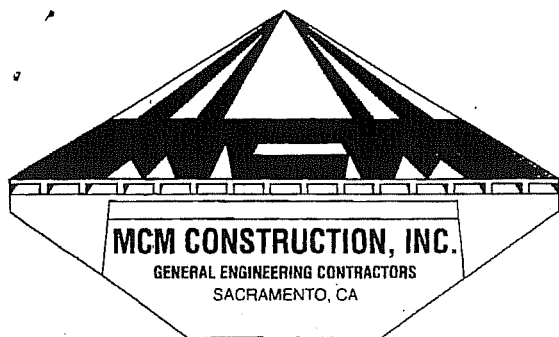


EXHIBIT

M

Declaration of Julie Macedo

**Prosecution Team Case-in-Chief
Confusion Hill Bypass Project**

**Main Office**

P.O. BOX 620 / 6413 32nd Street / North Highlands / CA 95660
(916) 334-1221 Estimating / Engineering FAX (916) 334-0562
Accounting FAX (916) 334-8355

Southern California Regional Office

P.O. BOX 867 / 19010 Slover Ave. / Bloomington / CA 92316
(909) 875-0533 Engineering / Accounting FAX (909) 875-2243

FAXED (707) 925-6257

June 13, 2007

State of California
Department of Transportation
PO Box 699
Garberville, CA 95542

LTR No. 255

Attn: Sebastian Cohen, R. E.

Re: Contract 01-397514
US 101 at Confusion Hill
NOPC 13 Additional SWPPP

Gentlemen:

Reference the Caltrans letters dated June 12, 2007 and May 31, 2007 regarding a SWPPP amendment for sandblasting and the MCM letter dated May 29, 2007.

MCM responded to the Caltrans request for a SWPPP Amendment for additional sandblasting measures with SWPPP Amendment No. 8. However, it is unclear to MCM how Caltrans believes they can direct additional work, above and beyond the BMP's in the approved SWPPP, the language in the Special Provisions, and the newly interpreted language of the Agency permits, while at the same time denying additional compensation for the additional work. It is well known that the direction from Caltrans for this SWPPP Amendment is a direct result of pressure from the various agencies and that Caltrans is being directed to implement additional measures inconsistent with the Contract and inconsistent with previous projects with this same permit language. It is also well known that Caltrans is just as surprised with the level of implementation that is being required, as stated by numerous Caltrans personnel, and the fact that this type and extent of implementation is not represented anywhere in the Contract.

This project is more than just the 14 page Section 10-1.02, "Water Pollution Control" of the Special Provisions and the three pages discussing Relations with the various agencies. Most notably it is the other 268 pages of the Special Provisions discussing a project with two very large structures with a substantial amount of earthwork that must be built in a specific time frame. Caltrans is directing that the most basic functions of bridge building (sandblasting, welding, etc.), that are required by the Caltrans Specifications, be done in manner that requires additional work. In some cases this additional work may be no more than spreading out a piece of visquene, but with the latest direction and the latest comments from the Department of Fish and Game, it is clear that the additional work will be extensive. MCM has no problem doing this additional work, and MCM will work with Caltrans to come up with solutions to these new requirements; however, Caltrans must understand that this is additional work and MCM must be compensated. Since the acceptance criteria for the new BMP's is a moving target and neither MCM nor Caltrans know what level of BMP's will ultimately be acceptable, the additional cost could be hundreds of thousands of dollars, and depending on what type of containment is required for sandblasting the superstructures the costs could exceed 1 million dollars. Caltrans has already seen the cost of some of the additional SWPPP requirements in Contract Change Order 5 for additional SWPPP, which MCM and Subcontractors have billed over \$200,000. The Caltrans response to that cost, as of May 22, 2007, is that

no more work will be authorized under CCO 5. From the project partnering point of view we are going in reverse.

The various agencies are holding Caltrans to level of SWPPP implementation above what MCM and Caltrans expected, based on broad permit conditions, and even going so far as to applying these criteria to elements of the work outside of the 100 year elevation. MCM has been directed by Caltrans to fill out discharge reports for several instances that do not meet the definition of a discharge, as described in the approved SWPPP Section 600.2. MCM was directed to not pour Pier 3 North due to weather concerns, a pour that is above the 100 year and not an element subject to the weather criteria as stated in the permits. MCM is being directed to contain all sandblasting and welding material by not even allowing the material to reach the 100 year zone, regardless if the material can be picked up after the work.

The direction for the Sandblasting SWPPP Amendment No. 8 stated the following:

"The following additional measures will be implemented where viable and appropriate, above and beyond BMP NS-14 of the approved SWPPP, in accordance with the direction in the Caltrans May 31 and June 12, 2007 letters.

1. Placement of toe kick boards (plywood or 2x6 boards or other)
2. Placement of visquine and/or filter fabric as horizontal and vertical barriers
3. Minimization of environmentally friendly sand
4. Operations during non-windy conditions
5. In sensitive operations, such as immediately above rivers or other protected areas, use of horizontal platforms directly below the work area have also been utilized."

This language was duplicated from the Caltrans June 12, 2007 letter. But the problem with this language is that it is no better than the broad language of the permits. The statement, "The following additional measures will be implemented where viable and appropriate" is a perfect example of the reason this issue is so problematic. The terms "Viable and appropriate" is going to be a different situation for every person that walks on the job. Even if MCM and Caltrans come to some agreement there is no doubt that the issue will be questioned by the first agency that walks on the job. Beyond that, there is a good chance that the next agency that walks on the job is going to disagree with the first. This has already happened.

The peculiarities of the agencies start with the permits themselves. Under the Project Descriptions in both the Department of Fish and Game permit and the Regional Water Quality Control Board permit the work required for this project is explained in detail. The description includes the large bridges and the trestle and falsework construction within the 100 year in order to build the bridges, including drilling CIDH foundations, river crossings and grading the riverbars for access. In the Special Conditions the favorite Caltrans quote from the RWQCB permit Condition #9 states;

"No debris, soil, silt, sand, bark, slash, sawdust, rubbish, cement or concrete washings, oil or petroleum products, or other organic or earthen material from any construction activity of whatever nature, other than that authorized by this permit, shall be allowed to enter into or be placed where it may be washed by rainfall into waters of the State."

Caltrans typically excludes the underlined portion of this condition and neglects Condition #11 that states;

"When operations are completed, any excess material or debris shall be removed from the work area and disposed of properly."

The Department of Fish and Game has similar language. Clearly the intent of the permits is that there will be construction that takes place within the 100 year, as described in the project description, that there will be impacts due to the grading and construction, and that any debris is to be cleaned up when the work is done. Any impacts to the water are to be quantified by turbidity and sedimentation measurements. The curious aspect here is that there has not been ANY turbidity or sedimentation in the river caused by sandblasting or welding and as long as the material is cleaned up there is not any permit violations.

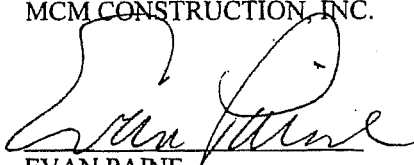
MCM has stated that MCM will fill out a discharge report whenever directed by Caltrans, but if the incident does not fall under the definition of a discharge MCM will submit a bill. Caltrans has verbally stated that there is a forthcoming CCO 26 for the Pier 3 pour delay, however a change order has yet to be issued. Caltrans has sent numerous letters, and direction for additional containment, but stated there will not be a change order for this work. Since there is not a forthcoming change order, in order to protect our rights, MCM has no choice but to file a Notice of Potential Claim.

Accordingly, this letter will serve as our Notice of Potential Claim No. 13, filed in accordance with Section 9-1.04, "Notice of Potential Claim" of the Amendments to the Standard Specifications for additional SWPPP requirements and for all of the associated delays and impacts. Attached is Form CEM-6201A.

Please call with any questions or comments (916) 334-1221 or cell (916) 869-4423.

Sincerely,

MCM CONSTRUCTION, INC.



EVAN PAINE,
Project Manager

Cc: JC, HDM, RM, James Ham, N. King, F. Toews, Joe Cartwright
285 File 7.0
285 File 14.13
285 File 18.1
Justin Porteous-Mercer Fraser-Faxed 707-443-0277

EXHIBIT

N

Declaration of Julie Macedo

**Prosecution Team Case-in-Chief
Confusion Hill Bypass Project**

**Main Office**

P.O. BOX 620 / 6413 32nd Street / North Highlands / CA 95660
(916) 334-1221 Estimating / Engineering FAX (916) 334-0562
Accounting FAX (916) 334-8355

Southern California Regional Office

P.O. BOX 867 / 19010 Slover Ave. / Bloomington / CA 92316
(909) 875-0533 Engineering / Accounting FAX (909) 875-2243

FAXED (707) 925-6391

December 7, 2006

State of California
Department of Transportation
PO Box 699
Garberville, CA 95542

Attn: Ron den Heyer, R. E.

Re: Contract 01-397514
US 101 at Confusion Hill
RWQCB NOV November 27, 2006

Gentlemen:

Reference the Caltrans letter dated December 1, 2006 and the MCM letter dated November 9, 2006.

The Notice of Violation (NOV) dated November 27, 2006, received from the California Regional Water Quality Control Board (RWQCB), is addressing the same activities as the RWQCB NOV dated October 30, 2006 with the exception of the excavator crossing the river. The foundation activities were addressed in the MCM response dated November 27, 2006.

To summarize, MCM employed numerous BMPs, including a design with minimal impact, an aggressive work schedule to minimize impacts, cofferdams, silt screens, sandbags, etc. to accomplish an extensive amount of work in a very short period with very minimal impact. The first two foundations in the water were completed with no impacts and Caltrans/Agencies were enthusiastic about the methods being utilized. As the work continued the previously successful methods developed some additional challenges so the methods were modified and the work continued successfully. We do not believe the work violated any permits as the work under question is work authorized by the permits and the impacts were minimized to the greatest extent possible.

The RWQCB NOV lists the following conditions with the MCM response:

7. Adequate Best Management Practices (BMPs) for sediment and turbidity control shall be implemented and in place prior to, during, and after construction in order to ensure that no silt or sediment enters the surface waters.

MCM Response – Any BMP utilized to do the work necessary to place the foundations in the water, in the original placement of the BMP, will cause some silt or sediment. In the strictest sense just placing a BMP would be a violation of the permit. It is generally accepted that placing a BMP, while generating some sediment, is acceptable. MCM placed BMPs prior to the work with successful results. As the river got deeper and more gravel was encountered, the previously successful method had to be modified. It was, and the remaining foundations were constructed successfully.

8. If, at any time, an unauthorized discharge to surface waters occurs, or any water quality problem arises, the project shall cease immediately and Regional Water Board staff shall be notified promptly.

MCM Response – As stated in the response to Condition 7, and also as stated in Condition 9 below, when some impacts have been anticipated by the Contract and the permits, and it is impossible to do any work without some impact, it is somewhat arbitrary on what constitutes a water quality concern. The Confusion Hill slide that cascaded into the river only a couple of weeks after the date of the activities listed in this NOV, that turned the entire river brown and saturated the water with silt and sedimentation for weeks, would seem to qualify as a water quality concern. Activities expected and approved, that may have minor impacts measured in minutes, do not qualify as water quality concerns. Nonetheless, MCM did stop and modify and improve the activities that resulted in even less impact. There is also no shortage of pictures, reports and notifications on this job.

9. No debris, soil, silt, sand, bark, slash, sawdust, rubbish, cement or concrete washings, oil or petroleum products, or other organic material from any construction or associated activity of whatever nature, OTHER THAN THAT AUTHORIZED BY THIS PERMIT, shall be allowed to enter into or be placed where it may be washed by rainfall into Waters of the State.

MCM Response – The following is a direct quote from the project description in the CRWQCB permit dated February 16, 2006;

“The applicant has identified two 1.5-acre areas near each end of the project as places where activities related to construction of access roads and temporary bridges could impact waters of the United States...Activities related to construction of the temporary bridges include rotating, vibrating, drilling, or a combination of these methods to install sheet piles or casings and drilling holes into the bedrock to build support piers for the temporary bridges.”

The permit clearly describes the work required at the temporary trestle and clearly indicates that there may be impacts, yet the permit was still issued that authorized

the work to proceed. MCM lessened these impacts with a proactive design that not only had fewer pile than allowed by the Contract, but also a foundation design that minimized exposure and impacts even further. There were some minimal impacts, AS ANTICIPATED BY THE PERMIT, but these impacts were well within any reasonable expectations of the enormous amount of work that was accomplished in a very short time.

13. Fueling, lubrication, maintenance, operation, storage and staging of vehicles and equipment shall be outside of Waters of the United States and shall not result in a discharge or a threatened discharge to Waters of the United States. At no time shall the applicant use any vehicle or equipment, which leaks any substance that may impact water quality.

MCM Response – This Condition 13 is not even quoted correctly, as this condition was amended by the RWQCB letter dated April 18, 2006. The amended Condition 13 is as follows:

“Fueling, lubrication, maintenance, storage and staging of vehicles and equipment shall be outside waters of the United States and operation of vehicles and equipment shall not result in a discharge or a threatened discharge to Waters of the United States. At no time shall the applicant use any vehicle or equipment, which leaks any substance that may impact water quality.”

This amendment, as stated in the same April 18, 2006 letter, was a clarification to allow the authorized operations within the waters of the United States. Again, reference the MCM response to Condition 9 about the project description in the RWQCB permit, as well as the following, “A seasonal temporary bridge may also be installed at the south bridge... wooden, steel, or concrete piles will be placed in the channel to support a wood deck. The river rock abutments may extend several feet into the channel.” In order to construct these crossings, everyone is aware that several crossings would have been required, as indicated in the Contract Special Provisions Section 5-1.16, “Access to Work”. There would have been additional impacts if the abutments were constructed with additional supports in the river, as allowed by the RWQCB permit, however all of this was mitigated by not building the north crossing this year and limiting the total number of crossings to less than what was allowed. Caltrans was aware of the crossing prior to the event and it was approved.

As far as the second sentence of this Condition 13, in the most literal sense it is impossible to comply with. Even the Caltrans inspection pickups would not meet the condition. The intent is to not have extensive leaks, clean up any leaks that may happen, and to not work leak prone equipment in the water. The excavator

in the water was extensively cleaned and inspected prior to the crossing and did not impact the water quality.

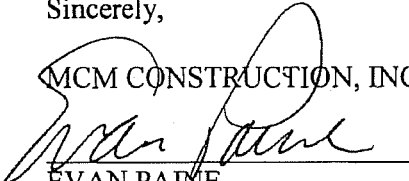
If each condition is taken for the most literal sense then the project is simply unbuildable. There must be some consideration for the size and type of equipment and foundations that the magnitude of this construction requires. It is impossible to have no impacts and this is acknowledged in the project description of the RWQCB permit. MCM has been very proactive in both in the planning and construction phases to limit the impacts to the greatest extent possible. The activities listed in the NOV are well within the scope of the permit and do not qualify as water quality concerns. If these activities are going to be construed as violations of the permit, then the work required to build this project, as well as driving any pickup on the job, is a violation of the permit and the job should be suspended.

Attached is the water drafting logs for a total of 27 loads of 2000 gallons for a total of 54,000 gallons.

Please call with any questions or comments (916) 334-1221 or cell (916) 869-4423.

Sincerely,

MCM CONSTRUCTION, INC.


EVAN PAINE,
Project Manager

Cc: JC, HDM, RM, Ed P., James Ham, Justyn Webster
285 File 7.0

EXHIBIT

O

Declaration of Julie Macedo

**Prosecution Team Case-in-Chief
Confusion Hill Bypass Project**

285 46 10 1
MERCER-FRASER COMPANY

General Contractors and Engineers

Since 1870

P.O. Box 1006, Eureka, CA 95502-1006

(707) 443-6371 Fax (707) 443-0277

November 10, 2006

MCM Construction
Attn: Evan Paine
6413 32nd Street
North Highlands, CA 95660

Sent to CTarn
MCM letter

11/10/06

Reference: Contract 01-397514, Confusion Hill

Subject: Response to SWPPP Letter dated Nov. 8, 2006

Dear Mr. Paine,

This correspondence is in response to the RE's letter with Walt Dragolowski's SWPPP comments dated November 8, 2006. The response is itemized as follows:

1. A sediment plume was observed emanating from a culvert outlet located just upstream from the Bear Pen Disposal area. This sediment plume was traced back to run-on coming from the Hwy 101 under crossing just north of the staging area on Hwy 271. MCM is directed to place an AC berm diagonally across Hwy 271, north of the access gate. Since this source is not the responsibility of the Contractor, the AC berm placement work would be performed under contract change order.

Justin Porteous of Mercer-Fraser Company met with the RE and Gene Leo at the proposed dike location on the afternoon of November 9, 2006. The State was unable to determine the best location for the placement of the dike and decided to refer to Caltrans hydraulic department for recommendation. When the State determines the appropriate construction for the diversion of run-on, Mercer-Fraser Company will perform the required construction under CCO # 5 on a Force Account basis.

2. The silt fence and hay bale check dam located below Ordinary High Water at the bottom of the Bear Pen river access road are still in place. MCM is directed to remove the BMPs at this location.

The BMPs below Ordinary High Water at the Bear Pen river access road were removed and disposed of appropriately.

3. The Bear Pen access road is currently super-elevated along the top portion and concentrates run-off along the inboard edge. MCM is directed to out slope the access road to allow sheet flow along the entire road and prevent concentrated run-off.

The super-elevation will be corrected this afternoon to allow sheet flow along the entire outboard edge of the road.

4. The silt fence along the top of slope, on the river side of the Bear Pen river access gate allows run-off to flow around the lower end. MCM is directed to extend the silt fence toward the gate to filter all run-off.

The silt fence was extended toward the river access gate and a sand bag was placed at the end of the extended silt fence to eliminate any potential for storm water to bypass the silt fence.

5. Run-off from the staging area adjacent to Hwy 271 above Bear Pen disposal area is being diverted by the crushed rock that was placed from the highway to the disposal area. The run-off is running down the disposal area road and discharging at the low point in the access road. MCM is directed to construct a swale through the crushed rock approach to channel water across it or a berm should be placed at the top of the access road to the disposal area.

Mercer-Fraser Company requires clarification of the location of the proposed swale or berm at the staging area adjacent to Hwy 271.

6. Currently there are three access points to the fueling/maintenance area at the north end of Hwy 271. Pea gravel has been placed at two of the access points to stabilize the entrances/exits. The pea gravel layer is very thin and susceptible to displacement by wheel loads and will be insufficient during higher intensity rainfall events. MCM is directed to place a layer of crushed rock at the access points to create stabilized construction entrances/exits.

Mercer-Fraser Company has directed Ladd and Associates to construct temporary construction entrances/exits per BMP TC-2 of the approved SWPPP.

7. Storm water currently flows along the dike on the river side of Hwy 271 south of the Bear Pen disposal area. The velocity of the water is unchecked and has the potential to transport sediment and gravel. MCM is directed to place check dams along the dike to reduce the storm water velocity and capture entrained sediment and gravel.

Gravel bag berms were placed along the dike on the west side of Hwy 271 yesterday afternoon. Additional gravel bag berms will be installed in the existing ditch along the west side of Hwy 271.

8. The concrete secondary containment structure for the fuel tank on the east side of Hwy 271 has no walls to prevent the capture of storm water. The drip containment barrel for the fuel nozzle is currently located against the outside edge of the structure and is receiving rainfall directly into the barrel. In order to reduce the amount of water that the barrel captures for off-site treatment, MCM is directed to relocate the barrel away from the outside edge of the structure.

The secondary containment structure for the fuel tank is the property of MCM Construction. Mercer-Fraser Company assumes no responsibility for water

pollution control associated with this structure. It is Mercer-Fraser Company's understanding that MCM is aware of the disposal requirement for any storm water that comes into contact or is collected within the containment.

9. The gravel bag and hay bale check dams placed in the ditch line to the drainage inlet located just north of the contractor's office trailers has been completely knocked over by the storm water flows. Additionally, storm water is also bypassing the drain inlet. MCM is directed to place a gravel bag berm at the entrance to the ditch line to prevent bypass.

Straw bale check dams were removed from the ditch line and replaced with sand bag check dams reinforced with steel reinforcing bar. Gravel bag berms were placed at the top of the ditch line to direct water into the ditch and eliminate bypassing of storm water.

10. The temporary trestle still has open space between decking that would allow material to enter the channel. The Contractor has attempted to place expanding foam into some of the cracks but not all cracks are filled and those that are filled still show daylight through portions and appear (to) have lost adherence during deck loading. MCM is directed to seal the deck to prevent in a manner to prevent any material to enter the channel.

The temporary trestle is the property and responsibility of the prime contractor. It is the belief of Mercer-Fraser Company that the prime contractor is aware of open spaces in the decking and is currently developing a remedy to eliminate discharge to the channel.

11. The crane being used on the trestle has leaking fluids. This has been noted many times earlier. The contractor has attached a piece of plastic under the crane, but the plastic catches both oil leaks and storm water. There is evidence on the trestle deck that oil that has leaked off of the plastic. MCM is directed to repair the crane or discontinue its use.

The crane is the property of the prime contractor who holds responsibility for its water pollution potential. Evan Paine assured Mercer-Fraser Company that MCM will remedy the fluid leaks.

12. The access roads on the peninsula have not been stabilized with rock as required by the Special Provisions. MCM is directed to stabilize the access road on the peninsula.

Mercer-Fraser Company has discussed and investigated the issue with the RE. We determined that existing rock satisfies the requirements of the Special Provisions. Rock from current hard rock excavation with excavator and hammer will be placed on the access road where necessary. Additionally, BMPs exist between the access road and the channel.

13. On the peninsula above abutment 1 of the north bridge, BMPs are required on the large amount of disturbed soil area (DSA). There is sufficient area for desilting basins and temporary erosion control should be applied to all areas that are

inactive, or expect to be inactive due to rainy weather. MCM is directed to install appropriate BMPs in this area in accordance with the approved SWPPP. In addition, exposed slopes shall be stabilized with bonded fiber matrix or other approved method.

The area was inspected yesterday afternoon with the RE and storm water inspectors. Ladd and Associates is directed to construct a desilting basin and Mercer-Fraser Company will install additional silt fence. When the temporary trestle is completed, bonded fiber matrix will be installed on inactive DSAs.

14. The current amount of DSA is estimated to be greater than the 5-acres allowed by the Special Provisions. The current DSA areas need to be stabilized before further clearing and grubbing or any other DSA work is performed.

Mercer-Fraser Company has sent a letter to the prime contractor requesting an authorized increase of the allowed disturbed soil area. Additionally, DSAs are currently receiving appropriate stabilization.

15. Two culverts have been placed on the lower peninsula access road. These culverts will concentrate run-off. The culverts do not extend to the bottom of the slopes and do not appear to be well attached to the slope. There are no energy dissipation device(s) at the bottom of the culverts, although silt fence has been placed on the flat section near the toe of the slope. MCM is directed to extend the culverts to the toe of the slope, be well secured to the slope, and an energy dissipater be placed at the outlet.

During a subsequent water pollution inspection, the RE directed Mercer-Fraser to extend the culvert an additional 20-feet and install rock energy dissipaters with local rock. The culvert additions will be secured to the slope with rebar and rope. Additionally, the culvert inlets will receive drain inlet protection per Item 10 – “temporary drainage inlet protection” of the Special Provisions. All culvert work will be performed on Monday, November 10, 2006.

16. The fiber rolls placed at the north end of the peninsula access road to the north bridge abutment 1 are not entrenched or staked.

The fiber rolls were installed at the RE's direction. The fiber rolls are staked to the slope at three points so that the fiber rolls can be easily removed and replaced instead of destroyed by equipment traffic.

17. The inboard ditch adjacent to the steep section of paved road to the south bridge is susceptible to high flow velocity. During earlier visits, I discussed with Justin Porteous, the need to protect the v-ditch along the steep portion by lining with rock. No rock lining has been placed. Due to paving of the south access road, run-off velocity will be increased along the entire length of the out-sloped road. There are not BMP's currently installed along the outer edge of the road. MCM is directed to install silt fence along the entire length of the outside edge in all locations where the road is out-sloped.

The ditch adjacent to the steep section of paved road to the south bridge will be lined with rock today and has had check dams installed. Silt fence will be installed on the outer edge of the access road where the road is out-sloped.

18. During construction of the work platform for the south bridge, pier 2, loose soil was pushed over the edge of the bank. The soil cascaded all the way to the toe of the slope, which is below the Ordinary High Water elevation. The loose soil along the entire chute should be stabilized or removed. MCM is directed to remove the loose soil below the OHW elevation.

Mercer-Fraser Company has attempted to remove the loose soil from the top of the chute but the attempt proved unsuccessful without dislodging additional soil below OHW. Silt fence was installed at the hinge point and again further down the slope above OHW. Additionally, the slope was stabilized with bonded fiber matrix. Mercer-Fraser Company has directed Ladd and Associates to remove any loose soil they may have dislodged during the excavation for footing construction at pier 2.

19. The construction entrances/exits were not constructed according to the Special Provisions. There is no evidence of large amounts of soil tracking onto the highway, however, during higher intensity rainfall events and increased construction traffic, tracking may become an issue. The State recommends that the stabilized construction entrances/exits be built according to the Special Provisions.

Mercer-Fraser Company will direct Ladd and Associates to install temporary construction entrances/exits per the Special Provisions.

20. The retention basin located adjacent to the concrete batch plant does not have any means of conveying water should it overflow. An old culvert used to connect to the basin, however during improvement of the road, an excavator could not find the inlet. If the basin overflowed, a portion of the north access road would be at risk of being washed into Red Mountain Creek. MCM is directed to monitor the basin and, if necessary, install an overflow drain connected to the existing down drain on the outer slope of the basin.

Mercer-Fraser Company will monitor the basin and install an outlet to the existing down drain if observation shows potential for overtopping.

21. The falsework trestle footings and bents have been erected. The Notice of Violation sent by the RWQCB identifies direct discharge of welding slag to the river. Currently there is no written plan to prevent the discharge of welding slag. MCM is directed to discontinue welding within the 100-year flood elevation until MCM submits a plan, and approved by the Engineer, to contain the welding slag. The SWPPP shall be amended to include the approved welding containment plan.

Welding was performed by the prime contractor who will furnish the welding containment plan. Once approved, Mercer-Fraser Company will include the welding plan in the SWPPP by amendment.

22. Currently the SWPPP Water Pollution Control Drawings are not up-to-date. MCM shall modify drawings to show the current configuration of BMPs.


Mercer-Fraser Company will update the Water Pollution Control Drawings to reflect the all new BMPs installed, additional WPCD illustrating staging areas and clearing and grubbing areas.

23. Cut slopes on the peninsula access road have not been stabilized. MCM is directed to stabilize exposed cut-slopes not entirely composed of rock with temporary erosion control.

Mercer-Fraser Company is currently installing straw mats on fill slopes located along the peninsula access road. Bonded fiber matrix will be applied to cut and fill slopes when completion of the temporary high trestle allows access to the peninsula.

If you have any questions, please contact me at (707) 443-6371.

Sincerely,
MERCER-FRASER COMPANY


Justin Porteous
Engineer

cc: Job File

EXHIBIT

P

Declaration of Julie Macedo

**Prosecution Team Case-in-Chief
Confusion Hill Bypass Project**



Main Office

P.O. BOX 620 / 6413 32nd Street / North Highlands / CA 95660
(916) 334-1221 Estimating / Engineering FAX (916) 334-0562
Accounting FAX (916) 334-8355

Southern California Regional Office

P.O. BOX 867 / 19010 Slover Ave. / Bloomington / CA 92316
(909) 875-0533 Engineering / Accounting FAX (909) 875-2243

FAXED (707) 925-6391

November 15, 2006

State of California ~~LEASO INTERVIEW CENTER~~
Department of Transportation
PO Box 699
Garberville, CA 95542

Attn: Ron den Heyer, R. E.
Garry Tolen, S. R.

Re: Contract 01-397514
US 101 at Confusion Hill
Welding Containment Plan

Gentlemen:

Reference the Caltrans letter requesting a welding containment plan.

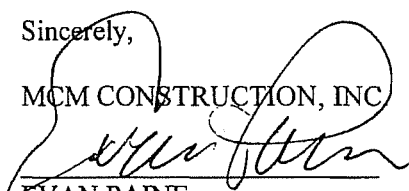
[MCM is unfamiliar with this request. This is a new requirement, not covered by the plans, permits or BMP's. Please provide additional information as to what would be acceptable.]

Please keep in mind that this work often occurs at extreme heights, on very narrow work areas, and any additional apparatus the welders may have to deal with becomes a safety concern. Please also keep in mind that a man lift does not provide the access required to do all of the welding. Please also keep in mind that, in order to minimize any impact to the river channel most of the welding on the structural members occurs away from the channel. However, in order to do the final installation of clips and bracing welding must occur in the channel zone.

Please call with any questions or comments (916) 334-1221 or cell (916) 869-4423.

Sincerely,

MCM CONSTRUCTION, INC


EVAN PAINE,
Project Manager

Cc: JC, HDM, RM, GS, James Ham, Justyn Webster
285 File 7.0