

HAWAII WATER SERVICE COMPANY, INC. KAPALUA DISTRICT

RULES AND REGULATIONS

GOVERNING RATE SCHEDULES AND
THE PROVISION OF POTABLE WATER SERVICE TO CONSUMERS

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FOREWORD

These Rules and Regulations have been adopted to establish uniform practices governing water services 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 adequate and 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 water waste and thus minimize charges to the consumer.

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

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 Hawaii Water Service Company, Kapalua District, pursuant to D&O 37665.
2. The word "Consumer" shall mean the person or persons, firm, corporation, association, or governmental department, whether owner or tenant, whose name appears on the records of the Company as the party responsible and liable for receiving water service from 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.
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 consumer's end of the "service connection".
6. The word "main" or "main pipe" shall mean the Company's supply or distribution pipe to which service connections are made.

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 of additional service without detriment to those already served.
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 of 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 and to avoid shortages or interruptions in water service and to maintain pressure in its water mains, but will not be liable for any interruption, shortage, insufficiency of supply, lack of pressure, or any loss or damage occasioned thereby.
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.
3. The Company reserves the right at any and all times to shut off water from the mains without notice for the purpose of making repairs, extensions, alterations, or for other reasons. 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 press 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 and 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. 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. 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 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.

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 water and water service at the designated location.

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.

2. Charges will begin when the water service is established and will continue until due notification from the consumer or until discontinued by the Company for failure of the consumer to comply with the Rules and Regulations.
3. 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.

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.
2. Deposit. A deposit of not less than \$25.00 and 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. If the actual cost is less than the deposit, the applicant will be refunded the difference.
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 make the connection to it; provided, however, it is requested by the consumer prior to the installation of the service connection.
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 Basement Wall. Where the applicant requires his supply pipe extended through a basement wall, he shall provide the entranceway through such wall. The Company will not responsible for any damage caused by leakage through or inside such entranceway.
7. Location of Service Connection or Main. 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. Location of Meters. All meters shall be installed in locations approved by the Company. The stopcock before the meter is installed for the use of employees of the Company.
9. Change in Location or Size of Service Connection. When the proper size of 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 thereof are concerned. If thereafter the consumer desires a change in size of the service connection or a change in the location thereof, he shall bear all costs of such change.
10. 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.
11. 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.
12. Contours of Elevations. When required by the Company, contours or elevations shall be furnished by the applicant, based upon U.S.C.G.S. or County of Maui Datum.
13. Size of Meter and Service Connection. The Company will determine the location and size of all meters and service connections to its system.
14. For all applications of privilege holders to change from flat rate to metered service, the cost of such change shall be paid for by the applicant with a deposit as hereinabove set forth in paragraph 2 on deposits.
15. Water Service.
 - (a) Consumers who are delinquent for sixty (60) days shall be shut off, and if the privilege is a metered one the meter may be removed and service not resumed until all back charges and a Fifty and No/100 Dollar (\$50.00) labor and service charge for reinstalling the meter and/or turning on the water is paid.
 - (b) Privileges may be granted only to owners of property or to those having leases with at least a one year term.
 - (c) Privileges other than the delinquent one but held by the delinquent privilege holder may also be shut off.
 - (d) No new privilege shall be given to any delinquent privilege holder.

RULE VII
METER READING AND RENDERING OF BILLS

1. 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 of accounts or for other reasons.
2. Closing bills for short periods of time since the last meter reading date will ordinarily be determined by the amount of water actually used, as indicated by the meter reading, plus a proration of the service charge. In prorating service charges, a billing month shall be considered to be 30 days.

RULE VIII
PAYMENT OF BILLS

1. Bills. All bills shall be due and payable upon deposit in the United States mail or upon 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 sixty (60) days after presentation or deposit in the United States mail, the water service shall be subject to discontinuance without further notice.

2. Penalties. In all cases of nonpayment of water rates for sixty (60) days after due date, there shall be added ten percent (10%) in addition to the regular rate as the amount due and payable by said privilege holder.

(a) Cut-offs. Privilege holders who become delinquent and cause their water to be cut off shall pay a charge of Five Dollars and 10/100 (\$5.00) to cover costs of cutting off and turning on water before service will be resumed.

RULE IX
NON-REGISTERING METERS

If a meter fails to register due to any cause except the nonuse 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 X
METER TESTS AND ADJUSTMENT OF BILLS
FOR METER INACCURACY

1. Meter Tests. 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 two percent (2%).

2. Adjustment of Bills for Meter Inaccuracy. If, as the result of the test, the meter is found to register more than two percent (2%) 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 the result of the test, the meter is found to register more than two percent (2%) 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 proved 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.

RULE XI
DISCONTINUATION OF WATER SERVICE

Water service may be discontinued for reasons as follows:

1. Nonpayment of bills. Water service may be discontinued for nonpayment of a bill within sixty (60) days after the mailing or presentation thereof to the consumer.
2. Noncompliance with the Company's Rules and Regulations. 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.
3. Consumer about to Vacate Premises. Each consumer about to vacate any premises supplied with water by the Company shall give notice of his intention to vacate prior thereto, specifying the date service is desired to be discontinued, otherwise he shall be held responsible for all water service furnished to such premises until the Company has received such notice of discontinuance. Before buildings are demolished, the Company should be notified so the service connection can be closed.
4. Unauthorized Use of Water. The Company will refuse or discontinue water service to any premises if necessary, without giving notice, to protect itself against fraud, abuse, or unauthorized use of water.
5. Wasteful Use of Water. 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.

RULE XII
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 must be paid before water service will be restored.

RULE XIII
COMPANY'S EQUIPMENT ON CONSUMER'S PREMISES

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.

RULE XIV
DAMAGE AND ACCESSIBILITY TO COMPANY'S PROPERTY,
METER DAMAGED BY HOT WATER

1. Any damage to water mains, service connections, valves, fire hydrants, or other property of the Company shall be paid for by the person or organization responsible for the damage.
2. 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.
3. 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.
4. No obstruction shall be placed on or around any water meter, fire hydrant, or valve so as to render it inaccessible.

RULE XV
RELIEF VALVES

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 XVI
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 any purpose reasonably connected with the furnishing of water or other service to said premises and the exercise of any and all rights secured to it 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 24 hours notice to the owner or occupant of said premises of its intention to do so.

RULE XVII
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, and 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 for damage to property caused by spigots, faucets, valves and other equipment that may be open when water is turned on at the meter, either when turned on originally or when turned on after a temporary shutdown.

RULE XVIII
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 XIX
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 will not be responsible for the maintaining of a continuous metallic water piping system and reserves the right, without liability to public utility electric companies, electric consumers, or any other agency or individual, to create a physical break in its service connections and mains, or to incorporate nonmetallic pipes and appurtenances in its system and to make joints of any materials, without regard to their efficiency as conductors of electricity and without giving notice.

RULE XX
CONSUMER'S PIPING 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 ninety (90) 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 XXI
CROSS-CONNECTIONS AND BACKFLOW PROTECTION

1. Prohibition of Certain Connections and Installations. 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) Cross-Connections with Other Water Supplies. 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:
 - (1) 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 and continue as such at all times while the connections are in existence.
 - (2) Where such water supplies do not meet the requirements of (1) 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.
 - (3) 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. 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 (1) 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 (2) 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 noncompliance 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. Separate Pressure System. 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. Pressure Regulation Required of Consumer. 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. Location and Inspection of Protective Devices. 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. Affidavit of Compliance. 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 nonconforming connections or installations.
6. Conformance with Laws and Ordinances. 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.
7. Discontinuance of Water Service for Noncompliance. 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 XXII
AUTOMATIC FIRE SPRINKLER SERVICE

1. Automatic fire sprinkler service will 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 use 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 XXIII
USE OF AND DAMAGE TO FIRE HYDRANTS, CHANGE IN
HYDRANT LOCATION, RESPONSIBILITY FOR MAINTENANCE
AND OPERATION OF PRIVATE HYDRANTS

1. Use of Fire Hydrant. Any use of a fire hydrant or tampering therewith or the taking of water therefrom for purposes other than fire protection by persons other than authorized employees of the Fire Department or of 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 issued by the Company. The use of any 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 Permit. 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 nontransferable 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. Hydrant Wrenches. 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. **Damage to Hydrant or Property.** 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. **Change in Hydrant Location.** 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. **Maintenance of Private Hydrants.** 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 XXIV
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 public 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 requirements, the name and address of the applicant, the location of the 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 6 gallons per minute momentary actual load or 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 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 public water system must conform with all other applicable Rules and Regulations.

RULE XXV
RESALE OF WATER

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

RULE XXVI
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.

RATE SCHEDULES

(As Approved by Decision and Order filed August 3, 2009 in Docket No. 2008-0325)

Monthly water charges are based on the following:

A. Service charge based on meter sizes:

<u>Size of Meter</u>	<u>Per Potable & Irrigation Meter Per Month</u>
5/8 Inch	\$ 9.66
3/4 Inch	\$ 14.49
1 Inch	\$ 24.15
1 1/2 Inch	\$ 48.29
2 Inch	\$ 77.27
3 Inch	\$ 169.03
4 Inch	\$ 313.91
5 Inch	\$ 869.29

B. In addition to the above, the following is charged for water consumed:

Potable Water:	First 12,500 gallons/mo.	\$3.53/1,000 gallons
	Over 12,500 gallons/mo.	\$5.05/1,000 gallons
Irrigation Water:		\$2.22/1,000 gallons
Pineapple Hill Phase 1 only (potable and irrigation)*	First 12,500 gallons/month	\$3.53/1,000 gallons
	Next 20,000 gallons/month	\$2.22/1,000 gallons
	Over 32,500 gallons/month	\$5.05/1,000 gallons

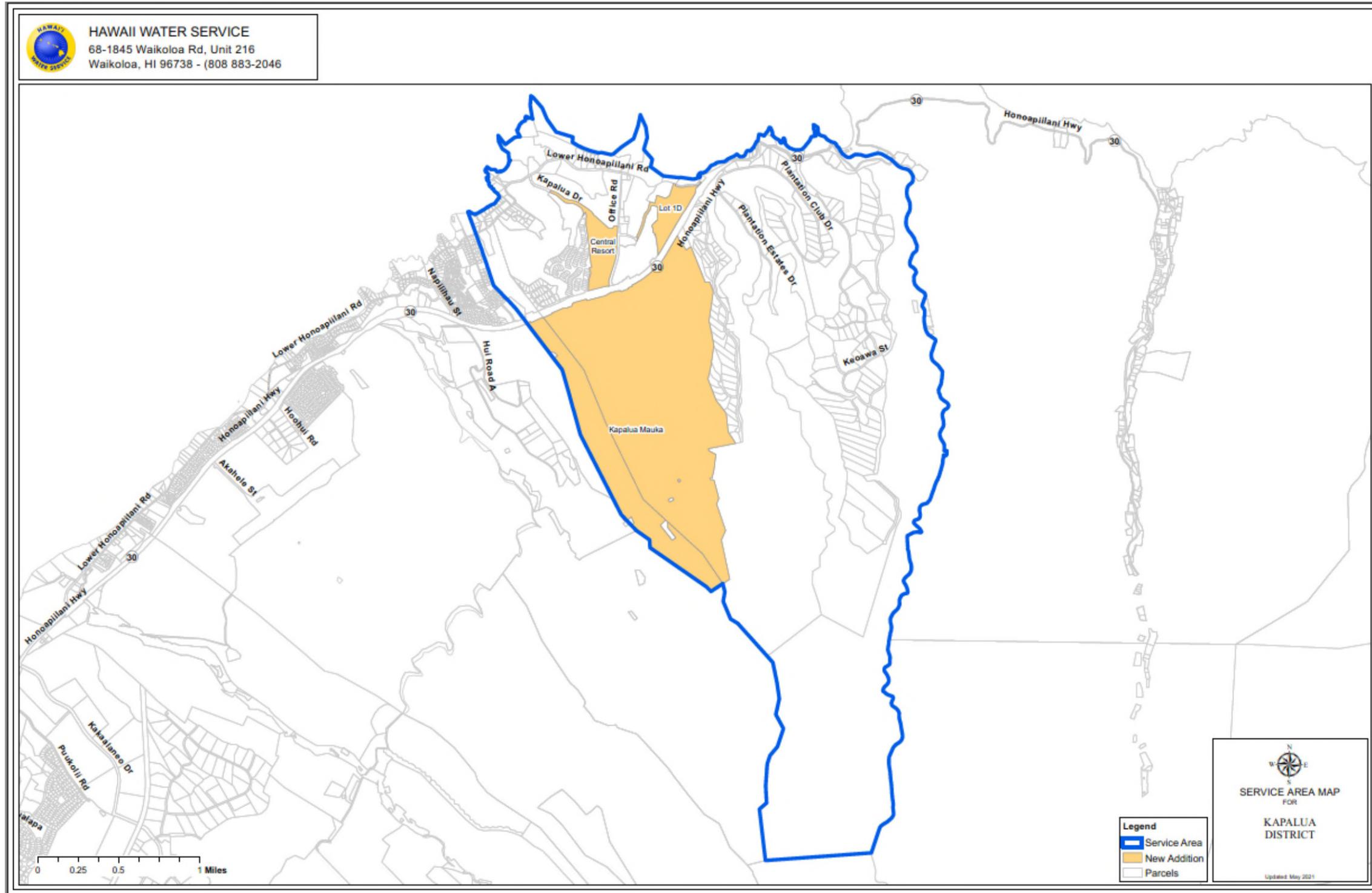
* This block rate structure is only applicable to customers in the Pineapple Hill, Phase 1 subdivision pursuant to the Decision and Order filed on August 3, 2009 in Docket No. 2008-0325.

C. Private Fire Service Charges:

For each connection for automatic fire sprinklers or other private fire protection, there shall be a charge per month based on the size of the connection as follows:

<u>Service</u>	<u>Charge Per Month</u>
Hydrants	\$3.50
Standpipes	\$2.00
Other	\$2.75 per month per inch diameter of feeder main

EXHIBIT A - SERVICE AREA



HAWAII WATER SERVICE COMPANY, INC. KAPALUA DISTRICT

RULES AND REGULATIONS

GOVERNING RATE SCHEDULES AND
THE PROVISION OF WASTEWATER SERVICES TO CUSTOMERS

Post Office Box 384809
Waikoloa, Hawaii 96738

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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, the following words and terms as used herein shall mean:

1. The word "Company" shall mean Hawaii Water Service Company, Kapalua District, pursuant to D&O 37665.
2. The word "Consumer" shall mean the person or persons, firm, corporation, association, or governmental department, whether owner or tenant, whose name appears on the records of the Company as the party responsible and liable for the charges for services from the Company.
3. 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.
4. "Company's Sewerage System" means the system owned and operated by the Company.
5. The term "Garbage" shall mean the solid wastes from the preparation, cooking, and dispensing of food and from the handling, storage, and sale of produce.
6. "Garbage Properly Shredded" shall mean garbage that has been properly shredded to such a degree that all particles will be carried freely under normal flow conditions in the Company's sewerage system.
7. "Slug" shall mean any discharge of water, sewage, or industrial waste which in concentration of any given constituent or in quantity of flow exceeds for any period of duration longer than 15 minutes more than five times the average 24-hour concentration of flows during normal operation.
8. "BOD" (denoting Biochemical Oxygen Demand) shall mean the quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure in five (5) days at 20°C, expressed in milligrams per liter (mg/L).
9. "pH" shall mean the logarithm of the reciprocal of the weight of hydrogen ions in grams per liter (gm/L) of solution.
10. "Company's sewer" shall mean the sewer lines and facilities on the side of the service connection leading to the Sewage Treatment Plant.

RULE I (CONT'D)
DEFINITIONS

11. "Building Sewer" shall mean the sewer line running from the drains within the Consumer's property which receive and pass the discharge from soil, waste and other drainage pipes of the Consumer to the Company's sewer.
12. "Service Connection" shall mean the point and installation where the Company's sewer is connected to the building sewer.
13. "Service Extension Charge" shall mean the fee which the Consumer may be required to pay in connection with the Development of his property.
14. "Development" shall mean the improvement of, or construction of improvements on, a lot. The term shall include subdivisions, planned development projects, cluster developments, site developments plans, condominium projects and other similar improvements.
15. "Offsite Facilities" shall mean collection or trunk sewers which connect the individual building sewers within a particular Development to the nearest practicable point designated by the Company in the Company's sewerage system having a capacity adequate to receive and accommodate the Development's sewerage discharge.
16. "Special Facilities" shall mean those sewerage facilities including, without limitation, pumping stations which in addition to the Company's then existing sewerage system may be necessary or reasonably required by the Company to transport and dispose of a particular Development's sewerage.

RULE II
GENERAL CONDITIONS

1. Any prospective Consumer whose premises are within the service limits established by the Company, which is shown on Exhibit A hereto, may upon compliance with these Rules and Regulations obtain sewer service from the Company.
2. The amounts to be paid for sewer service shall be in accordance with the rates on file with the Public Utilities Commission of the State of Hawaii.
3. The Company shall not be obligated to provide sewer service to an applicant for service until the applicant for service has paid, in full, the applicable service extension charge per the formula set out in the Company's rate schedule.
4. Application for sewer service and service connection shall be made in accordance with these Rules and Regulations.
5. An applicant for sewer service shall be required to establish or reestablish credit in accordance with these Rules and Regulations. The amount of deposit required in connection with sewer service shall be \$30.00.
6. A charge equal to the Company's estimate of the cost of the service connection, but in no event less than \$500.00, will be paid by the applicant before the connection for sewer service is made by the Company. If the Consumer makes the connection pursuant to Rule V, such charge need not be paid.
7. Billing, payment of bills, and late payment charges for sewer service shall be in accordance with these Rules and Regulations.

RULE III
APPLICATION FOR SEWER SERVICE AND SERVICE CONNECTION

1. Each prospective consumer will be required to sign the standard application form for the sewer service desired, assuming responsibility for the payment of future charges for sewer service at the designated location, before sewer service will be provided for any use whatever. The person signing the application form shall be the Consumer and liable for the payment of all charges for sewer service at the designated location. The application form shall require the following information.
 - (a) Name of applicant.
 - (b) Location of premises to be served.
 - (c) Date applicant will be ready for service.
 - (d) Whether the premises have been heretofore supplied.
 - (e) Purpose for which service is to be used, with description of equipment.
 - (f) Whether applicant is fee owner or ground lessee of premises.
 - (g) Mailing address.
 - (h) Business address and occupation.
 - (i) Reference as requested.
 - (j) Such other information as the Company may reasonably require, including, without limitation, plans and specifications for any building sewer proposed by the Consumer.

All Consumers irrespective of whether or not they have signed an application for service shall comply with the Rules and Regulations and the rate schedules of the Company.

The application is merely a request for service and does not bind the Company to serve except under conditions and provisions of these Rules and Regulations.

Service may be granted only to property owners or to those having leases with at least a one (1) 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.

RULE III (CONT'D)
APPLICATION FOR SEWER SERVICE AND SERVICE CONNECTION

2. Unless otherwise provided by mutual agreement between the Company and the Consumer, charges will begin when connection of the building sewer is made to the Company's sewer and will continue thereafter until disconnected by the Consumer or by the Company for failure of the Consumer to comply with the Rules and Regulations.
3. When an application for sewer service is made by a Consumer who was responsible for and failed to pay all bills previously rendered by the Company, the Company may refuse to furnish sewer service to such applicant until the outstanding bills are paid.
4. A Consumer having a right to possession of property without having made application to the Company for service to such property, shall be held liable for the sewer service from the date of the last payment received by the Company. If proper application for sewer service is not made upon notification to do so by the Company, and if accumulated bills for sewer service are not paid within thirty (30) days after deposit in the United States mail or upon presentation to the Consumer, the sewer service shall be subject to discontinuance without further notice.
5. A Consumer, prior to making any material change in the location, size, flow, character, or extent of the equipment or operations for which the Company's service is utilized, shall give the Company written notice of the extent and nature thereof together with the plans and specifications therefor not less than sixty (60) days before the change is to be undertaken. The extent and nature of the change shall be subject to the Company's approval, which approval may be contingent upon the Consumer's payment of the cost of any alteration to the Company's sewerage system as provided in Rule V, paragraph 8 below. The Company's failure to approve or disapprove the change within sixty (60) days after receipt of written notice thereof shall be construed as approval.

RULE IV
ESTABLISHMENT AND REESTABLISHMENT OF CREDITS AND DEPOSITS

1. Establishment of Credit. Each applicant for service will be required to establish credit in one of the following ways before service will be rendered:
 - (a) Establish a record of prompt payment for service for one (1) year without having been disconnected for nonpayment during such period.
 - (b) Have a substantial equity in the premises to be served, or in other real estate located within the Company's area of service of substantial value in relation to charges for service to be rendered.
 - (c) Furnish a guarantor satisfactory to the Company to secure payment of bills for the service requested.
 - (d) Make a cash deposit to secure payment of bills for service to be furnished by the Company, as provided in paragraph 3 of this rule.

2. Reestablishment of Credit.
 - (a) An applicant who previously has been a Consumer of the Company and whose service has been discontinued for nonpayment of bills shall be required, before service is rendered, to pay all amounts owing to the Company and to establish credit as provided in paragraph 1 of this rule.
 - (b) A Consumer may be required to reestablish his credit in the manner prescribed in paragraph (a) of this rule in case the basis on which credit was originally established has materially changed

3. Deposits. The amount of the deposit required under this rule shall be \$30.00.

RULE V
CONNECTIONS AND CUT-OFFS

1. Service Connection. When the application for a service connection has been approved, such connection shall be installed by the Consumer at its expense. Thereafter, the connection shall be and remain the sole property of the Company, but the Consumer shall be responsible for its maintenance and repair. The size, alignment, materials and method of construction, including without limitation, jointing and testing of the service connection shall conform to the building and plumbing code or other applicable rules and regulations of the County of Maui and the Company. In the event of any conflict between the building and plumbing code or other applicable rules and regulations of the County of Maui and the Rules and Regulations of the Company, the stricter shall apply, unless otherwise agreed to by the Company.
2. Connection Charge. If the Company deems it necessary under the circumstances, it may at its option install the Consumer's service connection at the Consumer's expense. In such event a charge equal to the Company's estimate of the cost of the service connection, but in no event less than \$500.00, will be paid by the applicant before the connection is installed. If the actual cost is less than the payment, the applicant will be refunded the difference. If the actual cost is more than the payment, the applicant shall pay the difference to the Company upon receipt of the Company's billing therefor.
3. Building Sewer. The Consumer shall install his building sewer at his expense. The building sewer shall at all times remain the sole property of the Consumer, who shall be responsible for its maintenance and repair. The size, slope, alignment, materials and method of construction of the building sewer, including without limitation, the methods to be used in excavating, placing of pipe, jointing, testing and backfilling the trench, shall conform to the requirements of the building and plumbing code or other applicable rules and regulations of the County of Maui and the Company. In the event of any conflict between the building and plumbing code or other applicable rules and regulations of the County and the Rules and Regulations of the Company, the stricter shall apply, unless otherwise agreed to by the Company. Wherever any drain is too low to permit gravity flow to the Company's sewer, sewage carried by such drain shall be lifted by an approved means and discharged to the building sewer.
4. Connection to Company's Sewer Main. Only employees of the Company or duly licensed contractors approved by the Company will be allowed to connect or disconnect the service connection to or from the Company's sewer main.

RULE V (CONT'D)
CONNECTIONS AND CUT-OFFS

5. Size of Service Connection. The Company will determine the location and size of all service connections to its system. The Company also reserves the right to limit the number of houses or buildings and/or the area of land to be serviced by any one or more service connections.
6. Change in Location or Size of Service Connection. If the Consumer desires a change in size of the service connection or a change in the location thereof, he shall bear all costs of such change.
7. Sewer Clean-Out. A readily accessible sewer clean-out will be installed by the Consumer on his building sewer at a location to be determined by the Company. If a replacement of the clean-out is necessary, it shall be done and paid for by the Consumer.
8. Alteration to Sewerage System. All work and materials in connection with the change in location, elevation or alterations of any kind whatsoever to any part of the Company's existing sewerage system made necessary or required by any change in location, flow, character, size or extent of the equipment or operations for which the Company's service is utilized, shall be done and furnished by the Company or duly licensed contractors approved by the Company and paid for by the Consumer. All such work and material when completed and installed shall be and remain the sole property of the Company.
9. Construction and Donation of Sewerage Facilities Due to Development. An applicant requesting service of a Development shall give the Company written notice of the extent and nature thereof together with the plans and specifications therefor not less than ninety (90) days before the construction of the Development is to be undertaken. The extent and nature of the Development with respect to sewage disposal shall be subject to the Company's approval, which approval will be contingent upon the applicant's installation of the sewerage facilities within the Development and such other Offsite and Special Facilities as may be necessary or required by the Company. Upon installation of all such Facilities and the acceptance thereof by the Company, the applicant shall forthwith donate same to the Company at no cost to the Company. If the Company should require the installation of Offsite and/or Special Facilities in excess of the specific requirements of the applicant's Development, the Company will reimburse the applicant the incremental cost of such excess capacity upon the applicant's donation of such Facilities to the Company. The foregoing requirements are in addition to any Service Extension Charge the applicant may be required to pay because of his Development.

RULE VI
PAYMENT OF BILLS

1. Bills. The Consumer will be billed the monthly charge for sewer service in equal semi-annual installments each in advance and all bills shall be due and payable within thirty (30) days after deposit in the United States mail or 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 deposit in the United States mail or presentation to the Consumer, the sewer service shall be subject to discontinuance without further notice.

2. Late Payment Charge. If the charges payable hereunder by the Consumer are not paid on or before the due date, there shall be added as a late payment charge an amount equal to one percent (1%) per month of the delinquent balance.

RULE VII
UNACCEPTABLE WASTES

1. No person shall discharge or cause to be discharged any storm water, surface water, ground water, roof run-off, subsurface drainage, swimming pool water, uncontaminated cooling water, or unpolluted process waters to any sanitary sewer.
2. No person shall discharge or cause to be discharged any of the following described waters or wastes to any sewers of the Company:
 - (a) Any gasoline, benzene, naphtha, fuel oil, or other flammable or explosive liquid, solid, or gas.
 - (b) Any waters or wastes containing toxic or poisonous solids, liquids, or gases in sufficient quantity, either singly or by interaction with other wastes, to injure or interfere with any sewage treatment process, constitute a hazard to humans or animals, create a public nuisance, or create any hazard in the receiving waters of the sewage treatment plant, including but not limited to, cyanides in excess of two (2) mg/L as CN in the wastes as discharged to the sewer of the Company.
 - (c) Any waters or wastes having a pH lower than 5.5 or having any other corrosive property capable of causing damage or hazard to structures, equipment, and personnel of the sewage works.
 - (d) Solid or viscous substances in quantities or of such size capable of causing obstruction to the flow in sewers, or other interference with the proper operation of the sewerage works such as, but not limited to, ashes, cinders, sand, mulch, straw, shavings, metals, glass rags, feathers, tar, plastics, wood, unground garbage, whole blood, paunch manure, hair and fleshing, entrails and paper dishes, cups, milk containers, etc., either whole or ground by garbage grinders.
3. No person shall discharge or cause to be discharged the following described substances, materials, waters, or wastes if it appears likely in the opinion of the Company that such wastes can harm either the sewers, sewage treatment process or equipment, have an adverse effect on the receiving stream, or can otherwise endanger life, limb, public or private property, or constitute a nuisance. In forming an opinion as to the acceptability of these wastes, the Company will give consideration to such factors as the quantities of subject wastes in relation to flows and velocities in the sewers, materials of construction of the sewers, nature of the sewage treatment process, capacities of the sewage treatment plant, degree of treatability of wastes in the sewage treatment plant, and other factors. The substances prohibited are:

RULE VII (CONT'D)
UNACCEPTABLE WASTES

- (a) Any liquid or vapor having a temperature higher than one hundred fifty degrees (150°) F.
- (b) Any waters or waste containing fats, wax, grease, or oils, whether emulsified or not, in excess of one hundred (100) mg/L or containing substances which may solidify or become viscous at temperatures between thirty-two (32°) and one hundred fifty degrees (150°) F.
- (c) Any garbage that has not been properly shredded. The installation and operation of any garbage grinder equipped with a motor of three-fourths (3/4) horsepower or greater shall be subject to the review and approval of the Company.
- (d) Any waters or wastes containing strong iron pickling wastes, or concentrated plating solutions, whether neutralized or not.
- (e) Any waters or wastes containing iron, chromium, copper, zinc, and similar objectionable or toxic substances; or wastes exerting an excessive chlorine requirement, to such degree that any such material received in the composite sewage at the sewage treatment works exceeds the limits established by the Company for such materials.
- (f) Any waters or wastes containing phenols or other taste- or odor-producing substances, in such concentrations exceeding limits which may be established by the Company as necessary, after treatment of the composite sewage, to meet the requirements of the state, federal, or other public agencies of jurisdiction for such discharge to the receiving waters.
- (g) Any radioactive wastes or isotopes of such half-life or concentration as may exceed limits established by the Company in compliance with applicable state or federal regulations.
- (h) Any waters or wastes having a pH in excess of 9.5.
- (i) Materials which exert or cause:
 - (1) Unusual concentrations of inert suspended solids (such as, but not limited to, fuller's earth, lime slurries, and lime residues) or of dissolved solids (such as, but not limited to, sodium chloride and sodium sulfate).
 - (2) Excessive discoloration (such as, but not limited to, dye wastes and vegetable tanning solutions).

RULE VII (CONT'D)
UNACCEPTABLE WASTES

- (3) Unusual BOD, biochemical oxygen demand, or chlorine requirements in such quantities as to constitute a significant load on the sewage treatment works.
 - (4) Unusual volume of flow or concentration of wastes constituting "slugs" as defined herein.
 - (j) Waters or wastes containing substances which are not amenable to treatment or reduction by the sewage treatment process employed, or are amenable to treatment only to such degree that the sewage treatment plant effluent cannot meet the requirements of other agencies having jurisdiction over discharge to the receiving waters.
4. If any waters or wastes are discharged, or are proposed to be discharged to the Company's sewers, which waters contain the substances or possess the characteristics enumerated in paragraph 4 of this rule, and which in the judgment of the Company may have a deleterious effect upon the sewage works of the Company, processes, equipment, or receiving waters, or which otherwise create a hazard to life or constitute a public nuisance, the Company may:
- (a) Reject the wastes,
 - (b) Require pretreatment to an acceptable condition for discharge to the sewers of the Company,
 - (c) Require control over the quantities and rates of discharge to the sewers of the Company,
 - (d) Require payment to cover the added cost of handling and treating the wastes not covered by existing sewer charges, under the provisions of paragraph 9 of this rule.
- If the Company permits the pretreatment or equalization of waste flows, the design and installation of the plants and equipment shall be subject to the review and approval of the Company, and subject to the requirements of all applicable codes, ordinances, and laws.
5. Grease, oil, and sand interceptors shall be provided when, in the opinion of the Company, they are necessary for the proper handling of liquid wastes containing grease in excessive amounts, or any flammable wastes, sand, or other harmful ingredients. All interceptors shall be of a type and capacity approved by the Company and shall be located as to be readily and easily accessible for cleaning and inspection.

6. Where preliminary treatment, flow-equalization or interceptor facilities are provided for any waters or wastes, they shall be maintained continuously in satisfactory and effective operation by the Consumer at his expense.
7. When required by the Company, the Consumer having any property serviced by a building sewer carrying industrial or commercial wastes shall install a suitable control manhole together with such necessary meters and other appurtenances in the building sewer to facilitate observation, sampling, and measurement of the wastes. Such manhole, when required, shall be accessibly and safely located and shall be constructed in accordance with plans approved by the Company. The manhole shall be installed by the owner at his expense and shall be maintained by him so as to be safe and accessible at all times.
8. All measurements, tests, and analyses of the characteristics of waters and wastes to which reference is made in these Rules and Regulations shall be determined in accordance with the latest edition of "Standard Methods for the Examination of Water and Wastewater," published by the American Public Health Association, and shall be determined at the control manhole or at such sampling station or stations as the Company deems appropriate.

In the event that no special manhole has been required, the control manhole shall be considered to be the nearest downstream manhole in the Company's sewer to the point at which the building sewer is connected. Sampling shall be carried out by customary accepted methods to reflect the effects of constituents upon the sewage works to determine the existence of hazards to life, limb, and property. (The particular analyses involved will determine whether a twenty-four (24) hour composite of all outfalls of a premise is appropriate or whether a grab sample or samples should be taken. Normally, but not always, SOD and suspended solids analyses are obtained from 24-hour composites of all outfalls whereas pHs are determined from periodic grab samples.)

9. No statement contained in this rule shall be construed as preventing any special agreement or arrangement between the Company and any industrial or commercial concern whereby an industrial or commercial waste of unusual strength or character may be accepted by the Company for treatment, subject to payment therefor, by such concern.

RULE VIII
INTERRUPTION OF SERVICE

1. The Company will exercise reasonable diligence and care to provide adequate sewer service to the Consumer and to avoid interruptions in service, but will not be liable for any interruption or insufficiency of service or any loss or damage occasioned thereby.
2. The Company reserves the right at any and all times to shut off service without notice for the purpose of making repairs, extensions, alterations, or for other reasons. 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 IX
DISCONTINUANCE OF SERVICE

Sewer service may be discontinued for the reasons listed below:

1. Nonpayment of Bills. Sewer service may be discontinued for nonpayment of a bill within the period prescribed in these Rules and Regulations.
2. Noncompliance With the Company's Rules and Regulations. If the Consumer fails to comply with any of these Rules and Regulations, or tampers with the service facilities of the Company, the Company reserves the right to discontinue the service within five (5) days after written notice of intent to do so.

RULE X
LIABILITY FOR REPAIR COSTS

The Consumer shall be liable for any damage to equipment or property of the Company wherever located caused by the Consumer or his tenants, agents, employees, contractors, licensees, or permittees, and the Company shall be promptly reimbursed by the Consumer for any such damage upon presentation of a bill therefor. Any damage to Company facilities shall be reported as soon as possible.

RULE XI
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 any purpose reasonably connected with the furnishing of sewer service to said premises or the operation of the sewer system and the exercise of any and all rights secured to it by law or these Rules and Regulations.

RULE XII
COMPANY'S EQUIPMENT ON CONSUMER'S PREMISES

All equipment belonging to the Company and in-stalled 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 equipment of the Company upon the Consumer's premises and shall in no way interfere with the operation of the same.

RULE XIII
CONSUMER RESPONSIBILITY

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 utilizing the sewer service supplied by the Company.

RATE SCHEDULES
(As adjusted by Automatic Rate Adjustment Clause)

Monthly sewerage charges are based on the following:

A. Service charge based on meter sizes:

<u>Service Charge</u>	<u>Rate</u>
Single-Family Residential	\$ 85.83
Condominium and Multiple Dwelling unit	\$ 75.22
Hotel and Commercial	\$ 22.46

B. In addition to the above, Hotel and Commercial users will be charged the following for potable water consumed (per 1,000 gallons):

	<u>Single Meter</u>	<u>Dual Meter</u>
Commercial	\$9.08	\$10.65
Hotel/Motel	\$11.60	\$14.47
Industrial, Restaurant, Food Processing	\$13.68	\$16.80

AUTOMATIC RATE ADJUSTMENT CLAUSE

1. The monthly single-family residential, condominium and multiple-dwelling rate (the "residential base rate") is based on a \$12.00 monthly processing fee for each such unit charged to Kapalua Waste Treatment Company, Ltd. by the County of Maui. When that County rate is more or less than \$12.00 per unit per month, there shall be a corresponding increase or decrease in the residential base rate to the full extent of the increase or decrease in the County rate including revenue taxes, effective from the date of the change in the County rate.
2. The monthly rate for hotels is based on a \$1.55 (single meter) and \$2.10 (dual meter) per 1,000 gallons of water consumption/month fee plus the Fixed Customer Charge of \$8.50 per month per customer charged by the County of Maui to Kapalua Waste Treatment Company, Ltd. (the "hotel rate"). When the County rate is more or less than the hotel rate, there shall be a corresponding increase or decrease in the monthly rate charged by Kapalua Waste Treatment Company, Ltd. to its hotel customers - to the full extent of the increase or decrease in the County rate including revenue taxes, effective from the date of the change in the County rate.
3. The monthly rate for commercial and religious customers is based on a \$1.15 (single meter) and \$1.50 (dual meter) per 1,000 gallons of water consumption/month fee plus a Fixed Customer Charge of \$8.50 per month per customer charged by the County of Maui to Kapalua Waste Treatment Company, Ltd. (the "commercial rate"). When the County rate is more or less than the commercial rate, there shall be a corresponding increase or decrease in the monthly rate charged by Kapalua Waste Treatment Company, Ltd. to its commercial and religious customers to the full extent of the increase or decrease in the County rate including revenue taxes, effective from the date of the change in the County rate.
4. For the monthly rate for industrial, restaurant and food processing establishments including commercial operations with restaurants and/or food processors is based on a \$1.80 (single meter) and \$2.45 (dual meter) per 1,000 gallons of water consumption/month fee charge plus a Fixed Customer Charge of \$8.50 per month per customer charged by the County of Maui to Kapalua Waste Treatment Company, Ltd. (the "restaurant rate"). When the County rate is more or less than the restaurant rate, there shall be a corresponding increase or decrease in the monthly rate charged by Kapalua Waste Treatment Company, Ltd. to its industrial, restaurant and food processing customers to the full extent of the increase or decrease in the County rate including revenue taxes, effective from the date of the change in the County rate.

EXHIBIT A - SERVICE AREA

