

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

Introductory Note:

The first report submitted included information for work conducted in April and the first half of May. Under the advisement of FERC staff we will be submitting this and all future reports for one month periods only - beginning on the 1st and ending on the last day of each month. Some information in this report was included in the first report and will appear redundant.

1) Progress of Work

Major items of work this month included the construction of road base from pit #2 to pit #3, stripping of overburden in pit #3 and the pre-blast drilling of pit #3.

2) Status of Construction

Approximately 1500 feet of new road base was laid during the month of May. This stretch of road extends from pit # 2 to pit # 3 and included large fill sections over peatlands and two small stream crossings.

Stripping of pit #3 began as soon as the road base was able to support the mobilization of the heavy equipment necessary for the task (~ mid May). Stripping of the pit resulted in an uneven rock face of what appears to be various forms of mudstone/siltstone with calcareous qualities. Pre-blast drilling commenced immediately following the removal of topsoils (May 24) and continued for the rest of the month. During this time some improvements were made to the first section of road base but in general very little additional development and *no* pioneering activities took place.

A chartered tug and barge mobilized additional equipment and materials for the project during May that included an additional dump truck, small track hoe, culvert pipe and penstock pipe.

3) Construction Difficulties

The challenges of building road with the lodgement till material available in pit #1 and pit # 2 continued through the month of May. Precipitation in May continued at a higher than normal rate and construction was slowed or stopped on several occasions as a consequence. Culverts and sediment control measures were maintained or improved to keep up with the wetter than normal conditions.

At this point the quality of the rock available in pit #3 is unknown but appears to be fairly "soft" and inconsistent in composition.

5) Critical Events and Dates

Development of pit #3, the first hard rock pit, began in mid-May. Drilling of blasting holes began in the third week of May. Blasting is scheduled for early in June.



Drilling at pit #3

8) Sources of Major Construction Material

No Change for May. Please refer to the April report.

11) Photographs

Ten photo vantage points were established as work progressed throughout the project area. See Figure 1 for photo site locations and Appendix 1 for initial photos.

12) Erosion Control and Other Environmental Measures

After road base construction and culvert placement had occurred up to the location of pit 2 the weather became very wet and remained wet for most of May. This mobilized sediment along the road bed and necessitated the construction of sediment fencing and settling ponds at each culvert and stream crossing (See Figure 2 in the April report for culvert locations). These measures, along with grade improvements along problematic low spots, were very effective at controlling sediment. Little sediment entered the two anadromous stream crossings encountered thus far (Homesteader creek). In several other locations the mobilized silt penetrated bordering forest up to 30 feet from the road bed but it appears that the moss and root mat is minimizing further spreading of this material.

A topsoil dump area below pit # 2 has expanded to approximately 5 acres in size and runs through scrub forest. This may prove difficult to grade and revegetate depending on how firm the material becomes at the time of reveg work. The ECM met with a Glacier Bay National Park Service specialist in invasive plant control to discuss management of invasives in this location and along the road route.



Topsoil "dump" below pit #2.

Road bed stability became problematic just before reaching pit # 3. Fill material and several feet of peatland topsoils underlying the fill slid down slope during road construction, taking the spreader dozer with it down the hill. The extent of the slide was approximately 75-100 feet. Slope stability in this area will be monitored closely as fill depths in this area increase to bring down the nearby road grade to 16%. Additional measures may be needed for controlling the movement of water through this section of road bed and for stabilization in areas of deep fill.

The road alignment above pit # 3 was adjusted to maintain a safe grade and to make room for pit expansion. The new road alignment added approximately 500 feet of cleared right of way. The new route was flagged by the ECM. No additional murrelet trees were removed.

One small fuel spill (less than one gallon) was brought to the attention of the ECM during the month of May. The spill occurred as a result of maintenance event on one of the dump trucks - a fuel filter bleeder valve was not properly tightened after cleaning - and was dealt with immediately.

13) Other Items of Interest

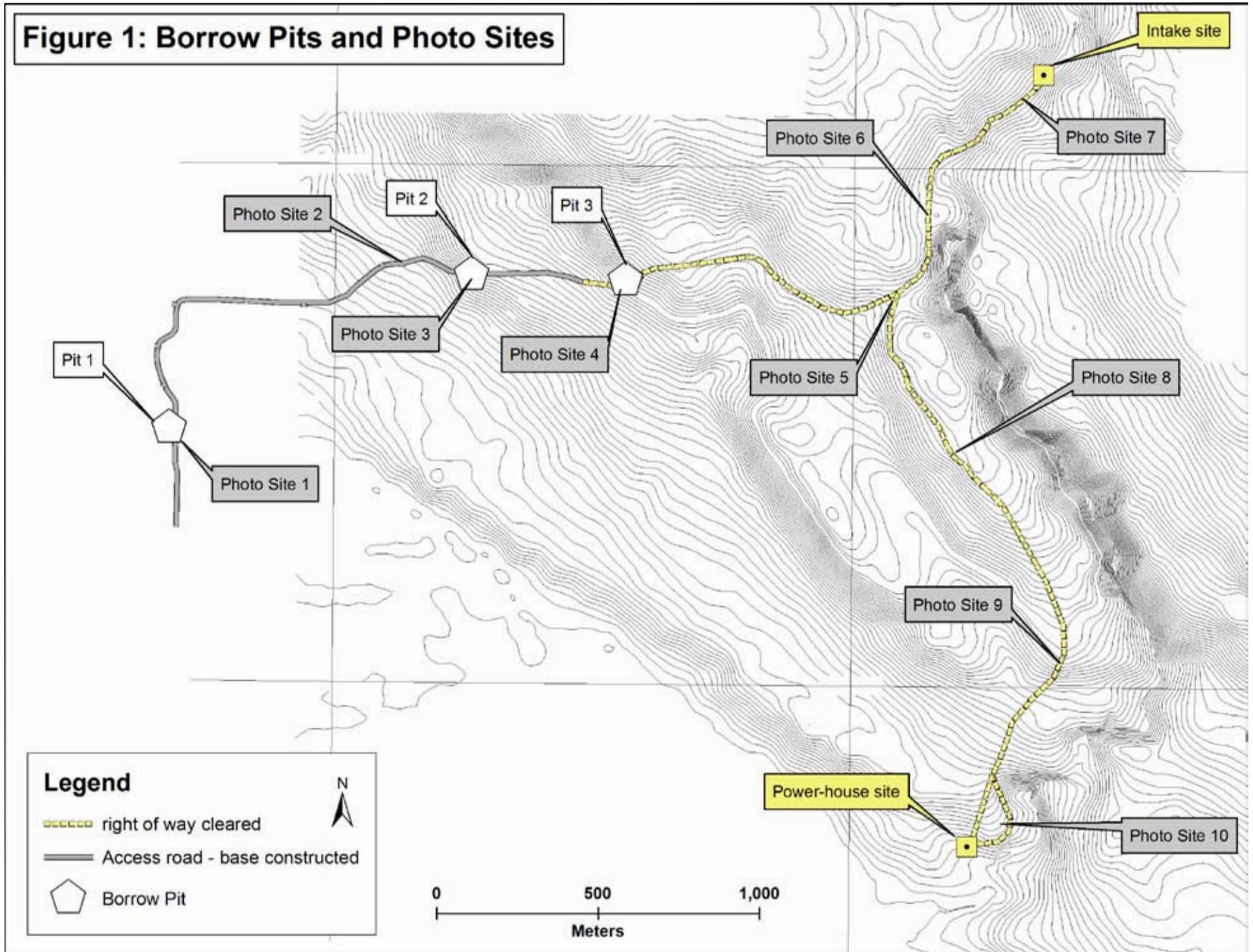
At the end of May the first of the gates was installed at the first bridge crossing (homesteader creek 1).

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

- 4) Contract Status
- 6) Reservoir Filling

- 7) Foundations
- 9) Materials Testing and Results
- 10) Instrumentation

Figure 1: Borrow Pits and Photo Sites



APPENDIX 1: MAY PHOTOS FROM VANTAGE POINTS



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