

**AQUA PUHI, LLC**  
**dba PUHI SEWER & WATER COMPANY**

**RULES AND REGULATIONS**  
**GOVERNING RATE SCHEDULES AND THE**  
**PROVISION OF NON-POTABLE WATER SERVICES**  
**TO CUSTOMERS**

**PSWC TARIFF NO. 2**

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**CHECKLIST SHEET**

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### **FORWARD**

These Rules and Regulations have been adopted to establish uniform practices governing non-potable water service and to define the obligations of the Company to Customers and of Customers to the Company.

It is the policy of the Company to render adequate and satisfactory service to all Customers.

The Company's service area on the island of Kauai, Hawaii, is shown on the map attached hereto as Exhibit A.

### **SYMBOLS**

When a change in tariff sheet is filed with the Commission, attention shall be directed to such change by a symbol along the right-hand margin of the tariff sheet utilizing the following symbols as appropriate:

- (C) To signify change in wording of text which may result in change in rate, rule, or condition.
- (D) To signify discontinued material, including listing, rate, rule, or condition.
- (I) To signify an increase in the rate shown.
- (L) To signify material relocated from or to another part of tariff schedules with no change in text, rate, rule, or condition.
- (N) To signify new material including listing, rate, rule, or condition.
- (R) To signify a reduction in the rate shown.
- (T) To signify change in wording of text but not change in rate, rule, or condition.

### **TARIFF HANDLING AND PROCEDURE**

Revisions to this tariff will be handled by issuing a revised sheet or sheets or issuing a Supplement. Revised sheets will have the same number as the original and will cancel the original or previous revision of the sheet. Supplements may cancel previous supplements and, if so, will be stated as such. If additional sheets are required to facilitate a revision, the sheet will be numbered with a letter added to the number to indicate insertion between that number and the following number, i.e., 1-A would be a new sheet following sheet 1.

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**RULE I  
DEFINITIONS**

For the purpose of these Rules and Regulations, unless it is plainly evident from the context that a different meaning is intended, certain words and phrases used herein (whether used in the singular or the plural) are defined as follows:

1. "Company" means Aqua Puhi, LLC, dba Puhi Sewer & Water Company, a Hawaii limited liability company.

2. "Company Non-Potable Water System" means the network of pipelines and other appurtenances which furnish a supply of non-potable water to the Customer and which network is owned, operated, and maintained by the Company.

3. "Cost of Service Connection" means 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.

4. "Customer" means the person, firm, corporation, association, or governmental department, whether owner or tenant, whose name appears on the records of the Company as the party receiving non-potable water service (regardless of the actual identity of the user of the service) and responsible and liable for payment of charges to the Company.

5. "Customer's Supply Pipe" means the pipe extending from the Service Connection to the Customer's facility.

6. "Main" means the Company's supply or distribution pipe from which Service Connections are made.

7. "Notice of Discontinuance" means written notice to the Company by a Customer that the Customer wishes to discontinue service. Such notices shall be given to the Company no later than fifteen (15) days in advance of the date that service is to be discontinued, and shall specify the date service is desired to be discontinued. The Company will receive such notices only during business hours, Monday through Friday, not including holidays.

8. "Service Connection" means the main tap, pipe, fittings, valves, and appurtenances from the non-potable water main, including the meter and shut-off valve, to the Customer's Supply Pipe, as determined by the Company.

9. "Subdivision" means improved or unimproved land divided or proposed to be divided into two or more lots, parcels, sites, or other divisions of land for purposes, whether immediate or future, of sale, lease, rental, transfer of title to, or interest in, any or all of such parcels, and shall include resubdivision, and when appropriate to the context shall relate to the process of subdividing of the land or territory subdivided. Easements for roadway or access purposes shall be construed as subdivided land. The term includes a building or group of buildings, other than a hotel, containing or divided into three (3) or more dwelling units. Planned unit developments and condominiums shall be included in this definition for purposes of this rule.

RULE II  
**GENERAL CONDITIONS**

1. Prospective Customers and Customers are hereby notified that the non-potable water provided by the Company is comprised of a mixture of surface stream water and reclaimed water (i.e., treated effluent from the Company's wastewater treatment plant). By requesting and accepting non-potable water service from the Company, the Customer agrees to abide by the State of Hawaii, Department of Health's rules and regulations, as may be amended from time, regarding the use of non-potable water and the use of treated effluent.

2. Where pressure conditions permit, any prospective Customer whose premises are within the service area identified in paragraph 5 of this rule and adjacent to a Main may obtain non-potable water service, provided that the Company has a sufficient non-potable water supply developed to take on new or additional service without detriment to those already served, and provided that the Customer otherwise agrees to abide by these Rules and Regulations.

3. Where an extension of Mains is necessary or where large quantities of non-potable water are required or a substantial investment is necessary to provide service, before non-potable water service may be approved, the Customer will be informed by the Company as to the conditions and charges to be made for the particular area and situation in question, such that non-potable water can be delivered in adequate quantities and pressure for irrigation or other non-potable water uses under peak conditions.

4. All non-potable water supplied by the Company will be measured by means of suitable meters registering in gallons. The amounts to be paid for non-potable water service shall be in accordance with the rates on file with the Public Utilities Commission of the State of Hawaii. The Company will determine the location and size of all meters and Service Connections to its system. All Service Connections shall become the property of the Company for operation and maintenance after installation and new connections or disconnections may be made thereto by the Company at any time.

5. The Company shall provide non-potable water service in the areas listed and identified on the map attached hereto as Exhibit A.

RULE III  
**CONSERVATION MEASURES AND INTERRUPTION  
OF NON-POTABLE WATER SUPPLY**

1. The Company will exercise reasonable diligence and care to deliver an adequate supply of non-potable water to the Customer and to avoid shortages or interruptions in service. The Company will not be liable for any interruption, shortage, insufficiency of supply, lack of or excessive pressure, termination of non-potable water service without notice for conservation measures and for other reasons deemed necessary and proper, or for any loss or damage occasioned thereby.

2. The Company will not be liable for temporary colored or turbid water conditions caused by emergency repair of Mains and other circumstances or acts of God beyond the Company's control.

3. Whenever, in the Company's opinion, special conservation measures are advisable in order to forestall non-potable water shortage and a consequent emergency, the Company may restrict the use of non-potable water by any reasonable method of control.

4. The Company shall use reasonable efforts to give its Customers at least twenty-four (24) hours notice before shutting off service; provided, however, that the Company reserves the right, at any and all times, to shut off non-potable water from the Mains without notice for the purpose of making emergency repairs, extensions, or alterations. The Company will not be responsible or liable for any property loss or damage incurred by the Customer due to such interruption of service. Customers depending upon a continuous supply of non-potable water shall provide emergency non-potable water storage and any check valves or other devices necessary for the protection of plumbing or equipment against failure of the pressure or supply of non-potable water in the 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 Customer.



RULE IV  
**ELEVATION AGREEMENT, PRESSURE CONDITIONS**

1. Where property is situated at such an elevation that it cannot be assured of a dependable supply of non-potable water from, or of adequate service from, the Company Non-Potable Water System, the Customer, in consideration of connection with the Company Non-Potable Water System, must agree to accept such non-potable water service as the Company is able to render from its existing facilities, or to install (if necessary) and maintain at the Customer's expense, a tank and pump of suitable design and of sufficient capacity to furnish an adequate and dependable supply of non-potable water. The Company shall make reasonable efforts to maintain pressure in its Mains, but shall not accept responsibility for failing to maintain pressure and shall not accept any liability for any loss due to lack of pressure. The Customer shall execute a written release in favor of the Company for all claims on account of any inadequacy in the Company Non-Potable Water System or inadequacy of non-potable water supply to the Customer.

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

3. When required by the Company, the Customer shall install an air gap or other protective device(s) between the Customer's Supply Pipe and the Service Connection.

4. The Company will use reasonable efforts to maintain a minimum of forty (40) pounds per square inch of non-potable water pressure at the Customer's property line; however, notwithstanding the foregoing, the Company does not guaranty and will not accept responsibility to maintain such pressure in its Mains.

RULE V  
**APPLICATION FOR NON-POTABLE WATER SERVICE  
AND SERVICE CONNECTION**

1. Each prospective Customer will be required to sign and deliver to the Company the standard application form for the non-potable water service desired, assuming responsibility for the payment of future charges for non-potable water service at the designated location, before non-potable water is turned on. The Customer signing the application form shall be liable for the payment of all charges for non-potable water service at the designated location. The standard application form for non-potable water service is attached hereto as Exhibit B.

2. Service may be granted only to property owners or to lessees with at least a one-year (1) lease term. Service may be provided to tenants of any lessee or property owner only if such lessee or owner will guarantee the tenant's service charges and co-sign the application for non-potable water service. If a tenant is responsible for and fails to pay non-potable water bills rendered, the lessee or property owner who co-signed the application for non-potable water service shall pay such bills, and in the event of such lessee's or property owner's failure to do so, the Company may refuse to furnish services until the outstanding bills are paid.

3. Charges will begin when the non-potable water service is established and will continue until a Notice of Discontinuance is received from the Customer, or until discontinuation by the Company for failure of the Customer to comply with these Rules and Regulations.

4. When an application for non-potable water service is made by a former Customer who was responsible for and failed to pay any bills previously rendered by the Company, the Company may refuse to furnish non-potable water service to such former Customer until the outstanding bills are paid. In such case, the Company may charge a deposit equal to three months estimated billing. Such deposit shall be held for the benefit of the Customer and shall accrue interest at the current business savings account rate offered by the bank in which the funds are deposited. The deposit, with interest, shall be refunded within thirty (30) days after the final bill is paid or after twelve (12) months of timely payment, whichever comes first.

5. A Customer taking possession of property and using non-potable water, without having made an application to the Company for non-potable water service to such property, shall be held liable for the non-potable water service provided from the date of the last recorded meter reading. If proper application for non-potable water service is not made upon notification to do so by the Company, and if accumulated bills for non-potable water service are not paid upon presentation, the non-potable water service may be discontinued without further notice.

6. Prior to making any material change in the size, character, or extent of the equipment or operations for which the Company's service is utilized, a Customer shall give the Company written notice of the extent and nature of the change, not less than ten (10) days before the change is made.

RULE VI  
CONNECTIONS AND CUT-OFFS

1. Installation. When the application for non-potable water service has been approved, the Service Connection will be installed by the Company at the expense of the Customer and, thereafter, will be maintained by the Company at its expense. There shall be one meter for each Service Connection, unless the Company, because of operating necessity, installs two or more meters in parallel. All meters will be sealed by the Company before installation and no seal shall be altered or broken except by one of the Company's authorized employees, agents, or representatives. All meters shall be installed in locations selected by the Company. The stop-cock valve, before the meter, is installed for the sole use of employees, agents, or representatives of the Company. All Service Connections shall become the property of the Company for its operation and maintenance after installation, and new connections or disconnections may be made thereto by the Company at any time.

2. Deposit. A deposit at least equal to the Company's estimate of the Cost of Service Connection (but in no case less than \$500.00) will be required of the prospective Customer before the Service Connection is installed. If the actual Cost of Service Connection is in excess of the deposit, the Customer will be billed and shall pay for the difference. If the actual Cost of Service Connection is less than the deposit, the Customer will be refunded the difference. In the event that a meter box is required, the Customer shall be responsible for construction of the meter box in accordance with the Company's standards.

3. Customer's Supply Pipe. The Customer shall install and connect, at the Customer's expense, the Customer's Supply Pipe. The Customer's Supply Pipe shall at all times remain the sole property of the Customer, who shall be responsible for its maintenance and repair. If the Customer's Supply Pipe is installed before the Service Connection is set, the Company will not be responsible for the connection between the Service Connection and the Customer's Supply Pipe.

4. Connection to the Main. Only employees, agents, or representatives of the Company will be allowed to connect or disconnect a Service Connection to or from the Main.

5. Compensation. Employees, agents, or representatives of the Company are strictly forbidden from demanding or accepting personal compensation from Customers for services rendered.

6. Pipe Through Wall. Where a Customer requires the Customer's Supply Pipe to be extended through a wall, such Customer shall provide the entranceway through such wall and shall be responsible for the Service Connection. The Company will not be responsible for any damage caused by leakage through or inside such entranceway.

7. Location of Service Connection or Main. The Company will determine the location and size of all Service Connections. No Service Connection or Main will be installed by the Company in any private road, lane, street, alley, court, or place, until: (i) such private road, lane, street, alley, court, or place is brought to proper grade, and (ii) the Company is granted proper easements or other rights satisfactory to the Company for the Main or Service Connection. Otherwise, a prospective Customer desiring non-potable water service to property fronting on such private roads, lanes, streets, alleys, courts, or places must extend the Customer's Supply Pipe to the nearest public street on which a Main exists.

8. Change in Location or Size of Service Connection. When the proper size of a Service Connection for any premises has been determined and the installation has been made, the Company has fulfilled its obligations insofar as the size of the service and the location is concerned. If the Customer subsequently desires a change in size or location of the Service Connection, such Customer shall bear all costs of such change.

9. Shut-Off Valve. A readily accessible shut-off valve controlling all outlets will be installed by the Company at the expense of the Customer at a location to be determined by the Company. If a replacement of the shut-off valve is necessary, it shall be installed by the Company and paid for by the Customer.

10. Alteration to Water System. All work and materials in connection with any change in location or elevation to any part of the existing Company Non-Potable Water System, made necessary by a new Service Connection shall be at the expense of the Customer.

11. Contours or Elevations. When required by the Company, contours or elevations shall be furnished by the Customer or prospective Customer, based upon United States Coast and Geodetic Survey ("U.S.C.G.S.") or County of Kauai data.

12. Size of Meter or Service Connection. The Company will determine the location and size of all meters and Service Connections to its system. The Company also reserves the right to limit the number of structures, and/or the land area to be supplied by one Service Connection.

13. Overranging Meters. If the Company determines that additional non-potable water usage within a premises or service location has increased the flow of the non-potable 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 Customer to increase the size of the meter or to install an additional meter(s) at the Customer's expense

**RULE VII  
[RESERVED]**

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**RULE VII**  
**[RESERVED]**

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RULE VII  
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RULE VIII  
**METER READING, RENDERING OF BILLS AND PAYMENT OF BILLS**

1. All non-potable water supplied by the Company will be measured by means of suitable meters registering in gallons.
2. 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 accounts or for other reasons.
3. For the purpose of computing charges, all meters serving the Customer'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 Customer's Supply Pipe.
4. All bills shall be due and payable no later than thirty (30) days after deposit in the United States mail or other 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 Customer's bill is not paid within thirty (30) days after presentation or deposit in the United States mail, such Customer's non-potable water service shall be subject to discontinuance without further notice.
5. 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. A charge of \$20.00 will be imposed for each check returned unpaid to the Company. If a Customer fails to pay the charges payable hereunder on or before the due date and the Company is required to undertake additional measures to pursue collection of the overdue sums, in addition to the remedies available hereunder, the Customer shall reimburse the Company for the reasonable costs incurred by the Company in connection with such collection measures.
6. The Customer shall submit any dispute regarding the charges appearing on the bill to the Company in writing no later than twenty (20) days following 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 twenty (20) days of its receipt of the written dispute. Notwithstanding any such dispute, the Customer shall pay the disputed bill, under protest, within the time required by this rule to avoid discontinuation of service. In the event that the Company and the Customer cannot resolve the dispute within thirty (30) days after notice of the dispute has been received by the Company, the dispute will be submitted to a single arbitrator for final determination in accordance with the Commercial Arbitration Rules of the American Arbitration Association. In the event the Customer and the Company are unable to agree upon a single arbitrator, the arbitrator shall be selected in accordance with said Commercial Arbitration Rules.
7. If a meter cannot be read or fails to register due to any cause except the non-use of non-potable water, an estimated bill for a period of up to one (1) year may be rendered. Such estimated bill will be subject to equitable adjustment taking into account all reasonable factors before, during, and after the period of said bill.

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8. If a Customer fails to pay the non-potable water service charges as provided herein, the Company may engage the service of an attorney(s) or other collection agent(s) to collect such charges. The Customer shall pay all collection charges, including all fees and costs of the attorney(s), regardless of whether a lawsuit is filed.

**RULE IX**  
**METER TESTS AND ADJUSTMENTS OF BILLS FOR METER ACCURACY**

1. Any Customer that doubts the accuracy of a meter serving such Customer's premises or service location may request a test of such meter. If the Customer requests, the Company will notify the Customer of the time and date of the meter test, so that the Customer may, if desired, witness the meter test. The Customer will be charged the actual costs connected with the meter test if the meter is accurate within a range of plus or minus five percent (5%); otherwise, no charge will be made for meter tests if the meter is inaccurate.

2. If, as a result of a meter test, a meter is found to register more than five percent (5%) fast under conditions of normal operation, the Company will refund to the Customer the overcharge based on past consumption, for a period not exceeding six (6) months, unless it can be proved that the error was due to some cause, the date of which can be fixed. In this latter case, the overcharge shall be computed back to, but not beyond, such date.

3. If, as a result of a meter test, a meter is found to register more than five percent (5%) slow under conditions of normal operation, the Company will bill the Customer the undercharge based on past consumption, for a period not exceeding six (6) months, unless it can be proved that the error was due to some cause, the date of which can be fixed. In this latter case, the additional charge shall be computed back to, but not beyond, such date.

**RULE X  
TERMINATION OF SERVICE AND DISCONNECTION**

1. Any Customer, prior to vacating any premises supplied with non-potable water by the Company, shall submit to the Company a Notice of Discontinuance. If a proper Notice of Discontinuance is not submitted, the Customer shall be held responsible for all non-potable water service furnished to such Customer's premises until the Company has received a proper Notice of Discontinuance. Before any improvements (to which the Customer's Supply Pipe is connected) on a Customer's premises are demolished, the Company should be notified so that the Service Connection can be closed.

2. Closing bills will ordinarily be determined by measuring the amount of non-potable water used since the last bill, as indicated by the meter reading, and adding a pro-rated service charge. In pro-rating service charges, a billing month will be considered as thirty (30) days. If a meter cannot be read, an estimated billing will be rendered.

3. Non-potable water service may be discontinued for non-payment of any bill within the period prescribed in these Rules and Regulations.

4. If a 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 such Customer's service, so long as the Company gives such Customer at least five (5) days advance written notice of its intent to terminate service.

5. The Company may refuse to grant non-potable service to, or may discontinue existing non-potable water service to, any premises to protect itself against fraud, abuse, or unauthorized use of non-potable water.

6. Where negligent or wasteful use of non-potable water exists on any premises, the Company may discontinue the non-potable water service if such conditions are not corrected within five (5) days after giving the Customer written notice of such negligent or wasteful use and the Company's intent to terminate service.

7. The Company may refuse to furnish non-potable water, and may discontinue non-potable water service to any premises where the demands of the Customer will result in inadequate service to others.

8. The Company may assess a daily penalty on any Customer in lieu of discontinuance of service; such penalty shall be equal to ten percent (10%) of the Customer's average monthly bill from the prior six (6) month period. Upon ten (10) successive days of imposing such penalties, service will be discontinued in addition to the monetary penalties already assessed. Any change in ownership or occupancy shall not be cause for reducing or eliminating these penalties.

**RULE XI**  
**RESTORATION OF NON-POTABLE WATER SERVICE**

If non-potable water service is turned off 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 Customer plus the charge for restoration of non-potable water service must be paid before non-potable water service will be restored. The charge for restoration of non-potable water service shall be equal to the Company's estimate of the cost to restore non-potable water service, but in no case less than One Hundred and No/100 Dollars (\$100.00). If the actual cost of restoration of non-potable water service is in excess of the payment, the Customer will be billed and shall pay for the difference. If the actual cost is less than the payment, the Customer will be refunded the difference.

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RULE XII  
**INGRESS TO AND EGRESS FROM CUSTOMER'S PREMISES  
AND SERVICE LOCATION**

Any authorized employee, agent, or representative of the Company shall have the right of ingress to and egress from the Customer's premises and/or service location at all reasonable hours for any purpose reasonably connected with the furnishing of non-potable water service to said premises or service location and the exercise of any and all rights secured to the Company by law or these Rules and Regulations. In case any such person is refused admittance to any premises or service location, or is hindered or prevented from carrying out such person's duties, the Company may cause the non-potable water to be turned off from said premises or service location after giving twenty-four (24) hours advance notice of its intention to do so to the owner or occupant of said premises or service location; however, if the Company's business office is closed (for weekend, holiday, or over night) at the time the twenty-four (24) hour period expires, shut-off will not occur any earlier than 10:00 a.m. on the morning that the Company's business office is next open.

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**RULE XIII**  
**RESPONSIBILITY FOR NON-POTABLE WATER RECEIVING EQUIPMENT**

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 receiving, controlling, applying, and utilizing non-potable water supplied by the Company. 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 Customer or of any of the Customer's tenants, agents, employees, contractors, licensees, or permittees in installing, maintaining, using, operating, or interfering with any such equipment.

2. The Customer will be responsible for maintenance and repairs to pipes and fixtures on the Customer's side of the meter.

3. Non-potable water service may be discontinued to any Customer whose water system includes plumbing fixtures, or non-potable water containers in any form, or of any use, which in the opinion of the Company may endanger the Company's non-potable water supply from a public health standpoint. Any such discontinuation of service shall continue until objectionable installations have been corrected and the Company has been assured that the objectionable uses and practices will not be resumed.

4. The Company will not be responsible, and the Customer will be responsible, for water damage or other damage to property caused by spigots, faucets, valves, and other equipment that may be open when non-potable water is turned on at the meter, whether this occurs at the time of first installation or after a temporary shutdown.

5. 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 Company shall make reasonable efforts to notify the Customer of any necessary repairs. The Customer shall exercise reasonable care to prevent damage to meters and other equipment of the Company and shall in no way interfere with the operation of the same.



**RULE XIV  
ABATEMENT OF NOISES**

Where it has been determined that noises emanating from a Customer's premises are caused by plumbing fixtures or other equipment attached to non-potable water pipes and such noises are being transmitted through the non-potable water pipes and causing annoyance to other Customers, the Company may issue a notice in writing to the offending Customer or to the owner or occupant of such premises, or to such Customer's, owner's, or occupant's agent, giving reasonable time within which to correct or to remove the cause of complaint. Failure on the part of such Customer, owner, occupant, or other person responsible to correct or remove the cause of the noise will be sufficient reason for discontinuance of non-potable water service to the Customer until such time as the condition complained of has been remedied.

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**RULE XV  
ELECTRICAL GROUNDING**

1. No protective grounding of alternating current secondary distribution circuits made to the Company Non-Potable Water System shall be permitted.
2. No grounding of direct current system to any portion of the Company Non-Potable Water System shall be permitted.
3. The Company will not be responsible for maintaining a continuous metallic non-potable water piping system and reserves the right, without liability to any electric public utilities, electric customers and consumers, or any other agency or individual, to create a physical break in its service connections and Mains, and/or to incorporate non-metallic pipes and appurtenances in its system and to make joints of any materials, without regard to such materials' efficiency as conductors of electricity and without giving notice.

**RULE XVI  
CUSTOMER'S PUMPING INSTALLATIONS**

1. Customers shall not be permitted to install or operate pumps pumping non-potable water directly from the Mains of the Company Non-Potable Water System except in cases where the Company has given the Customer prior written approval of such pumping. 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 non-potable water service extended by the Company to other Customers.

2. All approvals given by the Company under this section shall be revocable upon thirty (30) days advance written notice, during which period the Customer, if such Customer desires to continue the operation of the pump, shall eliminate the objectionable features causing the giving of such written notice.

3. No pump shall be equipped with a direct non-potable water supply connection for priming purposes except with the written permission of the Company.

RULE XVII  
NON-POTABLE WATER SERVICE

1. General Overview of Service

(a) It is the Company's goal to provide non-potable water to its Customers. The Company recognizes that non-potable water is a valuable resource and strives to promote conservation and wise use of non-potable water.

(b) The Customer's premises will be served by a non-potable water distribution system **for irrigation and other non-potable water purposes only, and not for Customer or human consumption**. It is general knowledge in Hawaii that surface stream and/or reclaimed (i.e., treated effluent) water may contain contaminants and people should not drink such non-potable water. There could be contaminants in the non-potable water and/or the Company Non-Potable Water System that, if consumed, may cause illness or death. The Company will not be liable for any illness, death, or other damages caused by Customer or human consumption, or other misuse of the non-potable water (including, but not limited to, any uses in violation of the State of Hawaii, Department of Health's rules and regulations, as may be amended from time to time, regarding the use of non-potable water and the use of treated effluent).

(c) The Company does not guarantee the availability of the non-potable water in the future.

(d) No Customer will be served by the non-potable water system until the Mains and laterals necessary for such Customer's service are completed and connected to the central source and supply of non-potable water.

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

(f) All Customers must ensure that no cross connections between potable and non-potable water lines occur on private lands.

(g) The Company reserves its right to inspect the non-potable system installed on private lots. Inspections may include, but are not limited to, the following: checking backflow preventers, the use of color-coded equipment, separation of potable and non-potable systems, and the type of non-potable systems used.

(h) All Customers will be required to pay a one-time charge for the installation of a non-potable water meter. The charge will vary according to the size of the meter requested by the Customer.

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

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

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

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

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

CAUTION: NON-POTABLE WATER – DO NOT DRINK

- or -

CAUTION: RECLAIMED WATER – DO NOT DRINK

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

(e) Warning Signs and Labels. Where non-potable water is used for recreational impoundments, warning signs will be installed to notify that the water in the impoundment is unsafe to drink. A detailed plan will be prepared showing placement and spacing of the proposed signs. Where non-potable water is used for irrigation, warning signs will be installed. At a minimum, warning signs will contain half-inch (1/2") black or white letters on a purple (Pantone 512) background notifying the public that the water is unsafe to drink.

Warning signs and labels will read:

CAUTION: NON-POTABLE WATER – DO NOT DRINK

- or -

CAUTION: RECLAIMED WATER – DO NOT DRINK

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

(f) Identifying Marks.

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

CAUTION: NON-POTABLE WATER – DO NOT DRINK

- or -

CAUTION: RECLAIMED WATER – DO NOT DRINK

- or -

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

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

CAUTION: NON-POTABLE WATER – DO NOT DRINK

- or -

CAUTION: RECLAIMED WATER – DO NOT DRINK

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

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

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

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

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

(iv) *Cross-Connection.* Cross-connections resulting from the use of non-potable water and potable water services, whether by design, construction practice, or system operations, are prohibited.

(v) *Hose Bibbs.* Hose bibbs on non-potable water systems are prohibited.

**3. Non-potable Water Systems on Private Lands**

- (a) Hose Bibbs. Hose bibbs are prohibited on non-potable irrigation systems.
- (b) Cross Connection. Separation of the potable and non-potable systems shall be maintained to prevent cross connection.
- (c) Color-Coded Equipment. All meters, meter covers, valves, valve boxes, and pop-up heads installed in a non-potable irrigation system shall be color-coded purple (Pantone 512) so as to differentiate the non-potable from the potable water systems.
- (d) Hoses. No hoses shall hook up to the non-potable irrigation water system.
- (e) Backflow Protection. Backflow protection with an approved air gap (HG) is required on all potable and non-potable systems. Backflow preventers shall be installed immediately after the meter at the street edge of the serviced property.
- (f) Maintenance of System and Inspection. It is the responsibility of the individual property owner and/or Customer to ensure that all best practices are observed in the installation and operation of the non-potable water system. The non-potable irrigation water system installed on private lots may be inspected by the Company at any time.

**4. Non-Potable Water Quality**. No claim is made as to the suitability of the non-potable water for the irrigation of specific crops. The Company assumes no liability for the changing characteristics of the non-potable water or damage to crops or irrigation systems caused by the non-potable water.

**5. Non-Potable Water Quantity**. The Company will use reasonable means for providing a uniform and adequate supply of non-potable water and distributing the non-potable water in an equitable manner, but cannot and shall not be held liable for damage to crops associated with inadequacies in supply.

**6. Damage to Mainlines and Valves**. All irrigation systems shall be operated in such a manner as not to cause damage or accelerated wear on mainlines, valves, and other devices in the Company Non-Potable Water System. Any damage to the Company Non-Potable Water System caused by the operation of an irrigation system or by general farming operations near the facility will be repaired by the Company and paid for by the individual or organization responsible for the damage.

**7. Violation of Rules and Regulations will result in disconnection of service.**  
The Company may shut off non-potable water immediately and disconnect service when it believes any Customer is not abiding by these Rules and Regulations, or is in any way risking the health of system users. All owners of serviced property must ensure that all tenants and people who are using the land are made aware of the risks of the dual water system to ensure that the non-potable water is not consumed by humans.

RULE XVIII  
**CROSS-CONNECTIONS, BACKFLOW PROTECTION, AND  
IRRIGATION SYSTEM ANTI-SIPHON VALVES**

1. As a protection to the Customer's piping system, a suitable pressure relief valve must be installed and maintained by the Customer, at the Customer's expense, when backflow devices are installed on the Customer's side of the meter.

2. Any device installed for the prevention of backflow, as may be required under these Rules and Regulations, shall, unless the Company approves otherwise in writing, be located above ground and in such a manner as to be safe from flooding or submergence in non-potable water or other liquids, properly protected from external damage, freely accessible, and with adequate working room for inspections, testing, and repairing.

All such devices shall be tested by the Customer at least once every four (4) months and inspected internally by the Customer not less than once annually. Repairs, replacement of parts, etc., shall be made whenever necessary at the expense of the Customer. Making of tests and annual inspections shall be the responsibility of the Customer and shall be made by the Customer or other qualified person or persons in accordance with methods acceptable to the Company. The Customer will maintain a log of tests and inspections made. Records of tests and inspections shall be made on forms prescribed by the Company and a copy of such records shall be furnished by the Customer to the Company. Failure of the Customer to make the proper tests and submission of records may, at the option of the Company, result in the Company's making the tests, needed repairs and replacements, and charging the costs thereof to the Customer.

3. The several conditions relative to the installation and maintenance of cross-connections and other physical connection referred to in this Section shall be subject to change to meet changing requirements of the State and Federal health authorities and of the County Building Code.



**RULE XIX  
RESALE OF NON-POTABLE WATER**

Unless specifically agreed upon by the Company in writing, a Customer shall not resell any non-potable water received by such Customer from the Company.

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Issued: July 17, 2015

By: Hugh A. Strom  
Authorized Representative

Effective: July 15, 2015

Decision and Order No. 32519

**RULE XX**  
**[RESERVED]**

**RULE XXI**  
**SEVERABILITY**

If any rule, section, sentence, clause, or phrase of these Rules and Regulations, or the application of these Rules and Regulations 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 rule, section, sentence, clause, or phrase be declared unconstitutional or invalid.

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Issued: July 17, 2015

Effective: July 15, 2015

By: Hugh A. Strom  
Authorized Representative

Decision and Order No. 32519

### SCHEDULE OF RATES

Effective upon approval by the Hawaii Public Utilities Commission.

Non-potable Water Service Rate:

<u>Rate</u>	<u>Usage/Month</u>
\$1.55	Per Thousand Gallons

All of the above charges are exclusive of any applicable service connection and extension charges and/or any other charges imposed by these Rules and Regulations.

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Authorized Representative

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**EXHIBIT A**  
(Map of Service Area)

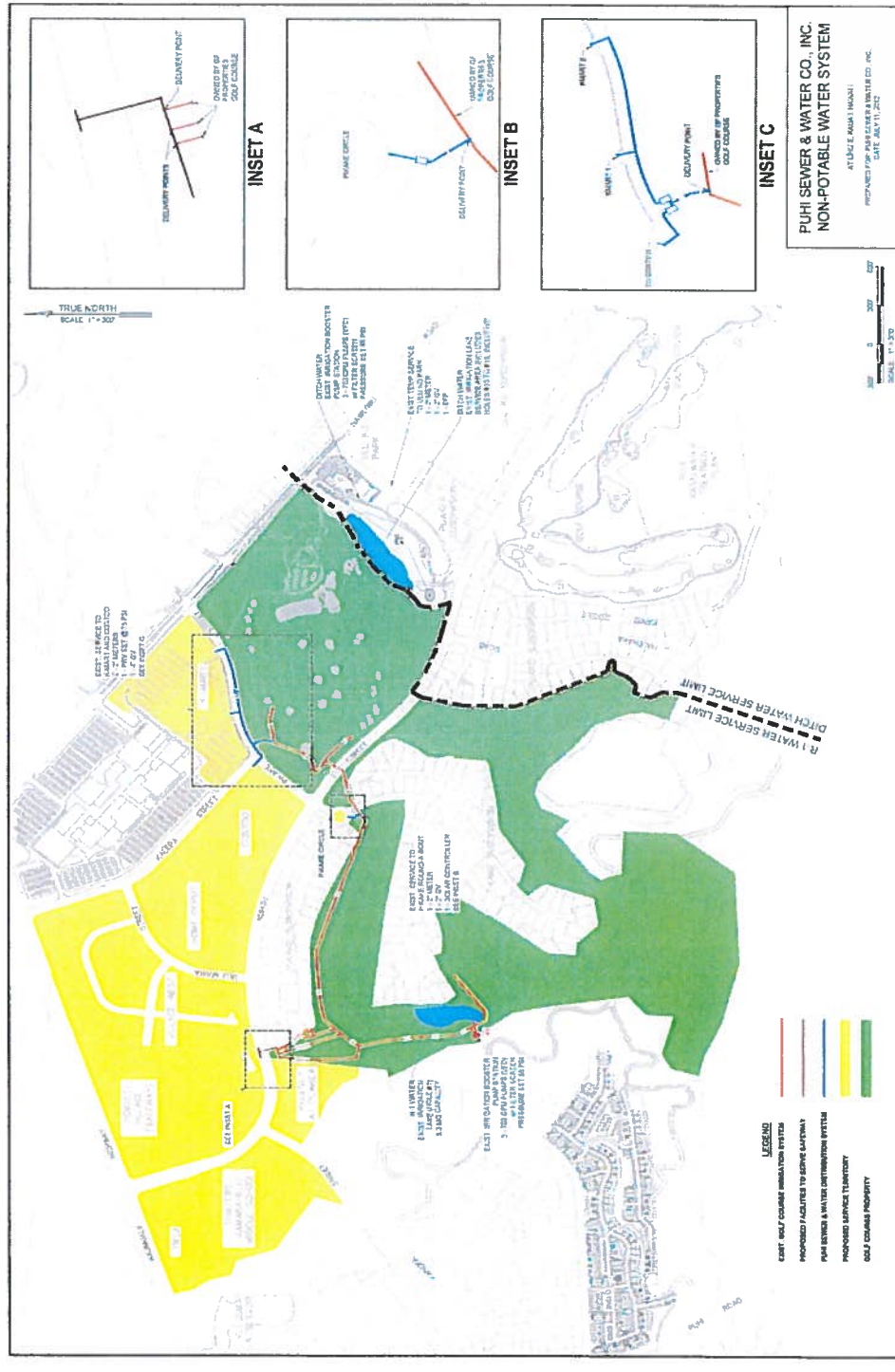


EXHIBIT B

APPLICATION FOR NON-POTABLE WATER SERVICE  
AQUA PUHI, LLC, dba PUHI SEWER & WATER COMPANY ("PSW")

LOCATION OF PREMISES TO BE SERVED:

\_\_\_\_\_

The undersigned hereby applies to PSW for Non-potable Water Service at the above location. Pending approval, and in consideration of the installation of such service, the undersigned agrees to: (i) pay all charges incurred upon such location in connection with PSW's provision of Non-Potable Water Service, (ii) abide by all Rules and Regulations and provisions of PSW relating to Non-Potable Water Service and rates, and (iii) abide by the State of Hawaii, Department of Health's rules and regulations, as may be amended from time, regarding the use of non-potable water and the use of treated effluent. The undersigned hereby: (i) releases PSW for all claims on account of any inadequacy in PSW's Non-Potable Water System or inadequacy of non-potable water supply, (ii) acknowledges that the undersigned has read and understands Rule XVII (Non-Potable Water Service) and the health risks associated with consumption and/or misuse of the non-potable water (i.e., surface stream and/or reclaimed (treated effluent) water), and (iii) releases PSW for all claims on account of any Customer or human consumption, or other misuse of the non-potable water.

DATE APPLICANT/PREMISES WILL BE READY FOR SERVICE: \_\_\_\_\_

HAVE THE PREMISES BEEN PREVIOUSLY SERVED: Yes \_\_\_\_\_ No \_\_\_\_\_

PURPOSE FOR WHICH SERVICE IS TO BE USED AND DESCRIPTION OF EQUIPMENT:

\_\_\_\_\_

WITH RESPECT TO THE PREMISES TO BE SERVED, APPLICANT IS THE:

- OWNER
- LESSEE WITH A LEASE TERM OF AT LEAST ONE (1) YEAR
- OTHER (Please explain: \_\_\_\_\_)

SEND BILL AS FOLLOWS

Name: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
\_\_\_\_\_

BUSINESS ADDRESS: \_\_\_\_\_  
\_\_\_\_\_

OCCUPATION: \_\_\_\_\_

REFERENCES (IF REQUESTED BY PSW):

1. \_\_\_\_\_
2. \_\_\_\_\_

\_\_\_\_\_  
APPLICANT'S SIGNATURE DATE

\_\_\_\_\_  
APPROVED BY AQUA PUHI, LLC, dba PUHI SEWER & WATER COMPANY DATE

Issued: July 17, 2015  
By: Hugh A. Strom  
Authorized Representative

Effective: July 15, 2015  
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