

November 2nd, 2009

District Municipality of Muskoka
70 Pine Street
Bracebridge, ON
P1L 1A8

Attention: Mr. Gord Adams, District Chair

Further to our presentation to District Council on October 26th, 2009 we would again extend our appreciation for the opportunity to share community concerns with our elected Councillors.

The issue of a proposed hydro-electric generating station in Bala remains complex, focusing on the issue of construction of an industrial facility in the heart of a recreation and tourist destination. Green energy versus green space.

There are a number of difficult issues to address, the impact of which will be the legacy we leave behind for future generations. In this regard the very brief review period provided by the proponent of 44 days is inadequate. The need for an extension of the response period was requested by Councillor Grady and already offered verbally by the proponent's COO at a Town Hall Meeting in June of this year. Consistent with the proponent's statement that we are now in a formal and written response portion of the process we would ask that Council formalize this request to the proponent in writing to extend the period to review and respond.

As you are aware from previous updates to Council, the community has been asking the proponent for specific information for the better part of a year and has still not received answers to many questions. A most compelling issue is that we still do not know what the project will look like, nor how it will be integrated into the site.

Unfortunately Ms McGhee's presentation at District Council was a recitation of the process, and no new information was provided. Further, in a follow-up letter dated October 30th, Ms McGhee references community input with language such as: "specious and misleading fear mongering", "preposterous", "purported concerns", and "patently false" all of which are disrespectful and inappropriate as we detail below.

Further, although Ms McGhee's letter provided detail on some short-term benefits of construction work, we are very concerned about the lack of study and analysis provided on the long-term impact to Bala's businesses and economy. In this regard a full Economic Impact Study should be prepared.

Related thereto is our concern regarding the compelling need that a performance bond be posted by the proponent in relation to this project. To the extent there was a technical, economic, political or business problem during construction, the proponent could just walk away from the project, leaving the Township and District

to deal with the significant cost of restoring the site. Witness the continuing problems with the two properties in Port Carling.

Ms McGhee's letter refers to the community response as being a "disservice to the consultation process and it is a disservice to the community that is looking to these individuals for meaningful and responsible leadership regarding an important site where a power plant contributed to the greater part of the last century".

Notwithstanding the extremely pejorative nature of these comments it should be noted that this power station produced electricity from 1924 to 1957. That is 34 years – and not "the greater part of the last century". Further, it was a tiny plant, with a capacity of just 7% of what is currently being proposed. This exponentially smaller scale allowed this facility to co-exist harmoniously with concurrent recreational use.

We ask for your indulgence, as Ms McGhee's very pointed comments demand a detailed and technical reply, included as Appendix A below. We would be happy to cite Sections and provide additional detail on any of these issues.

In summary, we appreciate the efforts of Council and Staff to review and analyze the information provided to date by the proponent, and to query those aspects of the construction and operation of the proposed facility that have not been adequately addressed.

This review should be undertaken in the context of determining whether the significant negative impacts on the community, particularly the need for continued safe access to the public recreational space, has been effectively mitigated.

To the extent that questions remain, a request from the District for an elevation of the proposed project an individual environmental assessment would be appropriate.

Respectfully,

On behalf of the Community,
Mitchell Shnier
Alice Murphy
Jeff Mole

c.c. Mayor Susan Pryke, Township of Muskoka Lakes
Jim Green, Chief Administrative Officer, District Municipality of Muskoka
Norm Miller, MPP
Andy Heerschap, Parry Sound District Manager, MNR
Steve Taylor, MNR
Dilek Postacioglu, MOE

Appendix A: Response to Proponent Letter dated October 30th, 2009

1) Per Proponent:

"Mr. Shnier's claim that our Project Option #1 will not fit on the MNR land."

Response from Community:

Option 1, as depicted by the proponent would require District land for a portion of both the physical plant and the service driveway, and as per discussion with both the Chair and COO of District, this important information had not been previously conveyed to DMM by the proponent.

The proponent has suggested that they would proceed building Option 1 if land for Option 2 was not available. We do not believe the proponent could or would proceed with Option 1 for many solid reasons:

- It would significantly reduce the power output of the station, as the water intake would be restricted by both shallow water at the north dam and the large abutment for the highway bridge.
- The proponent has already acknowledged that eliminating public access to the south side of the north falls would be a major problem.
- There is no room for the required driveway.
- There would be significant blasting required adjacent to the north dam and the highway bridge, and damage to these structures could be disastrous.
- The fast water exiting the power station would be directly across the base of the north falls, and would be a danger to people there and damaging to the fish habitat, and neither of these would be acceptable to the government agencies and ministries.

Perhaps the District Staff's report could request a response to these points and how the proponent would propose that these concerns would be effectively mitigated.

2) Per Proponent:

"Mr. Shnier's claim rendering of the public access"

Response from Community:

We felt it was important to highlight that the proposed power station would make 500' of shoreline inaccessible to the public. Also, a second iteration of the public access drawing was required as that provided by the proponent was incomplete, showing only 25 m of shoreline south of north falls as inaccessible when the proponents own words – including Ms McGhee's letter of October 30th – state that 50 m at this location would be inaccessible, a difference of 100%.

The proponent has also not provided direction as to how the public would access the shoreline south of their power plant given that it would be at the bottom of the 15'-high retaining wall required to be constructed for their driveway.

The question also remains as to what is contemplated by the proponent by the claim of “abundance of shoreline in the vicinity of the project” as most of the shoreline in Bala is private, and this project would be removing 500’ of shoreline from the public use.

3) Per Proponent:

“Mr. Shnier’s claim that the project’s flow and velocity modeling confirms, “It would be extremely dangerous to overshoot docking at the town docks”

Response from Community:

As stated, our concern relates to the water speed if one overshoots the town docks by a few feet. The boat would drift against the almost immediately adjacent safety boom and be held there, with danger increasing dramatically should one exit their boat. At this point the only rescue scenario identified by the proponent is to “ask the OPP”.

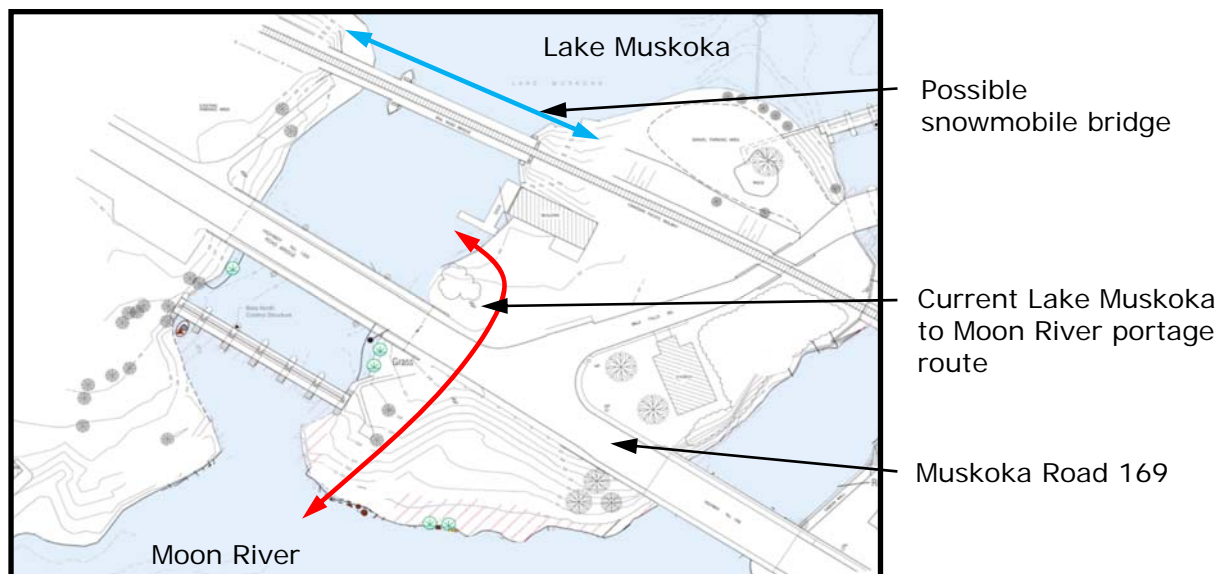
Given this significant public safety issue we would ask that DMM’s Staff Report include a specific review and evaluation of the steps required to get the power station shut down, the time required for this, the groups which would have responsibility to provide rescue services, and the training they would require.

4) Per Proponent:

“Mr. Shnier’s claim the “new” portage route would compromise portagers’ safety”

Response from Community

Notwithstanding the proponent’s comments to the contrary, portagers do not currently walk any distance along Muskoka Road 169, they walk directly across it as depicted in the drawing below. Only the proponent’s suggestions include the danger of portaging canoes along the road. Also from this drawing you can see that we do not understand the proponent’s suggestion that portaging would be facilitated by the possible future snowmobile bridge.



5) Per Proponent:

"Mr. Shnier's purported concerns for the manner in which noise emissions have been calculated."

Response from Community

There are at least five sources of noise identified of which only two have been evaluated in the report. Given that noise is additive in nature it is a reasonable request to ask that all sources of noise be included in the analysis.

6) Per Proponent

"Mr. Shnier's suggestion the facility will emit vibrations across the landscaped portion of the island"

Community Response:

No matter how well maintained, five million watts of rotating machinery will produce vibration and a fulsome analysis should be provided addressing the degree to which the specific equipment, rotation speed and building construction would have on the vibration in the locations where the public are expected –above and beside the power station.

Note that the proponent repeatedly claims that their development would be; "parkland" (Section 6.2.4.2, 6.3.6.1 and Table 6.1), a "public park" (Section 6.3.1), and a "park-like setting" (Section 6.3.5.3 and Table 6.1) – thereby setting a higher requirement that it not feel and sound like a humming factory.

7) Per Proponent:

"Ms. Murphy's claim that Bala will lose through-traffic during construction and the project will have "overwhelming long-term negative economic impact"

Community Response:

The proponent continues to ignore the long-term economic implications and is focused only on the short-term economic stimulus generated during the construction period. The proposed facility would have major long-term and irreversible effects to the identity of the Bala community, the livelihood of its business owners, the safety and recreational opportunity of a community, and the enjoyment of thousands of visitors each year who've fallen in love with the Bala Falls.

8) Per Proponent:

"Ms. Murphy's suggestion that project construction includes "building a highway bridge" and "dumping tons and tons of rocks into the north falls channel and Moon River"

Community Response:

We are not aware of any reference in the presentation to a "highway bridge". It is very clear that a Bailey bridge will need to be installed for 6 months in winter to facilitate traffic across the 50'-deep and 30'-wide water intake culvert.

Further, the construction of the cofferdam will in fact necessitate the dumping of tons and tons of rocks and plastic into the water, which will then require ultimate, and hopefully complete removal post construction. We would welcome any additional level of detail on these topics to clarify the process.

We would also note that the report does not provide any project timeline illustrating the issues significant to the community, such as:

- Installation of the Bailey bridge and traffic light,
- Operation of the rock crusher and cofferdam water pumps,
- Installation of the construction crane,
- Haulage of hundreds of truck loads of rock and soil.

As you see, our points are all significant to the community and supported by information provided directly by the proponent. We would welcome any opportunity to provide additional detail.