

## 2011 RECAP — Back to square one for Bala Falls hydro project

Louis Tam

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BALA - The fight against a proposed hydro project in Bala received a tough blow this past fall.

Since the project received preliminary OKs from the previous Muskoka Lakes and District of Muskoka councils in 2008, developer Swift River Energy Limited has been at odds with local opponents who are concerned the project will negatively impact the surrounding community of Bala, its economy and environment. Though Swift River attempted to **seek a compromise** by unveiling a new design for the project, it cited a lack of cooperation from township council as the reason for reverting back to its original plans this year.

Known as option 1, those original plans involve building most of the generating station above ground at the North Bala Falls. First presented in 2007, option 1 would cut off public access to the falls, and would be built on provincially owned land only.

But in response to negative public feedback on its plans, Swift River had unveiled a second, less obtrusive



**OPTION 1.** In October, Swift River Energy Limited decided it would scrap a less obtrusive elevation for a hydroelectric project it intends to build at the North Bala Falls, citing an inability to **compromise with Muskoka Lakes council**. The decision means the project will be built in the more obtrusive elevation, shown here. *Submitted photo*

option. Known as option 2, it placed the generating station 100 feet away from the falls in a shorter and less visible elevation, but would require both provincial and municipal land to build.

Council, however, refused to accept either option.

Opponents of the project suffered their first setback of the year in late March, when the Ministry of the Environment endorsed the project's environmental assessment, saying further studies were not needed. The decision was made despite comments the ministry received from a number of project opponents during the public review process.

The township briefly appeared to gain more leverage in late April, when the District of Muskoka – a long-standing third party in the controversy – agreed to transfer a slice of affected land it owned to the township. The move left Swift River and the township to sort matters out for themselves.

But just weeks afterwards, Mayor Alice Murphy came under fire for an alleged conflict of interest in the matter. Murphy – whose residence is near the falls – was slammed by Swift River's lawyers for continuing to participate in discussions on the project as both a district councillor and township mayor. Murphy countered by saying her participation was allowed under a "shielding clause" of the Municipal Act, provided the issue is "an interest in common with electors generally."

In June, council announced it was seeking heritage designations for a number of properties around the Bala Falls. Though the move drew praise from some in Bala, others accused council of using the designations to deny Swift River municipal land needed for option 2.

Council then passed a resolution in late July, vowing not to provide Swift River with any township land until the project's potential impact on the community was addressed to the township's liking.

Fed up with the township's position, Swift River decided it would scrap option 2 in October, citing an inability to compromise with council. The project is currently awaiting final approval by the Ministry of Environment.

Township documents show the township has spent \$43,580 on legal bills relating to the project since March. The cost is 19 per cent of all legal costs the township incurred this year.

In total, the township has spent \$70,809 in legal fees since the project's inception.

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