

MAYOR'S REPORT

JULY 30, 2010

I must say, it's been a beautiful summer to date. Even though we're in nice weather, things are very busy in Berlin. If you've been to the Farmer's Market on Thursday evenings, you know it's turned out to be quite a social event. It is exactly the type of activity the downtown needs. Speaking of the downtown, doesn't Main Street look absolutely gorgeous? The folks of the Berlin Mainstreet Program have really outdone themselves. This is the type of work that is very visible to residents and visitors alike, and all of us on the City Council have taken notice.

In a bit of disappointing news, USDA Rural Development Agency has awarded the City of Berlin a \$12.5 Million low interest loan coupled with a \$1.34 Million grant to upgrade our waste water treatment plant. It was a far cry from the \$7 Million grant and \$7 Million loan we originally applied for in early 2009. Rural Development has a really odd scoring system for judging projects. Because Berlin's sanitary system has no debt and we operate within our budgets and don't run into the red, we didn't maximize the Fed's scoring system. Another words, we were kind of punished for being responsible with your money. The Feds did make the package affordable, however, at an interest rate of 2.375% for 30 years. The project, in the final engineering stages, will provide the necessary capacity to allow Bureau of Prisons, Laidlaw Berlin Biopower, Clean Power Development, and AVR RDD to send their waste water discharges to Berlin's Waste Water Treatment Plant. Coupled with the two big Inflow and Infiltration (I&I) removal projects for this summer, we will have plenty of capacity for continued new users.

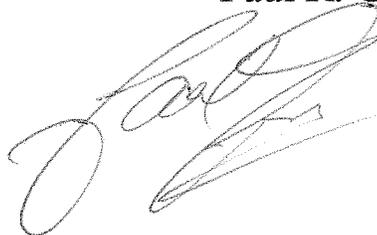
As you all know from press reports, I did send a letter to NH's Site Evaluation Committee chastising Clean Power Development's pre-trial

testimony regarding Laidlaw. As your Mayor, I continue to support both projects. As you also know, I testified in front of the same committee in Concord in support of Clean Power. I feel that both of these two entities should concentrate on developing their own projects and leave the other developer's projects alone. To say the Laidlaw project would disrupt "orderly development" in Coos County is far from the truth. In my capacity as Coos County Commissioner, I have made many good contacts and friends throughout Coos. People in our county are hurting really bad, including those in the logging/jobbing business. Less public has been my constant communication to PSNH on Clean Power issues, particularly the easement issues. With last week's agreement to work together, I'm hoping there will be some land use agreement that will satisfy both companies in the not too distant future.

In the past two weeks, I have been in constant contact with many high-level New Hampshire government officials while working on the Fraser Gasification Project. It is as complex a deal as I have ever witnessed in my 18 years of public service. Everyone, from state officials on down are working very hard to put this deal together. I want to again mention the herculean efforts of Sharon Gauthier from AVRRDD. Without Sharon's total involvement, with the help of AVRRDD Chairwoman Linda Cushman of Jefferson and Ray Aube of Randolph, along with Jeff Hayes of North Country Council, this deal would not even be in a position to materialize. At this writing, there are still issues that remain unresolved but EVERYONE involved in the process are motivated to make a signing ceremony a reality. I will be away on vacation from August 3rd to August 19th, but you bet I will be checking in with Sue Tremblay every single day!!

Until next time.....

Paul R. Grenier, Mayor

A handwritten signature in black ink, appearing to read "Paul R. Grenier", written in a cursive style.