

Dear Concerned Supporter:

We are writing this letter today to ask for your help and support for our Bala community. We are a group of concerned citizens opposing the construction of a hydro-electric generation plant by Swift River Energy Limited in the very heart of Bala, between the north and south falls. In this regard we have formed a non-profit corporation, "SaveTheBalaFalls.com" to spearhead the opposition to the proposed hydro project.

The construction of this industrial plant has the current, but not yet final, support of both our Muskoka District Council and our Provincial Government. Before final approvals lock in we need to ensure that our voice is heard loud and clear and our numerous concerns addressed. We need to ensure that our government is aware of and understands the unintended negative consequences to the Bala community and parkland that this project will have. Specifically:

- Bala's feature waterfalls will be reduced to a mere trickle as almost all of the water will be diverted through the plant to generate electricity and maximize private enterprise revenue
- Our water levels, in both Lake Muskoka and the Moon River, will have even greater variability, with consequent dock and flooding damage and no direct accountability
- The safety of swimming, snorkeling and boating in the impacted areas will be significantly compromised
- Fish spawning beds in the Moon River will be destroyed
- Bala merchants will suffer a major loss of revenue, both short term during the 18 month construction period with resultant traffic chaos through the centre of town, and long term as new shopping and driving routes are established by those affected
- Property values will undoubtedly be compromised.

Further, there are no identified long-term positive benefits to Bala to offset the foregoing.

If we are to stop this project we must be unified and speak with one clear voice through an already defined protocol: Swift River is required to submit an Environmental Screening Report as part of the approval process, and this is the mechanism through which our concerns must be raised. We will need to mount an immediate environmental, legal and engineering challenge through a detailed examination of their full report, with our final response tabled within 30 days of the release of their report.

To do this we need professional help and we need it very soon. We will

need to hire our own environmental, engineering, legal and political experts to counter and stop Swift River, and this of course requires money. It is impossible to say exactly how much at this time; the earlier we stop it the less it will cost. We are commencing a fund raising campaign, starting immediately, and plan to raise an initial war chest of \$150,000. We cannot do this on T-shirt sales alone.

We realize this comes at an inopportune time, with end of season and stock market meltdown etc., but please give what you can. You are one of many influential, caring people who have indicated your support for this cause. All monies will be administered by the Board of "SaveTheBalaFalls.com" and will be focused on the hiring of key experts and ensuring our voice is heard at all relevant levels of government.

As well, we are launching a coordinated letter writing campaign to key government officials, and we ask that you take the time to participate. The more people that send letters the stronger our case becomes to ensure that this project goes through an elevated environmental screening process. Sample letters, with various questions, and key mailing addresses are set out in the attached Appendix.

This is not a case where we simply don't want this in our back yard; this industrial power plant would be in our front yard and destroy forever the natural beauty and tranquility of the Bala Falls. There are many better, safer and less intrusive places to build a 3 mega-watt generating station!

Our time line is immediate as we anticipate that Swift River will be releasing their Screening Report shortly. As such, we ask that you send your letters to our government officials as well as contribute to our fund raising campaign as soon as possible. Please visit our "Donations" page or send your cheque payable to:

SaveTheBalaFalls.com
c/o Brad Burgess CA
Box 147, 3125
Muskoka Road 169 □
Bala, Ontario, P0C 1A0

Thank you very much for any help you can provide.

Respectfully,

SaveTheBalaFalls.com Executive Committee

Appendix 1

As a supporter of Save the Bala Falls, we are asking that you help our cause by choosing one of the three attached letters in Appendix 1(a), personalizing it as necessary, and sending it to Swift River Energy Limited.

Each of these letters sets out questions and concerns regarding various aspects of the proposed construction of a privately owned hydro powered turbine generating station in the middle of Bala. You can choose just one or you can pick and choose different questions from all three of the sample letters.

The important issue here is that your letter is sent as soon as possible to Swift River and that a copy thereof is also sent to the following government officials, the addresses for which are included in Appendix 1(c):

1. Provincial Director of the Environmental Assessment and Approvals Branch
2. Ontario regional office of the Canadian Environmental Assessment Agency
3. Specific ministers of the provincial and federal governments

Your copy to the government should include a separate covering letter asking that if the concerns you have identified are not met by SREL, then an individual environmental assessment of the project will be requested and that in the meantime, no provincial or federal approvals should be issued. A sample cover letter is included in Appendix 1(b).

So, just to summarize,

Create a letter from the samples in Appendix 1(a) and send to Swift River. Then select a cover letter from the samples in Appendix 1(b), and forward your Swift River letter and your cover letter to all of the government officials listed in Appendix 1(c).

Remember, the more people that do this, the louder we become in having our voices heard by our elected officials.

Thank you for your support

SaveTheBalaFalls.com Executive Committee

Appendix 1(a): SAMPLE LETTER 1

Swift River Energy Limited
2300 Yonge Street, Suite 801
P.O. Box 2300
Toronto, ON M4P 1E4

Dear Sirs:

**RE: Proposed Construction of a Hydroelectric Turbine Generating Station
at the Bala Falls (the “project”)**

Before we move any further with the proposed hydro electric project in Bala can you please let me know if the following studies been completed and the results thereof. As well, I would ask that you please add my name to your contact list.

Water Quality

Has Swift River (SREL) conducted a study to determine the impact on water quality?
Does the study address the following:

- The impact of construction activity on water quality for cottage residents who use water drawn from the lake or river and who have no access to municipal water supplies?
- The impact of construction on water quality affecting lake and river flora, fauna, and ecological systems resulting from increased turbidity, change in flow rates, and the effect of scouring and blasting.

Fishing and Spawning Beds

Has SREL conducted a study by a fisheries biologist to determine the impact on the fishery in the Moon River and Lake Muskoka? Does the study address the following issues:

- (i) Mapping of current spawning beds?
- (ii) Determining the impact of construction activities-such as blasting and draining of the water within the coffer dams, construction debris and increased turbidity of the water and the impact on the fishery?
- (iii) Determining the size of the fishery, the species of fish, the number of anglers and the economic impact of the project on the sport fishery?

Safety

Has SREL conducted a study of the safety issues associated with construction and the operation of the project including:

- (i) The impact on boat navigation above and below the falls?
- (ii) The impact on scuba divers?
- (iii) The impact on swimmers and boaters, including a study of fatalities and injuries associated with dam and turbine operations?

Impact of Construction

Has SREL conducted studies related to:

- (i) the effects of construction, particularly blasting, on the adjacent structures such as railway bridge footings, water and sewage lines, and century old heritage buildings?
- (ii) The level and effects of noise associated with blasting and other construction activities with particular reference to the Bala tourist economy?

Town and Waterfront Events

Has SREL conducted a study on the direct and indirect impacts of the proposed project on tourism, and specifically:

- (i) The annual regatta at the town dock?
- (ii) The weekly farmers market?
- (iii) Scuba diving lessons and excursions?
- (iv) The Bala Cranberry Festival?
- (v) The economic impact on local businesses and employment during construction and after completion?
- (vi) The contribution of tourism to the Bala and District economy?

I would appreciate answers in writing to these questions, as I believe these concerns must be satisfactorily addressed in order to properly assess the impact on the environment as defined in the Environmental Assessment Act.

I also wish to obtain a draft of the screening report you are preparing. Thank you for your consideration and I look forward to receiving your prompt reply.

Yours truly,

Appendix 1(a): SAMPLE LETTER 2

Swift River Energy Limited
2300 Yonge Street, Suite 801
P.O. Box 2300
Toronto, ON M4P 1E4

Dear Sirs:

RE: Bala Hydro Project

I would like to follow up on some questions that I have regarding the proposed hydro-generating station in Bala

1. What steps did your company take to give notice of the project to Bala property owners who live on islands and have mailing addresses readily available from the municipality tax assessment rolls?
2. Why were island owners treated differently from other landowners, particularly when they rely much more heavily on water access to the Bala town dock and will be adversely affected by any restriction to navigation in Bala Bay or access to the narrow channels under the 3 railway bridges entering Bala Bay?
3. What notice was given to the CN or CP railways in order to determine what effect the proposed project would have on railway operations i.e. blasting ,diversion of water into turbine ,increased flow around footings of railway bridges?
4. What agencies were given notice and /or were given draft sections of the Screening Report?
5. Has your company met the requirements of the Waterpower Program Guidelines (WPPG) and if so, please forward a copy of that approval and if not, when will this be required in accordance with the p.13 Guide to EA requirements for Electricity Projects?
6. Has your company conducted a study by a fisheries biologist to determine the impact on the fishery in the Moon River and Lake Muskoka? If so, can you please forward me a copy of this study.
7. Has SREL conducted a study to determine the impact of the proposed project on:
 - Road transportation – effects during construction on traffic flow through Bala, safety of pedestrians, ingress and egress to construction site by large vehicles and impact on fire, ambulance and police response times?
 - Access to land between north and south falls by canoes and kayaks?

- Island residents and others who rely on boat access to shop and work in or visit Bala?
8. On June 19, 2008 Prime Minister Stephen Harper, announced the 2010 G8 Summit and stated:

“Our international guests will be charmed by the uniquely Canadian beauty of the region and by the warm hospitality of Muskokans”. He also emphasized the economic benefits to the Parry Sound – Muskoka area noting that the Kananaskis Alberta summit generated an estimated \$300 million for the regional economy. He added, “that the international media attending the summit would introduce millions of potential tourists to the many attractions of Ontario cottage country”

Has your company prepared a study to assess the impact of the project on the tourism associated with the G8 meeting, specifically whether Bala would continue to be an identified destination for G8 attendees?

These are all important concerns that I share with my neighbours and I would appreciate your response at your earliest convenience by return mail.

As well, please note that I believe these concerns must be addressed in order to properly assess the impact on the environment as defined in the Environmental Assessment Act.

In this regard I also wish to obtain a draft of the screening report you are preparing.

Many thanks,

Appendix 1(a): SAMPLE LETTER 3

Swift River Energy Limited
2300 Yonge Street, Suite 801
P.O. Box 2300
Toronto, ON M4P 1E4

Dear Sirs:

As a long time resident of Bala I have the following questions regarding the power plant that has been proposed at the Bala Falls.

1. Why was Bala chosen for an industrial power plant given that it is a tourist based economy and the Bala Falls are in the very centre of town and the heart of the community?
2. What consideration has been given to loss of business, both to town and Wahta Mohawk residents, and surrounding communities during the 18 month construction period?
3. What contingencies have you incorporated for cost overruns and what will happen to the Bala community should you not have sufficient funding?
4. Other than the subsidized rate for generating electricity, are you receiving any further funding from the government? If so, which government?
5. How much larger is the current facility than the one put forward to the community last year? What will be the total footprint in square footage?
6. How high will the structure be off of the Moon River?
7. What will happen to the current trees and vegetation currently shielding the Moon River from Highway 169?
8. Will you be entering into leases with both the Ministry of Natural Resources and the Muskoka District Council? Will these leases be at market rates?
9. What is the total volume of water that currently runs over each of the north and south falls, and how much of that will be diverted through the turbines? How do these figures differ monthly and seasonally?
10. How has the impacted the relevance of the base line studies going forward under normal water levels.

11. What calculations have been made to consider the impact of the abnormal precipitation and water levels of 2008 on normal flow levels going forward?
12. How relevant will the fish spawning studies be in a year of abnormal water levels due to the record precipitation levels of 2008?
13. How does the timing of your blasting impact the timing of the fish spawning cycle?
14. What will happen to the level of both Muskoka Lake and the Moon River when the plant is operating full out? How much variance in water level can we expect in a single day?
15. How safe will it be to swim both above and below the dam?

I would appreciate hearing back from you as soon as possible and also assume that each of these questions will be fully and satisfactorily addressed in your draft screening report. As such, can you please let me know when this draft report will be released and forward a copy to me on such date.

With sincere appreciation,

Appendix 1(b): Sample Cover Letter 1

Dear Madam or Sir:

Please find attached a copy of a letter which I have sent to Swift River Energy Limited with specific questions relating to a proposed hydro-electric power generating station to be constructed in Bala, Ontario.

My letter expresses some significant concerns that I have regarding this project and I would ask that no provincial or federal approvals be issued until my concerns have been addressed and that given the overwhelmingly negative impact that this project will have to the community of Bala that an individual environmental assessment be requested.

Your attention to this matter is very much appreciated.

Sincerely,

Appendix 1(b): Sample Cover Letter 2

Dear Sirs:

I am writing in conjunction with a proposed power plant construction in Bala and attached a letter of questions and concerns which I have sent to the proponent company, Swift River Energy Limited. (SREL)

While being keenly supportive of developing alternative sources of green energy, I am gravely concerned that the unanticipated consequences of this particular project, in the heart of a tourist town with a fragile economy, have not been fully considered.

As such, I would ask that an individual environmental assessment be requested for this project, and that in the meantime no provincial or federal approvals are issued until the community's concerns have been fully addressed.

With sincere appreciation,

Appendix 1(c): Contact and Address Information

Please send copies of all correspondence, with covering letter from Appendix B, to the following:

Agatha Garcia-Wright
Director, Environmental Assessment and Approvals Branch
Ministry of the Environment
2 St. Clair Ave. W., Floor 12A
Toronto, ON M4V 1L5
Tel. (416) 314-7288
Email: agatha.garciawright@ontario.ca

And to:

Ontario Region
Canadian Environmental Assessment Agency
55 St. Clair Avenue East, 9th floor
Toronto, ON M4T 1M2
Tel. (416) 952-1573
Email: Ceea.ontario@ceaa.gc.ca

The Honourable George Smitherman
Minister of Energy & Infrastructure
Minister of Energy
900 Bay Street, 4th Floor
Hearst Block
Toronto, ON M7A 2E1
Email: gsmitherman.mpp.co@liberal.ola.org

The Honourable Jim Prentice
Minister of the Environment
Les Terrasses de la Chaudiere
10 Wellington Street, 28th Floor
Gatineau, Quebec K1A 0H3
Email: Jim.Prentice@ec.gc.ca

The Honourable John Gerretsen
Minister of the Environment
135 St. Clair Avenue West, 12th Floor
Toronto, ON M4V 1P5
Email: jgerretsen.mpp.co@liberal.ola.org

The Honourable Tony Clement
Minister of Industry
17 James St.
Parry Sound, ON P2A 1T4
Email: Clement.T@parl.gc.ca

The Honourable Donna Cansfield
Minister of Natural Resources
6630 Whitney Block, 6th Floor
99 Wellesley Street West.
Toronto, ON M7A 1W3
Email: dcansfield.mpp.co@liberal.ola.org

Prime Minister Stephen Harper
80 Wellington Street
Ottawa, ON K1A 0A2
Email: pm@pm.gc.ca

Your local M.P. and M.P.P.