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April 2, 2008
VIA HAND DELIVERY

Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Aloha Utilities, Inc.; PSC Docket No. 060606-WS
Anion Exchange Report
Our File No. 26038.51

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COMMISSION
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Dear Ms. Cole:

Attached, in accordance with the requirements of Order No. PSC-06-0270-AS-WU and the Settlement Agreement attached thereto, is the quarterly report on the progress of implementation of the anion exchange facilities.

If you have any questions in this regard, please let me know.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP


F. Marshall Deterding
For The Firm

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COM _____ cc: Jean Hartman, Esquire
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Aloha Utilities, Inc.
Seven Springs Water System
Anion Exchange Implementation Project

Project Status Report Number 7
January 5, 2008 – March 28, 2008

Overview of Project Status

- During this quarter, Aloha and its consultants further evaluated various brine waste disposal options discussed in the last quarterly report.

Work In-Progress and/or Completed This Period

The major tasks that the design, science and project management teams have been working on this quarterly period include:

- A. Aloha's consultants conducted additional analysis of the project data (provided by USF and Gomberg), historical reuse system operating data and laboratory testing analysis for the reuse system monitor wells in order to be able to undertake additional calculations to determine the potential impacts on the reuse system operation due to various levels of brine waste discharge to the WWTP.
- B. In addition to the previously identified waste transport and disposal firm, two additional firms were identified, contacted and asked to determine if they could accept the brine wastes and if so, provide an estimate of the cost to transport and dispose of the waste.
- C. Aloha staff and its consultants met with the two newly identified brine waste transport and disposal firms to provide them the data necessary for them to conduct their evaluations and estimates.

- D. Aloha's consultants received the two new brine waste transport and disposal cost estimates, reviewed them and worked with the firms to clarify issues as necessary.
- E. The PSC staff, OPC and/or customer representatives were provided updated project status and timeline information.
- F. Aloha met with PSC and OPC staff to discuss providing OPC staff and their consultant a tour of the water plants to be upgraded to anion exchange.
- G. Provided OPC and their consultant a tour of the water plants to be upgraded with AE.
- H. Aloha provided a tour of the water system to the PSC staff engineer.

Timetable for Future Activities

At this time PSC staff has issued a Staff Recommendation to issue an abatement of the project for 120 days as suggested by the FGUA (representing Pasco County in negotiations to purchase Aloha Utilities). The outcome of this recommendation (currently scheduled for The Commission Agenda on April, 8, 2008) will determine the timetable for future activities. Therefore, until that recommendation has been acted on, it is not possible to provide a timetable update at this time.