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May 21, 2001 VIA HAND DELIVERY

ROBERT M C ROSE OF COUNSEL

TELECOPIER (850) 656-4029

Blanca Bayo, Director Division of Records and Reporting Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850

Re: Aloha Utilities, Inc.; PSC Docket No. 010156-WS Our File No. 26038.17

Dear Ms. Bayo:

Attached in accordance with the requirements of the Commission's Final Order in the abovereferenced docket is the most recent report on the status of the pilot project. Please see the attached letter for more detail concerning this status report.

If you have problems with the way in which we are proceeding or have any questions, please let me know.

Sincerely,

ROSE SUNDSTROM & BENTLEY, LLP n

F. Marshail Deterding For The Firm

FMD/tmg Enclosure

cc:

Tom Walden, PSC David W. Porter, P.E. Stephen G. Watford

aloha\17\bayopilot.ltr

DOCUMENT NUMBER-DATE 06414 MAY213 FPSC-RECORDS/PEPORTING

D P David W. Porter, P.E., C.O. E C Engineering Consultants

May 18, 2001

Ms. Connie Kurish, General Manager Aloha Utilitics, Inc. 6195 Perrine Ranch Road New Port Richey, FL 34655

Re: PSC Docket No. 010156-WU Project Number AUI-021-1-S Seven Springs WS Pilot Plant Status Report for May 2001

Dear Connie.

I have prepared this project update letter so that you may use it in the preparation of your monthly report to the FPSC concerning this project.

As you are aware, pilot testing of the MIEX process was begun on April 9, 2001. Two 5 day trials were completed utilizing a standard MIEX process configuration pilot unit. The standard configuration utilizes two completely mixed stirred tank reactors in series with a separate clarifier to remove the resin exiting the unit. As we reported last month, a control trial of the standard configuration MIEX pilot unit (without resin in the reactors) showed that approximately 40% of the hydrogen sulfide present in the raw water was lost due to simple aeration taking place in the completely mixed stirred tank reactors. In April 1 also reported that that Orica Watercare would be shipping a new pilot unit to the site and that additional trials would be completed to investigate alternative process changes that may prevent the release of the gaseous hydrogen sulfide.

The new solids contact clarifier pilot unit arrived at the site the last week of April and was assembled and placed into operation the week of May 4th. Several one-day trials were completed that week to assess the ability of the new pilot configuration to prevent the release of hydrogen sulfide into the atmosphere. We found that the new reactor was mixing limited and the results of the trials indicated that additional modifications to the reactor clarifier units would need to be made for the unit to function correctly. The unit was taken out of service on May 4th.

Since that time we have been receiving the laboratory data from the first and second sets of trials and have been discussing this data with Orica to determine what additional pilot testing, if any, is needed at this time. I have just received recommendations from Orica regarding this additional recommended pilot work and will be updating the plan and submitting it to you for approval this week. It is anticipated that this new pilot work will be completed by mid June.

We no longer plan to move the pilot to Wells Number 3 and 6. At this time, the data we have indicates that the extensive work completed at Well Number 9 will be sufficient to assess the general effectiveness of the MIEX process without additional testing at the other wells.

If you have any questions please call me.

Sincerely yours. David W. Porter, P.E., C.O.

Engineering Consultant

PCHD//Status Report 04-19-01//proj/via Hand

Regulatory Assistance; Process Troubleshooting; System Design, Permitting, Construction Observation: Forensic Engineering, Expert Witness Testimony; **Rate Case Support**