

**FALLS CREEK HYDRO-PROJECT
MONTHLY CONSTRUCTION REPORT TO FERC
June 2006**

1) Progress of Work

Major items of work this month included the development of pit #3, rock capping of road constructed up to pit #3, the construction of approximately 3000' feet of new road (up to the strip fen Y) and the development of a long-term staging area at the strip fen Y.

2) Status of Construction

Pit # 3 was stripped and blasted twice during the month of June, yielding approximately 40,000 yards of rock for new road construction and capping of recently constructed road base. The rock provided by these shots was of excellent quality for road construction (though sharp) and the shots went off without complication - as expected.

Immediately following the first shot in pit #3, capping of the access road began. Rock was hauled for several days to cap and improve grade from the first bridge over homesteader creek to pit #3. T

New road construction from pit #3 to the strip fen Y began immediately following the capping of existing road base and the second shot in pit #3. Slope cutting for this stretch of road was fairly minimal although there were a couple large fills needed to bridge ravines in the "bird foot canyon" area (figure 1 and photo below right).

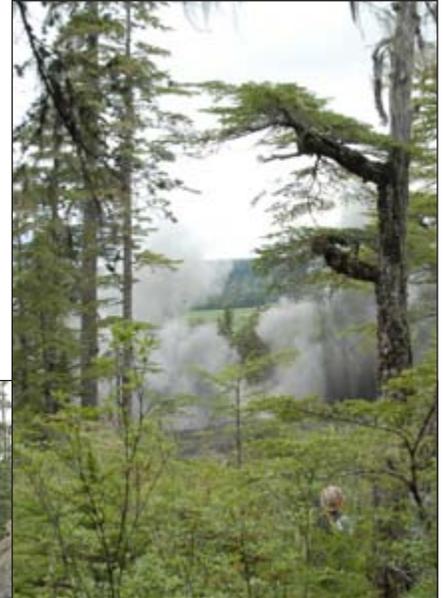
A long-term staging area was identified and cleared at the strip fen Y (see photo next page). Rock filling of this area began at the end of the month.

Landing crafts and barges were used to mobilize additional equipment and materials for the project during June including a 350 excavator, blasting supplies, culverts and penstock.

3) Construction Difficulties

In locations where the lodgement till road base was/is wet the material has a tendency to consume larger quantities of rock before becoming stable. During the rocking process the lodgement till road base was somewhat slippery and drivers had to be extra cautious to avoid running off of the road.

Shooting pit #3.



Pit #3 after the second shot.



Large fill over creek 1 in bird foot canyon.

Also, working in the lodgement till areas was generally hard on the equipment.

Culverts and sediment control measures were maintained, improved or decommissioned. June was a relatively dry month and no erosion or sediment control issues were encountered.

5) Critical Events and Dates

Development of pit #3, the first hard rock pit, was on-going through the month of June. The first shot was conducted on June 4 and the second shot on June 17th. Capping of the road to pit #3 was completed on June 15th. The new road construction reached the strip fen Y (access and service road junction) on June 29th.



Capping the lodgement till road base.

8) Sources of Major Construction Material

As mentioned above, rock from pit #3 was used for most construction activities in the month of June.

11) Photographs

Ten photo vantage points have been established throughout the project area. See Figure 1 for photo site locations and Appendix 1 for this month's photos.

12) Erosion Control and Other Environmental Measures

There were no erosion and sediment control issues during the month of June. Rain fall was fairly low and existing sediment control measures functioned where necessary. Rocking of the initial road base was completed by mid-month and greatly decreased the likelihood of sediment transport. Road sides remain potential contributors because the rock cap did not cover these features appreciably.



Staging area at the strip fen Y. Cleared area in photo will eventually be rocked to approximately .2 acres.

Noteworthy that loading of rock into trucks at pit #3 sometimes resulted in large quantities (hundreds of gallons) of water being included in the load (observed on two separate occasions). This water would pour out of the trucks when the trucks were heading up the steeper slopes. There was no immediate environmental impacts of consequence from this activity (though damage to the road was evident) but it will be important that this behavior does not occur when road run-off may contribute to stream turbidity. When brought to the attention of the project superintendent he immediately communicated with the operators about stopping this behavior.

Three small diesel spills were documented in June, two of which were reported to the ECM by construction crew members. The largest spill was approximately 5 gallons. There was also a 2 gallon spill and a less than one gallon spill. Appropriate cleanup and repair measures occurred in response to these incidents. No waterways were affected.

The spoils area below pit # 2 has continued to drain and stabilize during the month of June. It appears that this material will set up such that equipment can work in the area in order to come into compliance with revegetation plans.



Drilling of shot 3 at pit #3 was completed by June 30 but the shot was not scheduled until July.

A staging area of .2 acres was cleared at the strip fen Y. The ECM met with the construction superintendent prior to clearing and grading activities to discuss the need for such an area and the best way to create it with minimal impacts to habitat. A plan of action was agreed upon and consent was given from an environmental compliance point of view. Although the area covers wetlands in addition to those identified as “to be impacted” in the plan it is important to note that there are no other flat areas centrally located that are not also wetland types.

13) Other Items of Interest

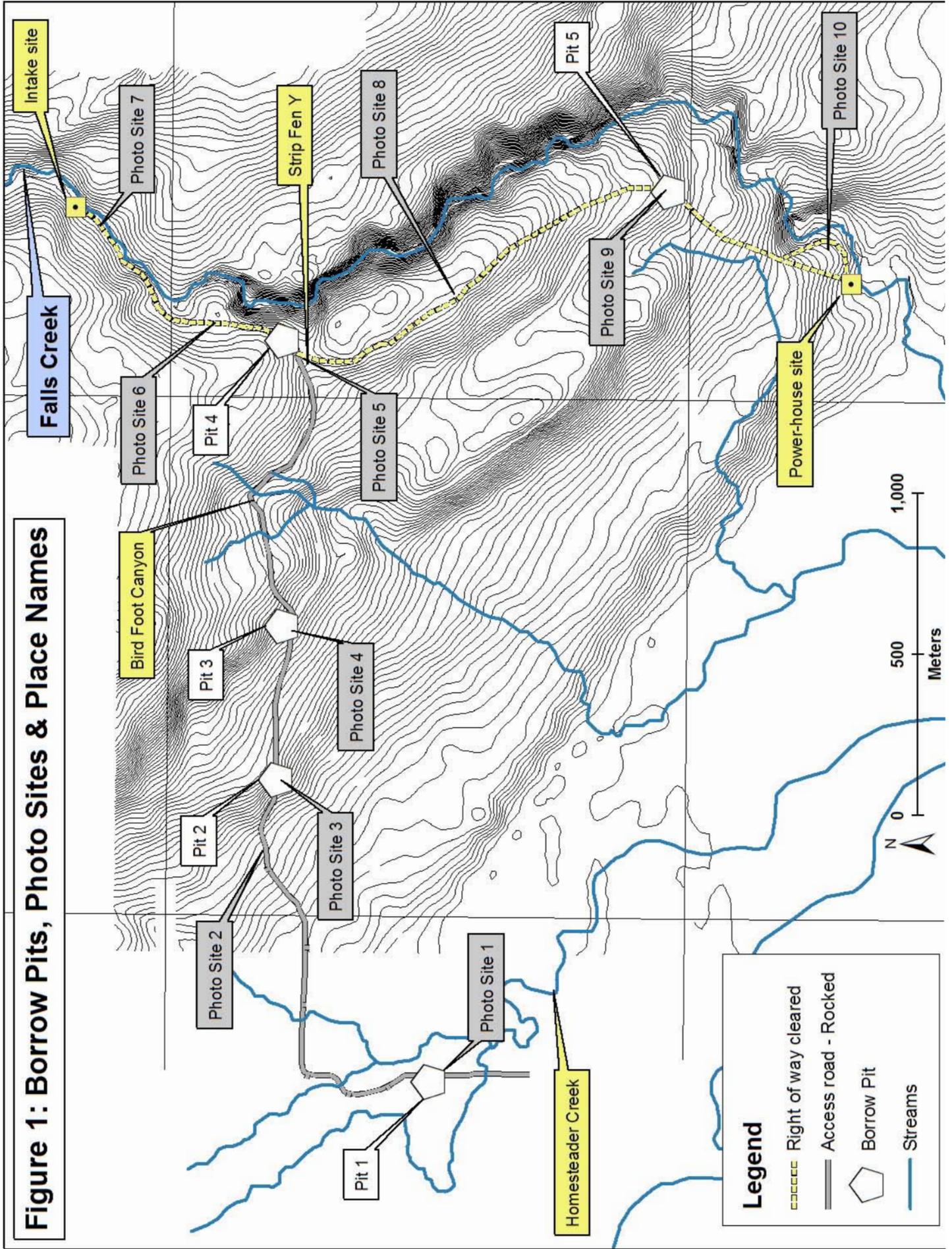
Wildlife observations: During the month of June we documented sign of a cow and calf moose pair moving through the area on several occasions. This pair has also been observed by the ECM and the construction crew on a few occasions. The cow is very defensive of her calf of course. An additional Cow with 2 calves have been tracked on two separate days in the lower portions of the project area.

Black and brown bear sign has also been documented in the project area. Brown bear sign has been isolated to the upper sections of the development (above 400') while most black bear sign has been seen in the lower portions of the project area (from pit #2 down). Although there was one minor food control issue associated with the construction crew this month there has been no negative interactions or signs of interest by the bears.

The following sections are not yet applicable to the date of this report:

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| 4) <u>Contract Status</u> | 7) <u>Foundations</u> |
| 6) <u>Reservoir Filling</u> | 9) <u>Materials Testing and Results</u> |
| | 10) <u>Instrumentation</u> |

Figure 1: Borrow Pits, Photo Sites & Place Names



APPENDIX 1: JUNE PHOTOS FROM VANTAGE POINTS



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