

**MUSKOKA LAKES ASSOCIATION**  
**Meeting With Staff of the Ministry of Natural Resources,**  
**Bracebridge Office**  
**January 9<sup>th</sup> 2009**

MLA Directors met with Ministry of Natural Resources (MNR) staff at their office in Bracebridge on January 9<sup>th</sup> 2008. MNR staff (listed below) was receptive to the meeting and the Area Supervisor -Trevor Griffin ensured that appropriate MNR staff was in attendance to answer all of our questions as fully as possible. The meeting went well and the MNR staff members were forthcoming with all the information requests we had.

**In attendance for MLA**

Jack Fenn  
Sandy Baptist  
Brian McElwain

**In attendance for MNR**

Steve Taylor, Water Resources Coordinator (lead MNR contact for the Bala Water Power proposal)  
Nick Paroschy, Senior Project Engineer, MNR  
Dave Macpherson, Water Management Technical Specialist, MNR  
Christy MacDonald, Communications, MNR  
Anne Collins, Planning and Information Management Supervisor, Lead for Renewable Energy projects  
Trevor Griffin, Area Supervisor - Bracebridge, Lead for water management and operations

Stewart Martin (District Councillor) contacted the MLA and asked if he could attend; Stewart is the chair of the Muskoka River Water Management Plan Standing Advisory Committee, and the The Muskoka River Water Management Plan Standing Advisory Committee is comprised of volunteers from the public, and provides input and advice into any matters related to implementation and control of the Muskoka River Water Management Plan.

**QUESTIONS FOR MNR WITH ANSWERS AND DISCUSSION POINTS FOLLOW:**

**Question 1:**

Who has the total and sole responsibility to manage the water volumes and levels per the Muskoka River Water Management Plan (MRWMP)?  
That is, does MNR have total and sole responsibility and control over Ontario Power Generation and any 3rd party partners such as Swift River Energy Corp.?

**Answer:**

The management of the MRWMP is a collaboration among MNR, Ont. Power Generation ("OPG"), Orillia Power, Bracebridge Power Generation and Algonquin Power. All of these parties are signatories to the Muskoka River Water Management Plan.

The MNR is the Regulator of the MRWMP but is also an operator within the Plan. The MNR has penalties and other mechanisms in place to ensure or enforce compliance if the operating parameters are not maintained.

The Bala dams are currently operated by MNR. OPG manages the Moon River Dam in addition to the Ragged Rapids and Big Eddy generation stations. All upstream operators manage water flows through their structures and can affect Lake Muskoka water levels and flows at the Bala dams.

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Water levels on Lake Muskoka and other lakes can be accessed from the Environment Canada web site this web site: <http://scitech.pyr.ec.gc.ca/waterweb/fullgraph.asp>

**Question 2:**

Who is responsible for the "Scenic Flows" at the Bala Falls?

**Answer:**

If Swift River Energy Limited ("SREL") is successful in its waterpower proposal, it will have the responsibility to maintain any "Scenic Flow" volumes over the North and South falls as part of the Lake Muskoka operating plan requirements.

SREL will address scenic flow needs in addition to any flow requirements for ecological objectives based on any public and agency comments or concerns received by Swift River Energy during the Environmental Assessment (EA) screening process. After the public has an opportunity to review the Environmental Screening Report, individuals or groups may request a "Bump-up" or elevation of the waterpower proposal from a Class EA to an Individual EA.

The Ministry of the Environment Guide to Environmental Assessment Requirements for Electricity Projects can be found at: <http://www.ene.gov.on.ca/envision/gp/4021e.pdf>. Currently, during occasional conditions when low flow exists a minimal amount of water may flow over the north and south falls (in extremely dry years, this may only be leakage through the MNR dams). Scenic flow, or a flow distribution plan for volumes and daily/seasonal objectives will be determined by SREL through public consultation requirements.

**Question 3:**

If there is a drought, torrential storm, or abnormal snow accumulation that cause the water levels to exceed the minimum/maximum levels, who has the total and sole responsibility to respond immediately and implement a plan to correct the situation ?

**Answer:**

The MNR is constantly monitoring water levels through a series of water level and flow gauges strategically located in the Muskoka River watershed to automatically and remotely monitor water levels and flow rates throughout the watershed.

In addition, MNR staff is constantly monitoring weather forecasts, rainfall amounts, winter snow pack water content, and historical weather trends. When more water than normal is expected to arrive into the system, MNR is in touch with all water control partners in the system to manage accordingly. MNR would advise both Algonquin Power (Burgess station) and SREL (Bala Falls) to cease operations in a drought (falling Lake Muskoka levels) while maintaining the minimum flow requirements identified in the MRWMP.

**Summary of the Control Structures in Muskoka River Water Management Plan.**

- There are 10 powerhouses:
  - 4 on South Branch of the Muskoka River
    - Matthias Falls
    - Tretheway Falls
    - Hanna Chute
    - South Falls
  - 3 on the North Branch of the Muskoka River

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- High Falls
- Wilson Falls
- Bracebridge Falls
- 1 on the Muskoka River
  - Burgess
- 2 on Musquash River
  - Ragged Rapids
  - Big Eddy
- 12 automatic water level gauges (monitor lake water levels),
- 7 flow gauges (monitor lake flow rates) strategically located on the following rivers,
  - The Big East,
  - North Branch of the Muskoka River
  - South Branch of the Muskoka River,
  - Oxtongue River
  - Moon River
  - Musquash River

Please see the last page of these notes for the Muskoka River Water Management Plan - Control Structure Schematic which is an excellent depiction of the size and complexity of the Muskoka River Watershed. MNR provided us with a digital copy of the full MRWMP document. We hope to make this available to our members through the MLA web site.

**Question 4:**

If there is damage caused by high water levels that exceed the maximum levels in the Muskoka River Water Management Plan either by an Act of God, a man-made error, or equipment malfunction, who has the total and sole responsibility to compensate the affected cottagers and property owners?

**Answer:**

Periodic flooding is a natural event and happens occasionally on all watersheds. Coordinated and timely operations of all water control structures will reduce the severity and duration of flood events. Affected cottagers and property owners must ultimately rely on the courts to address any damage claims (either by individuals or class action claims).

All waterfront property owners should take appropriate action to protect and secure their property prior to any high water or flood event. Public flood messages such as Advisories and Warnings are issued by MNR prior to any potential or actual flood event

**Question 5:**

There are 4 locations at the Bala Falls where water flows into the Moon River (north falls, south falls, Burgess Hydro Electric Plant, and the proposed Swift River Energy hydro electric project). Who has the total and sole responsibility to manage the water levels and water flow thru for all 4 locations?

Does Swift River Energy Corp just handle their own proposed hydro electric project and not the other 3 locations for water levels and for water flow?

**Answer:**

SREL will have responsibility to manage water through their proposed hydro plant and MNR dams. Algonquin Power manages the Burgess power plant. And right now MNR manages the

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other two dams but will issue SREL a Water Power Lease Agreement for the Bala North and South MNR dams/Crown land which includes the prescribed Lake Muskoka Operating Plan for flows and levels.

We were also told by MNR that SREL will be able to remotely monitor and control water through the hydro plant; this will in fact result in more sensitive control of the water flowing through the Bala water control structures. SREL current plan is to contract the operation of the three structures with Bracebridge Power Generation. Bracebridge Power Generation is an experienced operator and we were led to believe that MNR would be satisfied with this arrangement.

At this point in the meeting the MNR was asked if its long term intention was to contract out (to third parties) total responsibility for all of the MNR dams in the watershed. We were told that this was not the case and that MNR will be fully involved, as it is today, including any other future waterpower proposals in the watershed.

**Question 6:**

Who has the total and sole responsibility to handle the water management and water levels downstream on the Moon River toward and including Bala Reach, Musquash River, and Moon River Dam?

**Answer:**

As mentioned earlier successful management is a function of effective communication and collaboration among all of the participants in the system. OPG operates the Ragged Rapids and Big Eddy powerhouses on the Musquash River and the Moon River dam. The Ragged Rapids station and Moon dam control Bala Reach levels. The MNR manages the Go Home Lake dam (and the Kapikog and Healy Lake dams). MNR pointed out to us that because of access difficulties with respect to the management of the dam at Go Home Lake they must constantly ensure that the upstream operators are aware of all issues and objectives and are in compliance with MRWMP.

The Moon and Musquash Rivers are especially sensitive to correct management practices because of the sensitive nature of the spawning grounds, and the human environment along the shoreline (septic, basements docks and boathouses) because of the damage that flooding or drought can cause.

**Question 7:**

Could you define and explain high and low “triggers” in regard to minimum and maximum water levels at Bala Falls and the decision-making process?

**Answer:**

SREL would be required to conform to a legal compliance range for Lake Muskoka water levels. This is proposed to be the existing Normal Operating Zone (NOZ); see MRWMP-Lake Muskoka for operating plan NOZ.

If Lake Muskoka levels were to rise above or below the NOZ, SREL would be required to submit an Event Report to MNR. SREL would be considered out of compliance if the criteria for High and Low Water indicators are not met (see MRWMP; Section 13, page 13-4).

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All other waterpower producers in the Muskoka watershed have a specific high and low "trigger" as identified in the MRWMP. If inflows into the facility are above or below the high and low water trigger respectively, than the producer would not be considered out of compliance if water levels are outside of the legal operating range.

SREL would be required to manage Lake Muskoka water levels within a much narrower range of water levels than the NOZ, as watershed conditions permit (i.e. "normal" conditions). This range would be a seasonally determined operating band associated with the current Target Operating Level ("due regard line") as presented in the MRWMP (the Target Operating Level is the green line shown on the Lake Muskoka operating chart provided at our meeting). The SREL facility is designed to only handle 100cms ("cubic meters per second") through the proposed plant and right now and in accordance with the MRWMP it will only be allowed to run 79 cms through the plant on a regular operational basis (when inflows into Lake Muskoka are less than 85 cms) in order not to surpass Ontario Power Generation's high flow trigger of 85 cms in the Bala Reach.

**Question 8:**

What penalties/incentives are in place for both Swift River and MNR to ensure that the levels are managed to protect waterfront property owners?

**Answer:**

MNR is the regulatory agency and is responsible for administering the Lakes and Rivers Improvement Act (LRIA) which prescribes compliance and enforcement actions and appropriate penalties. ([http://www.e-laws.gov.on.ca/html/statutes/english/elaws\\_statutes\\_90l03\\_e.htm](http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_90l03_e.htm) ) As previously indicated, SREL would become a signatory to the MRWMP, and therefore will be legally required to manage water levels and flows to best meet the social, economic, and ecological objectives of the MRWMP.

**Question 9:**

Lack of clear responsibility of a single group and the potential risks of lack of co-ordination.  
How will the successful management of all the groups be measured?  
How do waterfront property owners participate in this on-going evaluation?  
What rights do we have?

**Answer:**

This is a continuation of the theme of questioning. MNR has both review (auditing) and enforcement responsibility over the independent dam/power station operators within the MRWMP watershed. MNR is able to enforce compliance with legal MRWMP operating parameters through a series of remedies and financial penalties it is entitled to levy for any violations.

Waterfront owners and the general public participate through the work being carried out by The Muskoka River Water Management Plan- Standing Advisory Committee which, as mentioned earlier, is comprised of volunteers from the public, and provides input and advice into any matters related to implementation and control of the Muskoka River Water Management Plan.

Environment Canada maintains a real-time web site link for water levels which monitors and records water levels on a constant basis and is available for public viewing. The web address is

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(<http://scitech.pyr.ec.gc.ca/waterweb/fullgraph.asp> and when asked by the web site press "accept" then simply add 215.95 to the Lake Muskoka (at Beaumaris) water level values of interest to convert to meters above sea level.

If the citizenry has questions or wishes to initiate remedial action for issues relating to water level and flows managed by waterpower producers, MNR will initiate investigations and potential enforcement action and the public has the right to seek compensation or restitution through the courts as a civil matter. For MNR managed flows and levels (dams), the public can either seek remedial action through political means and/or pursue legal action.

**Question 10:**

Why is there not an Economic Assessment to justify the Return on Investment (ROI) for the taxpayers of Ontario?

**Answer:**

An Economic Assessment was not specifically required by the Province, but could be identified as an information need if warranted through the EA process.

The Province of Ontario has a program underway whereby any form of green power (hydro, wind etc.) will earn a subsidy from the province of \$0.11 per KWh, in addition the Province is offering certain time limited tax and royalty holidays and finally the Federal Government has a green incentive plan of \$0.01 per KWH. These incentives are available to anyone in the Province who wishes to take advantage of them.

Through the competitive site release process and due diligence review of their proposal by MNR, SREL was awarded Applicant of Record status authorizing them to commence their EA requirements and seek all required authorizations and approvals.

There are a significant number of potential hydroelectric generation sites locate on Crown land within the province. During the initial round of competitive site releases, the MNR Bala North Dam site was one of two sites released in southern Ontario. The second site was the MNR Wasdell Falls Dam located on the Severn River, MNR Midhurst District

**Question 11:**

Will MNR provide the MLA with a copy of the Environmental Screening report as soon as MNR receives it so that the MLA can have time to respond to its content?

**Answer:**

Anyone can contact SREL and request a copy of the Environmental Screening Report. The Report will likely be available for public viewing at local reading centers such as the public library in addition to being available electronically.

**Discussion point - performance bond**

Stewart Martin, Standing Advisory Committee Chair, stated that the District of Muskoka may demand a performance bond if the proposed facility is constructed on District land. MNR will investigate what options are available to MNR in this regard for Crown land.

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