF PRIVATE HYDRANTS

1. Any use of a fire hydrant or tampering therewith or the taking of water there from for purposes other than fire protection by persons other than authorized employees of the Fire Department or the Company is prohibited, except upon prior application to and written permit by the Company. The Fire Department shall have the prior right to use any hydrant at any time and shall have the authority to remove peremptorily, if necessary in case of fire, any connection that may be made to a hydrant under a permit and the connections thereto shall be subject to the direction and approval of the Company. The Consumer shall not use hydrant main line valves to control flows.

2. Application for a permit for the use of a fire hydrant for purposes other than fire protection shall be made in writing to the Company and when required, shall be accompanied by a deposit in cash. It shall be non-transferable and shall be shown upon demand by the permittee, its agents or employees. The Company reserves the right to reject any application, to refuse to issue any permit and to revoke any permit at any time. The Company also reserves the right to perform for the permittee at his expense the work of installing and removing the connections and of operating the hydrant. No permit will be issued unless the permittee agrees to notify the Company as soon as the use of the hydrant is finished. In the event that a permit shall be revoked, the use of the hydrant thereunder shall cease immediately and all connections thereto shall be properly removed forthwith. The Company will inspect each hydrant which has been used under a permit, and all costs of repairs which the Company may adjudge to be due to such use and the cost of inspection shall be paid for by the permittee. All water drawn from a hydrant under permit shall be metered or estimated as to quantity in a manner satisfactory to the Company and shall be paid for by the permittee at the current water rates. The permittee shall pay all of the costs of connecting to and disconnecting from the hydrant.

3. Only regulation fire hydrant wrenches which shall have been approved by the Company shall be used for the operation of fire hydrants. The use of any other type of wrench or operating device shall not be permitted. The permit will be revoked if other than approved regulation fire hydrant wrenches are used.

4. The permittee shall report promptly any defect in or damage to the hydrant. The cost of any damage to property or of any injury to persons resulting from the use of the hydrant shall be paid for by the permittee. The company will not be held responsible for any damage to property or injury to persons arising from the use of any hydrant for any cause whatsoever. Any damage to fire hydrants shall be paid by the person or organization responsible for the damage.

5. The Company will, if it approves the request for a change in location of a hydrant, change such location provided the cost of all labor, material, equipment and all other charges are paid by the person requesting such change.

6. The Consumer shall at his expense test periodically and keep in good and safe working condition including proper maintenance all private hydrants under his control and not under the jurisdiction of the Company.

RULE XX
REFRIGERATION AND AIR CONDITIONING EQUIPMENT

1. No new installation or replacement installation of refrigeration or air conditioning equipment requiring the use of water from the Company water system shall be made on any premises until a permit authorizing such installation has been issued by the Company. Before a permit is issued the owner shall inform the Company in writing of the make, type, horsepower and tonnage of installation, the minimum and maximum water premises where the unit is to be installed, and such additional information regarding the proposed installation as may be required by the Company.

2. Any water using unit of refrigeration or air conditioning equipment of small size shall be equipped with an automatic water regulating device and/or water conserving device which will limit the total flow of water to six (6) gallons per minute momentary actual load or two (2) gallons per minute per ton of refrigeration, whichever is the less, and which will automatically stop the flow of water when the unit stops.

3. Any large size water using unit of refrigeration or air conditioning equipment shall be equipped with water conserving device which will (a) limit the flow of water to not more than 0.2 gallons per minute per ton of refrigeration, actual load and (b) automatically stop the flow of water when the unit is shut down.

4. For the purpose of these regulations a unit of less than twenty-five (25) tons rated capacity shall be considered a small unit.

5. Where several units serve the same premises, their combined capacity shall be considered to be the capacity of the unit.

6. All installations of water using refrigeration and air conditioning equipment, regardless of capacity, which are to be served by the Company water system must conform with all other applicable Rules and Regulations.

**RULE XXI
RESALE OF WATER**

Unless specifically agreed upon, the Consumer shall not resell any water received from the Company.

RULE XXII
REQUIREMENTS FOR SUBDIVISION WATER SYSTEMS

1. Extensions or Connections. Extensions or connections of the water system from the subdivision to the public water system shall be approved by the Company upon determination of the point of adequacy, provided that the department has a sufficient water supply developed for fire protection, domestic, and irrigation purposes to take on new or additional service without detriment to those already served and the subdivision water system otherwise conforms to these rules and regulations. The subdivider shall install and pay for the subdivision water system. All such subdivision water systems shall be designed and located in accordance with these rules and regulations and the standards of the Company.

2. Reservoirs.

(a) Subdividers shall install and pay for storage tanks, appurtenances, and pipeline from the tank site to the subdivision proper in accordance with the Company standards or as approved by the Company. Storage tanks with a capacity of 100,000 gallons and over shall be of concrete construction. Storage tanks with a capacity of less than 100,000 gallons may be of wooden, steel, concrete, or other material as approved by the Company.

(i) Residential, hotel, apartment, business, industrial, airport, and commercial districts. Storage capacity required shall be determined on the basis of fire flow duration, maximum daily flow, or 1,000 gallons per lot, whichever of these quantities is greater; provided that the requirement may be modified by the Company.

(ii) Rural and agricultural districts. Storage capacity requirement shall be determined on the basis of 1,000 gallons per lot for rural and 2,000 gallons for agricultural districts.

(b) Tank site lots, access road and pipeline easements shall be dedicated to the Company before final subdivision approval.

(c) Whenever the subdivider is required to install a reservoir, together with appurtenances of greater capacity than is necessary to serve his subdivision, the Company shall make a lump sum reimbursement to the subdivider of the difference in cost, excluding the cost of appurtenances, of such larger reservoir and the reservoir that would otherwise have been required; provided, however,

that no reimbursement shall be made where such larger reservoir shall serve only areas of land under the same ownership as the subdivision in question.

(d) Where it is determined by the Company that the subdivision does not warrant separate storage facilities or if the storage facilities are already available, the subdivider shall be assessed by the Company for future storage. Any such storage assessment shall be in an amount as provided for in the rates and fees of the Company. The storage assessment fee (as further described at Rule XXIV) shall not be chargeable to any Consumer that was an existing user of the Company water system as of August 7, 2000.

3. Water Mains and Appurtenances.

(a) The subdivider shall install, in accordance with these rules and regulations and the standards of the Company, and pay for the subdivision water system required for the subdivision.

Main sizes shall be designed to deliver water in adequate quantities at adequate pressures for both (a) domestic use and irrigation under peak consumption conditions and (b) fire protection.

(b) Size of water mains.

(i) Urban districts.

Current Standards of the Insurance Service Officer's Guide for Determination of Required Fire Flows in effect at the time of the application shall be used as a guide in designing mains for fire flows. The minimum size main from the point of adequacy to, along, and within the subdivision shall be as follows:

	Minimum size of water main
2 unit subdivision	1-1/2" limited to 200' run 6" limited to 600' run 8" if run is over 600'
3 to 12 unit subdivision	4" limited to 200' run 6" limited to 600' run 8" if run is over 600'
13 to 24 unit subdivision	6" limited to 600' run 8" if run is over 600'
25 unit subdivision and over	8" or larger as determined by design for domestic and fire protection requirements.

Any subdivision having more than 200 feet of water main shall provide 6-inch water pipe or larger in residential district and 8-inch water pipe or larger in business, industrial, hotel and apartment districts. A 6-inch main shall be used only where it completes a good gridiron and in no case in blocks more than 600 feet in length.

(ii) Agricultural and Rural Zoned Areas.

	Minimum size of water main
2 unit subdivision	1-1/2" limited to 200' run 4" limited to 1,000' run Over 1,000' size to be determined by design for domestic and agricultural requirements
3 to 6 unit subdivision	4" limited to 300' run 6" limited to 1,200' run Over 1,200' size to be determined by design for domestic and agricultural requirements
7 to 24 unit subdivision	6" limited to 1,200' run Over 1,200' size to be determined by design for domestic and agricultural requirements
25 unit subdivision	8" or larger as determined by design for domestic and agricultural requirements.

(c) Valves, pressure reducing units, etc., of such sizes, types, and classes shall be installed as designated and required by the Company.

4. Fire Protection.

(a) All subdivisions in business, industrial, hotel, commercial, duplex, apartment, airport, rural and residential districts shall be required to install fire hydrants which shall be paid for by the subdivider and shall be in accordance with these regulations. Subdivisions in agricultural districts shall be required to install standpipes. Subdivider may elect to install fire hydrant in lieu of standpipe in agricultural districts.

(b) Fire hydrants shall be spaced along the streets not more than 250 feet apart in business, commercial, industrial, hotel, and apartment districts, not more than 350 feet apart in residential districts, and not more than 500 feet apart in rural and agricultural districts.

Standpipes shall be spaced not more than 500 feet apart. The Company shall determine the location of all hydrants and standpipes. All standpipes and fire hydrants required for adequate fire protection of a subdivision shall normally be located within the subdivision.

If, in the interest of better fire protection, it is determined that one or more of the required hydrants may serve the subdivision to better advantage if located outside the subdivision, they may be so located with cost to be borne by the subdivider.

(c) In fixing the standards for fire protection insofar as water supply is concerned, the Company shall be guided by the standards of the Insurance Services Office's Guide for Determination of Required Fire Flows. The minimum fire protection schedule shall be as follows:

FIRE PROTECTION SCHEDULE

MINIMUM FIRE FLOW REQUIREMENTS
BY ZONING DISTRICT

<u>DISTRICT</u>	<u>G P.M.</u>	<u>HOURS</u>
Agricultural	250	2
Rural	400	2
Residential	1,000	2
Duplex	1,250	2
A-1 Apartment	1,500	2
A-2 Apartment	2,000	2
Hotel	2,500	2
Business	2,000	2
Light Industrial	2,000	2
Heavy Industrial	2,000	2

(d) Fire hydrants and standpipes are not required for new subdivisions which fall completely within a radius of (1) 250 feet from the nearest existing fire hydrant in business, industrial, commercial, hotel, and apartment districts, (2) 350 feet from the nearest existing fire hydrant in residential districts, and (3) 500 feet from the nearest existing fire hydrant or standpipe in rural and agricultural districts. Where subdivisions or any portion of the new subdivision is outside such radius, compliance with subsections (a) and (b) shall be required.

5. Increase in Size of Water Mains.

(a) Increase in Size of Water Main Extensions for Service to Other Areas. Whenever the Company finds it is necessary that the water mains proposed to deliver water to a subdivision should be of a greater capacity, in order to supply water and fire protection to other property, the Company will require the installation of larger size main.

(b) Increase in Size of Water Mains Within Subdivisions for Benefit of Other Areas. Whenever, in order to provide for existing or future services beyond the boundaries of a subdivision, the Company finds that the mains to be installed within the subdivision should be of greater capacity than would otherwise be required, the Company will require the installations of larger size mains.

(c) Reimbursement for Additional Costs Mains. When the subdivider is required to install a larger size main for the reasons set forth in the preceding paragraph, the Company will reimburse the subdivider, as soon as practicable after the acceptance by the Company of the completed work, the additional costs of the installation over the above the cost of the mains that would have been required; provided, however, that in no case shall reimbursement be made for any portion of the cost of a main less than four-inch size in agricultural and rural areas or of any portion of the cost of a main less than six-inch size in residential areas or of any of the portion of the cost of a main less than eight-inch size in other areas; provided, further, that reimbursement shall not be made to the subdivider where such larger main or mains will service only areas under the same ownership as the subdivision under construction.

Before the subdivider enters into a contract where a reimbursement to the subdivider for additional cost of the main to subdivision shall be made, the Company shall review and either approve or reject said contract. Prior to the installation of the larger size water main, the subdivider shall enter into an agreement with the Company.

6. Refund for Water Main Extension.

Main extension. If the Company's facilities in the area are inadequate, or where facilities are not readily available to serve a subdivision, the subdivider must extend a water main from the nearest adequate facility. The water main so constructed, connecting the subdivision water system to the nearest point of adequacy of the Company water system, is termed a main extension.

7. Laterals, Deed-Ends, Alterations to Public Water System.

(a) Laterals. Where water main construction is necessary, the subdivider shall provide each lot in the subdivision with a service lateral from the water main to the lot boundary as specified in the "Standards for Water System Construction". As an alternate, one service lateral meeting the minimum size requirement for two-lot subdivision, as provided in paragraph 3 hereof, may be installed for each two (2) lots.

Where the lots to be created front along an existing water main, service laterals as required above shall be installed by the subdivider and supervised by the Company, or as agreed upon with the Company.

(b) Dead-Ends. Where water mains proposed by a subdivider would result in dead-ends, the subdivider shall correct the condition by the installation of circuits or interconnections as may be required by the Company. Clean-outs, blowoffs, or air valve assemblies shall be installed as required by the Company.

(c) Alterations to Company System.

(i) All work and materials in connection with the change in location or grace of any part of the existing Company water system made necessary by the subdivision shall be at the expense of the subdivider.

(ii) When required by the Company, contours or elevations shall be furnished by the subdivider based upon United States Coast and Geodetic Survey or County of Maui datum.

8. Preparation of Plans, Information on Plans, Approval of Plans, Delays in Construction.

(a) All Construction plans governing water system shall be prepared by a registered engineer to the extent of his professional qualifications under the laws of the State and shall include a certification of compliance with these Rules and Regulations. Preliminary maps and final maps of subdivisions to be reviewed by the Company shall fully conform to the requirements of these rules and regulations.

(b) The construction plans, insofar as the water system is concerned, shall show the following on standard 22" x 36-1/2" with a 1/4" border size sheet or sheets:

(i) Name of subdivision, name of subdivider, name of engineer, and location of subdivision.

(ii) Date, north arrow, scale, tax key.

(iii) The proposed subdivision water system, complete in both plan and profile, and its interrelationship with street lines, lot lines, curb grades, electrical and telephone conduits, sewers and drains, both existing and proposed, as well as any other features, natural or artificial, necessary for a complete understanding of the water system design.

(iv) Plan views drawn to a scale of one inch equals 40 feet or one inch equals 20 feet. Profile views drawn to a vertical scale of one inch equals 4 feet or larger. Manhole, fire hydrant, lateral, and other details drawn to a scale of one-half inch equals one foot or larger.

(v) the designation, including alignment and width, of all easement for parts of the water system which will not be in street areas to be dedicated to the public.

(vi) A general layout map showing the locations of lots and streets within the subdivision and its near vicinity together with existing and proposed water system.

(vii) A small key location inset or vicinity map showing the proposed subdivision in relationship to streets and water mains in the area.

(viii) In cases in which the owner or subdivider also owns areas contiguous to the proposed subdivision, or separation therefrom by a street, a sketch of the future street and lot pattern and the water system proposed to serve such contiguous areas shall be furnished for study with the construction plans.

(c) No construction of a subdivision water system or any portions thereof, to be connected to the Company Water System shall be undertaken prior to approval of the final construction plans and specifications by the Company, as required. After said approval, the subdivider shall transmit four (4) sets of all final construction plans and specifications and set of original drawings prepared in ink on linen to the Company.

(d) If any period exceeding one year or such extensions as may be granted passes without substantial progress in the construction of the water facilities, after approval of plans and specifications by the Company, the plans and specifications thereof shall be resubmitted to the Company for review and for making such changes as it deems proper because of changed conditions or revision of standards.

9. Subdivision Elevation Agreement.

(a) Whenever a lot or lots within a subdivision are at such an elevation that they cannot be assured of a dependable water supply, the approval of the construction drawings shall be subject to each owner of such lot or lots signing an "elevation agreement" whereby such lot owner agrees to accept such water service as the Company is able to render, and such owners agree to construct and maintain at his expense a tank, a pump with a tank, or other appurtenances as may be in accordance with the standards and requirements of the Company and which shall be of sufficient capacity to furnish a supply of water at such times as the pressure in the water at such times as the pressure in the water mains may be inadequate.

(b) Any subdivision for which elevation agreements have been signed may be permitted to connect to the Company water system while at the same time maintaining its own private subdivision water system pursuant to the requirements, conditions, and specifications of the Company.

(c) Any such agreement shall be recorded with the Bureau of Conveyances.

10. Materials and Construction Standards, Installation of Water Service, Inspection of Work.

(a) Materials and Construction Standards. All pipes, fittings, and valves shall be of manufacture and grade acceptable to the Company and shall meet the American Water Works Association specifications. All pipes in sizes 2-1/2 inches and less shall be standard galvanized pipe or equal, except that service laterals and connections shall be hard-drawn copper tubing, Type K, soldered joints or polyethylene as approved by the Company, and all fittings for same shall be copper fittings or polyethylene as approved by the Company. Pipes may be asbestos-cement pipe with toning wire or centrifugally cast iron pipe or ductile iron, Class 52 with a maximum of 1/8-inch cement mortar lining.

All cast iron fittings shall be Class "D" or equal, cement mortar lined.

Pipes, fittings, valves, and other appurtenances required in the installation of mains within a subdivision shall be new.

The design, construction procedures, and workmanship with respect to any subdivision water system, or any portion thereof, that are to be connected to the public water system shall be in accordance with the requirements of the State Department of Health and all applicable laws.

(b) Installation of Water Service. No water service shall be approved, except a service for subdivision construction purposes, until the subdivision water system has been completed and

accepted by the Company and all the improvements required by these rules and regulations have been completed, and subject to approval by appropriate county agencies.

(c) Inspection of Work. The Company shall have free access at all times to all installations made for the subdivision and shall be given any assistance required and every facility, information and means of thoroughly inspecting the work to be done and the materials used or to be used. All work shall be done during the normal work week and no work shall be permitted during Saturdays, Sundays, and holidays, except during an emergency or under such conditions as may be approved by the Company, in which case such services shall be paid for by the subdivider.

(d) The developer shall notify the Company three (3) days in advance prior to commencement of work.

11. Ownership of Installed Water System. As a condition precedent to connecting the subdivision water system to the Company water system, unless otherwise specified in these regulations, the subdivider shall convey the subdivision water system to the Company by letter, and shall submit together therewith an affidavit showing the breakdown as to the cost of such installation, and said subdivision water system, after being accepted by the Company, shall thereafter be maintained and operated as a part of the Company water system; provided, however, that the Company may refuse to operate and maintain facilities installed without the Company's prior approval. Prior to the commencement of water service, and as prerequisite to such service, the subdivider shall deliver to the Company perpetual easements for all portions of the subdivision water system installed in other than Company-owned property. The subdivider shall also convey to the Company fee simple title to all sites on which are located tanks, reservoirs, and pumps constructed by the subdivider and connected to the Company water system together with easements for ingress and egress.

In areas where there is no Company water supply available to serve the development, plans and specifications for providing water sources, including wells, tunnels, shafts, pumps, buildings, mains, and other appurtenant structures and devices, shall be in conformance with the standards of the Company, and shall be approved by the Company in their entirety prior to construction. The Company shall be reimbursed for all reasonable costs and expenses incurred by the Company in its review of the plans and specifications. The plans and specification shall be approved by the Department of Health, State of Hawaii, as required.

12. Modification of Requirements. When conditions pertaining to any subdivision are such that the Consumer may be properly served with water and with fire protection without full and strict compliance with these rules and regulations, or where the subdivision site or layout is such that the Consumer's interest will be adequately protected, such modification thereof as is reasonably necessary or expedient, and not contrary to law or the intent and purpose of these rules and regulation, may be made by the Company.

The Company retains the right to modify any requirement, provided that the modification will in no way jeopardize those already served in the area.

13. Construction Agreement and Bond. To secure approval prior to construction of the required improvements, insofar as the construction of the project water system is concerned, the subdivider shall enter into an agreement with the Company to make, install and complete all of the required improvements within a specified time and file with the Company a surety bond or other security, as hereinafter specified, to assure the Company the actual construction and installation of the improvements and utilities shown on the approved construction plans.

The agreement shall specify, insofar as the project water system is concerned, that the subdivider will complete the same to the satisfaction of the Company, and shall provide that if the subdivider shall fail to so complete such work within the time specified, or such extension as may be mutually agreed upon, the Company may complete the same and recover the full cost and expense thereof from the subdivider.

The bond or other security to be filed with the Company with the aforesaid agreement shall be one of the following (provided, that in all instances where a surety bond is filed, it shall be executed by the subdivider, as principal, and by a surety company authorized to transact a surety business in the state, as surety):

(a) A surety bond in a sum equal to the cost of the work required to be done as estimated by the Company; payable to the Company, and conditioned upon the faithful performance of all work required to be done by the subdivider, and upon the further condition that should the subdivider fail to complete all work required to be done within a specified time, the Company may cause all work which is not finished to be completed, and the parties executing the bond shall be firmly bound for the payment of all costs therefor; or

(b) Where the subdivider has entered into a contract with a reputable contractor, and has filed with the Company all three of the following: (1) a certified copy of his said contract and specifications, (2) a certified copy of the performance bond of his contractor, and (3) a surety bond in a sum equal to at least fifty percent (50%) of the cost of all work required to be done by the subdivider as estimated by the Company and payable and conditioned as above set forth; or

(c) The subdivider shall make a deposit of money with the Company, or a responsible escrow agent designated by the Company as agent of the Company, in an amount equal to the cost of the construction of said improvements as estimated by the Company. Under this arrangement, the agreement may provide for approved progress payments to be made to the contractor for materials used and services and labor performed out of said deposit as the work progresses; provided that said progress payments shall at no time exceed the value of the completed portion of said improvements; or

(d) In lieu of said surety bond or deposit in escrow mentioned in paragraphs (a), (b), and (c) above, the subdivider may deposit with the Company bonds or other negotiable securities acceptable to the Company in the amount provided by paragraphs numbered (a), (b), and (c), respectively, of this paragraph.

14. Repair and Replacement of Improvements. Prior to acceptance, the subdivider shall enter into an agreement with the Company and shall file with the company a surety bond or other approved bond to insure the repair and replacement of subdivision water system improvements in accordance with standards acceptable to the company for a period of one year from the date of dedication to and acceptance by the Company. The amount of the surety bond or other approved bond shall be at least ten percent (10%) of the cost of construction as estimated by the Company.

**RULE XXIII
FACILITIES RESERVE CHARGE**

The facilities reserve charge is a fee to be paid by owners and applicants for new or larger water meters as their proportionate share in improvements to the Company's water system. The facilities reserve charge will not be chargeable to any Consumer who was an exiting user of the Company water system as of August 7, 2000, provided, however, that said Consumers may be subject to the facilities reserve charge if they request new or larger water meters than those meters servicing said Consumers as of August 7, 2000.

In addition to the charges for the installation of the service connection and meters, the owner or applicant shall pay the applicable facilities reserve charge, the amount of which shall be dependent upon the size of the water meter to be installed and the following fee schedule:

<u>Size of Meter</u>	<u>First Meter Per Parcel of Land</u>
5/8 inch	\$ 3,350.00
3/4 inch	4,690.00
1 inch	8,710.00
1-1/2 inch	19,430.00
2 inch	34,170.00
3 inch	77,050.00
4 inch	137,350.00
6 inch	308,670.00
Over 6 inch	538,730.00

Any owner or applicant who qualifies for Agricultural Water Rates shall be required to pay fifty percent (50%) of the above Facilities Reserve Charge for all meters one (1) inch or larger.

In the case of increasing the size of an existing meter, the difference between the large and smaller facilities reserve charges shall be paid. No refund will be made in the case of reducing the size of an existing meter.

RULE XXIV
SUBDIVISION AND NON-SUBDIVISION
STORAGE ASSESSMENT FEES

1. Subdivision Storage Assessment Fees. Storage Assessment Fees as provided for in Rule XXII (2) (d) of the Rules and Regulations of the Company shall be as follows:

(a) For residential, rural and agricultural zoned districts:

(i) Two-lot subdivisions shall be assessed a total of One Hundred and No/100 Dollars (\$100.00).

(ii) Three-lot subdivisions shall be assessed a total of Two Hundred and No/100 Dollars (\$200.00).

(iii) Subdivisions of four or more lots shall be assessed Two Hundred and No/100 Dollars (\$200.00) plus Five Hundred and No/100 Dollars (\$500.00) per lot from the fourth lot and beyond.

(iv) Multiple dwelling units per lot shall be additionally assessed as follows:

(1) There shall be no additional assessment for up to two dwelling units per lot.

(2) The third dwelling unit shall be assessed Two Hundred and No/100 Dollars (\$100.00).

(3) Dwelling units from four and beyond shall be assessed Five Hundred and No/100 Dollars (\$100.00) each.

(v) Special and permitted uses other than single and family dwelling, the assessment shall be based on the following:

(<u>Storage capacity for subdivision</u>			Cost of a)
(Centralized storage	X		storage reservoir)
(capacity for the area			for the area)

1. For all other districts the assessment shall be based as follows:

(a) For three dwelling units on the same lot, the assessment shall be Two Hundred and No/Dollars (\$200.00); for every additional dwelling unit thereafter the assessment shall be Five Hundred and No/Dollars (\$500.00).

(b) For other than dwelling units the following formula shall be used.

$$\left(\frac{\text{Storage capacity for subdivision}}{\text{Centralized storage capacity for the area}} \right) \times \left(\text{Cost of a storage reservoir for the area} \right)$$

(c) The above methods of assessment may be used in combination where dwelling and other than dwelling units are on the same lot.

2. Non-Subdivision Storage Assessment Fees. Storage Assessment Fees as provided in Rule II (5) of the Rules and Regulations of the Company shall be as follows:

$$\left(\frac{\text{Storage capacity for subdivision}}{\text{Centralized storage capacity for the area}} \right) \times \left(\text{Cost of a storage reservoir for the area} \right)$$

**RULE XXV
SEVERABILITY**

If any rule, section, sentence, clause, or phrase of these rules and regulations or its application to any person or circumstance or property is held to be unconstitutional or invalid, the remaining portions of these Rules and Regulations or the application of these Rules and Regulations to other persons or circumstances or property shall not be affected. The Company hereby declares that it would have adopted these Rules and Regulations, and each and every rule, section, sentence, clause, or phrase thereof, irrespective of the fact that any one or more other rules, sections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SCHEDULE OF RATES AND CHARGES

Water Service Rate:

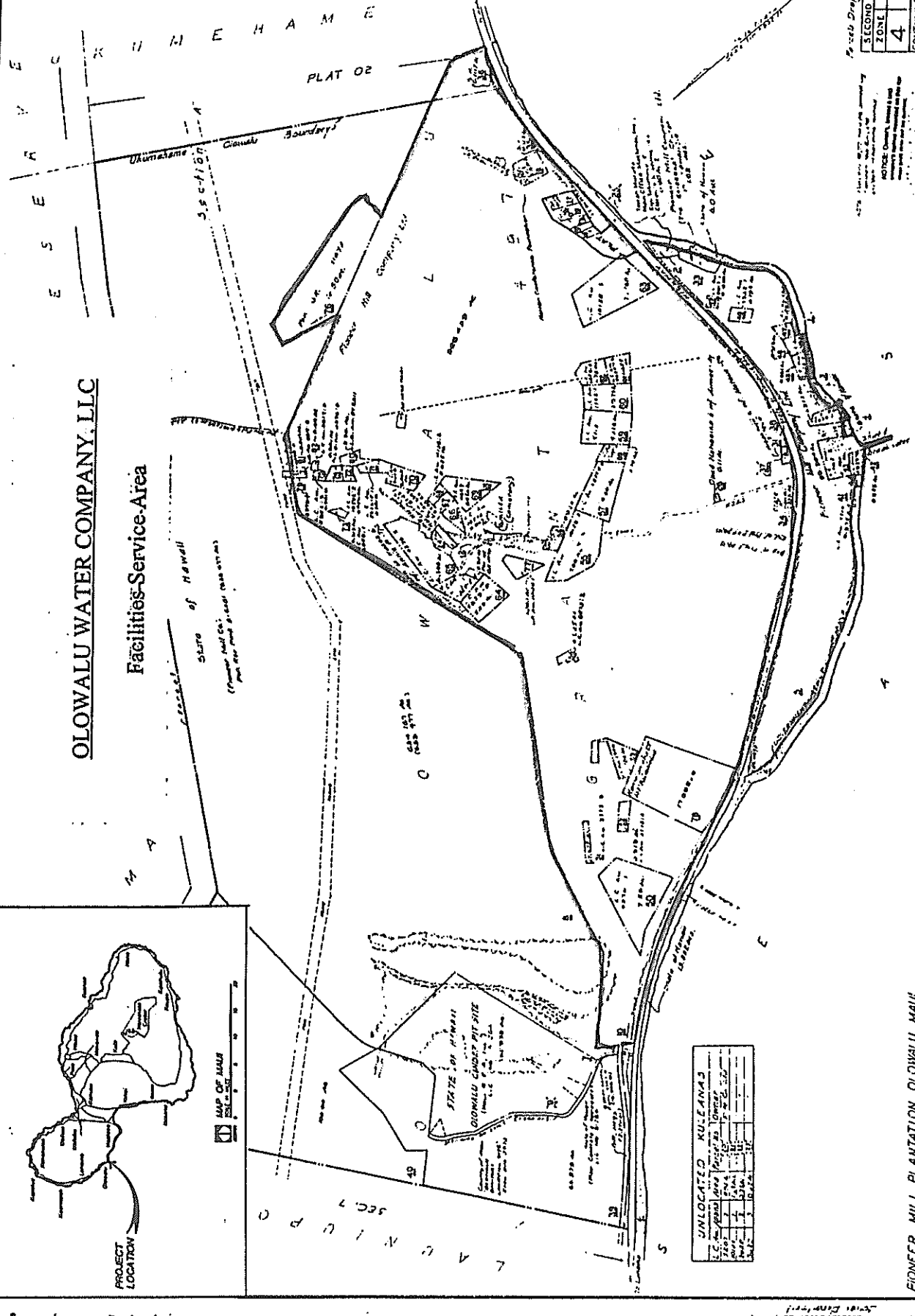
<u>Rate</u>	<u>Usage/Month</u>
\$ 1.35	Per Thousand Gallons Up To 10,000 Gallons
\$ 1.82	Per Thousand Gallons From 10,001 Up To 25,000 Gallons
\$ 2.14	Per Thousand Gallons Over 25,000 Gallons
\$0.72	Per Thousand Gallons Over 150,000 Gallons

Standby Charge:

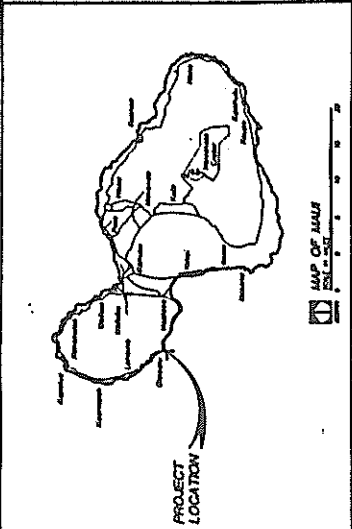
<u>Charge/Month</u>	<u>Meter Size</u>
\$20	5/8"
\$22	3/4"
\$24	1"
\$26	1 1/2"
\$28	2"
\$30	3"
\$32	4"
\$34	6"
\$40	Over 6"

EXHIBIT "A"
SERVICE AREA MAP

4 B 03



LOWALU WATER COMPANY, LLC
Facilities-Service-Area



UNLOCATED KULEANAS

K.C. No.	Area	Area (Acres)	Owner
1	100-1-1	1.00	State of Hawaii
2	100-1-2	1.00	State of Hawaii
3	100-1-3	1.00	State of Hawaii
4	100-1-4	1.00	State of Hawaii
5	100-1-5	1.00	State of Hawaii
6	100-1-6	1.00	State of Hawaii
7	100-1-7	1.00	State of Hawaii
8	100-1-8	1.00	State of Hawaii
9	100-1-9	1.00	State of Hawaii
10	100-1-10	1.00	State of Hawaii
11	100-1-11	1.00	State of Hawaii
12	100-1-12	1.00	State of Hawaii
13	100-1-13	1.00	State of Hawaii
14	100-1-14	1.00	State of Hawaii
15	100-1-15	1.00	State of Hawaii
16	100-1-16	1.00	State of Hawaii
17	100-1-17	1.00	State of Hawaii
18	100-1-18	1.00	State of Hawaii
19	100-1-19	1.00	State of Hawaii
20	100-1-20	1.00	State of Hawaii
21	100-1-21	1.00	State of Hawaii
22	100-1-22	1.00	State of Hawaii
23	100-1-23	1.00	State of Hawaii
24	100-1-24	1.00	State of Hawaii
25	100-1-25	1.00	State of Hawaii
26	100-1-26	1.00	State of Hawaii
27	100-1-27	1.00	State of Hawaii
28	100-1-28	1.00	State of Hawaii
29	100-1-29	1.00	State of Hawaii
30	100-1-30	1.00	State of Hawaii
31	100-1-31	1.00	State of Hawaii
32	100-1-32	1.00	State of Hawaii
33	100-1-33	1.00	State of Hawaii
34	100-1-34	1.00	State of Hawaii
35	100-1-35	1.00	State of Hawaii
36	100-1-36	1.00	State of Hawaii
37	100-1-37	1.00	State of Hawaii
38	100-1-38	1.00	State of Hawaii
39	100-1-39	1.00	State of Hawaii
40	100-1-40	1.00	State of Hawaii
41	100-1-41	1.00	State of Hawaii
42	100-1-42	1.00	State of Hawaii
43	100-1-43	1.00	State of Hawaii
44	100-1-44	1.00	State of Hawaii
45	100-1-45	1.00	State of Hawaii
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53	100-1-53	1.00	State of Hawaii
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55	100-1-55	1.00	State of Hawaii
56	100-1-56	1.00	State of Hawaii
57	100-1-57	1.00	State of Hawaii
58	100-1-58	1.00	State of Hawaii
59	100-1-59	1.00	State of Hawaii
60	100-1-60	1.00	State of Hawaii
61	100-1-61	1.00	State of Hawaii
62	100-1-62	1.00	State of Hawaii
63	100-1-63	1.00	State of Hawaii
64	100-1-64	1.00	State of Hawaii
65	100-1-65	1.00	State of Hawaii
66	100-1-66	1.00	State of Hawaii
67	100-1-67	1.00	State of Hawaii
68	100-1-68	1.00	State of Hawaii
69	100-1-69	1.00	State of Hawaii
70	100-1-70	1.00	State of Hawaii
71	100-1-71	1.00	State of Hawaii
72	100-1-72	1.00	State of Hawaii
73	100-1-73	1.00	State of Hawaii
74	100-1-74	1.00	State of Hawaii
75	100-1-75	1.00	State of Hawaii
76	100-1-76	1.00	State of Hawaii
77	100-1-77	1.00	State of Hawaii
78	100-1-78	1.00	State of Hawaii
79	100-1-79	1.00	State of Hawaii
80	100-1-80	1.00	State of Hawaii
81	100-1-81	1.00	State of Hawaii
82	100-1-82	1.00	State of Hawaii
83	100-1-83	1.00	State of Hawaii
84	100-1-84	1.00	State of Hawaii
85	100-1-85	1.00	State of Hawaii
86	100-1-86	1.00	State of Hawaii
87	100-1-87	1.00	State of Hawaii
88	100-1-88	1.00	State of Hawaii
89	100-1-89	1.00	State of Hawaii
90	100-1-90	1.00	State of Hawaii
91	100-1-91	1.00	State of Hawaii
92	100-1-92	1.00	State of Hawaii
93	100-1-93	1.00	State of Hawaii
94	100-1-94	1.00	State of Hawaii
95	100-1-95	1.00	State of Hawaii
96	100-1-96	1.00	State of Hawaii
97	100-1-97	1.00	State of Hawaii
98	100-1-98	1.00	State of Hawaii
99	100-1-99	1.00	State of Hawaii
100	100-1-100	1.00	State of Hawaii

As sets Drawn MAP No. 2
 SECOND DIVISION
 ZONE SEC PLAT
4 8 03
 CONTINUOUS SHEETS
 SCALE 1" = 500 FT.
 1912 JUN 4 1912

PIONEER MILL PLANTATION, LOWALU, MAUI.

Dwg. No: 2021
 BY: L.L. DUNN, 1934
 SOURCE: DEEDS RECORDS
 (1912 Edition)