

Exhibit L

STATE OF NEW HAMPSHIRE
DEPARTMENT OF ENVIRONMENTAL SERVICES
WATER DIVISION – DAM BUREAU
29 HAZEN DRIVE
PO BOX 95
CONCORD, NH 03302-0095

DATE: August 21, 2006

TO: Donna Hanscom
LOCATION: City of Keene

PHONE: (603) 357-9836
FAX: (603) 357-9854

FROM: Debbie Loiselle
River Restoration Coordinator

PHONE: (603) 271-8870
FAX: (603) 271-7894

NUMBER OF PAGES INCLUDING COVER SHEET: 5

MESSAGE:

RE: Homestead Woolen Mills Dam

Donna,

I am sorry I missed your call on Friday August 18, 2006. Following is a letter from Doug Brown, the owner of the Homestead Woolen Mills Dam, to NHDES-Dam Bureau noting his intention to remove the Homestead Woolen Mills Dam. I believe that this will address your need for written documentation noting removal of the dam in 2007. I have been working very closely with Doug and the many Project Partners on this project, and at this point we are on track for a summer/fall 2007 removal. As I understand, you need this information in order to fulfill NPDES permitting for the City of Keene.

Feel free to contact me if you have any questions or require additional information. I can be reached at tel: (603) 271-8870 or email: dloiselle@des.state.nh.us.

Sincerely,

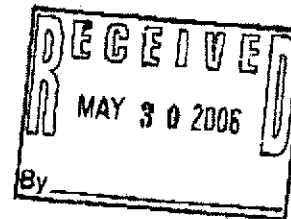


Deb Loiselle
River Restoration Coordinator
NHDES
Water Division – Dam Bureau

271-8870

encs. May 26, 2006 letter – Homestead Woolen Mills Dam

cc: Doug Brown, via email



**WEST SWANZEY
WATER COMPANY**

Post Office Box 10
West Swanzey
New Hampshire
03469

603-352-2022

May 25, 2006

Re: Homestead Woolen Mill Dam #232.01

Dear Grace,

In accordance with Administrative Order by Consent #WD 06-007, I am submitting a limited schedule for removal of the Homestead Woolen Mills Dam #232.01 ("Dam"). I am unable to provide you with a definitive schedule by June 1, 2006, due to several outstanding issues that need to be resolved and upcoming meetings as explained below. Following is an outline of events that have occurred since March 2006 in addition to upcoming meetings and/or discussions:

As the result of a negative vote at the Annual Town Meeting in March 2006, the Town of Swanzey will not take ownership of the Dam. Therefore, I wish to move forward with removal of the Dam. Since the Town of Swanzey's decision was made and confirmed in March 2006, I have been in communication with various parties to determine the most efficient and effective approach to the full removal of the Dam. The first step was a meeting on March 9, 2006 (prior to the Town vote) with you and Deb Loiselle to discuss ways in which the Dam removal might be financed in conjunction with work necessary to stabilize the center pier of the Thompson Covered Bridge located about 200' upstream from the dam. We felt strongly that a co-operative approach that addressed the removal of the dam and the stabilization of the bridge would be the most beneficial for all parties.

Since various State and Federal agencies as well as private organizations (the Partners) are eager to restore the river, we are attempting to pull them together and coordinate their efforts to avoid duplication and/or misunderstanding. On April 26, 2006 Deb met with representatives from the US Fish and Wildlife Service, NH Fish and Game Department, National Oceanic and Atmospheric Administration, NH DES, and Connecticut River Watershed Council to discuss potential funding sources for Phase II and dam removal. They also discussed the stabilization of the Thompson Covered Bridge and the importance to collaborate on the two projects with the Town of Swanzey. Both Deb and I have had conversations with Peter Walker of Vanasse Hangen Brustlin, Inc (VHB), the engineering firm who completed the feasibility study on the potential alternative solutions to addressing the failing Dam and bridge stabilization.

I have talked with Edwin "Smokey" Smith, Director of Policy, and Robert Barry, Community Communications, both of the NH Dept of Transportation, to advise them of the situation regarding the effect the Dam removal might have on the Thompson Covered Bridge. Money was scarce after the severe local flooding in this area in October, 2005 and is now even more so with the flooding in southern NH last week. Marshalling all possible forces to address this situation in a timely manner is the focus of our attention at this time.

There was a meeting on May 25 in Swanzey with Robert Berry, DOT; Beth Fox, Swanzey Town Administrator; Sarah Carboneau, Swanzey Land Use Director; Lee Dunham, Swanzey Public Works Director; Deb Loiselle and you of DES Dam Bureau, Pete Walker (VHB), and me to discuss what steps have been/are being taken by all parties regarding the bridge situation. At the outset of the meeting, I stated that Homestead's timetable for Dam Removal is late summer/early fall 2007. We discussed how to coordinate the removal of the Dam with the temporary and/or permanent stabilization of the Thompson Covered Bridge.

Although nothing was finalized, there were some encouraging suggestions that are now going to be investigated. There are no funds available at the DOT from the Transportation Enhancement Act, but it was noted that DOT personnel could possibly do much of the work to shore the center pier of the Thompson Covered Bridge ("Bridge") with Bridge Aid in 2007. Bob Barry is going to talk with DOT representatives to determine whether DOT has the capability and the time to accomplish this project. This may require more engineering, which VHB is capable of providing as a subset to the Scope of Work for Dam Removal. This approach seemed the best solution the Bridge stabilization question. In addition, Bob is to recommend that, if not already arranged, an underwater inspection of the center pier be scheduled for 2006 to determine what changes have taken place since the last inspection in 2004.

Town officials and VHB are attempting to locate whatever engineering plans exist for the Bridge to determine whether it can be supported without the center pier in the event the dam fails or is removed before other steps to stabilize the Bridge have been taken. This would assume traffic would be detoured to alternative crossings.

Deb submitted for the Town's use a list of potential funding sources for the work necessary for the Bridge. This was not discussed in great detail, but demonstrates one way the teams for each project can work collaboratively. Deb also arranged this meeting in an effort to get as much discussion as possible of all the parties' understanding of the situation.

As soon as we can settle several points, we will begin Phase II for Dam Removal, the final engineering and permitting process. These points include, but are not limited to:

- 1) Will the Partners allow VHB to proceed with Phase II (as suggested in Task 8 of the Scope of Work in the Request for Proposals for The River Restoration Feasibility Study) without further solicitation? Preliminary response from the Partners is "Yes".
- 2) Who will have project management of the Project? We are currently discussing whether this should be Homestead or NHDES
- 3) When can matching fund monies be spent without jeopardizing other funding sources?
- 4) What steps is the Town of Swanzey prepared to take to stabilize the center pier of the Thompson Covered Bridge at least on a temporary basis?

Another meeting of the Partners is being arranged for the middle of June to resolve questions 1 through 3 and address any other concerns that group might bring up. We also expect to review a draft of the Scope of Work and timeline for Phase II.

Assuming these points are resolved favorably by summer 2006, we expect Phase II to be completed by early winter 2007. Bids for work for the Dam removal and channel stabilization would be advertised during the winter of 2007. At this time, we are planning to remove the Dam late summer or early fall of 2007. (See attached Project Schedule timeline dated May 25, 2006.). Attached please find an estimated timeline to conduct tasks associated with design, engineering and dam removal. Please be advised that this schedule is an "estimate" at this point until we can further discuss the specifics of the project with the Partners and VHB.

PROJECT NAME: HOMESTEAD DAM REMOVAL, ASHUELOT RIVER

CLIENT PROJECT MANAGER: DEB LOISELLE DATE: MAY 25, 2006

PROJECT DESCRIPTION: Final design and permitting of the removal of the Homestead Dam on the Ashuelot River in West Swazey, NH.

PROJECT SCHEDULE

EVENT/MILESTONE	TARGET DATE	CUMULATIVE (WEEKS)	RESPONSIBLE PARTY
PHASE II DESIGN & PERMITTING OF SELECTED ALTERNATIVE			
Contract Notice to Proceed			DES/Doug Brown
Begin Final Design (Dam & Bridge)	1 week following NTP	1	VHB/KA
50% Plans - Review Submittal/Historical survey complete	8 weeks following NTP	9	VHB
Plan Comments/Approval	2 weeks following submittal	11	DES/Brown/DOT
75% Plans and Permit Application Submittal	2 weeks following comments	13	VHB
Submit draft Section 106 MOU	2 weeks following comments	13	VHB/DES/NOAA
Regulatory Permits Issued/MOU Signed	12 - 16 weeks following submittals	25-29	Resource Agencies
Complete Final Design & Construction Drawings	4 weeks following approvals	29-33	VHB/KA
Advertise for Bids	1 week following plans	30-34	VHB/DES/Brown
Receive Bids and Award contract	6 weeks	36-40	VHB/DES/Brown
Dam Removal Begins	2 weeks following award notice	38-42	Contractor
Dam Removal Completed	4 weeks following mobilization	42-46	Contractor

As noted previously, a complete schedule for dam removal is not feasible at this time, however, once the Scope of Work is completed, I will forward you a copy and more definitive timeline of project tasks associated with Phase II.

Sincerely,



Douglas Brown
President
Homestead Woolen Mills, Inc.