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ROBERT M. C. ROSE

OF COUNSEL

June 20, 2001 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. 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

F. Marshall Deterding For The Firm

Dictated by Mr. Deterding but signed in his absence to avoid delay in mailing.

FMD/tmg Enclosure cc: Tom Walden, PSC David W. Porter, P.E. Stephen G. Watford

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DP David W. Porter, P.E., C.O.

C Engineering Consultants

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

June 19, 2001

Ms. Connie Kurish, General Manager Aloha Utilities, 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 June 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.

Since my last report, we have been reviewing and analyzing the laboratory testing data from the MIEX reactor clarifier pilot testing unit. After review of the data, we consulted with the MIEX engineers and developed a plan to attempt to convert all sulfide in the raw water to the ionized form by raising the pH to 8 and providing sufficient contact time to cause the reaction to proceed. If it can be accomplished in a cost effective manner, this conversion will be desirable. Converting all the sulfide in the raw water to the ionized form will allow the MIEX resin to remove more of the total sulfide and will prevent the gaseous sulfide from being lost from the open top of the reactor into the surrounding atmosphere.

The pH control equipment was obtained and the pH adjustment reactor was constructed during the week of June 4th. The pH adjustment trials were conducted the week of June 11th. During the pH trials, the ORICA WATERCARE engineers were on site to assist and meet with us to discuss the pilot program results to date.

During this week we are analyzing the data from the pH trials to determine if any additional trials are needed. ORICA WATERCARE engineers are working with us to make this determination. We will be scheduling any additional trials of the MIEX process shortly is they are required.

If you have any questions please call me.

Sincerely yours,

David W. Porter, P.E., C.O. Engineering Consultant