

Launiupoko Water Company, Inc.

33 Lono Avenue, Suite 450
Kahului, HI 96732

Phone: 808-877-4202
Fax: 808-877-9409

METER ACTIVATION REQUEST

The potable water meter and backflow preventor has been installed by the developer to service your property. Launiupoko Water Company, Inc. assumes responsibility for all service and maintenance of the water line and meter servicing your property. However, any backflow preventor, valve, connections, and pipe *after the meter* are the property owner's responsibility. Sign and submit this activation request form to the address above to activate your potable water meter.

The undersigned owner / tenant of subject property hereby applies to Launiupoko Water Co., Inc. for potable water service and a meter and agrees to pay all charges incurred for such water service and to abide by the rules and regulations of the Launiupoko Water Co., Inc. relating to water service and rates, as they may be amended from time to time. The owner / tenant agrees to notify Launiupoko Water Co., Inc. of his/her intention to discontinue or transfer water service. The owner / tenant further agrees that if he/she fails to pay any water bill, the Launiupoko Water Co., INC will take any and all recourses allowed within its rules and regulations. The meter will be owned by Launiupoko Water Co., Inc.

Subject Property

Tax Map Key Number: (2) 4-7-001: Portion 02

Subdivision: Makila Ridge Subdivision

Lot #: _____

Customer Name – Owner or Tenant (please circle)

Customer Signature

Mailing address

Phone: residence

Phone: work

City, State, Zip Code

Social Security #

E-mail address

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The undersigned owner / tenant of subject property hereby applies to Launiupoko Irrigation Company, Inc. for irrigation (non-potable) water service and a meter and agrees to pay all charges incurred for such water service and to abide by the rules and regulations of the Launiupoko Irrigation Company, Inc. relating to water service and rates, as they may be amended from time to time. The owner / tenant agrees to notify Launiupoko Irrigation Company, Inc. of his/her intention to discontinue or transfer water service. The owner / tenant further agrees that if he/she fails to pay any water bill, the Launiupoko Irrigation Company, Inc. will take any and all recourses allowed within its rules and regulations. The meter will be owned by Launiupoko Irrigation Company, Inc.

Subject Property

Tax Map Key Number: (2) 4-7-001: Portion of 02

Subdivision: Makila Ridge

Lot #: _____

Customer Name – Owner or Tenant (please circle)

Customer Signature

Mailing address

Phone: residence

Billing Address

Phone: work

City

State

Zip Code

E-mail address

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Acknowledgment Receipt

Rule II General Conditions

Rule III Conservation Measures and Interruption of Water Supply

Rule IV Elevation Agreement, Pressure Conditions

Rule V Application for Water Service and Service Connection

Rule XVI Best Management Practices

I have received and read the above listed items and understand that there are possible dangers and health risks associated with a nonpotable water system.

I understand that Launiupoko Irrigation Company, Inc. uses surface water diverted from both Launiupoko and Kauaula Streams and held in reservoirs. These streams have seasonal high and low flows that may affect the ability of the company to support all the demand for irrigation water. The State of Hawaii Water Commission governs the diversions of these streams; therefore, Launiupoko Irrigation Company, Inc. makes no guarantees on reliability, water pressure, or consistency of the supply of irrigation water to your property.

I also agree to follow all safety rules and accept all the risks of using nonpotable water on my property.

I will notify all tenants, contractors and visitors using my property that there is a dual water system and that nonpotable water is to be used for irrigation purposes only, not for human consumption, and that drinking it may cause illness or even death.

I AGREE THAT LAUNIUPOKO IRRIGATION COMPANY, INC. WILL NOT BE RESPONSIBLE FOR ANY INJURY, ILLNESS OR DEATH THAT SHALL RESULT FROM WATER USE ON MY PROPERTY. THE UNDERSIGNED AGREES TO BEAR ANY AND ALL SUCH LOSSES AND DAMAGES AND WILL INDEMNIFY, DEFEND AND HOLD HARMLESS LAUNIUPOKO IRRIGATION COMPANY, INC., ITS OFFICERS, DIRECTORS, AGENTS, EMPLOYEES AND AFFILIATES AGAINST ALL LOSS, LIABILITY AND EXPENSE, INCLUDING ATTORNEYS FEES, WHICH THEY OR ANY OF THEM MAY SUFFER OR INCUR ARISING OUT OF ANY PERSONAL INJURY ILLNESS AND DEATH OF ANY PERSON CONSUMING NON -POTABLE WATER ON THE PROPERTY OF THE UNDERSIGNED OR WHICH WAS PROVIDED TO SAID PROPERTY BY LAUNIUPOKO IRRIGATION COMPANY, INC.

All Owners on title must sign below.

SUBDIVISION _____

LOT NUMBER _____

Owner/Applicant (Print)

Owner/Applicant (Print)

Signed

Date

Signed

Date

**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 agricultural irrigation use 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

**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 and other circumstances or acts of God beyond the Company's control.

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. Except in cases of emergency repairs, the Company shall use its best efforts to give its customers at least 24 hours notice before shutting off service. The Company will not be responsible or liable for any property loss or damage incurred by the consumer due to such interruption of service. 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 equipment 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. 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 the 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 the current rate for annual simple interest. Deposit with interest shall be refunded within thirty (30) days after final bill is paid or after one (1) year 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 is not paid upon presentation, the water service may be discontinued five days after written notice is given to the user.

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Effective : March 13, 2008

RULE XVI
BEST MANAGEMENT PRACTICES

1. General Overview of Service:

(a) It is the Company's goal to provide nonpotable (irrigation) water to consumers. The Company recognizes that nonpotable water is a valuable resource to owners of agriculturally zoned land, and shall strive to promote conservation and wise use of nonpotable water.

(b) All consumers will receive a copy of the Company's Best Management Practices Manual (for Distribution of Nonpotable Water System) (the "Manual"). Additionally, copies of the Manual shall be kept on file in the offices of the Company at 173 Ho`ohana Street, Suite 201; Kahului, Maui, Hawaii 96732. The Company shall make all reasonable effort to keep the Manual current. The Manual is subject to change at any time by the Company.

(c) The consumer's lots will be served by a nonpotable water distribution system **for irrigation purposes only and not for consumer consumption**. The Company has contracted with the National Testing Laboratories, Ltd., a water consulting firm, to perform a Drinking Water Analysis of Kauaula Stream, the source of the nonpotable water for the Company. The results of the Analysis warn the presence of E-Coli within the sample. The Analysis confirms the general knowledge in Hawaii that stream water may contain contaminates and people should not drink untreated surface stream water. Additionally, there could be other contaminates in the water or the Company's Water System that were not tested for, and which may cause illness or possibly death.

(d) Although the historic stream flow of Kauaula and Launiupoko Stream points to adequate supply of nonpotable water, the Company does not guarantee the availability of the nonpotable water in the future.

(e) No consumers will be served by the nonpotable water system until the water mains and laterals for the service area are completed and connected to the central source and supply of nonpotable water.

(f) Use of the nonpotable water system is for irrigation and other nonpotable water uses only. **It is very important that users of the nonpotable water system understand the potential dangers of misuses of the nonpotable water system.** Nonpotable water is not fit for human consumption. A system constructed for the use of nonpotable water on private property must be designed to absolutely eliminate the possibility of unintentional human consumption.

(g) All consumers must ensure that no cross connections between the potable and nonpotable water lines occur on private lands.

(h) Reduced-pressure backflow preventers installed directly after meters at the street edge of the service property will be required on both the potable and nonpotable system.

(i) The Company reserves its right to inspect the nonpotable system installed on private lots. Inspections may include the following: checking backflow preventers, the use of color-coded equipment, separation of potable and nonpotable systems, and the type of nonpotable systems used.

(j) All consumers will be required to pay a one-time charge for the installation of an irrigation water meter. The charge will vary according to the size of the meter requested by the customer.

2. Guidelines For Use of Irrigation Water - Infrastructure in Distribution System

(a) **Top of Pipe.** The top of the pipe will be a minimum of thirty-six inches (36") below the finished street grade.

(b) **Crossed Lines.** Nonpotable water lines will cross a minimum of one foot (1') below potable water lines (i.e., minimum 12-inch clearance between bottom of potable water line and top of nonpotable water line).

(c) Drain Assembly. Either an in-line type or end-of-line type blow-off or drain assembly will be installed.

(d) Storage Facilities. All storage facilities will be identified by signs containing the words,

CAUTION: NONPOTABLE WATER – DO NOT DRINK

- or -

CAUTION: RECLAIMED WATER – DO NOT DRINK.

The signs will include the universal symbol for “do not drink,” and will have a purple background (Pantone 512) with high-contrast color lettering.

(e) Warning Signs and Labels. Where nonpotable water is used for recreational impoundments, warning signs will be installed to notify that the water in the impoundment is unsafe to drink. A detailed plan will be prepared showing placement and spacing of the proposed signs. Where nonpotable water is used for irrigation, warning signs will be installed. As a minimum, warning signs will contain half-inch (½”) black or white letters on a purple (Pantone 512) background notifying the public that the water is unsafe to drink.

Warning signs and labels will read,

CAUTION: NONPOTABLE WATER – DO NOT DRINK

- or -

CAUTION: RECLAIMED WATER – DO NOT DRINK.

The signs will include the universal symbol for “do not drink.”

(f) Identifying Marks.

(i) *Buried Nonpotable Distribution Piping.* All buried distribution piping in the nonpotable water system, including service lines, valves and other appurtenances will either be colored purple (Pantone 522) and embossed, or will be integrally stamped/marked,

CAUTION: NONPOTABLE WATER – DO NOT DRINK,

- or -

CAUTION: RECLAIMED WATER – DO NOT DRINK,

- or -

be installed with a purple identification tape or a purple polyethylene vinyl wrap (color to be Pantone 522).

(ii) *Identification Tape.* Identification tape will be prepared with white or black printing on a purple field (color to be Pantone 512) having the words,

CAUTION: NONPOTABLE WATER – DO NOT DRINK

- or -

CAUTION: RECLAIMED WATER – DO NOT DRINK.

The overall width of the tape will be at least three inches (3").

(g) Specific Provisions. Some restrictions are placed on the operation of nonpotable water systems as a matter of good practice and to protect public health.

(i) *Runoff Conditions.* Conditions that directly or indirectly cause a runoff outside of the approved use area are prohibited.

(ii) *Ponding Conditions.* Conditions that directly or indirectly cause ponding outside of or within the approved use area are prohibited.

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(iii) *Overspray Conditions.* Conditions that directly or indirectly permit windblown spray or overspray to pass outside of the approved use are prohibited.

(iv) *Cross-Connection.* Cross-connections resulting from the use of a nonpotable water service, whether by design, construction practice, or system operations, shall be prohibited.

(v) *Hose Bibbs.* Hose bibbs on nonpotable water systems will be prohibited.

3. Nonpotable Water Systems on Private Lands

(a) *Hose Bibbs.* Hose bibbs will not be allowed on nonpotable irrigation systems.

(b) *Cross Connection.* Separation of the potable and nonpotable systems shall be maintained to prevent cross connection.

(c) *Color-Coded Equipment.* All meters, meter covers, valves, valve boxes, and pop-up heads installed in a nonpotable irrigation system shall be color-coded purple (Pantone 512) so as to differentiate the nonpotable from the potable water systems.

(d) *Hoses.* No hoses will be allowed to hook up to the nonpotable irrigation water system.

(e) *Backflow Protection.* Backflow protection with an approved air gap (HG) will be required on all potable and nonpotable systems. Backflow preventers shall be installed immediately after the meter at the street edge of the serviced property.

(f) *Maintenance of System and Inspection.* It is the responsibility of the individual property owner to ensure that all best practices are observed in the installation and operation of the nonpotable water system. The nonpotable irrigation water system installed on private lots may be inspected by the Company at any time.

4. Violation of Rules and Regulations will result in disconnection of service.

The Company may shut off water immediately and disconnect service when it believes any lot owner is not abiding by the rules contained in its Best Management Practices Manual, or in any way risking the health of system users. All owners must be sure all tenants and people that are using the land are made aware of the risks of the dual water system to ensure the nonpotable water is not consumed by humans.

RULE XVII
RESALE OF WATER

Unless specifically agreed upon, the consumer shall not resell any water received by him from the Company.

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