HAWAII-AMERICAN WATER COMPANY

GENERAL SEWER SERVICE RULES AND REGULATIONS

CHECK LIST SHEET

SHEET	REVISION
TITLE	ORIGINAL
CHECK LIST	FIRST REVISED
1	FIRST REVISED
2	FIRST REVISED
2A	FIRST REVISED
3	ORIGINAL
4	ORIGINAL
5	ORIGINAL
6	ORIGINAL
7	ORIGINAL
8	ORIGINAL
9	ORIGINAL
10	ORIGINAL
11	ORIGINAL
12	ORIGINAL
13	ORIGINAL
14	ORIGINAL
15	ORIGINAL
16	ORIGINAL
16A	ORIGINAL
17	ORIGINAL
18	ORIGINAL
19	ORIGINAL
20	ORIGINAL
21	ORIGINAL
22	ORIGINAL
23	ORIGINAL
23A	ORIGINAL
24	ORIGINAL
25	ORIGINAL
26	FIRST REVISED

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 HAWAII-AMERICAN WATER COMPANY located within the service territory on the island of Hawaii attached hereto as Exhibit A.

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. The word "Company" shall mean the HAWAII-AMERICAN WATER COMPANY, a Nevada corporation.

b. The word "Customer" shall mean the firm, corporation, partnership, association (e.g. Homeowner Association "HOA"), 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.

c. The term "Cost of Service Connection" shall mean the sum of the cost of the labor, materials, transportation, equipment, and road repair, if any, and other incidental charges necessary for the complete installation of a service connection.

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

e. The term "Garbage" shall mean the solid wastes from the preparation, cooking, and dispensing of food and from the handling, storage and sale of produce.

f. "Garbage Properly Shredded" shall mean garbage that has been properly shredded to such a degree that all particles will be carried freely under normal flow conditions in the Company's sewerage system.

g. "Slug" shall mean any discharge of water, sewage, or industrial waste which in concentration of any given constituent or in quantity of flow exceeds (for any period of duration longer than 15 minutes) five times the average 24-hour concentration of flows during normal operation.

h. "BOD" (denoting Biochemical Oxygen Demand)

shall mean the quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure in five (5) days at 20˚C, expressed in milligrams per liter (mg/l).

i. "pH" shall mean the logarithm of the reciprocal of the weight of hydrogen ions in grams per liter (gm/l) of solution.

j. "Company's sewer" shall mean the sewer lines and facilities on the side of the service connection leading to the Sewage Treatment Plant.

k. "Building Sewer" shall mean the sewer line running from the drains within the Customer's property which receive and pass the discharge from soil, waste and other drainage pipes of the Customer to the Company's sewer. In the case of homeowner (HOAs) or condominium Associations, building sewer shall mean the gravity collection system serving the association and associated appurtenances such as pump stations, lift stations and force mains.

1. "Service Connection" shall mean the point and installation where the Company's sewer is connected to the building sewer.

m. "Service Extension Charge" shall mean the fee which the Customer may be required to pay in connection with the Development of his property. In the case of the Homeowner's Association (HOAs) the service connection shall be at the property line at which the HOA's gravity collection system connects to that of the Company's. Should a force main convey wastewater beyond the property held by the HOA, the service connection shall be where the HOA's force main discharges into either the company's gravity collection system or treatment plant; or connects to a company owned force main.

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

o. "Offsite Facilities" shall mean collection or trunk sewers which connect the individual building sewers within a particular Development to the nearest practicable point designated by the Company in the Company's sewerage system having a capacity adequate to receive and accommodate the Development's sewerage discharge.

p. "Special Facilities" shall mean those sewerage facilities (including, without limitation, pumping stations, force mains and sewer mains) which in addition to the Company's then

existing sewerage system may be necessary or reasonably required by the Company to transport and dispose of a particular Development's sewerage.

q. "Notice of discontinuance" means written notice to the Company by a Customer that he wishes to discontinue service. Notice is effective the date correspondence is stamped as received by the Company.

r. "Residential Dwelling Unit" shall mean a dwelling unit where a person /tenant resides that is not attached to a second dwelling unit or part of a building or structure containing two or more dwelling units within the HOA.

s. "Condominium Residential Dwelling Unit" is one that is not a Residential Dwelling Unit within the HOA.

SECTION 2
GENERAL PROVISIONS

2.1 The Company shall provide sewer service only in the area shown on the map attached hereto as Exhibit A. Any prospective Customer whose premises are located within said area may upon compliance with these Rules and Regulations obtain sewer service from the Company.

2.2 The amounts to be paid for sewer service shall be in accordance with the rates on file with the Public Utilities Commission of the State of Hawaii (PUC herein). The Company will be applying to the PUC for sewer service rate increases from time to time to cover any and all costs, including without limitation, costs of a) operation, b) initial capital and plant improvements, c) future capital and plant improvements, d) other reasonable and appropriate items as authorized by the PUC, and (e) improvements required for compliance with applicable county, state, federal and agency environmental and other laws and regulations. Total costs of initial and future capital and plant improvements are not and have not been included in each owner's purchase price of respective condominiums or hotels. The existing rates and tariffs for the Company are attached hereto as Exhibit B.

2.3 The Company shall not be obligated to provide sewer service to an applicant for service until the applicant for service has paid, in full, any applicable service extension charge.

2.4 Application for sewer service and service connection shall be made in accordance with these Rules and Regulations.

2.5 An applicant for sewer service may be required to establish or reestablish credit in accordance with these Rules and Regulations. A deposit may be required in connection with sewer service, in accordance with Section 4 of these Rules and Regulations.

2.6 Billing, payment of bills, late payment charges and costs of collection for sewer service shall be in accordance with these Rules and Regulations.

SECTION 3
APPLICATION FOR SEWER SERVICE AND SERVICE CONNECTION

3.1 Each prospective Customer will be required to sign the standard application form for the sewer service desired, assuming responsibility for the payment of future charges for sewer service at the designated location, before sewer service will be provided for any use whatever. The person signing the application form shall be the Customer and liable for the payment of all charges for sewer service at the designated location. The application form shall require the following information:

a. Name of applicant.

b. Location of premises to be served.

c. Date applicant will be ready for service.

d. Whether the premises have been heretofore supplied.

e. Purpose for which service is to be used, with description of equipment.

f. Whether applicant is fee owner or ground lessee of premises.

g. Mailing address.

h. Business address and occupation.

i. Reference as requested.

j. Such other information as the Company may reasonably require, including, without limitation, plans and specifications for any building sewer proposed by the Customer.

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

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

3.4 Service may be granted only to property owners or to those having leases with at least a one (1) year term. Service may be provided to tenants of any lessee or owner if the lessee or owner will guarantee the tenant's service charges.

3.5 Unless otherwise provided by mutual agreement between the Company and the Customer, charges will begin when connection of the building sewer is made to the Company's sewer and will continue thereafter until disconnected by the Customer or by the Company for failure of the Customer to comply with the Rules and Regulations.

3.6 When an application for sewer service is made by a Customer who was responsible for and failed to pay all bills previously rendered by the Company, the Company may refuse to furnish sewer service to such applicant until the outstanding bills are paid.

3.7 A Customer having a right to possession of property without having made application to the Company for service to such property, shall be held liable for the sewer service from the date of the last payment received by the Company. If proper application for sewer service is not made upon notification to do so by the Company, and if accumulated bills for sewer service are not paid within thirty (30) days after deposit in the United States mail or upon presentation to the Customer, the sewer service shall be subject to discontinuance without further notice.

3.8 A Customer, prior to making any material change in the location, size, flow, character, or extent of the equipment or operations for which the Company's service is utilized, shall give the Company written notice of the extent and nature thereof together with the plans and specifications therefor not less than sixty (60) days before the change is to be undertaken. The extent and nature of the change shall be subject to the Company's approval, which approval may be contingent upon the Customer's payment of the cost of any alteration to the Company's sewerage system as provided in Section 5, Rule 5.8 below. The Company's failure to approve or disapprove the change within sixty (60) days after receipt of written notice thereof shall be construed as approval.

SECTION 4
ESTABLISHMENT AND REESTABLISHMENT OF CREDITS AND DEPOSITS

4.1 Establishment of Credit. Each applicant for service will be required to establish credit in one of the following ways before service will be rendered:

a. Establish a record of prompt payment for service for one (1) year and without having been disconnected for nonpayment during such period.

b. Have a substantial equity in the premises to be served, or in other real estate located within the Company's area of service of substantial value in relation to charges for service to be rendered.

c. Furnish a guarantor satisfactory to the Company to secure payment of bills for the service requested.

d. Make a cash deposit to secure payment of bills for service to be furnished by the Company, as provided in Rule 4.3.

4.2 Reestablishment of Credit.

a. An applicant who previously has been a Customer of the Company and whose service has been discontinued for nonpayment of bills shall be required, before service is rendered, to pay all amounts owning to the Company and to establish credit as provided in Rule 4.1.

b. A Customer may be required to reestablish his credit in the manner prescribed in paragraph "a" of this rule in case the basis on which credit was originally established has materially changed.

4.3 Deposits. The amount of the deposit, when required under this section, shall be $100.00. The deposit shall earn 2% simple interest per year. The Customer is entitled to a refund of his or her deposit in cash or may have the deposit applied as credit against his or her bill, after establishing a record of prompt payment for twelve (12) consecutive months.

SECTION 5
CONNECTIONS AND CUT-OFFS

5.1 Service Connection. When the application for a service connection has been approved, such connection shall be installed by the Customer at its expense. Thereafter the connection shall be and remain the sole property of the Company, but the Customer shall be responsible for its maintenance and repair. The size, alignment, materials and method of construction, including without limitation, jointing and testing of the service connection shall conform to the building and plumbing code or other applicable rules and regulations of the County of Hawaii and the Company. In the event of any conflict between the building and plumbing code or other applicable rules and regulations of the County of Hawaii and the Rules and Regulations of the Company, the stricter shall apply, unless otherwise agreed to by the Company.

5.2 Connection Charge. If the Company deems it necessary under the circumstances, it may at its option install the Customer's service connection at the Customer's expense. In such event a charge equal to the Company's estimate of the cost of the service connection, but in no event less than $500.00 will be paid by the applicant before the connection is installed. If the actual cost is less than the payment, the applicant will be refunded the difference. If the actual cost is more than the payment, the applicant shall pay the difference to the Company upon receipt of the Company's billing therefor.

5.3 Building Sewer. The Customer shall install his building sewer at his expense. The building sewer 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 the building sewer, including without limitation, the methods to be used in excavating, placing of pipe, jointing, testing and backfilling the trench, shall conform to the requirements of the building and plumbing code or other applicable rules and regulations of the County of Hawaii and the Company. In the event of any conflict between the building and plumbing code or other applicable rules and regulations of the County and the Rules and Regulations of the Company, the stricter shall apply, unless otherwise agreed to by the Company. Wherever any drain is too low to permit gravity flow to the Company's sewer, sewage carried

by such drain shall be lifted by an approved means and discharged to the building sewer.

5.4 Connection to Company's Sewer Main. Only employees of the Company or duly licensed contractors approved by the Company will be allowed to connect or disconnect the service connection to or from the Company's sewer main.

5.5 Size of Service Connection. The Company will determine the location and size of all service connections to its system. The Company also reserves the right to limit the number of houses or buildings and/or the area of land to be serviced by any one or more service connections.

5.6 Change in Location or Size of Service Connection. If the Customer desires a change in size of the service connection or a change in the location thereof, the Customer shall bear all costs of such change.

5.7 Sewer Clean-Out. A readily accessible sewer clean-out will be installed by the Customer on his building sewer at a location to be determined by the Company. If a replacement of the clean-out is necessary, it shall be done and paid for by the Customer.

5.8 Alteration to Sewerage System. All work and materials in connection with the change in location, elevation or alterations of any kind whatsoever to any part of the Company's existing sewerage system made necessary or required by any change in location, flow, character, size or extent of the equipment or operations for which the Company's service is utilized, shall be done and furnished by the Company or duly licensed contractors approved by the Company and paid for by the Customer. All such work and material when completed and installed shall be and remain the sole property of the Company.

5.9 Construction and Donation of Sewerage Facilities Due to Development. An applicant requesting service of a Development shall give the Company written notice of the extent and nature thereof together with the plans and specifications therefor not less than ninety (90) days before the construction of the Development is to be undertaken. The extent and nature of the Development with respect to sewage disposal shall be subject to the Company's

approval, which approval will be contingent upon the applicant's installation of the sewerage facilities within the Development and such other Offsite and Special Facilities as may be necessary or required by the Company. Upon installation of all such Facilities and the acceptance thereof by the Company, the applicant shall forthwith donate same to the Company at no cost to the Company. The foregoing requirements are in addition to any Service Extension Charge the applicant may be required to pay because of his Development.

SECTION 6
PAYMENT OF BILLS

6.1 Bills. The Customer will be billed the monthly charge for sewer service in equal monthly installments each in advance and all bills shall be due and payable within thirty (30) days after deposit in the United States mail or presentation to the Customer. 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 the due date of thirty (30) days after deposit in the United States mail or presentation to the Customer, the Company may disconnect service after the Company has given the Customer written notice that the Customer has five (5) business days within which to settle the Customer's account or have service disconnected, and the Customer fails to pay within such five (5) business day deadline.

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

6.3 Collection Costs. In addition to any late payment charges, Customer is responsible for any court costs and attorney's fees incurred in collecting any bills.

6.4 Disputes. Any dispute regarding the charges appearing on the bill must be received by the Company in writing no later than fifteen (15) 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 fifteen (15) 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.

SECTION 7
UNACCEPTABLE WASTES

7.1 No person shall discharge or cause to be discharged any storm water, surface water, ground water, roof run-off, subsurface drainage, swimming pool water, uncontaminated cooling water, or unpolluted process waters to any sanitary sewer.

7.2 No person shall discharge or cause to be discharged any of the following described waters or wastes to any sewers of the Company:

a. Any gasoline, benzene, naphtha, fuel oil, or other flammable or explosive liquid, solid, or gas.

b. Any waters or wastes containing toxic or poisonous solids, liquids, or gases in sufficient quantity, either singly or by interaction with other wastes, to injure or interfere with any sewage treatment process, constitute a hazard to humans or animals, create a public nuisance, or create any hazard in the receiving waters of the sewage treatment plant, including but not limited to, cyanides in excess of two (2) mg/l as CN in the wastes as discharged to the sewer of the Company.

c. Any waters or wastes having a pH lower than 5.5 or having any other corrosive property capable of causing damage or hazard to structures, equipment, and personnel of the sewage works.

d. Solid or viscous substances in quantities or of such size capable of causing obstruction to the flow in sewers, or other interference with the proper operation of the sewerage works such as, but not limited to, ashes, cinders, sand, mulch, straw, shavings, metals, glass rags, feathers, tar, plastics, wood, unground garbage, whole blood, paunch manure, hair and fleshing, entrails and paper dishes, cups, milk containers, etc., either whole or ground by garbage grinders.

e. Any other substance, of whatever nature or form, disposal of which is prohibited by applicable federal, state, county or agency environmental or other law, rule or regulation.

7.3 No person shall discharge or cause to be discharged the following described substances, materials, waters, or wastes if it appears likely in the opinion of the Company that such wastes can harm either the sewers, sewage treatment process or equipment, have an adverse effect on the receiving stream, or can otherwise endanger life, limb, public or private property, or constitute a nuisance. In

forming an opinion as to the acceptability of these wastes, the Company will give consideration to such factors as the quantities of subject wastes in relation to flows and velocities in the sewers, materials of construction of the sewers, nature of the sewage treatment process, capacities of the sewage treatment plant, degree of treatability of wastes in the sewage treatment plant, and other factors. The substances prohibited are:

a. Any liquid or vapor having a temperature higher than one hundred fifty degrees (150°) F.

b. Any waters or waste containing fats, wax, grease, or oils, whether emulsified or not, in excess of one hundred (100) mg/l or containing substances which may solidify or become viscous at temperatures between thirty-two (32°) and one hundred fifty degrees (150°) F.

c. Any garbage that has not been properly shredded. The installation and operation of any garbage grinder equipped with a motor of three-fourths (3/4) horsepower or greater shall be subject to the review and approval of the Company.

d. Any waters or wastes containing strong iron pickling wastes, or concentrated plating solutions, whether neutralized or not.

e. Any waters or wastes containing iron, chromium, copper, zinc, and similar objectionable or toxic substances; or wastes exerting an excessive chlorine requirement, to such degree that any such material received in the composite sewage at the sewage treatment works exceeds the limits established by the Company for such materials.

f. Any waters or wastes containing phenols or other taste- or odor-producing substances, in such concentrations exceeding limits which may be established by the Company as necessary, after treatment of the composite sewage, to meet the requirements of the state, federal, or other public agencies of jurisdiction for such discharge to the receiving waters.

g. Any radioactive wastes or isotopes of such half-life or concentration as may exceed limits established by the Company in compliance with applicable county, 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 discharge to the receiving waters.

7.4 If any waters or wastes are discharged, or are proposed to be discharged to the Company's sewers, which waters contain the substances or possess the characteristics enumerated in this section, and which in the judgment of the Company may have a deleterious effect upon the sewage works of the Company, processes, equipment, or receiving waters, or which otherwise create a hazard to life or constitute a public nuisance, the Company may:

a. Reject the wastes,

b. Require pretreatment to an acceptable condition for discharge to the sewers of the Company,

c. Require control over the quantities and rates of discharge to the sewers of the Company,

d. Require payment to cover the added cost of handling and treating the wastes not covered by

existing sewer charges under the provisions of this section.

7.5 If the Company permits the pretreatment or equalization of waste flows, the design and installation of the plants and equipment shall be subject to the review and approval of the Company, and subject to the requirements of all applicable federal, state and county codes, ordinances, and laws.

7.6 Grease, oil, and sand interceptors shall be provided when, in the opinion of the Company, they are necessary for the proper handling of liquid wastes containing grease in excessive amounts, or any flammable wastes, sand, or other harmful ingredients. All interceptors shall be of a type and capacity approved by the Company and shall be located as to be readily and easily accessible for cleaning and inspection.

7.7 Where preliminary treatment, flow-equalization or interceptor facilities are provided for any waters or wastes, they shall be maintained continuously in a satisfactory and effective operation by the Customer at Customer's expense.

7.8 When required by the Company, the Customer having any property serviced by a building sewer carrying industrial or commercial wastes shall install a suitable control manhole together with such necessary meters and other appurtenances in the building sewer to facilitate observation, sampling, and measurement of the wastes. Such manhole, when required, shall be accessibly and safely located and shall be constructed in accordance with plans approved by the Company. The manhole shall be installed by the Customer at Customer's expense and shall be maintained by Customer so as to be safe and accessible at all times.

7.9 All measurements, tests, and analyses of the characteristics of water and wastes to which reference is made in these Rules and Regulations shall be determined in accordance with the latest edition of "Standard Methods for the Examination of Water and Wastewater," published by the American Public Health Association, and shall be determined at the control manhole or at such sampling station or stations as the Company deems appropriate.

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

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

SECTION 8
INTERRUPTION OF SERVICE

8.1 The Company will exercise reasonable diligence and care to provide adequate sewer service to the Customer and to avoid interruptions in service, but will not be liable for any interruption or insufficiency of service or any loss or damage occasioned thereby.

8.2 The Company reserves the right at any and all times to shut off service without notice for the purpose of making repairs, extensions, alterations, or for other reasons. Repairs or improvements will be prosecuted as rapidly as practicable and, insofar as practicable, at such times as will cause the least inconvenience to the Customer. Except in the case of emergency repairs, the Company shall use its best efforts to give the Customer at least 24 hours notice before shutting off service.

SECTION 9
DISCONTINUANCE OF SERVICE

9.1 Nonpayment of Bills. Sewer service may be discontinued for nonpayment of a bill within the period prescribed in these Rules and Regulations.

9.2 Noncompliance With the Company's Rules and Regulations; Tampering With Service. If the Customer fails to comply with any of these Rules and Regulations, or tampers with the service facilities of the Company, the Company will have the right to discontinue the service.

9.3 Company's Right to Refuse or Discontinue Service.

a. The Company may refuse to grant service or may discontinue existing sewer service to any premises to protect itself against fraud, abuse, or disposal of unacceptable wastes.

b. The Company may refuse to furnish service, and may discontinue the sewer service to any premises, where the demands of the Customer will result in inadequate service to others.

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

9.5 Vacating Premises; Customer's Notice of Discontinuance. Each Customer about to permanently vacate any premises supplied with sewer service by the Company shall give at least two days' notice of his intention to vacate prior thereto, specifying the date service is desired to be discontinued; otherwise the Customer shall be held responsible for all sewer service furnished to such premises until the Company has received such notice of discontinuance. Before any buildings are demolished, the Customer is responsible for notifying the Company so the service connection can be closed. See definition of the term "notice of discontinuance" in Section 1.

SECTION 10
LIABILITY FOR REPAIR COSTS

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

SECTION 11
INGRESS TO AND EGRESS FROM CUSTOMER'S PREMISES

11.1 Any officer or employee of the Company shall have the right to ingress to and egress from the Customer's premises at all reasonable hours for any purpose reasonably connected with the furnishing of sewer service to said premises or the operation of the sewer system and the exercise of any and all rights secured to it by law or these Rules and Regulations.

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

SECTION 12
CUSTOMER RESPONSIBILITY

12.1 The Customer shall, at his own risk and expense, furnish, install, and keep in good and safe condition all equipment that may be required for utilizing the sewer service supplied by the Company.

SECTION 13
SERVICE EXTENSIONS

13.1 Extensions of sewer mains from the Company's sewerage system to serve new Customers, and connections to main extensions with respect to which a Service Extension Charge was made, shall be made under the provisions of this Section 13. A main extension contract shall be executed by the Company and the applicant before the Company commences construction work on a main extension or, if a main extension has been constructed by applicant, before the facilities comprising the main extension are transferred/donated to the Company.

13.2 A Service Extension Charge may be either refundable or non-refundable depending on its use. The non-refundable construction cost, for the purposes of this Section 13, shall be the cost of installing 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 resulting in a greater footage of extension than required for the service requested, the oversizing cost, for the purposes of this Section 13, 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 Rules 13.6(g) and 13.6(h).

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

a. Any facilities installed 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 Section 13 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 main extension deposit, at the time of execution of the main extension contract, the estimated net cost of relocating, raising or lowering facilities upon establishment of final grades. Adjustment of any difference 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.

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

a. As part of the application for a main extension, the applicant’s engineer shall prepare a preliminary sketch and rough estimates of the cost of installation to be contributed/donated 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 main 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 estimate, the applicant‘s engineer shall make those changes at no expense to the Company.

13.5 Timing and adjustment of Service Extension Charge payments shall be in accordance with the following provisions:

a. Unless the applicant for the main extension elects to arrange for the installation of the extension himself, as permitted by Rule 13.6(e), the full amount of the required Service Extension Charge will be required by the Company at the time of execution of the main extension contract. An acceptable surety bond may, at the sole discretion of the Company, also be acceptable.

b. If the applicant for a main 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 a main extension who makes a Service Extension Charge payment 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 have been ascertained by the Company.

e. Any difference between the actual construction costs and the total amount of the Service Extension Charge payment shall be shown as a revision of the amount of the Service Extension Charge and shall be payable by the applicant, or by the Company, as applicable, within thirty (30) days of date of submission of a statement.

13.6 Service Extension Charge payments and refunds shall be treated in the following manner:

a. Unless the procedure outlined in Rule 13.6(e) is followed, an applicant for a main extension to serve a new development, subdivision, tract, housing project, industrial development or organized commercial district, etc., shall be required to pay to the Company, before construction is commenced, a non-refundable Service Extension Charge payment 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 main extension without additional extension. The cost of the extension shall include necessary connections, pipes, fittings, valves, valve boxes, meters, meter enclosures, booster stations, pressure regulating stations, and other distribution appurtenances and Hawaii and Federal income taxes applicable to the payment calculated by the full gross up method.

b. If Offsite and/or Special Facilities consisting of items not covered by Rule 13.6(a) are required for the service requested, the cost of the special facilities shall be included as part of the Service Extension Charge.

c. In addition to the amounts required by Rules 13.6(a) and 13.6(b), an applicant for a main extension shall be required to advance to the Company as part of the Service Extension Charge the oversizing cost estimated by the Company for the main extension deemed to be appropriate by the Company. (This additional contribution shall be refundable in accordance with Rules 13.6(g) and 13.6(h)).

d. A pioneer, for the purposes of this Section 13, shall be a developer/customer who makes a Service Extension Charge payment that includes the oversizing cost of a main extension.

e. In lieu of providing the Service Extension Charge payment in accordance with Rules 13.6(a), 13.6(b) and 13.6(c), the applicant for a main extension shall be permitted, if deemed to be qualified in the sole judgment of the Company, to construct and install the facilities, or to arrange for their installation. If main extension facilities are arranged for by 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 Company pursuant to Rule 13.4(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 Rule 13.3(a). At the time of dedication, the customer/developer will pay to the Company any applicable 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 above.

f. If a subsequent applicant connects to a main 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 main 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 Rules 13.6(g) and 13.6(h).

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

h. Unless otherwise agreed to by the subsequent applicant(s) and the respective pioneer(s), 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 main extension was placed into service. Notwithstanding the above, no refunds shall be due nor required following this ten (10) year period. Refunds shall be made without interest. The total refunds which a pioneer may receive shall not exceed the amount of the Service Extension Charge paid by the pioneer.

i. All Service Extension Charge payments and extension refund charges shall include Hawaii and Federal income tax applicable to the payment/charge calculated at the marginal income tax rate applicable to corporations using a full gross-up method.

13.7 Any contract entered into under this Section 13 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.

13.8 Main extension contracts may be terminated as follows: Any contract entered into under Rule 13.6 may be purchased by the Company and terminated, provided the payment is not in excess of the remaining contract balance.

SECTION 14
SEVERABILITY

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

SECTION 15
AUTOMATIC POWER COST ADJUSTMENT CLAUSE

In December of each year, the Company will calculate the actual rate per kWh for the prior twelve-month period beginning on December 1 of the preceding year and ending on November 30 of the current year ("Measurement Year") by dividing the total electric expense by the total adjusted kWh for that period to determine the Measurement Year electric expense per kWh. The Company will then compare the rate per adjusted kWh for the Measurement Year with the base rate per adjusted kWh as determined in the last rate proceeding and use the difference to determine the Automatic Power Cost Adjustment Clause ("APCAC"), which will be added or subtracted from the Company's then effective rates and applied prospectively for the next twelve (12) months beginning January 1 and ending December 31 ("Implementation Year").

The difference in the electric cost per adjusted kWh will then be multiplied by the base year adjusted kWh, and the result divided by the Measurement Year revenues to obtain an adjustment percentage which shall be applied to the then effective rates as follows:

1.	Measurement Year Electricity Cost	* To be determined
2.	Measurement Year adjusted kWh Usage	* To be determined
3.	Measurement Year Cost per adjusted kWh (Line 1 / Line 2)	* To be determined
4.	Base Year Cost per adjusted kWh	$0.4010
5.	Increase (Decrease) in Cost per adjusted kWh (Line 3 - Line 4)	* To be determined
6.	Base Year adjusted kWh	718,762
7.	Cost Increase (Decrease) (Line 5 * Line 6)	* To be determined
8.	Grossed-up for Revenue Taxes @1.0512 (Line 7 * 1.0512)	* To be determined
9.	Measurement Year Revenue	* To be determined
10	Percent Increase (Decrease) Required (Line 8 / Line 9)	* To be determined

* The annual APCAC computation will reflect the actual recorded amounts for the Measurement Year. The Percent Increase (Decrease) (i.e., line 10) will be applied to all of the approved rates as set forth in HAWC's Sewer Rate Schedule beginning in January of the Implementation Year. The resulting rates will be billed for each month of the Implementation Year until a new APCAC is computed. The Company will prepare and maintain an annual reconciliation of the APCAC revenue collected during the Implementation Year compared with the change in electricity expense to be recovered through the APCAC for the Measurement Year.

EXHIBIT A

SERVICE TERRITORY

(SEE ATTACHED)

EXHIBIT A
SERVICE TERRITORY

HAWAII AMERICAN WATER
Mauna Lani

Legend
Service Area Boundary
Mauna Lani

N

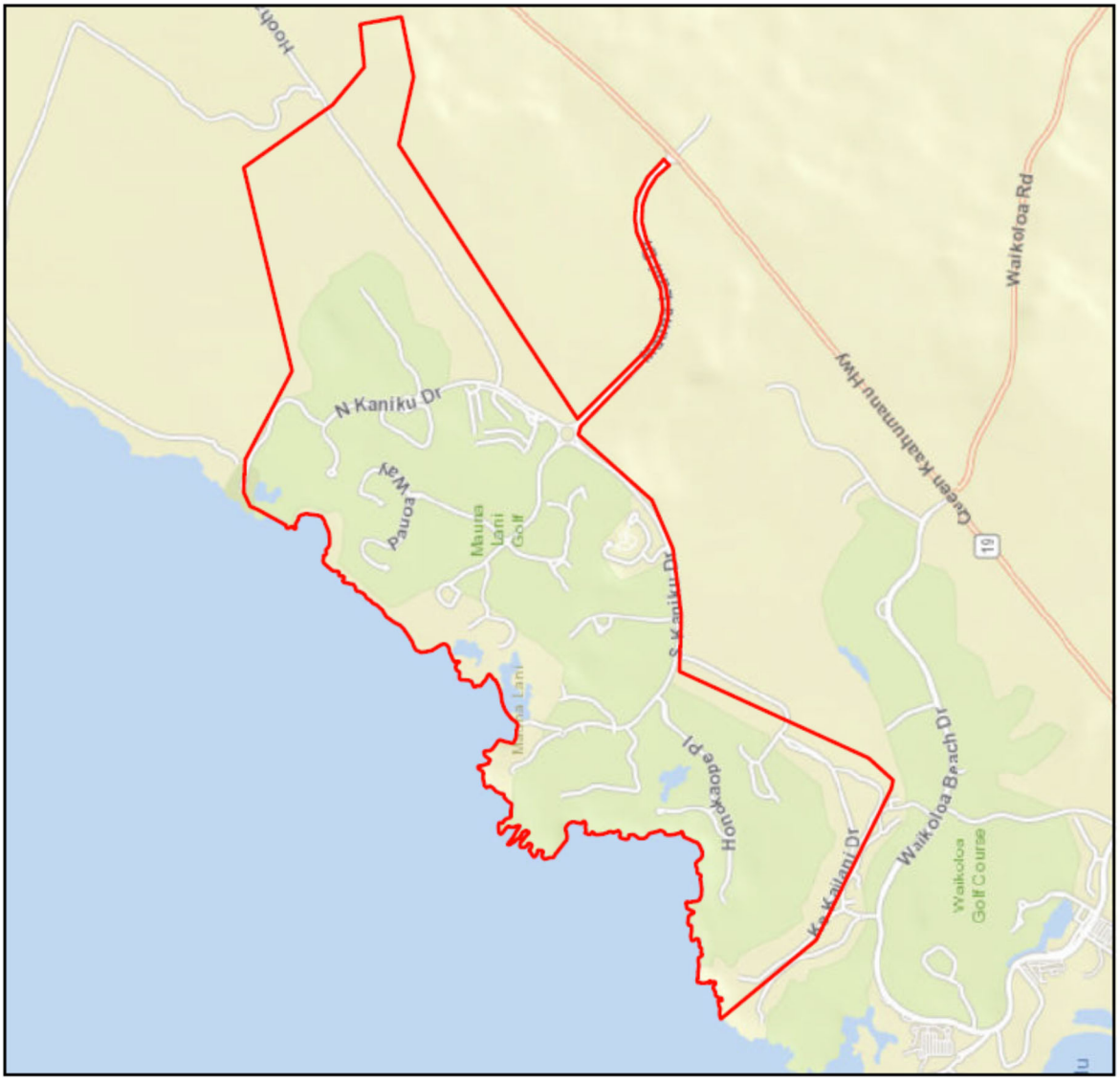

EXHIBIT B

RATE SCHEDULE

1. Condominiums

The monthly sewer service charge for condominium residential dwelling units shall be $58.49 per month per dwelling unit, effective August 1, 2025. Effective February 1, 2026, the monthly sewer service charge shall be $71.20 per month per dwelling unit.

2. Hotel

The monthly sewer service charge for hotels shall be $58.49 per hotel room unit per month, effective August 1, 2025. Effective February 1, 2026, the monthly sewer service charge shall be $71.20 per hotel room unit per month.

3. Commercial

The monthly sewer service charge for each commercial establishment shall be $58.49 per equivalent unit, effective August 1, 2025. Effective February 1, 2026, the monthly sewer service charge for each commercial establishment shall be $71.20 per equivalent unit. Equivalent units already established by the Company for its existing commercial Consumers will remain in effect. The equivalent unit for a new commercial Consumer will be calculated based on the Company's estimated water usage for that Consumer.

4. Homeowners Associations

The monthly sewer service charge for each residential dwelling within the Homeowners Association, including common facilities, shall be $58.49 per equivalent unit calculated based on the number of square feet of the dwelling to a base of 1,582 square feet, effective August 1, 2025. Effective February 1, 2026, the monthly sewer service charge shall be $71.20 per equivalent unit.

For Example, from August 1, 2025 to January 31, 2026, a residential dwelling with 6,300 square feet would have an equivalent billing unit of 3.982 (i.e., 6,300/1,582) and a monthly charge of $232.91 (i.e., $58.49 x 3.982).

****