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November 21, 2000  
**VIA HAND DELIVERY**

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RECORDS AND REPORTING

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

Re: Aloha Utilities, Inc.; PSC Docket No. 960545-WS  
Water Quality Investigation - Pilot Project Report  
Our File No. 26038.17

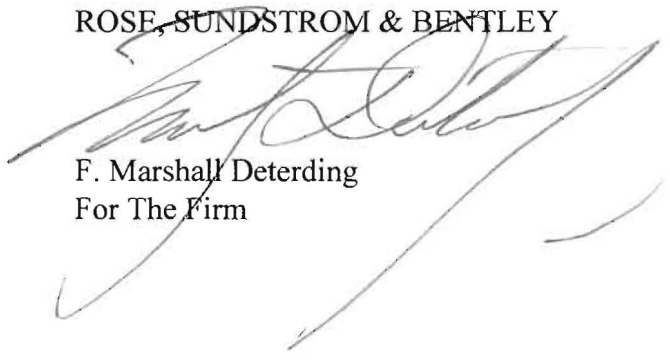
Dear Ms. Bayo:

Attached is a copy of a letter from David Porter, Aloha's Consulting Engineer, to be filed to comply with the Commission's desire that the Utility file monthly updates on the status of the pilot project ordered in the above docket. As Mr. Porter has noted in his letter, the demands on the Utility related to the rate case have taken up much of the time available up through this week. In addition, the discovery of new potential processes that may be utilized has caused us to delay immediate acquisition and implementation of packed tower pilot equipment.

Should you have any further questions in this regard, please do not hesitate to contact me.

Sincerely,

ROSE, SUNDSTROM & BENTLEY



F. Marshall Deterding  
For The Firm

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FMD/tmg  
cc: Mr. Tom Walden  
Stephen G. Watford  
David W. Porter, P.E.  
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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE  
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FPSC-RECORDS/REPORTING

**DP  
EC** **David W. Porter, P.E., C.O.**  
**Engineering Consultants**

November 19, 2000

Ms. Connie Kurish, General Manager  
Aloha Utilities, Inc.  
2514 Aloha Place  
Holiday, FL 34691

Re: Project Number AUI-021-1-S  
Seven Springs WS Pilot Plant

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

Dear Connie,

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

Since your last report to the FPSC, dated October 19<sup>th</sup>, we have continued our efforts in developing the detailed pilot study work plan, equipment lists, laboratory services needs lists and master project schedule.

Since the last report we have been continuing to work with Moss-Kelly, Inc., who represents the majority of the equipment manufacturers who will supply pilot testing equipment for this project, to refine the equipment layout for the pilot testing unit. They are also working with our firm and the manufacturer's to continue to develop budget cost estimates and delivery schedules for the equipment that will be needed.

On November 16<sup>th</sup> I received a telephone call from Mike LeRoy of the FDEP Tallahassee office. He called to tell me of a pilot plant that he visited earlier in the week at Pasco County Little Road WTP. The pilot plant had been on-line for only a week or two but was showing preliminary hydrogen sulfide removal results that were quite good (50% to 100%) with a new process called the MIEX DOC process. This process is a completely new and innovative process that removes not only hydrogen sulfide from raw water but also organic matter associated with the formation of TTHMs. If it actually works as claimed and if certain problematic issues can be resolved (such as how and where to dispose of the reject water produced by the treatment process) it may be a revolutionary breakthrough in this industry. However, as has been the case with many "potential revolutionary breakthrough" processes developed in the past, it may be found to be unusable when pilot testing in earnest undertaken at a number of sites.

This process is just being introduced into the United States but has been in-use in Australia for several years where it was developed. Mike LeRoy was impressed and recommended that we take a look at it before we finalize our pilot plant development plans as the process is not of conventional design and would require that, should we care to pilot test it, major changes to our pilot testing program will be required.

I contacted the company that owns the MIEX DOC process, Orica Watercare of Australia, and learned that they had just this week entered into an agreement with MOSS-Kelly, Inc. to represent them in Florida. I immediately contacted Brian Schuttee of Moss-Kelly and discussed this process with him. He had not previously discussed this process with us as they just recently learned of the availability of the process for use in the United States. Brian stated that a mobile high tech MIEX DOC pilot plant was in the process of being constructed at this time and that he did not know at this time when it would be available for use by interested parties.

FCHD//Status Report 11-19-00//proj/via Fax

Ms. Connie Kurish  
November 19, 2000  
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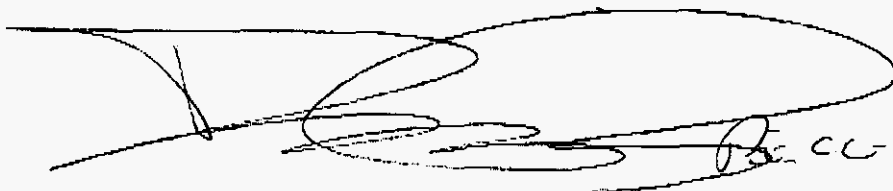
Brian has agreed to contact the owners of the MIEX-DOC process and determine when their pilot plant will be available for use at our facilities. He hoped that he could provide us with this information within the next week or two. Based on Mike LeRoy's recommendation and my review of the literature available concerning the potential benefits associated with this process as compared to the traditional processes, I recommend that we hold-up on completion of the pilot plant development and construction until we can learn more about the MIEX-DOC process and the availability of their pilot plant.

This overall project hold-up may delay the start-up of the entire pilot testing program until the MIEX-DOC pilot plant can be obtained if we choose to test it. Also, this hold-up will also delay the aeration pilot plant until the availability of, and desirability of testing the MIEX-DOC pilot plant can be determined. I believe that this time delay is justified because a little time invested now might result in capital cost and long term operating cost savings for our customers if the MIEX-DOC process is all that the very preliminary reports claim. We must keep in mind that this process is very new to the United States and that it may also prove to be unsuitable for use on the raw waters typically found at our well sites. We won't know until additional information is available and perhaps until pilot testing is undertaken.

By the next report, scheduled to be prepared at the end of December, we hope to be ready to provide you with detailed project work plans, pilot study unit layout design and cost estimates for the MIEX-DOC pilot testing program and/or the forced draft aeration process pilot testing program.

Thank you for the continued opportunity to serve Aloha Utilities, Inc. If you have any questions please call me.

Sincerely yours,



David W. Porter, P.E., C.O.  
Water/Wastewater System Consultant