

Mitchell Shnier
Save The Bala Falls.com
c/o Box 346
1038 Bala Falls Road
Bala, ON P0C 1A0

August 23, 2012

Dear Mr. Shnier,

Thank you for your letter of August 2, 2012. I understand you are quite familiar with the details of the Swift River Energy Ltd. renewable energy waterpower proposal. Therefore forgive me if I repeat information that you may have already be aware of.

With respect to your inquiry re: the Competitive Site Release:

A role of Infrastructure Ontario (an agency of the Government of Ontario) is to manage acquired Crown lands on behalf of provincial ministries including the Ministry of Natural Resources (MNR). The "ownership" of the Bala Crown lands was transferred by Infrastructure Ontario (formerly the Ontario Realty Corporation) to MNR through an Order in Council. These Crown lands are required for access to the two MNR dams and to conduct operations, maintenance and repair work.

The Ministry of Infrastructure (formerly part of the Ministry of Energy and Infrastructure) is one of a number of provincial ministries with a role to enable the development of clean and renewable sources of energy in Ontario. The potential use or retrofitting of existing MNR dam sites such as the MNR Bala dam is recognized by the Government of Ontario as opportunities to create additional sources of renewable energy.

With respect to your inquiry re: Risk of Flooding in Lake Muskoka:

If the Bala waterpower project proceeds, permits and authorizations will be required from various government agencies regarding the construction and operation of the facility. Prior to construction plans and specifications approval for the waterpower facility and construction details will be required by MNR under the *Lakes and Rivers Improvement Act*. In addition, Lake Muskoka water levels are expected to remain within the seasonal range of water levels as per the requirements of the Muskoka River Water Management Plan.

It is expected that the coffer dam above the north dam will not be required or remain in place during the spring freshet when high flows typically occur due to snow pack melt and rainfall. The south dam and a portion of the north dam will remain in operation while the coffer dam is in place. It is anticipated that the discharge from the south dam will be sufficient to pass the flows from Lake Muskoka typically seen during the year other than the spring freshet period.

In order for us to serve you better, please call ahead to make an appointment with our staff.
The local Ministry office is open by appointment only.

With respect to your inquiry: Portage

There are several alternative portage routes in Bala between Lake Muskoka and the Moon River downstream which navigate around the existing falls and north dam. In cases where there is sufficient evidence demonstrating that a historical portage exists, Section 65(4) of the *Public Lands Act* may apply.

At this time there is insufficient evidence to show that there is a portage route (or portion thereof) of historical significance situated on the Crown land immediately south of the north dam fronting the Moon River, Bala Reach. Until such evidence is brought forward, the alternate portage routes and access points available will continue to provide the public with passage between Lake Muskoka and the Moon River without obstruction, hindrance or delay.

I understand that Save the Bala Falls has had considerable interest in the provincial government's renewable energy program. I draw your attention to the draft Renewable Energy on Crown Land policy which has been developed to provide updated direction on how the government will manage Crown land to support Ontario's renewable energy needs while balancing the social, economic and ecological interests of the province. This draft policy is posted on the Environmental Registry for a 120 day comment period ending October 13, 2012.

Sincerely,



Anne Collins
Planning & Information Management Supervisor
Parry Sound District, MNR

Cc: A. Garcia-Wright, Director, Environmental Assessment Branch, Ministry of the Environment