

ORIGINAL

LAW OFFICES

ROSE, SUNDBSTROM & BENTLEY, LLP

2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

(850) 877-6555

CHRIS H. BENTLEY, P.A.
F. MARSHALL DETERDING
MARTIN S. FRIEDMAN, P.A.
JOHN R. JENKINS, P.A.
STEVEN T. MINDLIN, P.A.
JOSEPH P. PATTON
DAREN L. SHIPPY, LL.M. TAX
WILLIAM E. SUNDBSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON

MILING ADDRESS
POST OFFICE BOX 1567
TALLAHASSEE, FLORIDA 32302-1567

TELECOPIER (850) 656-4029

January 19, 2001

ROBERT M. C. ROSE
OF COUNSEL

VIA HAND DELIVERY

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. 960545-WS
Water Quality Investigation
Our File No. 26038.17

Dear Ms. Bayo:

Attached in accordance with the requirements of the Commission's Final Order in the above-referenced 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, SUNDBSTROM & BENTLEY, LLP



John L. Wharton, Esq.
For The Firm

APP _____
CAF _____
CMP _____ JLW/kll
COM _____
CTR _____ Enclosure
ECR _____
LEG _____
OPC _____
PAI _____
RGO _____
SEC _____
SER _____
OTH _____

cc: Tom Walden, PSC
David W. Porter, P.E.
Stephen G. Watford
Connie Kurish

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

January 18, 2001

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

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 the preparation of your monthly report to the FPSC concerning this project.

In my December 2000 report I informed you that I had met with Michael Bourke of Orica Watercare, the owners of the MIEX DOC process, and Brian Schuette and Sonny Moss of Moss-Kelly, Inc., who represent Orica in Florida, to obtain a commitment from them to provide the pilot testing equipment and ion exchange resin needed to pilot test their hydrogen sulfide/TOC reduction process.

Since that meeting I have received written confirmation (copies attached) that Orica (and WesTech, Inc. Orica's U.S. partner) will indeed be able to provide Aloha Utilities with the equipment and ion exchange resin that will be needed. Please note that the \$5,000 fee referenced in the letter is simply for the "rental" of the ion exchange pilot plant unit itself. There will be substantial additional costs associated with the provision of labor to operate the pilot plant, engineering services, laboratory services, and other items needed to complete the pilot plant project.

I will be working closely with Brian Schuette over the next couple of weeks to coordinate the scheduling of Orica's process expert and to determine what facilities and equipment will be needed to complete the bench scale testing. I will also be coordinating with Bruce Cummings of Short Environmental Laboratories to schedule the necessary water testing services that will be required. The purpose of the bench scale testing is to provide the data needed to allow Orica to size the pilot plant components and resin loading to match Aloha's actual raw water characteristics.

By the next report I hope to have the bench scale testing underway, or for it to begin shortly thereafter. 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

Attachments


PCHD//Status Report 01-18-01//proj/via Hand



FAX TRANSMISSION
of pages (including cover): 4

TO: David Porter, P.E., C.O. FAX #. (904) 291-7769
David W. Porter

FROM: Brian K. Schuette

DATE: January 11, 2001 

SUBJECT: Aloha Utilities
MIEX[®] Ion Exchange Process
Pilot Testing

Dear Mr. Porter:

This letter is written to transmit to you correspondence that has recently been transmitted to WesTech regarding the pilot testing that we have discussed for Aloha Utilities. The first letter is on Moss-Kelley letterhead transmitted on January 8, 2001 requesting specific information regarding dates and schedules for piloting the MIEX[®] process at Aloha Utilities. The next letter on WesTech letterhead is the response that confirms availability of personnel and equipment.

Please do not hesitate to call if you have any questions regarding the correspondence transmitted herein.


Enclosure

BKS/001-11-01.S2



FAX TRANSMISSION
of pages (including cover): 1

TO: Mr. James V. Larsen, WesTech, Inc. FAX #: 801/265-1079
Mr. Michael Bourke, Orica Watercare FAX # 303/268-5250

FROM: Brian K. Schuette 

DATE: January 8, 2001

SUBJECT: Aloha Utilities, David Porter, P.E.

Dear Gentlemen:

This letter is written to supplement the recent letter that Mr. Sonny Moss of our office sent to you regarding an update on the previously conducted MLEX[®] seminars. This letter is written to discuss the request for performing pilot work at Aloha Utilities. The Engineer for this project is interested in gaining more detail into pilot plant costs and schedule.

Following the Orlando seminar, Mr. David Porter sat at the table with Michael Bourke, Sonny Moss and me to discuss in detail his plans of performing pilot as required by the Public Service Commission that regulates his customer, Aloha Utilities. Mr. Porter's schedule is to begin bench scale testing by February 19 of next month. Testing would proceed for 1 month and then the data would be evaluated over the next few weeks. The actual pilot testing would not begin until the first or second week of April, 2001. Mr. Porter indicated that he would need to keep the cost of the pilot to \$5,000 or below, if possible. Aloha will be very active in performing pilot work and could provide all of the manpower, engineering and lab work to oversee the pilot unit once it was started up by WesTech/Orica Watercare. It will probably be required that this pilot unit be setup and tested at two of the existing well sites within the service area of Aloha Utilities. We would anticipate each pilot to last approximately 2 weeks. It could be quicker depending upon the stability of the water and the performance of the MLEX[®] process.

Since conclusion of the seminars that were held in mid-December, we would like to request firm detailed information on the MLEX[®] ion exchange pilot equipment. We respectfully request a response confirming what can be proposed for this project. The initial part of this test will be to supply product to the Engineer and train him on performing bench scale testing. Secondly, we would need to reserve pilot equipment to be at their site the beginning of April of this year and the appropriate personnel to train and startup this equipment. We assume this equipment would be the same equipment, or similar to the equipment that was used at Pasco County?

Thank you for your consideration of the above. We look forward to hearing from you.

BKS/001-11-01 51

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3625 South West Temple, Salt Lake City, Utah 84115 (801) 265-1000

FACSIMILE TRANSMISSION FROM U.S.A. (801) 265-1080

To: Moss / Kelley
Fax No: 407 - 805 - 0062
Attn: Brian Schuette
Subject: MIEX Pilot Tests
WesTech No.:
Date: Jan. 10, 2001

From: Jim Larsen
No. of Pages Sent:
Cover Page: 1
Other Pages: 1
Total Pages: 2
Time Sent: _____ am pm

Message

Dear Brian,

I spoke with Michael Bourke at Orica yesterday. He confirmed that Orica's pilot plant will be available (and will be scheduled) for your pilot tests during April. Michael also confirmed that someone will be available to assist with the bench scale testing in February for the Aloha Utilities project.

Michael will be coming over to Salt Lake on Jan. 23 to work with Don Burns and Jake Blattman to begin WesTech's training on the Miex system. Orica's process engineer (Stuart) is coming from Australia the middle of February. He will be in the states for several months and would likely be involved in the bench scale testing for Aloha. WesTech will likely send Don Burns to assist Stuart in the pilot testing in April. We can do the pilot tests for the \$5,000 if David Porter can provide manpower to check on the pilot plant once it is running, run the regeneration for 1 hour per day, and take care of the lab work.

Hopefully this will give you enough to information to proceed with these two potentials. If you have any questions, please contact me. You can easily reach me by e-mail at jlarsen@westech-inc.com.

Best regards,
Jim