

HAWAII WATER SERVICE COMPANY, INC.
PUKALANI WASTEWATER DISTRICT

RULES AND REGULATIONS COVERING
SEWAGE DISPOSAL SERVICE TO CUSTOMERS

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RULE 1

DEFINITIONS

For the purpose of these Rules and Regulations, unless it is plainly evident from the context that a different meaning is intended, the words and terms set forth herein shall be defined as follows:

1. "Applicant": A person or persons, firm, corporation, partnership, association, or governmental entity, whether owner or tenant, who applies for service from the Company intending to become a Customer.

2. "BOD (Biochemical Oxygen Demand)": 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).

3. "Company": Hawaii Water Service Company, Inc., a Hawaii corporation.

4. "Company's Sewage System": The system owned and operated by the Company, shall mean the main sewer lines and facilities between the customers' property lines and the wastewater treatment plant.

5. "Customer": The person, firm, corporation, partnership, association, or governmental agency or department, whether owner or tenant, whose name appears on the records of the Company as the party responsible and liable for the charges for sewage disposal services from the Company. In the event

there is no party whose name appears on the records of the Company, then Customer shall mean the person, firm, corporation, partnership, association or governmental agency or department whose name appears on the Maui County Real Property Tax Assessment records as the party responsible for payment of real property taxes on the lot in question, whether vacant or occupied.

6. "Customer's Sewage System or Customer Sewage System":

The sewer line running to and from the drains within and up to the Customer's property line that receive and pass the discharge from waste and other drainage pipes to the Company's Sewage System.

7. "Cost of Service Connection": 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, as hereinafter defined.

8. "Garbage": The solid wastes from the preparation, cooking, and dispensing of food and from the handling, storage, and sale of produce.

9. "Garbage Properly Shredded": The physical matter introduced into the system that has been reduced in size to such a degree that all particles will be carried freely under normal flow conditions in the Company's Sewage System.

10. "pH": The logarithm of the reciprocal of the weight of hydrogen ions in grams per liter (gm/l) of solution.

11. "Public Utilities Commission," "Commission" and "PUC": The Public Utilities Commission of the State of Hawaii.

12. "Rules and Regulations": The Rules and Regulations Covering Sewage Disposal Service to Customers (also referred to herein as "these Rules and Regulations") adopted by the Company and as the same may be modified or amended from time to time by the Company.

13. "Service Connection": The point and installation where the Customer's Sewage System is connected to the Company's Sewage System.

14. "Slug": 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.

15. "Special Facilities": Those sewage disposal facilities including, without limitation, collection or trunk sewers and pumping stations which, in addition to the Company's then existing sewage system, may be necessary or reasonably required by the Company to transport and dispose of a particular project's sewage.

RULE II

GENERAL CONDITIONS

1. 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 (PUC herein). The Company will be applying to the PUC for sewer service rate increases from time to time to cover a) operation, b) future capital and plant improvements, c) other reasonable and appropriate items as authorized by the PUC,

and d) improvements required for compliance with applicable county, state, federal and agency environmental and other laws and regulations. Total costs for replacement and future capital and plant improvements are not and have not been included in each developer's or owner's purchase price of respective developments or condominiums. The existing rates and tariffs for the Company are attached hereto as Exhibit "B".

2. Any Applicant or Customer whose residential or commercial premises lies within the areas covered by the Company's CPCN for sewer service issued by the Public Utilities Commission (as described in Exhibit "A" hereto) may, upon compliance with these Rules and Regulations, obtain sewer service from the Company, provided that the Company has sufficient sewage treatment system capacity to take on new or additional service obligations without detriment to those already served or promised service. No Applicant or Customer shall be provided sewer service, however, unless and until an application for sewer service has been executed by the Applicant/Customer and approved by the Company.

3. A contribution in aid of construction may be required as a condition to receiving service in accordance with Rule XIV.

4. The Company shall not be obligated to provide sewage disposal service to a Customer for service until the Customer has paid, in full, the Credit Deposit described in Rule IV-3 and the Service Connection Charge described in Rule V-2.

5. An applicant for sewer service shall be required to establish or reestablish credit by making a deposit in accordance with Rule IV.

6. Application for sewage disposal service and Service Connection shall be made by submitting a written request and making payment of a Credit Deposit and the Service Connection Charge, all in accordance with these Rules and Regulations.

7. Billing, payment of bills, and late payment charges for sewer service shall be in accordance with Rule VI.

8. The effective date of these Rules and Regulations and the rates and charges described herein is the date the Hawaii Public Utilities Commission grants approval for same.

RULE III

APPLICATION FOR SEWER SERVICE

AND SERVICE CONNECTION

1. Each prospective Customer will be required to sign the Company's standard application form for the sewage disposal service desired, wherein the Customer will agree, in advance,

to be responsible for the payment of charges for sewage disposal service for the location designated in the application for any use whatsoever. Customers that may be connected to the sewer system prior to the approval of these Rules and Regulations are also required to prepare and sign an application. By so signing the application, the Customer agrees to be responsible for the payment of all sewage disposal service charges for the designated location. The application form shall require the Customer to provide the following information:

- a. Name of applicant.
- b. Description of property to be served by street address and Tax Map Key.
- c. Date of the application and when service is required.
- d. Whether the property has previously been served.
- e. Provide a description of the use for which service is requested, including the equipment to be employed. Examples of use include but are not limited to: residential, commercial, church, hotel, etc.
- f. Mailing address.
- g. Business address and occupation.
- h. Credit references as requested.
- i. Such other information as the Company may reasonably require, including, without limitation, providing

copies of plans and specifications for any Customer Sewage System proposed by the Customer.

All users of the Company's services, regardless of whether or not they have signed an application for service, shall comply with these Rules and Regulations and the rate schedules of the Company, provided, however, any Customer who has not previously executed an application shall do so at the request of the Company.

Failure to execute an application may, at the discretion of the Company, subject the Customer to a discontinuation of service. Until accepted and approved by the Company, the application is merely a request for service and shall not bind the Company except under the provisions of these Rules and Regulations.

2. Unless otherwise provided by mutual written agreement between the Company and the Customer, charges will begin upon approval of the rates by the Public Utilities Commission or on the date of the Company's Sewage System is available for a Service Connection to the Customer's Sewage System, whichever occurs later, and will continue thereafter until one of the following events occurs: (a) service is discontinued upon the request of the Customer, or (b) until service is discontinued by the Company for failure of the Customer to comply with these Rules and Regulations.

3. A Customer who has agreed to be responsible for service charges upon receipt of the Company's billing and who has failed to pay for service previously rendered by the Company may be refused future sewage disposal service unless

and until the outstanding charges, including interest, are paid in full.

4. Anyone occupying or otherwise having the right to possession of property without having made application to the Company for service to such property shall be liable for the sewer service provided to such property from and as of the last date of services for which the Company has received payment. If proper application for service and Credit Deposit is not made upon notification by the Company to do so, and if accumulated bills for sewer service are not paid within thirty (30) days after deposit in the United States mail or upon other presentation to such person, the sewer service shall be subject to discontinuance without further notice. Any such person shall be deemed a Customer for all purposes relating to compliance with these Rules and Regulations by Customers.

5. A Customer, prior to making any change to Customer's Sewage System such that it affects the location, size, flow, character, equipment or operations of the Company's service, shall give the Company written notice of the proposed change, together with copies of the plans and specifications therefor. The written notice must be provided not less than ninety (90) days before the proposed change is to be undertaken. The extent and nature of the proposed change shall be subject to the Company's approval, which approval may be contingent upon the Customer's payment to the Company of the

cost it may incur for necessary changes, adjustments or alterations to the Company's Sewage System. Payment for alteration to the Company's Sewage System shall be made as provided in Section V-8 below. The Company's failure to approve or disapprove the change within sixty (60) days after receipt of said written notice shall be construed as approval of the request. Failure of the Customer to make such written notification to the Company may result in termination of service.

RULE IV

ESTABLISHMENT AND REESTABLISHMENT

OF CREDITS AND DEPOSITS

1. Establishment of Credit.

a. In order to establish credit, a prospective Customer is required to complete and sign the standard application form described in Rule III above, agree to be responsible for the payment of all sewage disposal service charges, and to make a deposit as provided in Section IV-3 of this Rule.

b. The Customer shall deliver to the Company a deposit ("Credit Deposit") to secure payment of bills for service, as provided in Rule IV-3. Said Credit Deposit shall be held for the benefit of the Customer with interest accruing at the rate of

two percent (2%) per annum simple interest. The Credit Deposit with interest shall be refunded within thirty (30) days after twelve (12) months of timely payment or with the final bill, whichever comes first.

c. When, upon termination of service, the amount of the Credit Deposit is not sufficient to satisfy the outstanding fees and charges, then the Company reserves the right to refuse to furnish any future service to such Customer unless and until the outstanding fees and charges are paid in full.

2. Reestablishment of Credit.

a. A Customer who has outstanding and unpaid fees and charges shall be required, before service is reinstated, to pay all amounts due and owing to the Company and to establish credit as provided in Rule IV-1.

b. The Company may require a Customer to submit an application to reestablish credit in the manner prescribed in Rule IV-1.a., in the event Customer's condition, which was the basis for establishing credit, has materially changed. A "material change" in this context shall include but not be limited to one or more of the following:

(1) The Customer makes payment for fees and charges later than the thirty (30) day grace period described in Rule VI-1 two (2) or more times within any six (6) month period;

(2) If payment is made by check, the Customer's check is dishonored and returned by a bank, savings and loan association, credit union or other financial institution two (2) or more times within any six (6) month period; or

(3) The Company has received verified information regarding events such that a reasonable person would require the Customer to prepare an application and submit new information to reestablish credit.

3. Credit Deposit. The amount of the Credit Deposit required under this Rule shall be Fifty and No/100 Dollars (\$50.00) for each residential unit and Two Hundred Fifty and No/100 Dollars (\$250.00) for each commercial unit, which shall be paid to the Company in negotiable tender.

RULE V

CONNECTIONS

1. Service Connection. When the application for sewer service and a Service Connection has been approved, the Service Connection shall be installed by the Customer at Customer's own expense. Upon installation, the Service Connection shall thereafter be and remain the sole property of the Company, with the Customer 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 codes 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 codes 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 in writing by the Company.

2. Connection Charge. If the Company deems it necessary under the circumstances, it may, at its option,

install the Service Connection, provided the Customer pays to the Company, in advance, a charge estimated by it to approximate the expense it will incur for the connection. The Customer will be responsible for the full cost incurred by the Company for the Service Connection, but in any event the Customer will pay not less than Five Hundred and No/100 Dollars (\$500.00) before the connection is installed. If the actual cost is less than the advance payment, the Customer will be refunded the difference. If the actual cost is more than the advance payment, the Customer shall pay the difference to the Company upon receipt of the Company's billing therefor.

3. Customer's Sewage System. The Customer will install Customer's Sewage System at Customer's cost and expense. Customer's Sewage System shall at all times remain the sole property of the Customer, who shall be responsible for its maintenance and repair. The size, slope, alignment, materials and method of construction of Customer's Sewage System, 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 State of Hawaii, the County of Maui, and the Company. In the event of any conflict between the building and plumbing codes or other applicable rules and regulations of the State of Hawaii, the County of Maui, and the Rules and

Regulations of the Company, the stricter shall apply, unless otherwise agreed to in writing by the Company. Wherever any drain is too low to permit gravity flow to the Company's Sewage System, sewage carried by such drain shall be lifted by a method and equipment approved by the Company and connected to the Customer's Sewage System.

4. Connection to Company's Sewage System. Only employees of the Company or duly licensed contractors approved by the Company are authorized to connect or disconnect the Service Connection to or from the Company's Sewage System.

5. Size of Service Connection. The Company will determine the location and size of all Service Connections to the Company's Sewage 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 each Service Connection.

6. Change in Location or Change in Size of Service Connection. If a Customer desires a change in size of the Service Connection or a change in the location thereof, the Customer shall, after providing the Company with copies of plans and specifications and obtaining its written approval therefor, bear all costs and expenses of such change.

7. Sewer Clean-Out. A readily accessible sewer clean-out shall be installed by the Customer as a part of the Customer's Sewage System. In order to ensure accessibility, the location of the sewer clean-out must receive the prior

written approval of the Company. If replacement of the clean-out is necessary, it shall be replaced with the same or essentially the same equipment by and at the expense of the Customer.

8. Alteration to Company's Sewage System. All work and materials in connection with the change in location, elevation or alteration of any kind whatsoever to any part of the Company's Sewage System caused, made necessary or required by any change in location, flow, character, size or extent of the equipment or operations of the Customer's Sewage System, shall be done and furnished by the Company or by duly licensed contractors approved by the Company, all of which shall be at the expense of the Customer. Payment for work done by the Company shall be made in advance upon presentation of a written estimate of costs prepared by the Company or its designee. All such work and material when completed and installed shall be and remain the sole property of the Company.

9. Construction and Donation of Sewage Disposal Facilities. An applicant requesting service for new or substantially modified facilities shall give the Company written notice of the extent and nature thereof together with the plans and specifications therefore not less than ninety (90) days prior to commencement of construction. The extent and nature of the project 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 sewage disposal facilities within the project and applicant's installation of, or payment of the cost of, such other Special Facilities as may be necessary or required by the Company, County ordinances and State and Federal laws relating to sewer construction and operation. Construction and payment of the cost of Special Facilities shall be governed by Rule XIV, Section 14 and Rule XV. The foregoing requirements are in addition to any contribution in aid of construction the applicant may be required to pay in accordance with Rule XIV.

RULE VI

PAYMENT OF BILLS

1. Bills. The Customer will be billed the monthly charge for sewer service in either monthly, bi-monthly, or quarterly installments in advance. Initially, the billing cycle shall be on a bi-monthly basis. In the event the Company shall change the billing period, it shall so notify Customers, in writing, at least thirty (30) days prior to such change. All bills shall be due and payable upon deposit in the United States mail, receipt by the customer, or other presentation to the customer. Payment shall be made in cash at the office of the Company or by personal check,

cashier's check or money order, in person or by, United States mail at the office of the Company, or, at the Company's option, to duly authorized collectors of the Company. Payment may also be made by credit or debit card or by automatic payment service. In the case of payment by credit card or debit card, any applicable transaction and processing fees charged by the credit / debit card company will be paid by the customer.

2. Late Payment Charge. If the charges payable hereunder by the Customer are not paid within 30 days after presentation or deposit in the United States mail, there may be added as a late payment charge an amount equal to one percent (1%) per month of the unpaid balance. In addition, if any bill is not paid within thirty (30) days after presentation or deposit in the United States mail, the sewer service shall be subject to discontinuance in accordance with Rule IX.1.

3. Attorney's Fees and Costs. If a Customer fails to pay the sewer service charges as provided herein, the Company may engage the services of an attorney or other collection agent to collect such charges. The Customer shall pay all collection charges, including all fees and costs of the attorney, whether or not a lawsuit is filed.

4. Delivery of Commercial Customer Water Bills to Company. As a condition of receiving service from the Company, all Customers charged at the Commercial sewer assessment rate shall provide the Company with a copy of their water bills from the Department of Water Supply ("Department") within twenty (20) days following the Department's issuance of the respective bill. If a Customer fails to provide the water bill to the Company within the above time period, the Company will have the right to obtain the water use data directly from the Department and charge the Customer a \$50 (fifty dollar) fee to cover the Company's expenses to obtain this information. In addition, the Company shall have the right to provide the Customer with an estimated bill or bills based on the highest monthly usage over the previous 6-month period, followed by a reconciliation at the time the actual water use data or water bill is provided to or otherwise obtained by the Company.

5. Billing Dispute. Any dispute regarding the charges appearing on the bill must be received by the Company in writing no later than twenty (20) days following the Company's deposit of the bill in the United States mail or presentation to the Customer. The Company shall furnish a written response within twenty (20) days of its receipt of the written dispute. The Customer may pay the disputed bill under protest within the time required by this rule to avoid discontinuation of service, in which event the dispute may be submitted to the PUC for final determination.

RULE VII

UNACCEPTABLE WASTES

1. Unpermitted Discharge. No person shall discharge or cause or allow to be discharged any storm water, surface water, ground water, roof run-off, subsurface drainage, swimming pool water,

uncontaminated cooling water, or unpolluted waters into the Company's Sewage System.

2. Prohibited Waters and Wastes. No person shall discharge or cause or allow to be discharged any of the following described waters or wastes into the Company's Sewage System:

a. Any gasoline, benzene, naphtha, fuel oil, or other flammable or explosive liquid, solid, gas, or other similar organic compounds whether explosive or not.

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 human 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 wastes as discharged into the Company's Sewage System.

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 Company Sewage System.

d. Solid or viscous substances in quantities or of such size capable of causing obstruction to the flow in Company's Sewage System, or other interference with the proper operation of the sewage system works such as, but not limited to, ashes, dirt, rocks, 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. Other Prohibited Substances. No person shall discharge or cause or allow 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, health, 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:

- a. Any liquid or vapor having a temperature higher than one hundred fifty degrees (150°) F.
- b. Any waters or waste containing fats, wax, gas, 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 degrees (32°) F. and one hundred fifty degrees (150°) F.

c. Any garbage that has not been properly shredded to a size of one-half inch (1/2") or less. 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 water 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 applicable State or Federal regulations 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 or 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).

(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 the quality of the discharge to the receiving waters.

(1) No person shall discharge or cause or allow to be discharged material from cesspools, septic tanks, chemical toilets, privies and injection wells into the Company's Sewage System without the express written permission of the Company.

k. Any water added for the purpose of deleting wastes which would otherwise exceed the concentration limitations established by the Company in compliance with applicable State or Federal regulations.

4. Remedies. If any waters or wastes are discharged, or are proposed to be discharged into the Company's Sewage System, which waters contain the substances or possess the characteristics enumerated in Rule VII-4, 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; and/or
- d. Require payment to cover the added cost of handling and treating the wastes not covered by existing sewer charges under the provisions of Rule VII-9.
- e. Discontinue sewer service. 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 written approval

of the Company, and subject to the requirements of all applicable codes, ordinances, and laws.

5. No Fill or Backfill. No person shall fill or backfill over, or cause to cover or obstruct, access to any sewer manhole.

6. No Improvements, Structures, Embankments or Buildings. No person shall erect any improvements, structures, embankments or buildings over the Company's sewers without the express written permission of the Company.

7. Screening. 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 in compliance with the Uniform Plumbing Code, as amended, shall be located for ready and easy accessibility for cleaning and inspection and shall be maintained by the Customer on a regular basis to ensure effectiveness.

8. Maintenance by Customer. 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 Customer at the Customer's expense.

9. Control Manhole. When required by the Company, a Customer with a Customer's Sewage System carrying industrial or commercial wastes shall install a suitable control manhole together with

such necessary meters and other appurtenances in the Customer's Sewage System to facilitate observation, sampling, and measurement of the wastes. Such a manhole, when required, shall be at an accessible and safe location and shall be constructed in accordance with plans approved in writing by the Company. The manhole shall be installed by the Customer at Customer's expense and shall be maintained by the Customer so as to be safe and accessible at all times.

10. Testing and Analysis. 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, as amended, 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 Sewage System to the point at which the Customer's Sewage System is connected. Sampling of waters and wastes shall be carried out by customarily accepted methods that display the effects of constituents upon the sewage works and that determine the existence of hazards, if any, to life, health, public, and private 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, BOD and suspended solids analyses are obtained from 24-hour composites of all outfalls whereas pH's are determined from periodic grab samples.)

11. Special Arrangements. No statement contained in this Rule shall be construed as preventing any such special agreement or arrangement between the Company and any industrial or commercial Customer whereby industrial or commercial wastes of unusual strength or character may be accepted by the Company for treatment, subject to payment therefor, by such Customer.

RULE VIII

INTERRUPTION OF SERVICE

1. The Company will exercise reasonable diligence and care to provide adequate sewer disposal service to its Customers and to avoid interruptions in same, but shall not be liable for termination of services for reasons deemed necessary and proper as provided herein.

2. The Company reserves the right at any and all times to temporarily shut off service without notice to its Customers for the purpose of making repairs, extensions, alterations, or for other reasons related to the operation of the sewage system. Repairs or improvements will be executed as rapidly as may be feasible and, insofar as practicable, at such times that it should cause, in the best

judgment of the Company, the least inconvenience to its Customers.
Except in the case of emergency repairs, the Company shall use reasonable efforts to give the Customer at least 24 hours notice before shutting off service.

RULE IX

DISCONTINUANCE OF SERVICE

Sewer service to a Customer may be discontinued for the reasons listed below:

1. Nonpayment of Bills. If any bill is not paid within thirty (30) days after the mailing or presentation thereof to the customer, the Company may discontinue service after it has made a reasonable attempt to collect payment and has given the customer written notice that the customer has at least fifteen (15) business days within which to settle the customer's account or have service discontinued.

2. Noncompliance with the Company's Rules and Regulations. If the Customer fails to comply with any of these Rules and Regulations, or tampers with the Company's Sewage System, the Company reserves the right to discontinue the service within five (5) days after written notice via certified mail, return receipt requested, of intent to do so. The notice to discontinue service shall be preceded by a written notice to the Customer to cease and desist the alleged violation and to make repairs, if necessary forthwith. Discontinuance of sewer

service shall be effected, pursuant to written agreement with the Maui County Water Department, by termination of water service because it is the only practical method to restrict sewer usage by any particular Customer.

RULE X

LIABILITY FOR REPAIR COSTS

The Customer shall be liable for any damage to the Company's equipment or property, wherever located, regardless of whether the damage was caused by the Customer or his tenants, agents, employees, contractors, licensees, or permittee, and the Company shall be promptly reimbursed by the Customer for any such damage upon presentation of a bill therefor. The Customer is responsible for reporting any damage to Company's Sewage System as soon as possible.

RULE XI

INGRESS TO AND EGRESS FROM

CUSTOMER'S PREMISES

Any officer, employee or agent of the Company shall have the right of ingress to and egress from the Customer's premises at all reasonable hours for any purposes reasonably connected with the furnishing of sewer service to said premises or the operation of the Company's Sewage System and the exercise of any and all rights secured to it by law or by these Rules and Regulations. In case any such officer, employee, or agent is refused admittance to any premises, is hindered from being admitted, or is prevented from making such inspection, the Company may cause the sewer service to be discontinued from the

premises after giving twenty-four (24) hours' notice to the Customer, owner or occupant of said premises of the Company's intention to do so.

RULE XII

COMPANY'S EQUIPMENT ON CUSTOMER'S PREMISES

All equipment belonging to the Company and installed upon the Customer's premises for measuring, testing, checking 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 Customer. The Customer shall exercise reasonable care to prevent damage to equipment of the Company upon the Customer's premises and shall not interfere with the operation of same.

RULE XIII

CUSTOMER RESPONSIBILITY

The Customer shall, at Customer's 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.

RULE XIV

CONTRIBUTION IN AID OF CONSTRUCTION

1. As a condition of receiving service or substantially increasing sewage outflow volume from new or substantially modified facilities, applicants shall be required to pay a contribution in aid of construction ("CIAC") and Special Facility costs to the Company. The CIAC shall be non-refundable, except as provided in Sections 6(d) and 13 of this Rule.

2. CIAC payments are used by the Company to install or pay for sewage treatment plant facilities required to serve such applicants or customers, including:

- (a) Construction of primary collection main extensions;
- (b) Construction of percolation ponds and injections wells;
- (c) Construction of treatment systems or improvements to increase the capacity or efficiency of the existing treatment collection systems;
- (d) Preparation, engineering and design work necessary to the construction of sewer treatment facilities; and
- (e) Related improvements intended to increase the capacity, efficiency or quality of the primary sewer collection system.

3. "Special Facility costs" are costs to construct Special Facilities that are necessary to serve applicant's project. Payment of Special Facilities costs and construction of Special Facilities are governed by Rule XV.

4. "Substantially modified facilities" shall mean premises or facilities to which any material change is made in the size of the premises or facilities, or in the character or extent of any commercial activities conducted at the premises or facilities, that results in an estimated increase in average annual sewage outflow contribution by the premises in excess of twenty (20) per cent.

5. The CIAC required as a condition of service to a new facility shall be payable only once for such facility, provided that an additional CIAC may be required from customers for facilities that are substantially modified.

6. The CIAC for sewer service shall include an equivalent per gallon charge, calculated as follows:

(a) If the Company has no capacity available at the time a request for service or substantial modification is made, the CIAC payment shall be based on the Company's good faith estimate, based on engineering and construction analyses, of the anticipated total cost to construct the next capacity addition, but not less than the average cost per gallon of total plant capacity, and is calculated as follows:

Estimated Daily Gallons for Proposed or Existing Development	X	Estimated Cost per Gallon of the Company's Next Capacity Addition, But In No Event Less Than The Average Cost Per Gallon of Total Plant Capacity	X	If CIAC is Based On Historical Costs: CPI in the year of payment / CPI for the base year (last capacity addition used in calculating CIAC)
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(b) If the Company has capacity available at the time the request for service is made, the applicant shall pay a CIAC payment as follows:

Estimated Daily Gallons for Proposed or Existing Development	X	Actual Cost per Gallon of the Company's Most Recent Capacity Addition, But In No Event Less Than The Average Cost Per Gallon of Total Plant Capacity	X	CPI in year of contribution payment / CPI for base year (last capacity addition used in calculating CIAC)
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"CPI" shall mean the "Consumers Price Index for all urban Consumers, Honolulu, Hawaii, ALL ITEMS", as published by the Bureau of Labor Statistics, United States Department of Labor.

(c) If the Company collects a greater amount of CIAC than the total cost of all constructed phases of the wastewater treatment plant (an "Over-Collection"), then for purposes of calculating the CIAC to be paid by an applicant who will be served by the next capacity addition of the plant, the cost of such next capacity addition shall be reduced by the net unamortized Over-Collection.

(d) Where the CIAC is based on estimated construction costs, promptly following completion of construction, the Company shall deliver to the applicant a statement showing the actual costs of construction and a recalculation of the CIAC based on actual construction costs. Any difference between the originally calculated and recalculated CIAC shall be payable by the Company or the applicant, as applicable, within thirty (30) days of the date of the statement.

7. The CIAC shall be calculated on the basis of the Company's estimate of (a) the outflow from the customer's premises in the case of new facilities, or (b) the increase in outflow from the customer's premises in the case of substantially modified facilities.

8. The CIAC for new facilities shall be estimated at the time that an applicant makes a request of the Company for a "will serve" letter. A subsequently issued "will serve" letter will only state the Company's ability and willingness to supply the applicant with the requested service, conditioned upon the applicant's execution of an Extension Agreement within a specified period of time, payment of the CIAC, and construction of or contribution to the cost of any Special Facilities required to serve the applicant that are not paid for with CIAC in accordance with Rule XV. The total CIAC fee to be paid will be dependent on the rate provided for in the Company's Rules and Regulations in effect at the time that payment is tendered. CIAC shall be payable in full upon execution of an Extension Agreement. If the full CIAC is not paid upon execution of the Extension Agreement, the Extension Agreement and the "will serve" letter shall be null and void. Any Extension Agreement issued by the Company shall not be binding until payment is received.

9. The CIAC for substantially modified facilities shall be payable (a) within thirty (30) days after the customer receives a building permit, or (b) as of the date upon which the customer increases sewer treatment facility usage as a result of the

modification, if the customer fails to provide the company with prior written notice of the modification.

10. Any will-serve agreement entered into after October 18, 2017 shall automatically terminate if the applicant does not execute an Extension Agreement and satisfy all other conditions contained in the will-serve agreement within the time set forth in the will-serve agreement.

11. Any Extension Agreement entered into after October 18, 2017 shall automatically terminate if the applicant has not completed construction of the project for which service was requested within one year after the date of the Extension Agreement, or such longer or shorter time as may be set forth in the Extension Agreement. The Company may agree to extend this date if facilities constructed or to be constructed with the CIAC are not required by another user.

12. In the event of termination of either the will-serve agreement or the Extension Agreement: (a) the Company's commitment to reserve capacity for the applicant shall be null and void; and (b) if the applicant subsequently requests service for the same property, the applicant will be required to sign a new will-serve agreement and a new Extension Agreement under which the CIAC will be recalculated based on the cost of facilities required to serve applicant, and applicant will receive a credit in the amount of the unreimbursed balance of the contribution in aid of construction previously paid, if any.

13. In the event of termination of the Extension Agreement, the Company will reimburse the applicant for all or a part of the CIAC paid by the applicant if (i) such funds have not yet been used or committed and are not required to complete construction of the facilities for which they were collected, or (ii) to the extent that the Company has received CIAC from another applicant who will utilize any or all the capacity originally reserved for the applicant.

14. In lieu of requiring an applicant to pay a CIAC pursuant to this Rule, the Company may, in its discretion, allow an applicant to contribute or construct Special Facilities that are required to serve the applicant's project pursuant to Rule XV, System Extensions. Such facilities may include those described in Section 2 of this Rule. Further, in addition to requiring an applicant to pay a CIAC pursuant to this Rule, the Company may require an applicant to construct or contribute to the cost of constructing Special Facilities that are required to serve the applicant pursuant to Rule XV to the extent that the cost of such facilities is not included in the CIAC.

15. Section 8 of this Rule shall not apply to any applicant who has entered into a will-serve agreement before October 18, 2017. Section 6 of this Rule shall not apply to any applicant who has entered a will serve agreement before October 18, 2017, except to the extent that the terms of such agreement are consistent with the terms of Section 6; provided that, if full payment of the CIAC due under such will-serve agreement has not been paid and the will-serve agreement provides that final payment will be

dependent on the rate in effect at the time of such payment, the total CIAC payable will be calculated in accordance with Section 6 above.

16. In addition to the CIAC payment, applicants shall pay to the Company any and all applicable Hawaii general excise tax (or any replacement tax) and any other taxes, fees or charges of any kind, if any, applicable to the CIAC payment.

RULE XV

SYSTEM EXTENSIONS

1. Extensions of secondary sewer mains from the Company sewer system to serve new customers, and connections to sewer main extensions with respect to which customer contributions were made, shall be made under the provisions of this rule. In addition, pursuant to Rule XIV, Section 14, the Company may, in its discretion, allow or require an applicant to contribute or construct additional property or facilities that are required to serve the applicant's project in lieu of, or in addition to, requiring the applicant to pay a contribution in aid of construction. As used in this Rule XV, an "extension" shall include any such additional property or facilities. An extension contract shall be executed by the Company and the applicant before the Company begins construction work on such an extension. Or, if the applicant constructs an extension, the contract shall be executed before the property or facilities comprising the extension are transferred to the Company.

2. Customer contributions may be either refundable or non-refundable depending on their use. For the purposes of this rule, the "non-refundable construction cost" shall be the cost to install facilities of adequate capacity for the service requested. If the Company, at its option, determines that it is appropriate to install facilities with a larger capacity or with greater footage of extension than required for the service requested, or if the applicant elects to construct such larger facilities, the "oversizing cost," for the purpose of this rule, shall be the difference between the total construction cost of the facilities installed and the non-refundable construction cost. Such "oversizing cost" shall be subject to refund in accordance with Sections 6(g) and 6(h) of this rule.

3. Ownership, design and construction of property and facilities shall be in accordance with the following provisions:

(a) Any facilities installed or property dedicated hereunder shall be the sole property of the Company.

(b) The size, type, and quality of materials, and their location, shall be specified by the Company, and the actual construction shall be done by the Company or by a contractor acceptable to it.

(c) When an extension must comply with an ordinance, regulation, or specification of a public authority, the estimated and actual construction costs of the extension shall be based upon the facilities required to comply therewith.

(d) The Company may, but will not be required to, make extensions under this rule in easements or rights of way where final grades have not been established, or where street grades have not been brought to those established by public authority. If extensions are made when grades have not been established and there is a reasonable probability that the existing grade will be changed, the Company may require that the applicant or applicants for the extension deposit, at the time of execution of the extension contract, the estimated net cost of relocating, raising or lowering facilities upon final grades. Adjustment of any differences between the amount so deposited and the actual cost of relocating, raising or lowering facilities shall be made within ten days after the Company has ascertained such actual cost. The net deposit representing actual cost is not subject to refund. When such displacements are determined by proper authority not to be required, the entire deposit related to the proposed relocation, raising or lowering shall be refunded.

4. Estimates, plans and specifications shall be required of the applicant as follows:

(a) As part of applying for an extension, the applicant's engineer shall prepare a preliminary sketch and rough estimates of the cost of installation to be contributed by said applicant.

(b) The Company shall review plans submitted to it within a reasonable time after receipt of such plans, specifications and cost estimates of the proposed extension. If the extension is to include oversizing of facilities for which there will be an oversizing cost, appropriate details shall be set forth in the plans, specifications and cost estimates.

(c) The applicant shall furnish a map to a suitable scale showing the street and lot layouts and, when requested by the Company, contours or other indication of the relative elevation of the various parts of the area to be developed. If changes are made subsequent to the presentation of this map by the applicant, and these changes require additional expense in revising plans, specifications and cost estimates, the applicant's engineer shall make those changes at no expense to the Company.

5. Timing and adjustment of the customer or applicant's contributions shall be in accordance with the following provisions:

(a) Unless the applicant for the extension elects to arrange for the installation of the extension himself, as permitted by Section 6(e), the full amount of the required customer contribution will be required by the Company when the extension contract is executed. An acceptable surety bond may, at the sole discretion of the Company, also be acceptable.

(b) If the applicant for an extension posts a surety bond in lieu of cash, such surety bond must be replaced with cash not less than ten (10) calendar days before construction is to commence. However, the applicant may be required to deposit sufficient cash to cover the cost of materials before they are ordered by the Company.

(c) An applicant for an extension who makes a contribution shall be provided with a statement of actual construction cost and oversizing cost showing in reasonable detail the costs incurred for material, labor, any other direct and indirect costs, overheads, and total costs, unit costs or contract costs, whichever are appropriate.

(d) The statement shall be submitted within a reasonable time after the actual construction costs of the installation are ascertained by the Company.

(e) Any difference between the actual construction costs and the total amount of the customer contribution shall be shown as a revision of the amount of the customer contribution, and shall be payable by the applicant, or by the Company, as appropriate, within thirty (30) days after the statement is submitted.

6. Customer contributions and refunds shall be treated in the following manner:

a) Unless the procedure outlined in Section 6(e) is followed, an applicant for an extension to serve a new development, subdivision, tract, project, industrial or commercial development, etc., shall be required to pay to the Company, before construction commences, a non-refundable contribution equal to the estimated non-refundable construction cost of the extension to be actually installed, from the nearest Company facility at least equal in size or capacity to the main required to serve both the new customer and a reasonable estimate of the potential customers who might be served directly from the extension without additional extension. The cost of the extension shall include necessary connections, pipes, fittings, valves, valve boxes, booster stations, pressure regulating stations, other sewer system collection appurtenances, and Hawaii and Federal incomes taxes applicable to the contribution calculated by the full gross up method.

(b) If special facilities consisting of items not covered by Section 6(a) are required for the service requested, the cost of the special facilities shall be included in the customer contribution.

(c) In addition to the non-refundable contribution required by Sections 6(a) and 6(b), an applicant for an extension shall be required to advance to the Company the

oversizing cost estimated by the Company for the extension deemed to be appropriate by the Company. (This additional contribution shall be refundable in accordance with Sections 6(g) and 6(h) of this rule.)

(d) A "pioneer," for the purposes of this rule, shall be a developer/customer who makes a contribution to pay the cost of oversizing an extension.

(e) In lieu of providing the customer contribution in accordance with Sections 6(a), 6(b) and 6(c), the applicant for an extension shall be permitted, if deemed to be qualified in the judgment of the Company, to construct and install the facilities, or to arrange for their installation. If extension facilities are arranged for by the applicant and constructed by others, the extension shall be installed pursuant to competitive bidding procedures unless waived by the Company. The cost, including the cost of inspection and supervision by the Company, shall be paid directly by applicant. The applicant shall provide the Company with a statement of actual construction cost in reasonable detail. The installation shall be in accordance with the plans and specifications submitted by the customer to the Company pursuant to Section 4(b). All facilities shall be dedicated to the Company through appropriate deeds, rights of way, easements, bills of sale or other instruments as

required upon completion, in accordance with Section 3(a) of this rule. At the time of dedication, the customer/developer will pay to the Company Hawaii and Federal income taxes calculated by the full gross up method based on the value of the system being dedicated as determined in this Rule XII.

(f) If a subsequent applicant connects to an extension which was paid for by one or more pioneers, that subsequent applicant shall be required to pay a non-refundable extension refund charge equal to its proportionate share of the oversizing cost of such extension based on anticipated consumption. Such extension refund charge shall only be assessed to the extent that it is to be paid by the Company to the pioneer or pioneers pursuant to Sections 6(g) and 6(h), or to the extent that the Company has previously reimbursed the pioneer for such oversizing costs.

(g) A refund of all or part of the refundable customer contribution made by a pioneer shall be made if subsequent applicants are provided service from the extension and pay an extension refund charge based on their proportionate share of the oversizing cost of extension. The refunds, if any, shall be made from subsequent extension refund charges covering a proportionate share of the oversizing cost for the extension.

(h) Refunds to pioneers, if any, will be made annually in the first quarter of each applicable year to pioneers on record as of December 31 of the previous year, for a period of ten years following the year that the extension was placed into service. Refunds shall be made without interest. The total refunds which a pioneer may receive shall not exceed the amount of the customer contribution paid by the pioneer.

(i) All customer contributions and extension refund charges shall include the Hawaii and federal income tax applicable to the contribution calculated at the marginal income tax rate applicable to corporations using the full gross up method.

7. Any contract entered into under this rule may be assigned, after settlement of actual construction costs, after written notice to the Company by the holder of said contract as shown by the Company's records. Such assignment shall apply only to those refunds which become due more than thirty (30) days after the date of receipt by the Company of the notice of assignment. The Company shall not be required to make any one refund payment under such contract to more than a single assignee.

8. Extension contracts may be terminated as follows: Any contract entered into under Section 6 of this rule may be purchased by the Company and terminated, provided the payment is not in excess of the remaining contract balance.

9. If an applicant constructs or contributes to the cost of construction of facilities pursuant to this Rule, and if the applicant does not use such facilities within the time required under the Extension Agreement, the Company may elect to terminate the Extension Agreement and to use any such facilities to serve other customers. In that event, (a) the Company's commitment to reserve capacity for the applicant shall be null and void; and (b) if the applicant subsequently requests service for the same property, the applicant will be required to sign a new will-serve agreement and a new Extension Agreement, and will receive a credit in the amount of the unreimbursed balance of amounts previously paid by the applicant for facilities to serve such property under this Rule. In the event of such termination, the Company shall have no obligation to reimburse the applicant for any amounts paid by the applicant for such facilities, except for refundable contributions which shall be refunded in accordance with Section 6 of this Rule. However, the Company will reimburse the applicant for all or a part of the amounts paid by the applicant pursuant to this rule if (i) such funds have not yet been used and are not required to complete construction of the facilities for which they were collected, or (ii) to the extent that the Company has received funds from another applicant who will utilize the capacity originally reserved for the applicant.

RULE XVI

SEVERABILITY

If any Rule, section, sentence, clause, or phrase of these Rules and Regulations or its application to any person or circumstances 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 personal or circumstances of property will 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.

RULE XVII

GOVERNING LAW

These Rules and Regulations are made under and shall be governed by the laws of the State of Hawaii.

RULE XVIII

NOTICES

All notices, demands or documents which are required or permitted to be given or served hereunder shall be in writing and sent by first class or certified mail, postage prepaid or by hand delivery to the address of the party as set forth in the Application. The parties' addresses may be changed from time to time by serving notice to the other party as provided above. Service of such notice or demand shall be deemed complete on the day of actual delivery or at the expiration of the second day after the date of mailing, whichever is earlier.

RULE XIX

TIME IS OF THE ESSENCE

Time is of the essence in any performance required by the Customer under these Rules and Regulations. Any delay in performance will be considered material.

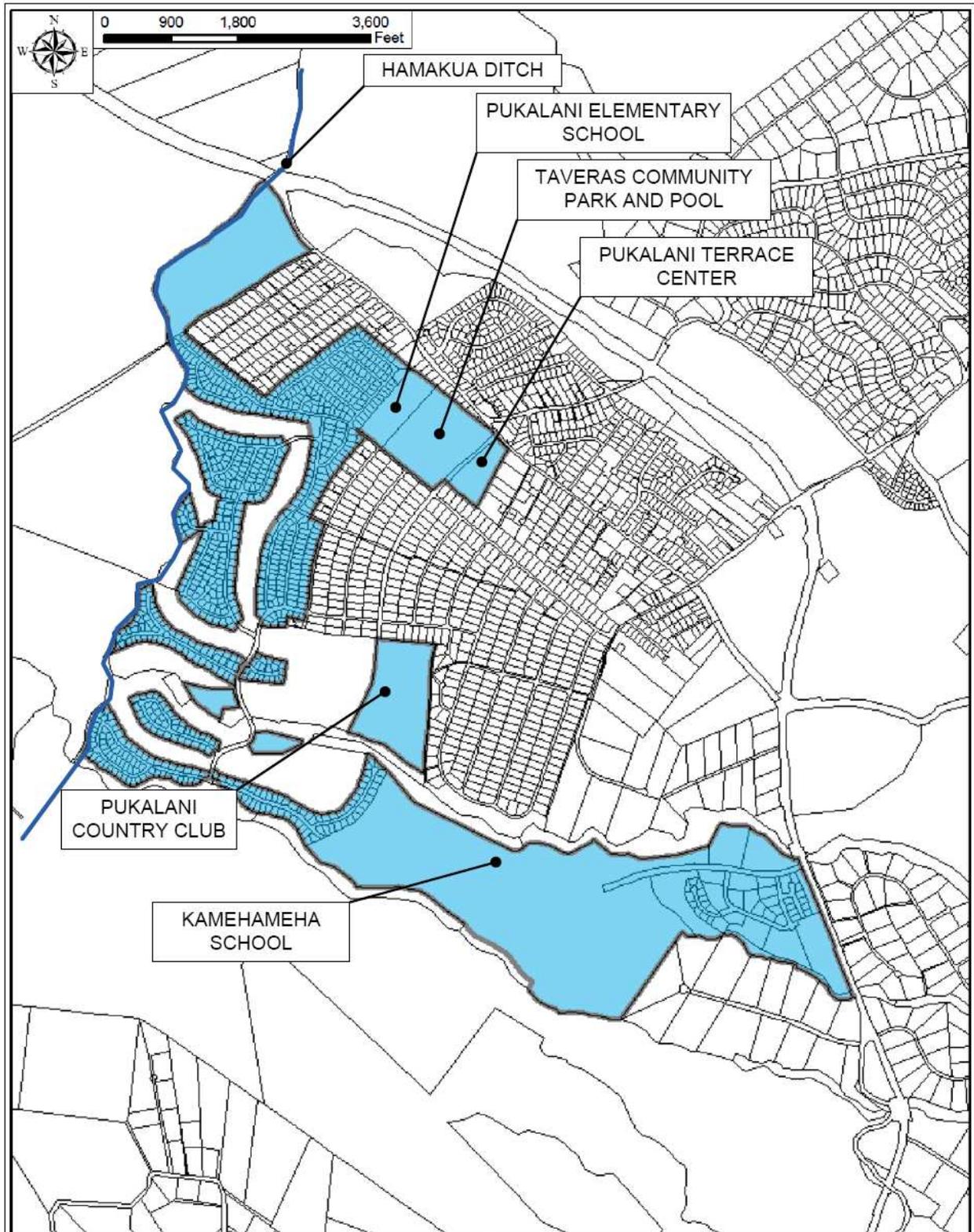


EXHIBIT "A"

HAWAII WATER SERVICE COMPANY, INC.
 PUKALANI WASTEWATER DISTRICT
 TARIFF SCHEDULE

SEWER ASSESSMENT FEES:

Monthly Sewer Fees	First Phase (Effective 12/1/23)	Second Phase (Effective 12/1/24)
Residential (per month per single family of multi-family unit)	\$ 87.29	\$ 97.40
Commercial		
Fixed Charge (by meter size per month)		
5/8"	\$ 18.86	\$ 21.60
3/4"	\$ 18.86	\$ 21.60
1"	\$ 37.72	\$ 43.21
1 1/2"	\$ 56.59	\$ 64.81
2"	\$ 94.31	\$ 108.02
3"	\$ 320.65	\$ 367.26
4"	\$ 320.65	\$ 367.26
6"	\$ 320.65	\$ 367.26
Quantity Rate (per 1,000 gallons of water used)	\$ 23.1114	\$ 29.7539
Public Authority		
Government/Education	Same as Commercial	Same as Commercial
Government/Recreation (per month)	\$ 337.43	\$ 386.48
Effluent (per 1,000 gallons)	\$ 0.55	\$ 0.55

POWER COST CHARGE (PCC):

In addition to the sewer assessment fees listed above, a power cost factor (percentage change) shall be applied to a Customer's sewer assessment fee (not including effluent charge) per month. The amount will be shown as a Power Cost Charge on a Customer's bill. The power cost factor shall be calculated as follows:

$$\text{Power cost factor} = \frac{\text{previous month electricity cost}}{\text{previous month revenues less effluent revenues}} \times \text{tax factor}$$

Tax factor of 1.06385 to account for Revenue Taxes.

OTHER:

CREDIT DEPOSIT:

RESIDENTIAL: \$50.00, 2% INTEREST PER YEAR,
RETURNED ON GOOD CREDIT HISTORY, AFTER
12 MONTHS CREDIT HISTORY

COMMERCIAL: \$250.00, 2% INTEREST PER YEAR,
RETURNED ON GOOD CREDIT HISTORY, AFTER
12 MONTHS CREDIT HISTORY

PUKALANI ELEMENTARY SCHOOL: NONE

PUKALANI COMMUNITY CENTER: NONE

SERVICE CONNECTION: \$500.00 DEPOSIT, SUBJECT TO REFUND IF
GREATER THAN ACTUAL COST, OR SUBJECT
TO ADDITIONAL PAYMENT IF LESSER THAN
ACTUAL COST

TAX CUTS AND JOBS ACT CREDIT:

Pursuant to Order 40344, all customers will receive a flat monthly credit to their bills beginning December 01, 2023 and ending November 30, 2029.

All Customers – per metered connection	\$1.78	(N)
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CORONAVIRUS DISEASE 2019 SURCHARGE:

Pursuant to Order 40344, all customers will receive a flat monthly surcharge to their bills beginning December 01, 2023 and ending November 30, 2024.

All Customers – per metered connection	\$3.47	(N)
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EXHIBIT "B"