

Open Letter to the Bala Community

We are writing this letter on behalf of Swift River Energy Limited to the residents of the community of Bala, to inform them that after four years of public and stakeholder engagement, and of satisfying the painstakingly detailed provincial and federal scientific and engineering review of the North Bala Small Hydro Project environmental assessment, we have been left with little choice but to abandon the generally preferred Option 2 plan and pursue the re-development on the Ministry's originally offered Option 1 site.

Swift River's team submitted the original Option 1 plan to the Ministry of Natural Resources (MNR) in 2005 in response to MNR's open invitation for applications to re-develop the Bala site, and were ultimately the successful applicant. After an initial presentation and feedback from the community in 2007, however, our team spent extensive time and effort to redesign the project into what is now known as the Option 2 plan. Those changes were made to specifically accommodate the community's requests to maintain greater public access to the south shore of the Bala Falls; to improve the appearance of the facility; and to incorporate a public park area atop of the facility that the whole community would enjoy. It was clear to all involved that this improved Option 2 plan would only be possible with the agreement of the Township of Muskoka Lakes (TML) and the District Municipality of Muskoka (DMM) to lease the required lands to Swift River. In 2008, TML and DMM agreed, through resolutions in council, that this was an acceptable plan.

However, the Oct. 2010 municipal election saw a new TML council elected, led by Mayor Alice Murphy. Mayor Murphy has made no secret of the fact that she is opposed to

Option 1: Crown Land, next to the Falls.



Option 2: Municipal Land, 100 feet away from the Falls.



seeing any waterpower development at the site for which her property is located directly opposite. However, in a last ditch effort to try to work with the new mayor and council, Swift River committed this last year to try to achieve some compromise or agreement with the Township in this matter - with no success.

Therefore, at this late stage, we have been left with little choice but to pursue the re-development on the MNR's original Option 1 site, located entirely on Crown lands for which we have Applicant of Record Status (the location of the original waterpower facility). This scenario requires no lease agreement with TML.

Swift River remains committed to becoming a socially and environmentally responsible member of the Bala community. Our team will

continue to maintain an open dialogue and work with the residents and businesses and to ensure construction is orderly and considerate of the issues. Our goal remains to ensure that this new green energy facility will be one in which the Bala community can again be proud.

Swift River will be announcing the next steps in the process in the coming weeks. Thank you for your understanding.

Respectfully,
Anthony Zwig, President and
John Wildman,
Vice Chair
(www.balafalls.ca)

