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Business / Economy

## Bala hydro project roils Muskoka and Oakville mayors

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By: **John Spears** Business reporter, Published on Tue Oct 22 2013

Two mayors, one waterfall and a hydro power project: The future of picturesque Bala Falls has led to some hard words between municipal leaders.

It has also highlighted the town of Oakville's push to become a player in Ontario's green energy sector.

Depending on who's doing the talking, it's a story of the continuing struggle to develop cleaner, green power.

Or, it's the story of the town of Oakville trying to manoeuvre a rural community into a controversial power development - after successfully pushing a gas plant out of its own backyard.

At the root of the saga is Bala Falls, which is both a scenic Muskoka landmark and the site of a small, disused power station.

A commercial company, Swift River Energy Ltd. proposes to redevelop the falls and build a new 4.5 megawatt hydroelectric station.

A unit of Oakville Hydro also expressed interest in the project, raising the hackles of some Bala area residents, including Alice Murphy, the mayor of Muskoka Lakes where Bala Falls is located.

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Murphy has been fighting the Bala Falls power development since before she was elected mayor of the town in 2010.

She thinks it will mar the falls. And she fears that the tailrace – the fast stream of water shooting out of the bottom of the power station – will create dangerous currents for boaters and swimmers below the falls.

Karen McGhee of Swift River says the project is going ahead: It received approval of its environmental assessment in January.

“We are doing out permitting right now, and we are moving towards construction,” she said in an interview.

Asked when construction might start, she would only say “in the coming months.”

Oakville Mayor Rob Burton, who sits on the board of Oakville Hydro, says he offered to invest in the project and work out a solution that would result in a safe and aesthetically acceptable power station.

But he said in an interview that Murphy wasn’t interested.

“I’ve told her: We could buy it, and we could put in the mitigations and that would be your sort of half a loaf. Then I discovered she wasn’t interested in mitigations either,” he said.

But he doesn’t want to start a war:

“I have no interest in the matter unless it can be done in a friendly and congenial way,” he said.

“They’ve decided to roll the dice. Myself, I don’t believe in rolling the dice unless you’re feeling really, really lucky.”

Murphy says she’s tried speaking with Burton and hasn’t been able to reach him. Nor has she seen any concrete proposals about the design of the power station that would satisfy her safety concerns.

Murphy doesn’t accept that Swift River’s project is yet clear to proceed.

Because the tailrace will affect a boating area, she says, Transport Canada must give formal approval to the plan.

There’s also the question of how the tailrace will affect recreational swimming in the waters below the dam. That appears to be something of a legal vacuum, she says, since it’s not clear whether that falls within federal or provincial jurisdiction.

The Bala project raises issues not presented by other hydro facilities, she contends.

“There are no hydro stations in the middle of a community like this, and none that about a recreational swimming area,” she said. “So is Bala unique? Yes, in this respect it’s totally unique.”

Bala residents have differing views.

Sandy Currie, a nearby resident, was incredulous that Oakville might be interested in the hydro station.

“Isn’t it ironic that it’s OK for Oakville to chase the gas plant out of Oakville, but it’s OK for Oakville Hydro to come into a small place like Bala and buy a share in a business that no one in Bala wants?” he said in an interview. “They don’t know anything about Bala.”

Burton said that’s unfair:

“Gas plants explode and kill people,” he snorted. “That’s the craziest comparison I’ve ever hear of. Hydro-electric power made this province.”

But some people in Bala want Murphy to accept the power development. The Moakokanewswatch.com site [carries comments from townspeople pleading with Murphy to call a halt.](#)



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Burton, meanwhile, says the furor in Bala won’t discourage him from investing in future hydro and solar power projects.

Oakville Hydro’s unregulated unit has already bought a small hydro project on Manitoulin Island; it’s also invested in solar power, Burton said, but wouldn’t give details.


“They’re great businesses, they’re beautiful environmentally,” he said. We see it as a really good space to be in.”


Municipalities need money, and can only get so much from taxes and user fees, Burton argues:


“We have been actively building new non-tax sources of revenue to relieve pressure on our taxpayers.”

**Business**  
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