

**Question and Answer Meeting With SREL,
MLA Office
June 12th 2009**

1) Why do the Save the Bala Falls Group want to move to the south falls?

They have stated on their web site that they wish to establish their own community group; to develop; small hydro in Bala. They think that a smaller, cheaper project would be attainable on the south channel.

Some also claim that their Option 3 would be better than our proposed Option 2 (underground). In fact, it looks like the much maligned original option 1 (big box beside the falls), only it is beside the south channel, not the north.

The MNR did not release this site for a number of reasons:

1. The south dam was created 100 years ago to keep Lake Muskoka from flooding.
2. During construction 2/3 of the dam's capacity will not be available for this purpose.
3. If the turbine goes out then further restrictions will be evident.
4. Flooding could occur during construction.
5. Steve Taylor (MNR) has indicated that there is to be no net loss in capacity of the dam at any time.
6. It will be necessary to blast under the railway, not an easy feat.
7. There are not enough public lands available.
8. Adjacent lands would have to be purchased from the CPR.

2) What impact will the passing of the Green Energy Act on May 20th 2009 by the provincial Gov't have on the Bala Falls project?

The timing of remittance of the notice of completion will determine whether the Bala Falls project will fall under the new or old regulations. But at this point, no impact, as it is not yet part of the agencies rules. By the time it is, SREL should have finished the EA process and obtained approval to construct.

It is anticipated that this project will fall under the old regulations, which according to SREL representatives are tougher than the new ones.

- a) Does this remove some zoning control from the municipalities?

The Minister claims that it will, but no details have been forthcoming.

3) I noticed this weekend the boom on the south falls was broken - bad form here in terms of control;

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Bracebridge Generation, to be under contract with SREL for the day-to-day operations of the hydro dam would become responsible for maintaining booms. SREL agrees that this is an unsafe situation and must be rectified fast.

- 4) What happened to create a reduced spring draw down of the lakes?
- a) SREL indicates that this is an MNR decision and consequently SREL is not able to answer this question.
 - b) High rainfall this season combined with large amounts of snow have kept water higher than usual.
 - c) Why is the water still high? – Again, an MNR decision. In the past three weeks we have received 5.25” of rain on Georgian Bay, as measured by SREL’s digital gauge. SREL suggests that this is higher than normal.

- 5) The Save the Bala Falls people seem to have some good arguments regarding the look and landscaping of the final product, especially the Muskoka Lakes side of the road - will there be a final and complete landscape plan and will SREL have to guarantee its completion?

Yes there will. SREL is looking to form an advisory committee to design the landscaping. MLA members are welcome to apply. SREL have asked the Save the Bala Falls people to sit on a committee to design the landscaping but they have refused to participate in this committee.

Until the EA is finalised SREL are putting the landscaping on hold and SREL await local cooperation to provide feedback.

- 6) Why is the EA so late in its issuance?

One local stakeholder refuses to talk to SREL as he opposes the project. Environment has decided that this is cause to refuse release of the document.

SREL would like to mitigate his situation to a satisfactory end.

- 7) Are there any new issues we should know about?

This same obstruction (local stakeholder refusal to negotiate with SREL) is going to obstruct the proposed snowmobile / pedestrian bridge that the municipality has proposed. SREL supports the bridge and would install it for free. That includes the access, base and landscaping.

The use of the municipal docks at Diver’s Point to mitigate the concerns of the local stakeholder will not be an option.

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- 8) Has anything changed in the answers that MNR provided to us from our original questions and which we placed on our MLA web site for our members to review?

None that SREL is aware of.

- 9) Supposedly, the Bala Falls Hydro project was the 1st of 17 of a total of 71 projects that are being considered for "green energy". Other than the Bala Falls hydro project, has any of these other projects being considered right now and, if so, which ones and at what stage are they in?

SREL is aware of a second project nearing the end of EA, of which SREL are the owners and developers.

Two others were completed earlier this year. Otherwise, the small hydro business is very quiet.

- 10) Due to the delay of the EA, when will the Bala Falls hydro project expected to begin?
a) Naturally, everybody would like to have minimum disruption to the residents and businesses of Bala and the nearby cottagers.

SREL have committed to starting construction post-Cranberry festival, and will honour that. It will not be 2009 and 2010 is now in question due to the EA delays.

- 11) How many new jobs will the Bala project create? Short term and more importantly long term?

Construction will create 50 person-years of local employment plus invest about \$8 - \$10 mm in local products and services. Long term, Bracebridge Generation will add one full time person. Ongoing maintenance will probably provide the equivalent of one to two full time jobs in local contractors.