

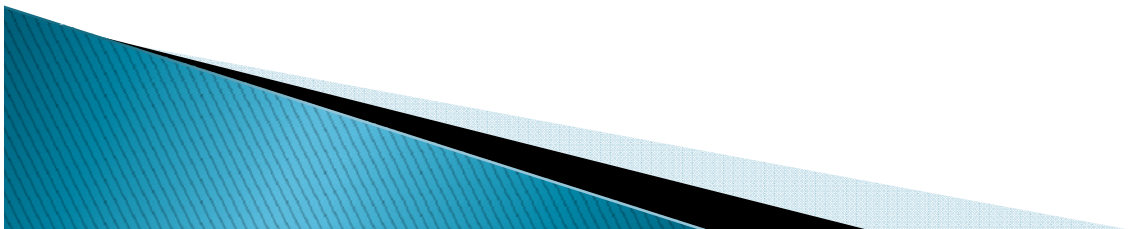
Bala Falls

An Update

August 4, 2009

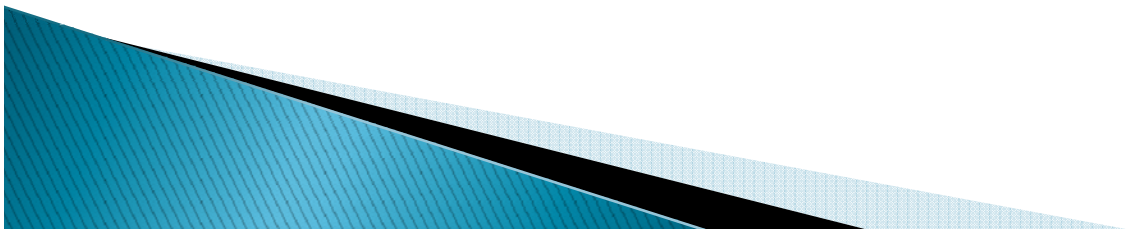
Overview

- ▶ The proposed hydro generating station at Bala Falls remains front and centre as an issue of concern to residents and cottagers.
- ▶ A recent survey of Moon River property owners, as summarized on the MRPOA website, indicates that 87% do not support Swift River's current proposal and 77% do not support any hydro facility
- ▶ The Environmental Screening Report has still not been released by the proponent Swift River Energy Limited (SREL)



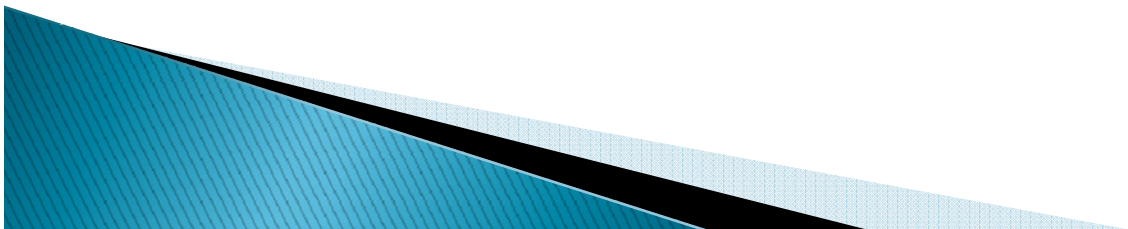
Overview

- ▶ Met with SREL in May and have had considerable dialogue with them in the interim, but no answers
- ▶ On this issue Swift River have specifically stated:
 - “ We intend to update the web site when the ESR is released. Not until then.”
- ▶ Particularly challenging in that we are now at a time when the majority of cottage owners are up for the summer and would very much appreciate a proponent sponsored open house and information update



No New Information

- ▶ At this point then, despite countless requests, we still do not know:
 - What the project will actually look like
 - Impact on the recreational use of the area
 - Impact on the spawning beds
 - Safety considerations
 - Scenic flow issues

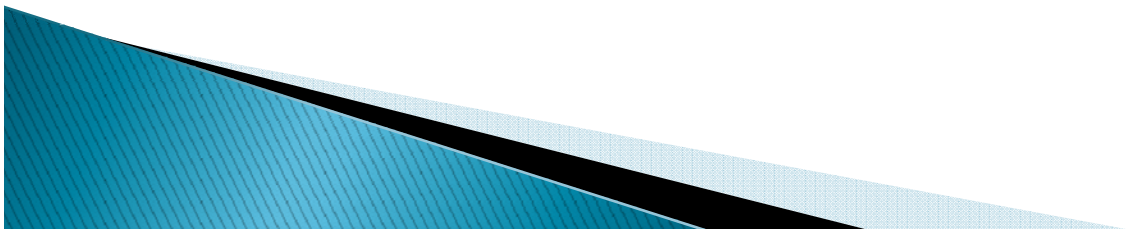


Fiduciary Responsibility

- ▶ There has also been ongoing dialogue with Swift River regarding the necessity to post a performance bond, particularly given that:
 - They are a single purpose company with no cross guarantees from any affiliated companies
 - They have no prior operating history
 - The company's only asset will be the future right to sell electricity
 - The proposed construction will be across the town's primary access road and flood control corridor and involves land belonging to both the province and the District of Muskoka

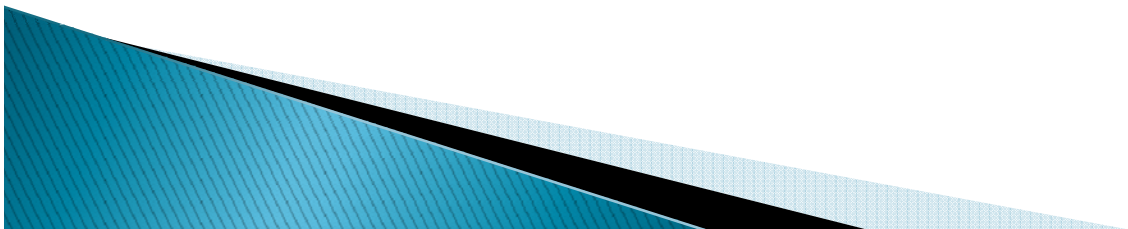
Fiduciary Responsibility (cont'd)

- ▶ In response Swift River has been very clear that the EA does not include anything concerning the “...posting of bonds or fiduciary responsibility” and is solely concerned with “with environmental mitigation”.
- ▶ Given that we will be living with the results we should be concerned that a project started is a project completed to the very high standards on which any approvals were given



Optimal Use for the Site

- ▶ Still seeking a Balanced Solution for Bala
- ▶ The original site was released by the MNR for purposes of hydro electricity, a purpose which is specifically at odds with the historical and current use of the site as parkland.
- ▶ Following an alternate set of site release policies the MNR could have chosen to release the green space for park and conservation purposes in keeping with its historic and current use



Optimal Use for the Site

- ▶ The MNR has confirmed these site release procedures which allow for other environmental issues such as public health and safety, visual and recreational concerns and social and economic factors
- ▶ This site release process was designed by the government to protect sites such as Bala Falls from development and to prevent the specific conflict that we are now facing which is hydro generation being imposed on existing parkland
- ▶ The warning words of the OPG are highly relevant: recreational activities do not mix with hydro facilities

Why is Bala Falls not a Park?

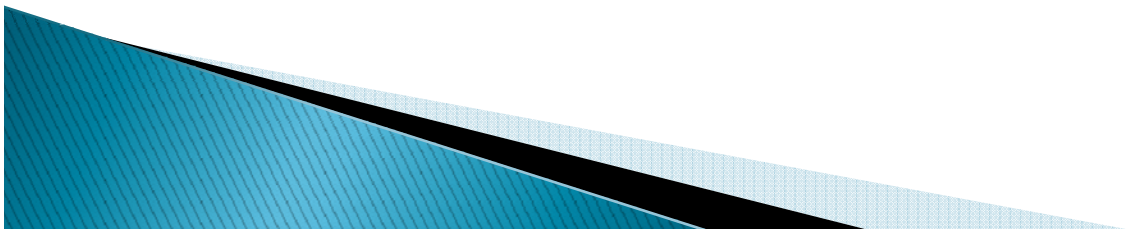
- ▶ Bala Falls clearly meets the criteria as a cultural asset and park
 - Waterfalls are an accepted cultural asset, recognized as essential to prosperous, livable, and sustainable communities
 - Should remain undeveloped to meet Bala's social, economic, and recreational requirements
 - Allowed land uses within designated parkland specifically precludes hydro generation
 - Use as a hydro facility conflicts with both historic and existing uses and Bala's approved and official Streetscape Plan

Bala's Streetscape Plan



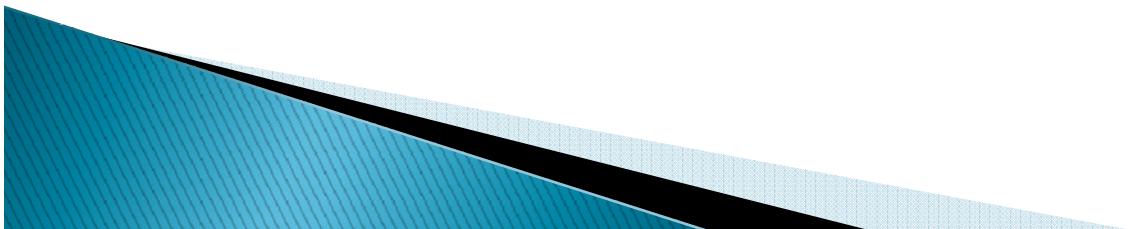
Was the Site Release Conflicted?

- ▶ Going back in time it should certainly be of concern to all of us that the Chief Operating Officer of Swift River was also the Chair of the Ontario Waterpower Association at the time that the Bala site was released
- ▶ By his own admission the OWA worked closely with the MNR on the site release policy



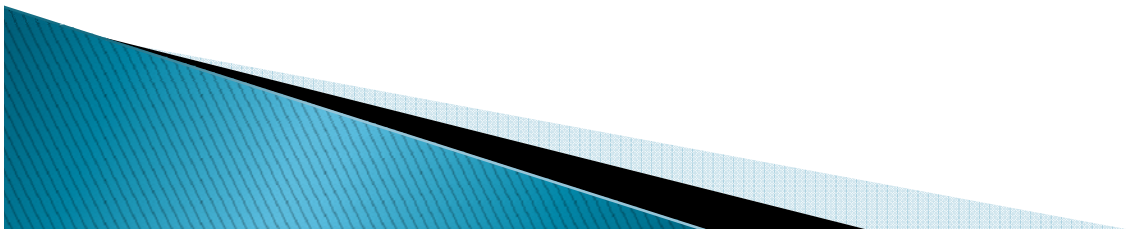
Was the Bala Site “Cherry-Picked”?

- ▶ According to the Swift River’s COO “the MNR has released approximately 18 sites during the past fifteen years, and these are pretty well the only sites that their policies allow.”
- ▶ The “MNR announced a large number of new parks, most of which followed rivers. Simultaneously they announced that in future waterpower would not be allowed in parks”.
- ▶ “Bala is one of these very limited number of potential development sites that the rules allow.”



MNR's Land Use Planning Process

- ▶ Is a blueprint for identifying and considering if a site meets the objectives of a *Conservation Reserve*
- ▶ Identifies social and other values of local, regional, and provincial significance
- ▶ Begins at the MNR local district level due to a request from the minister, the public, or a municipal body such as District Council
- ▶ Defined by a *Terms of Reference* document and results in a *Management Direction* document
- ▶ Removes onus from District Council for determining if SREL's proposal is appropriate from a social/recreational perspective



Next Steps

- ▶ As per the Provincial Parks and Conservation Reserves Act, 2006, the specific objectives in establishing and managing conservation reserves is:
 1. To permanently protect representative ecosystems, biodiversity and provincially significant elements of Ontario's natural and cultural heritage and to manage these areas to ensure that ecological integrity is maintained.
 2. To provide opportunities for ecologically sustainable land uses, including traditional outdoor heritage activities and associated economic benefits.

Next Steps

- ▶ We believe that the 0.7 hectare site at Bala Falls meets these stated objectives of a Conservation Reserve would ask that the Chair of this Council write a letter to the MNR asking the province to review the site in the context of releasing this site as a Conservation Reserve
- ▶ Additionally, Donna Cansfield, Minister of Natural Resources has confirmed a visit to Bala on Friday, October 2, 2009
 - Is there an expression of interest on the part of Council to participate in the events to be organized for this visit?