

LAIE WATER COMPANY, INC.
Laie, Hawaii

Hawaii P.U.C. Tariff
Original Volume No. 1
Original Sheet No. 1

HAWAII P.U.C. TARIFF
ORIGINAL VOLUME NO. 1
OF
LAIE WATER COMPANY, INC.
FILED WITH
THE PUBLIC UTILITIES COMMISSION
OF
THE STATE OF HAWAII

Communications Concerning This Tariff

Should be Addressed to:

^

Michael Miller
Laie Water Company, Inc.
55-510 Kamehameha Highway
Laie, HI 96762

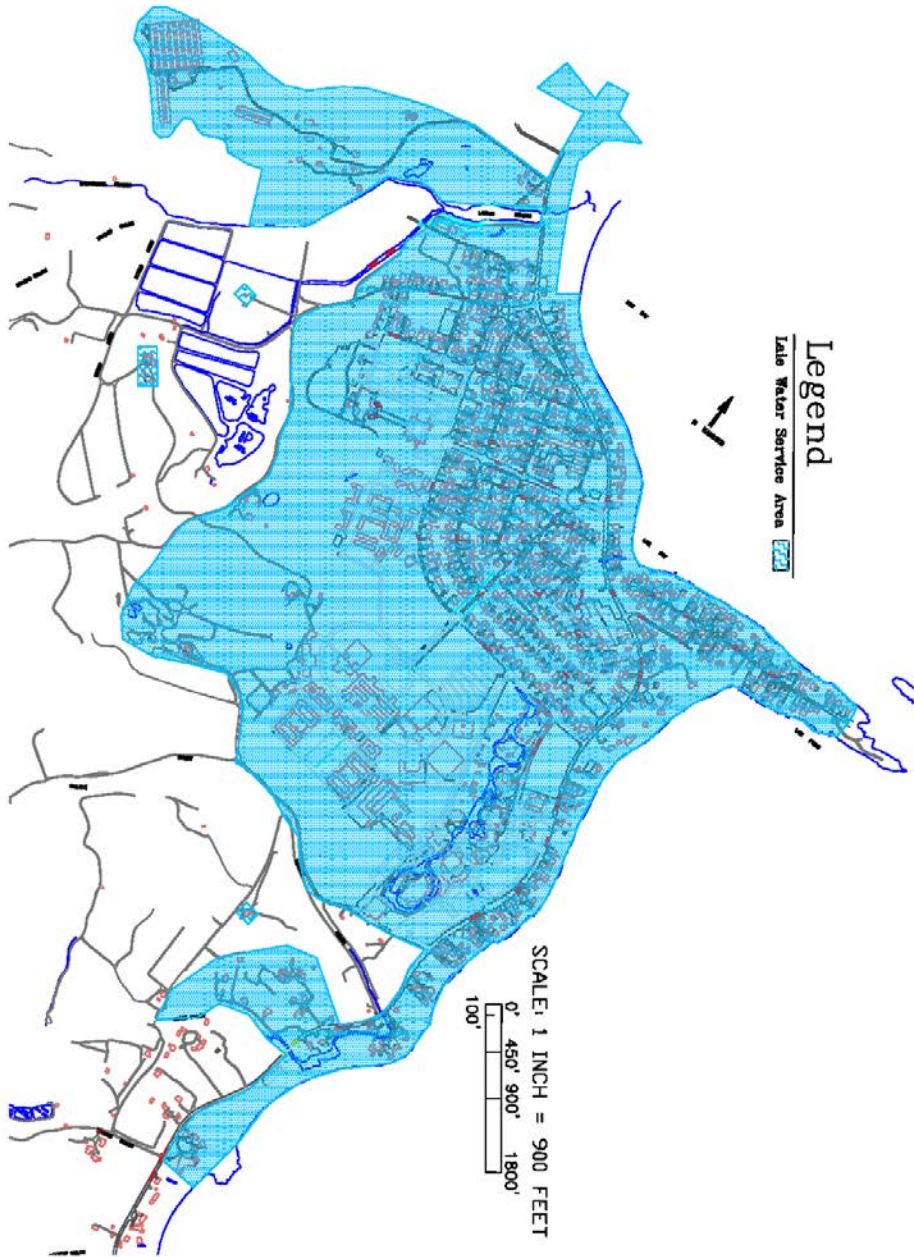
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Laie, Hawaii 96762-1193

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SERVICE AREA MAP



Issued by: Michael Miller
55-510 Kamehameha Highway
Laie, Hawaii 96762-1193

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SCHEDULE OF RATES TO BE CHARGED

- A. The following monthly fixed and usage rates for water service shall apply to all customers (residential and non-residential customers, except for the flat monthly rate customer noted in Section B below):

Tap-in/Connection charge: \$4,200.00 per connection (one-time charge per connection)

STEP 1 – Effective upon approval by Commission.

Monthly Water Fixed Meter Charge per Customer

<u>Size of Meter</u>	<u>Per Meter Per Month</u>
3/4" Meter	\$ 7.00
1" Meter	\$ 8.00
1-1/2" Meter	\$ 9.00
2" Meter	\$ 10.00
4" Meter	\$ 15.00
6" Meter	\$ 20.00
8" Meter	\$ 25.00

Monthly Water Usage Charge per Customer

13,000 or less	\$3.30 per thousand gallons
Over 13,000 to under 30,001	\$4.30 per thousand gallons
30,001 to under 75,001	\$5.30 per thousand gallons
75,001 and over	\$6.30 per thousand gallons

SCHEDULE OF RATES TO BE CHARGED (CONTINUED)

STEP 2 – Effective six-months after the effective date of Step 1

Monthly Water Fixed Meter Charge per Customer

<u>Size of Meter</u>	<u>Per Meter Per Month</u>
3/4" Meter	\$ 9.80
1" Meter	\$ 12.80
1-1/2" Meter	\$ 16.40
2" Meter	\$ 20.00
4" Meter	\$ 45.00
6" Meter	\$ 80.00
8" Meter	\$ 125.00

Monthly Water Usage Charge per Customer

13,000 or less	\$3.85 per thousand gallons
Over 13,000 to under 30,001	\$4.85 per thousand gallons
30,001 to under 75,001	\$5.85 per thousand gallons
75,001 and over	\$6.85 per thousand gallons

STEP 3 – Effective six-months after the effective date of Step 2

Monthly Water Fixed Meter Charge per Customer

<u>Size of Meter</u>	<u>Per Meter Per Month</u>
3/4" Meter	\$ 13.72
1" Meter	\$ 20.48
1-1/2" Meter	\$ 30.24
2" Meter	\$ 40.00
4" Meter	\$ 135.00
6" Meter	\$ 320.00
8" Meter	\$ 625.00

SCHEDULE OF RATES TO BE CHARGED (CONTINUED)

Monthly Water Usage Charge per Customer

13,000 or less	\$4.50 per thousand gallons
Over 13,000 to under 30,001	\$5.50 per thousand gallons
30,001 to under 75,001	\$6.50 per thousand gallons
75,001 and over	\$7.30 per thousand gallons

STEP 4 – Effective six-months after the effective date of Step 3

Monthly Water Fixed Meter Charge per Customer

<u>Size of Meter</u>	<u>Per Meter Per Month</u>
3/4" Meter	\$ 19.84
1" Meter	\$ 33.06
1-1/2" Meter	\$ 66.13
2" Meter	\$ 105.81
4" Meter	\$ 330.65
6" Meter	\$ 661.29
8" Meter	\$ 1,058.07

Monthly Water Usage Charge per Customer

13,000 or less	\$5.00 per thousand gallons
Over 13,000 to under 30,001	\$6.00 per thousand gallons
30,001 to under 75,001	\$6.98 per thousand gallons
75,001 and over	\$7.49 per thousand gallons

SCHEDULE OF RATES TO BE CHARGED (CONTINUED)

- B. The following is a flat monthly rate that is being charged to one customer pursuant to a pre-existing agreement dated September 1, 1982. The charge may be increased or modified pursuant to the terms of that agreement.

Flat monthly rate, by billing address:
55-740 Kamehameha Highway

\$16.00* per month

Tap-in/Connection charge:

\$3,100.00 per connection (one-time charge per connection)

All of the above charges are exclusive of any contributions in aid of construction, and/or any other charges imposed by the Laie Water Company, Inc. Rules and Regulations.

* Applicable only to the specific customer with this billing address and only pursuant to the pre-existing agreement dated September 1, 1982. The pre-existing agreement which established this rate provides for increases and modification of the rate from time to time.

- C. Charge for restoration of water service during regular business hours, for each such reconnection, payable in advance \$150.00
- D. Additional charge for restoration of water service during other than regular business hours, for each such reconnection, payable in advance \$75.00

RULES AND REGULATIONS

LAIE WATER COMPANY, INC.

RULES AND REGULATIONS
GOVERNING WATER SERVICE TO CONSUMERS

Issued by: Michael Miller
55-510 Kamehameha Highway
Laie, Hawaii 96762-1193

Filed: June 30, 1997
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RULES AND REGULATIONS

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RULES AND REGULATIONS

FORWARD

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.

RULES AND REGULATIONS

SECTION 1
PURPOSE AND DEFINITIONS

1.1 Purpose. The purpose of these rules is to set forth the regulations governing the operation and service to customers of LAIE WATER COMPANY, INC.

1.2 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:

a. "Applicant" means 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.

b. "Area of Service" the area or areas listed and identified in a certificate of public convenience and necessity for Water Service issued by the PUC to the Company.

c. "Company" shall mean the LAIE WATER COMPANY INC., a Hawaii corporation.

d. "Company's Water System" means the system owned and operated by the Company.

e. "Consumer" or "Customer" shall mean the natural person(s), 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.

f. "Consumer's Supply Pipe" shall mean the pipe extending from the consumer's end of the Service Connection.

g. "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.

RULES AND REGULATIONS

h. "Developer" shall mean an owner or other person or legal entity with written authorization from the owner who intends to improve or to construct improvements upon the owner's property. The term shall also mean a subdivider.

i. "Development" shall mean the improvement of, or construction of improvements on, a lot. The term shall include subdivisions, planned development projects, cluster developments, site development plans and condominium projects.

j. "Main" or "Main Pipe" shall mean the Company's supply or distribution pipe to which Service Connections are made.

k. "Non-residential" refers to facilities used primarily for business purposes, industrial purposes, hotels, parks, schools, institutional, and any combination of the above or any mix with residential uses where the use is predominantly one or more of the above non-residential uses. Non-residential includes, without limitation, convalescent homes, professional offices, hospitals, clinics, business offices, storage, retail outlets, restaurants, churches, schools, dormitories, and factories.

l. "Project Water System" shall mean the water system, to and within any Development, including Mains, valves hydrants, laterals, pumps, tanks, reservoirs and all appurtenances necessary to provide water and fire protection for such Development and, where necessary, sources of supply.

m. "PUC" means the Public Utilities Commission of the State of Hawaii.

n. "Residential" refers to single-family and duplex residences and multi-family residences including apartments, condominiums, and townhouses with no commercial, agricultural, institutional, or industrial activity.

o. "Service Connection" shall mean the Main tap, pipe, fittings, and valves, from the Company's Main to and including the meter and the Consumer's shut-off valve.

p. "Water Service" shall mean the delivery of water by the Company or to Consumers by means of the Company's Water System in accordance with the terms and conditions approved by the PUC, and shall also include, for purposes billing and discontinuation of service, deliveries of water by the Company or its predecessors prior to obtaining a certificate of public convenience and necessity.

RULES AND REGULATIONS

SECTION 2
GENERAL CONDITIONS

2.1 The Company is permitted to provide services only in its Area of Service, and shall not provide any services outside of such areas. Any prospective Consumer whose premises are within the Company's Area of Service and are adjacent to a Main, where pressure conditions permit, may obtain Water Service; provided that the Company has a sufficient water supply developed for domestic use, fire protection, and non-potable requirements to take on new or additional service without detriment to those already being served and provided that the customer otherwise agrees to abide by these Rules and Regulations.

Issued by: Jeffrey Tyau
55-510 Kamehameha Highway
Laie, Hawaii 96762-1193

Filed: March 23, 2017
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Decision and Order No. 34460

RULES AND REGULATIONS

SECTION 7
RATES

7.1 WATER SERVICE CHARGE. All Consumers whose premises are connected, directly or indirectly, to the Company's Water System shall pay water service charges in accordance with the applicable rates listed on the Company's rate schedules. Such rates and schedules shall be subject to increase, decrease or other modification as may be approved by the PUC from time to time.

7.2 CONTRIBUTIONS IN AID OF CONSTRUCTION (FACILITIES CHARGES). As a condition of (a) receiving service to a "New Customer Facility" (as defined below) or (b) substantially increasing potable water consumption volume for service to a "Substantially Modified Customer Facility" (as defined below), a Developer or Customer may be required to pay a nonrefundable contribution in aid of construction ("CIAC") to the Company. If CIAC is required, the Company will use such CIAC to install or pay for the whole or a portion of any "New or Expanded Utility Premises or Facilities" (as defined below) required to serve such New Customer Facility or Substantially Modified Customer Facility, as applicable. In determining whether a nonrefundable CIAC will be required, the Company will consider factors including:

- (i) Whether the need for the New or Expanded Utility Premises or Facilities is caused primarily by the New Customer Facility or the Substantially Modified Customer Facility, as applicable;
- (ii) Whether the New or Expanded Utility Premises or Facilities will benefit the Company's overall water system; and

- (iii) Whether the Company has in the past provided similar "Common Facilities" (as defined below) to its existing Customers, which Common Facilities are currently or have been included in the Company's plant-in-service.

As used in this Section 7.2, "Common Facilities" means any utility premises or facilities which were not installed or constructed by CIAC payments and are generally used to provide water services to the Company's Customers.

a. CIAC payments are used by the Company to install or pay for New or Expanded Utility Premises or Facilities required to serve a New Customer Facility or a Substantially Modified Customer Facility, as applicable. "New or Expanded Utility Premises or Facilities" include, but are not limited to, any of the following which have occurred after the effective date of this Section 7.2:

- (i) Construction and permitting of new or expanded water source capacity, including wells, pumps, water-rights permits, power supply, backup power supply, and other source water related facilities;
- (ii) Construction and permitting of new or expanded reservoir capacity;
- (iii) Construction and permitting of new or expanded transmission, distribution lines or metering facilities;
- (iv) Preparation, engineering and design work necessary to the construction of new or expanded water facilities;
- (v) All easements, surveys and other costs associated with the new or expanded water facilities; and
- (vi) Related improvements intended to increase the capacity, efficiency, or quality of the water system.

b. As used in this Section 7.2, "New Customer Facility" means premises or facilities that the Company has not authorized to connect to the Company's water system prior to the date of the requested service.

c. As used in this Section 7.2, "Substantially Modified Customer Facility" means a Customer's 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 activities conducted at the premises or facilities, which results in an estimated increase in potable water consumption volume by the premises or facilities in excess of 20 percent (%) of the prior 6 months of usage or if water consumption exceeds the rated capacity of existing metering equipment.

d. The CIAC required as a condition of service to a New Customer Facility will be payable only once for such New Customer Facility, provided that, as set forth in this Section 7.2, a new CIAC may be required if and when such premises or facilities become a Substantially Modified Customer Facility.

e. A Developer or a Customer may, upon agreement with the Company, pay a nonrefundable CIAC to reserve existing but unused capacity for such Developer's or Customer's future use.

f. The amount of the CIAC will be based upon the Developer's or Customer's pro rata share (taking into consideration the average daily demand of the New Customer Facility or the average daily demand impact of the Substantially Modified Customer Facility, as applicable) of the cost to the Company of the New or Expanded Utility Premises or Facilities required to serve the New Customer Facility or the Substantially Modified Customer Facility, as applicable.

g. The average daily demand of the New Customer Facility or the average daily demand impact of the Substantially Modified Customer Facility, as applicable, will be based on the calculated additional or current water demand based upon fixture units, meter size, and requested water service quantity. These guidelines are approximate, and each New Customer Facility or Substantially Modified Customer Facility, as the case may be, will be evaluated based on an engineering evaluation of such New Customer Facility or Substantially Modified Customer Facility, as applicable. The average daily demand or the average daily demand impact will also include the standby capacity required to service any fire protection systems or facilities.

h. The CIAC for a New Customer Facility shall be payable as follows: (1) the initial 50 percent (50%) of the CIAC shall be paid within ninety (90) days of issuance of a "will serve" letter by the Company for the New Customer Facility, and (2) the remaining 50 percent (50%) of the CIAC shall be paid prior to permitting construction of the New or Expanded Utility Premises or Facilities. If the initial 50 percent (50%) of the CIAC is not paid within ninety (90) days after issuance of the "will serve" letter, the "will serve" letter shall thereafter be null and void.

i. The full amount of the CIAC for a Substantially Modified Customer Facility shall be paid by no later than the earlier of: (1) at the time the Company signs for a building permit in connection with the Substantially Modified Customer Facility, or (2) the date upon which the Developer or Customer increases its potable water consumption volume (as described in section 4 above) in connection with the Substantially Modified Customer Facility.

j. In lieu of providing the CIAC required by this Section 7.2, a Developer or Customer may, at the Company's option, be permitted to construct and install, or to arrange for the construction and installation of, the New or Expanded Utility Premises or Facilities required to serve the New Customer Facility or the Substantially Modified Customer Facility, as the case may be. Such installations, if permitted by the Company, shall be made in accordance with plans and specifications approved by the Company and shall be made by contractors approved by the Company. The cost of such installations, including the cost of inspection and supervision by the Company, shall be paid directly by the Developer or Customer, as applicable. The Developer or Customer, as applicable, shall provide the Company with statements of the actual construction cost in reasonable detail. All New or Expanded Premises or Facilities installed hereunder will become the sole property of the Company, and shall be dedicated to the Company upon completion (in a manner satisfactory to the Company), free and clear of any liens, mortgages, or other encumbrances, through appropriate deeds, rights of way, easements, bills of sale, or other instruments as required by the Company. In addition, the Developer or Customer shall be required to pay to the Company all Hawaii and federal income tax applicable to the contribution of the New or Expanded Utility Premises or Facilities, calculated at the marginal income tax rate applicable to corporations, and the Company will not be required to accept the dedication of the New or Expanded Utility Premises or Facilities prior to the Company's receipt of such payment.

7.3 OTHER CHARGES. All Consumers shall also pay such other rates and charges connected with the Company's provision of Water Service as may be established from time to time in these Rules and Regulations or on the Company's rate schedules on file with the PUC.

7.4 RATE ADJUSTMENTS. If at any time and from time to time, the PUC or any other governmental authority having jurisdiction over the Company or the Company's Water System allows or permits the Company to collect, or to negotiate to collect, a higher rate for the service hereunder, the Consumer agrees that the rate for the service hereunder shall be increased to the higher such rate. Should additional documentation be required in order for the Company to collect such higher rate, the Consumer shall execute such documentation within fifteen (15) days after the written request of the Company.

7.5 LOWER RATES. The Company may from time to time elect in writing to collect a rate lower than that otherwise chargeable pursuant to this Section 7, subject to any required approval by the PUC. In such event, the lower rate shall be effective only for the period set forth in the written election of the Company.

RULES AND REGULATIONS

7.6 AUTOMATIC POWER COST ADJUSTMENT CHARGE ("APCAC"). The APCAC calculation will establish a base rate for electric cost per 1,000 gallons of water sold using the electricity expense and gallons of water sold and will make a monthly calculation of the change above or below the monthly base rate. The consumption rates approved by the Commission are based on an electricity cost of \$0.4661/1,000 gallons. When the electricity cost per 1,000 gallons is more or less than \$0.4661 per 1,000 gallons there will be a corresponding increase or decrease in the approved consumption rates charged to customers.

a. Prior to the 10th day of each month, the Company shall make the following computation as of the last day of the preceding month ("computation date"): Divide the sum of the repriced cost of electricity for the twelve-month period ending on the computation date, priced at the level charged by the Company as of the computation date, by the total amount of gallons sold by the Company, expressed in 1,000 gallon increments for the same twelve-month period.

b. The difference between the amount computed in section a. above and \$0.4661 per 1,000 gallons shall become effective on billings rendered by the Company on the 10th of the month following the change in energy cost.

SECTION 8
PAYMENT OF BILLS

8.1 BILLS. The Company will render monthly or bimonthly bills for Water Service. 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 Water Service shall be subject to discontinuance without further notice.

8.2 LATE PAYMENT CHARGE. In addition to any other remedies provided for in these Rules and Regulations, if the charges payable hereunder by the Consumer are not paid on or before the due date, there may be added as a late payment charge an amount equal to one percent (1 %) per month of the delinquent balance.

RULES AND REGULATIONS

8.3 ERRORS. In the event an error is discovered in billing, statement or payment, such error shall be adjusted within sixty (60) days of the determination thereof. All statements, billing and payments shall be final unless questioned within six (6) months from the date of such billing, statement or payment.

8.4 DISHONORED CHECKS. A service fee for handling a dishonored check or payment may be made in accordance with fees established in Company's rate schedules from time to time.

8.5 CLOSING BILLS. 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 metering, plus a proration of the meter charge" In prorating meter charges, a billing month shall be considered to be thirty (30) days.

RULES AND REGULATIONS

8.6 DISPUTED CHARGES. The Consumer shall submit any dispute regarding the charges appearing on the bill to the Company in writing no later than the due date for the bill. The Company shall furnish a written response regarding its investigation and determination as to the correctness of or any adjustments to the bill within ten (10) days of receipt of the written dispute. The Consumer shall pay any amount due after the Company's investigation within five (5) days to avoid discontinuation of service. The Consumer may file a claim with the Hawaii Public Utilities Commission, at 465 South King Street; Kekuanaoa Building, Room 103, Honolulu, Hawaii 96813; Telephone Number (808)586-2020.

SECTION 9 METERS AND METER READING

9.1 METERS. All water supplied by the Company will be measured by means of suitable meters registering in gallons. The Company will, in its sole judgment, determine the type and location of all meters and Service Connections on its system. The Company may waive the meter requirement where the Company determines, in its sole discretion, that it is impractical to meter the service.

9.2 SIZE OF METER AND SERVICE CONNECTION. The location and size of all meters and Service Connections to the Company's Water System will be based upon the plans presented to the Company by the Consumer. The Company also reserves the right to limit the number of houses or buildings and the area of land to be supplied by any given Service Connection.

9.3 CHANGE TO METERED SERVICE. The applicant for a change from flat rate to metered service shall pay the cost of such change.

9.4 OVERRANGING METERS. When it is determined by the Company that additional water usage within the premises has increased the flow of water through the meter above the safe rated capacity of the meter thereby causing undue wear and tear of the meter, the Company shall require the Consumer to increase the size of the meter or to install an additional meter or meters at the expense of the Consumer.

RULES AND REGULATIONS

9.5 METER READING. Meters will be read and bills 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.

9.6 READINGS OF SEPARATE METERS NOT COMBINED. For the purpose of computing charges, all meters serving the Consumer's premises shall be considered separately, and the readings thereof shall not be combined except in cases where the Company, because of operating necessity, installs two or more meters in parallel to serve the same Consumer's Supply Pipe.

[next page is Sheet No. 23]

RULES AND REGULATIONS

9.7 METER TESTS. Any Consumer who, for any reason, doubts the accuracy of the meter serving the Consumer's premises, may request a test of the meter. Customers who so request, will be notified as to the time of the test and may witness the test. No charge will be made for meter tests if the meter is inaccurate by more than five percent (5%). The Consumer will be charged the actual costs connected with such a test if the meter is accurate within a range of plus or minus five percent.

9.8 ADJUSTMENT OF BILLS FOR METER INACCURACY. If, as a result of a meter test, the meter is found to register more than three percent (3%) 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 months unless it can be proved that the error was due to some cause, the date of which can be definitely established, in which event the overcharge shall be computed back to, but not beyond, such date. If, as the result of a meter test, the meter is found to register more than three percent (3%) slow under conditions of normal operation, the Company will bill the Consumer the undercharge based on past consumption, for a period not exceeding six months, unless it can be proved that the error was due to some cause, the date of which can be established, in which event the additional charge shall be computed back to, but not beyond, such date.

9.9 NON-REGISTERING METERS. If a meter fails to register due to any cause except the none 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.

SECTION 10
INTERRUPTION OF WATER SUPPLY.
SUITABILITY OF WATER SUPPLY, AND PRESSURE CONDITIONS

10.1 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, fluctuation in, excess of or lack of pressure, or any loss or damage occasioned thereby resulting from a cause not within the control of the Company.

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10.2 Whenever, in the Company's sole judgment, 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.

10.3 The Company reserves the right at any and all times to shut off water from the Mains (without notice in times of emergency) for the purpose of making repairs, extensions, alterations, or for other reasons and will not be responsible nor liable for any property loss or damage incurred by the Consumer due to such interruption of service. Consumers depending upon a continuous supply of water shall provide emergency water storage and any check valves, backflow preventers or other devices necessary for the protection of plumbing or fixtures against failure of the pressure or supply of water in the Company's Mains. Repairs or improvements will be prosecuted as rapidly as practicable and, insofar as practicable, at such times as will cause the least inconvenience to the Consumer. The Company will not be liable or responsible for any damage to person or 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. The Company shall provide all Consumers that are reasonably anticipated to be affected by any scheduled shut-off for repairs or maintenance work with at least one (1) day's prior written notice of such shut-off. Such written notice may be made by the Company by leaving printed flyers on the doors of the given Consumers or, at the Company's discretion, by mailing written notice to the given Consumers at least three (3) days prior to such scheduled shut-off. Any such notice shall also include an advisory to take reasonable precautions against the failure or fluctuation in the pressure or supply of water that may result from such shut-off.

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

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SECTION 11
DISCONTINUATION OF SERVICE

11.1 Water Service may be discontinued for the reasons listed below:

a. NONPAYMENT OF BILLS. Water Service may be discontinued for nonpayment of a bill within thirty (30) days after the mailing or presentation thereof to the Consumer; whether such bill is attributable to Water Service rendered prior to or after the issuance of a certificate of public convenience and necessity to the Company.

b. 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 days after written notice of intent to do so.

c. UNAUTHORIZED USE OF WATER. The Company will refuse or discontinue Water Service, without notice, to protect itself against fraud, abuse, or unauthorized use of water.

d. 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 days after written notice to the Consumer of intent to do so.

e. SERVICE DETRIMENTAL TO OTHERS. The Company may refuse to furnish water, and may discontinue the service to any premises or Consumer, where the demands of the Consumer will result in inadequate service to others.

f. CONSUMER ABOUT TO VACATE PREMISES. Each Consumer about to vacate any premises supplied with water by the Company shall give notice of its intention to vacate at least fifteen (15) days prior thereto, specifying the date service is desired to be discontinued, otherwise the Consumer shall be 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.

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SECTION 12
COMPANY'S EQUIPMENT AND FACILITIES;
DAMAGE; INDEMNIFICATION

12.1 ON CONSUMER'S PREMISES. All equipment belonging to the Company and installed upon the Consumer's premises for service, measurement, testing, checking, or any other purposes 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 the Consumer's premises and shall in no way interfere with the operation of the same.

12.2 LIABILITY FOR REPAIR COSTS. Any damage to 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. The Consumer shall be liable for any damage to a meter or other equipment or property of the Company caused by the Consumer or the Consumer's tenants, agents, employees, contractors, licensees, 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 therefor. Any damage to Company facilities shall be reported to the Company as soon as possible.

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

12.4 DAMAGE BY HOT WATER OR STEAM. 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.

12.5 INDEMNIFICATION. The Consumer covenants that it will indemnify and save the Company harmless from and against all liability, loss, damage expense suits, claims, demands and costs (including court costs, attorneys' fees and costs of investigation) arising or which are alleged to arise out of the failure or interruption of the Water Service, where such failure or interruption has been caused by the acts or omissions of the Consumer with respect to the Company's Water System or the Consumer's supply facilities and other equipment.

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SECTION 13
RESPONSIBILITY FOR WATER RECEIVING EQUIPMENT

13.1 CONSUMER RESPONSIBILITY. The Consumer shall, at the Consumer's 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 any of the Consumer's tenants, agents, employees, contractors, licensees or permittees in installing, maintaining, using, operating or interfering with any such equipment. The Consumer shall be responsible for providing separate systems for potable and non-potable water uses within its premises when required by the Company.

13.2 UNCONTROLLED FLOW. The Company will not be responsible for damage 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.

13.3 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.

13.4 PUBLIC HEALTH CONCERNS. 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 Water Service shall continue until objectionable installments have been corrected, the Company has been assured that the objectionable uses and practices will not be resumed, and all reconnection fees have been paid.

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SECTION 14
CONSUMER'S PUMPING INSTALLATIONS

14.1 PUMPING DIRECTLY FROM COMPANY PIPELINES. 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. Approvals given by the Company under this section will be qualified by clauses making them revocable upon sixty (60) days' notice during which period the Consumer desiring to continue the operation of the pump shall eliminate the objectionable feature causing the giving of such notice.

14.2 PUMP PRIMING CONNECTION. No pump shall be equipped with a direct water supply connection for priming purposes except with the written permission of the Company.

SECTION 15
PROHIBITION OF CROSS-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, of the State Department of Health, and the County of Honolulu, as adopted or amended from time to time, 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 system.

SECTION 16
RESALE OF WATER

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

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SECTION 17
RESTORATION OF WATER SERVICE

If Water Service is discontinued because of failure to pay a bill, for violation of any of these Rules and Regulations, or for other reasons, all outstanding accounts against the Consumer plus a charge of \$50.00 for reopening, reinstallation or reconnection must be paid before Water Service will be restored. The Consumer must pay an additional charge of \$25.00 for reopening, reinstallation or reconnection of service during other than regular working hours when the Consumer has requested that the reconnection be made during other than regular working hours.

SECTION 18
INGRESS TO AND EGRESS FROM CONSUMER'S PREMISES

Any officer, employee, or agent of the Company shall have the right of ingress to and egress from the Consumer's premises at all reasonable hours and upon reasonable notice 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 the event of an emergency, the Company shall only be required to give such notice (if any) that may be reasonably practicable under the circumstances.

SECTION 19
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 the Consumer thirty (30) days within which to correct or to remove the cause of the 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.

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SECTION 20
ELECTRICAL GROUNDING

20.1 Protective grounding of alternating current secondary distribution circuits made to the Company's 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 may be installed in such a manner as not to interfere with the installation or removal of any of the Company's facilities.

20.2 No grounding of direct current system to any portion of the Company's Water System shall be permitted.

20.3 No grounding other than as provided in paragraph 20.1.a. and b. hereof shall be made to any portion of the Company's Water System without the Company's written approval.

20.4 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.

20.5 Whenever grounding fault occurs and causes electrical current to flow into the pipeline system, the Consumer shall have the corrections made immediately and shall pay for any damages attributable to such grounding fault. If the corrections are not made, the Company may discontinue Water Service to the premises.

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SECTION 21

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

21.1 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 Honolulu County Fire Department or of the Company is prohibited, except upon prior application to and written permit by the Company. The prior application to and written permit by the Company. The Honolulu County 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.

21.2 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. The permit 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 Connection 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 disconnection from the hydrant.

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21.3 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.

21.4 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.

21.5 CHANGE W 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.

21.6 MAINTENANCE OF PRIVATE HYDRANTS. The Consumer shall, at the Consumer's expense, test periodically upon prior approval of the Company, and keep in good and safe working condition including proper maintenance all private hydrants under the Customer's control and not under the jurisdiction of the Company. The Company will not be responsible for any loss or damage caused by any hydrant for any cause whatsoever.

SECTION 22 REFRIGERATION AND AIR CONDITIONING EQUIPMENT

22.1 No new installation or replacement installation of refrigeration or air conditioning equipment requiring the use of water from the Company's 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.

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

22.3 Any large size water-using unit of refrigeration or air conditioning equipment shall be equipped with a 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.

22.4 For the purpose of these regulations a unit of less than five (5) tons rated capacity shall be considered a small unit.

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

22.6 All installations of water-using refrigeration and air conditioning equipment, regardless of capacity, which are to be served by the Company's Water System must conform with all other applicable Rules and Regulations.

SECTION 23 REQUIREMENTS FOR PROJECT WATER SYSTEMS

23.1 DEVELOPMENTS. Subject to the availability requirements set forth elsewhere in these Rules and Regulations, a Developer shall be required to pay for and install, in accordance with these Rules and Regulations, adequate water system facilities for its Development as a precondition for the connection of their Project Water System with the Company's Water System.

a. If the Company's existing facilities in the area of a proposed Development are inadequate, or where facilities are not readily available to serve the Development, the Developer must pay for the extension of a water main from the nearest adequate facility.

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b. The Company shall have the sole right to determine from time to time the requirements of its system in connection with a proposed Development.

c. As a condition precedent to connecting the Project Water System of a Development to the Company's Water System, the Developer shall convey the Project Water System to the Company; provided, however, that the Company may, in its sole judgment, refuse to acquire or operate any portion of such facilities that were installed without the Company's prior approval, not installed according to the approved plans and specifications, or otherwise inconsistent or unsatisfactory with respect to the Company's operation and maintenance of the Company's Water System.

d. Prior to the commencement of Water Service, and as a prerequisite to such service, the Developer shall convey or cause to be conveyed to the Company perpetual easements for all portions of the Project Water System.

23.2 WATER MAINS AND APPURTENANCES.

a. Size of Mains.

(1) Urban districts.

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

2 units	1½" limited to 200' run; 6" limited to 600' run; 8" if run is over 600';
3 to 12 units	4" limited to 200' run; 6" limited to 600' run; 8" if run is over 600';
13 to 24 units	6" limited to 600' run; 8" if run is over 600'";

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25 or more units 8" or larger as determined by design for domestic and fire protection requirements.

Any Development having more than 200 feet of Main shall provide six-inch water pipe or larger in residential district and eight-inch water pipe or larger in business, industrial, hotel and apartment districts. A six-inch main shall be used only where it completes a hydraulically adequate grid and in no case in blocks more than six hundred (600) feet in length.

(2) Agricultural and Rural Zoned Areas.

2 units 1½" limited to 200' run;
Over 200' size to be determined by design for domestic and agricultural requirements.

3 to 6 units 4" limited to 300' run;
6" limited to 1,200' run;
Over 1,200' size to be determined by design for domestic and agricultural requirements.

7 to 24 units 6" limited to 1,200' run;
Over 1,200' size to be determined by design for domestic and agricultural requirements.

24 or more units 8" or larger as determined by design for domestic and agricultural requirements.

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

23.3 FIRE PROTECTION

a. All Developments in business, industrial, hotel, commercial, duplex, apartment, airport, rural and residential districts shall be required to install fire hydrants which shall be paid for by the Developer or the party otherwise requesting such installation and shall be in accordance with these Rules and Regulations. Developments in agricultural districts shall be required to install standpipes. Developers may elect to install a fire hydrant in lieu of a standpipe in agricultural districts.

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b. Fire hydrants shall be spaced along the streets not more than three hundred (300) feet apart in business, commercial, industrial, hotel, and apartment districts, and not more than six hundred (600) feet apart in residential, rural and agricultural districts. Standpipes shall be spaced not more than 600 feet apart. The Company shall determine the location of all hydrants and standpipes. All standpipes and fire hydrants required for adequate fire protection of a subdivision shall normally be located within the Development. If, in the interest of better fire protection, it is determined that one or more of the required hydrants may serve the Development to better advantage if located outside the Development, they may be so located with cost to be borne by the Developer.

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

FIRE PROTECTION SCHEDULE

MINIMUM FIRE FLOW REQUIREMENTS
BY ZONING DISTRICT

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

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d. Fire hydrants and standpipes are not required for new Developments which fall completely within a radius of (1) 300 feet from the nearest existing fire hydrant in business, industrial, commercial, hotel, and apartment districts, (2) 600 feet from the nearest existing fire hydrant in residential districts, or (3) 600 feet from the nearest fire hydrant or standpipe in rural and agricultural districts. Where Developments or any portion of a Development is outside such radius, compliance with subsections a. and b. shall be required.

23.4 INCREASE IN SIZE OF MAINS.

a. Increase in size of Main extensions for Water Service to other areas.

Whenever the Company finds it is necessary that the water mains proposed to deliver water to a Development should be of a greater capacity, in order to supply water and fire protection to other property, the Company will require the installation of a larger size main.

b. Increase in size of Mains within Developments for benefit of other areas.

Whenever, in order to provide for existing or future services beyond the boundaries of a Development, the company finds that the mains to be installed within the Development should be of greater capacity than would otherwise be required, the Company will require the installation of larger size mains.

c. Reimbursement for additional costs of Mains.

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

(2) Before the Developer enters into a contract where a reimbursement to the Developer for additional cost of the Main to a Development shall be made, the Company shall review and either approve or reject said contract. Prior to the installation of the larger size Main, the Developer shall enter into an agreement with the Company.

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23.5 MAIN EXTENSION. If the Company's facilities in the area are inadequate, or if facilities are not readily available to serve a Development, the Developer must extend a main from the nearest adequate facility. The main so constructed, connecting the Development water system to the nearest point of adequacy of the Company Water System, is termed a main extension.

23.6 LATERALS, DEAD-ENDS, ALTERATIONS TO COMPANY WATER SYSTEM.

a. Laterals.

(1) Where main construction is necessary, the Developer shall provide each lot in the Development with a service lateral from the main to the lot boundary as specified in the "Standards for Water System Construction". As an alternate, one service lateral meeting the minimal size requirement for two-lot Developments, as provided in paragraph 7.2 hereof, may be installed for each two (2) lots.

(2) Where the lots to be created front along an existing main, service laterals as required above in paragraph 7.6a.(1) shall be installed by the Developer and supervised by the Company or as agreed upon with the Company.

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

c. Alterations to Company Water System.

(1) All work and materials in connection with the change in location or grade of any part of the existing Company Water System made necessary by the Development shall be at the expense of the Developer.

(2) When required by the Company, contours or elevations shall be furnished by the Developer based upon United States Coast and Geodetic Survey or County of Hawaii data.

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23.7 PREPARATION OF PLANS, INFORMATION ON PLANS, APPROVAL OF PLANS, DELAYS IN CONSTRUCTION.

a. All construction plans governing water systems shall be prepared by a registered engineer to the extent of his professional qualifications under the laws of the State of Hawaii and shall include a certification of compliance with these Rules and Regulations. Preliminary maps and final maps of Developments to be reviewed by the Company shall fully conform to the requirements of these Rules and Regulations.

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

(1) Name of Development, name of Developer, name of engineer, and location of Development;

(2) Date, north arrow, scale, tax key;

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

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

(5) The description, including alignment and width, of all easements for the water system.

(6) A general layout map showing the locations of lots and streets within the Development and its near vicinity together with the existing and proposed water systems.

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(7) A small key location inset or vicinity map showing the proposed Development in relationship to streets and Mains in the area.

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

c. No construction of a Project Water System or any portions thereof, to be connected to the Company Water System shall be undertaken prior to approval of the final construction plans and specifications by the Company, as required. After said approval, the Developer shall transmit four (4) sets of all final construction plans and specifications and one (1) set of original drawings prepared in ink on linen to the Company.

d. If any period exceeding one (1) year or such extensions as may be granted passes without substantial progress in the construction of the water facilities, after approval of plans and specifications by the Company, the plans and specifications thereof shall be resubmitted to the Company for review and for making such changes as it deems proper because of changed conditions or revision of standards.

23.8 DEVELOPMENT ELEVATION AGREEMENT.

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

b. Any Development for which elevation agreements have been signed may be permitted to connect to the Company Water System while at the same time maintaining its own private Project Water System pursuant to the requirements, conditions, and specifications of the Company.

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c. Any such agreement shall be recorded with the Bureau of Conveyances of the State of Hawaii and/or filed with the Land Court of the State of Hawaii.

23.9 MATERIALS AND CONSTRUCTION STANDARDS, INSTALLATION OF WATER SERVICE, INSPECTION OF WORK.

a. Materials and construction standards.

(1) All pipes, fittings, and valves shall meet the American Water Works Association specifications. All pipes in sizes four-inches and less shall be galvanized malleable iron pipe or equal, except that service laterals and connections shall be hard-drawn copper tubing, Type K, soldered joints, and all fittings for same shall be copper. Pipes must be ductile iron, Class 52 with a maximum of 1/8-inch cement mortar lining.

(2) All fittings shall be cast iron with a minimum workmanship pressure of 250 psi.

(3) Pipes, fittings, valves, and other appurtenances required in the installation of mains within a Development shall be new.

(4) The design, construction procedures, and workmanship with respect to any Project Water System, or any portion thereof, that are to be connected to the Company's Water System shall be in accordance with the requirements of the State Department of Health, the County of Honolulu and all other applicable laws, rules and regulations.

b. Installation of Water Service. No Water Service shall be approved, except service for Development construction purposes, until the Project Water System, including all the improvements required by these Rules and Regulations, has been completed and accepted by the Company and approved by appropriate State and County agencies.

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

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d. The developer shall notify the Company five (5) business days in advance of commencing work.

23.10 OWNERSHIP OF INSTALLED WATER SYSTEM.

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

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

23.11 MODIFICATION OF REQUIREMENTS. When conditions pertaining to any Development are such that the Consumer may be properly served with water and with fire protection without full and strict compliance with these Rules and Regulations, or where the Development site or layout is such that the Customer's interest will be adequately protected, such modification thereof as is reasonably necessary or expedient, and not contrary to law or the intent and purpose of these Rules and Regulations, may be made by the Company. The Company retains the right to modify any requirements, provided that the modification will in no way jeopardize Water Service to those Consumers already served in the area.

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23.12 CONSTRUCTION AGREEMENT AND BOND. To secure approval prior to construction of the required improvements, insofar as the construction of the Project Water System is concerned, the Developer shall enter into an agreement with the Company to make, install and complete all of the required improvements within a specified time and file with the Company a surety bond or other security, as hereinafter specified, to assure the Company of the actual construction and installation of the improvements and utilities shown on the approved construction plans. The agreement shall specify, insofar as the Project Water System is concerned, that the Developer will complete the same to the satisfaction of the Company, and shall provide that if the Developer shall fail to so complete such work within the time specified, or such extension as may be mutually agreed upon, the Company may complete the same and recover the full cost and expense thereof from the Developer. The bond or other security to be filed with the Company with the aforesaid agreement shall be one of the following (provided, that in all instances where a surety bond is filed, it shall be executed by the Developer, as principal, and by a surety company authorized to transact a surety business in the state, as surety):

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

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

c. A deposit of money with the Company, or a responsible escrow agent designated by the Company as agent of the Company, in an amount equal to the cost of the construction of said improvements as estimated by the Company. Under this arrangement, the

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agreement may provide for approved progress payments to be made to the contractor for materials used and services and labor performed out of said deposit as the work progresses; provided that said progress payments shall at no time exceed the value of the completed portion of said improvements; or

d. In lieu of the surety bond or deposit in escrow mentioned in paragraphs a., b., and c. above, the Developer may deposit with the Company a bond or other negotiable securities acceptable to the Company in the amount prescribed by the applicable paragraph.

23.13 REPAIR AND REPLACEMENT OF IMPROVEMENTS. Prior to acceptance, the Developer shall enter into an agreement with the Company and shall file with the Company a surety bond or other approved bond to insure the repair and replacement of Project Water System improvements in accordance with standards acceptable to the Company for a period of one (1) year from the date of dedication to and acceptance by the Company. The amount of the surety bond or other approved bond shall be at least ten percent (10%) of the cost of construction as estimated by the Company.

23.14 REIMBURSEMENTS TO COMPANY. The Company shall be reimbursed for all reasonable costs and expenses incurred by the Company in a) its review of any plans and specifications submitted by a Developer, b) its inspection of any work to be done and any materials used in connection with the installation of the Project Water System, and c) any other matter related to the acceptance of the Project Water System by the Company.

SECTION 24
SEVERABILITY

If any rule, section, sentence, clause, or phrase of these Rules and Regulations or their application to any person or circumstance of property is held to be invalid, the remaining portions 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.

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SECTION 25
FORCE MAJEURE

The Company shall not be liable in any way for shortages, deficiencies, or interruptions, adverse impact to the quality, or other aspects of the supply of water due to acts of God, the elements, earthquakes, power failures, interruptions by government or court orders, strikes, lockouts or other industrial disturbances, inability to obtain pipe or other material or equipment or labor, wars, riots, insurrections, epidemics, explosions, breakage, or any other cause beyond the Company's reasonable control; provided, however, that in the event of a repairable mechanical failure, the Company shall make efforts it deems reasonable to repair the failure within a reasonable period of time.

SECTION 26
PENALTY

As set forth above, if the Consumer fails to comply with any of these Rules and Regulations, the Company reserves the right to discontinue water service within five days after written notice of intent to do so, unless the Consumer corrects the violation prior to such discontinuance. Any change in ownership or occupancy of the premises shall not be cause for reducing or eliminating these penalties.

RULES AND REGULATIONS

FORM OF APPLICATION FOR SERVICE

Water Service Application Form
LAIE WATER COMPANY, INC.

55-510 Kamehameha Highway, Laie, HI 96762 (808)293-9201

APPLICATION FOR ()New water meter service, ()New Customer with existing meter

SERVICE: LOCATION: _____ **TMK:** _____

(Street address/apartment/unit number)

The undersigned hereby applies to Laie Water Company for water service at the above location, pending approval, and in consideration of the installation of such water service and/or meter, agrees to pay all charges incurred upon such location for such water service and to abide by all rules, regulations and provisions of the Laie Water Company relating to water service and/or rates.

Date: _____

Name: _____

Billing Address: _____

Home Phone: _____ Work Phone: _____

Have you ever had water service with LWC before? ()Yes ()No

Requested date, if any, for commencement of service: _____

Applicant's interest in service location (must be one of the following)

()Property Fee owner ()Lessee with lease of 1 year or more

Fee Charges (full payment required before water service begins):

Restoration/Rule 17 charge: \$50.00 or \$75.00 (off hours):

()Cash ()Check Date _____ Receipt# _____

Deposit \$100.00(if required) ()Cash ()Check Date _____ Receipt# _____

Tap-in/Connection Charge: \$3,100.00, adjusted as applicable in accordance with the Company's rules:

\$ _____

()Cash ()Check Date _____ Receipt# _____

Plot Map required with new water meter service only: () Received

By signing this application, I confirm that the information provided by me is true and correct to the best of my knowledge and that I am 18 years or older. I also understand that Laie Water Company, Inc. may request additional information in connection with the requested service, including, without limitation, references, credit history, and a copy of the lease, etc. I agree to provide such information or authorization, if any, necessary to obtain such information.

Signature

Date

Issued by: John Henderson
55-510 Kamehameha Highway
Laie, Hawaii 96762-1193

Filed: March 16, 2001
Effective: March 28, 2001

RULES AND REGULATIONS

IMPORTANT SHUT-OFF NOTICE FOR
NONPAYMENT OF WATER BILL

Date: _____

We regret to inform you that your water service will be discontinued because of nonpayment of your water bill(s) in accordance with Rule 12.1a of the Rules and Regulations of the Laie Water Company (the "Company") unless payment of your water bill(s) is received in our office on or before ten (10) days from the date shown on this Notice.

If you wish to obtain clarification on your delinquencies or if you wish to dispute the shutoff of your water service, please contact our offices immediately by telephoning us during our normal business hours at 293-9201 or writing to us as soon as possible at Laie Water Company, Attn: Shutoff Dispute, 55-510 Kamehameha Highway, Laie, Hawaii 96762. Please be aware, however, that such contact or notification will not necessarily forestall or prevent the shutoff of your water service. Consequently, we advise you to contact us at once if you feel that this notice has been sent to you in error.

If your landlord normally pays your water bill, you have the right to call the Laie Water Company to change the water service into your name and have the service continued. Then your landlord must pay the past bill. However, you will then be responsible for all future bills.

If water service is turned off for nonpayment of bill(s), all outstanding bills, plus a restoration of service fee of \$50.00 (or \$75.00 for restoration during non-business hours) must be paid in full at our office before water service will be restored. Office hours are 9:00 a.m. to 5:00 p.m., Monday through Friday, except Holidays.

If you have any questions regarding the above, please call the Laie Water Company, Inc. at 293-9201.

LAIE WATER COMPANY, INC.

Issued by: John Henderson
55-510 Kamehameha Highway
Laie, Hawaii 96762-1193

Filed: March 16, 2001
Effective: March 28, 2001

RULES AND REGULATIONS

IMPORTANT SHUT-OFF NOTICE

We regret to inform you that your water service will be discontinued because _____

under _____ of the Rules and Regulations of the Laie
Water Company ("Company"), unless _____

If you wish to obtain clarification on your violation(s) or if you wish to dispute the shutoff of your water service, please contact our offices immediately by telephoning us during our normal business hours at 293-9201 or writing to us as soon as possible at Laie Water Company, Attn: Shutoff Dispute, 55-510 Kamehameha Highway, Laie, Hawaii 96762. Please be aware, however, that such contact or notification will not necessarily forestall or prevent the shutoff of your water service. Consequently, we advise you to contact us at once if you feel that this notice has been sent to you in error.

If water service is turned off for the above-stated reason, a restoration of service fee of \$50.00 (or \$75.00 for restoration during non-business hours) must be paid in full at our office before water service will be restored. Office hours are 9:00 a.m. to 5:00 p.m., Monday through Friday, except Holidays.

If you have any questions regarding the above, please call the Company, Inc. at 293-9201.

LAIE WATER COMPANY, INC.