

Ministry of the Environment
1201-54 Cedar Pointe Drive
Barrie ON L4N 5R7
Tel: (705) 739-6441
1-800-890-8511
Fax: (705) 739-6440

Ministère de l'Environnement
1201-54 chemin Cedar Pointe
Barrie ON L4N 5R7
Tél: (705) 739-6441
1-800-890-8511
Télééc: (705) 739-6440



November 15, 2017

Mr. Mitchell Shnier
Mitchell@Shnier.com

Dear Sir:

Re: Proposed hydro-electric generating station at the Bala Falls
Proponent not conforming with Environmental Compliance Approval

Thank you for your voice mail and email of November 14, 2017 and your November 12, 2017 email to Lisa Trevisan, Director of Central Region of the Ministry of the Environment and Climate Change regarding your concerns that the proponent's work at the Bala Falls construction site is not conforming to the requirements of the Environmental Compliance Approval. I am pleased to respond on my behalf and on behalf of Lisa Trevisan.

The pictures that you provided with your November 14, 2017 email are very helpful since they show the dewatering system being used by the proponent. The "three hoppers" and "one tank" as you describe the equipment is a dewatering system manufactured by Hoelscher Dewatering Inc. The "hoppers" as you describe them are filled with lamella plates that filter the water. The "tank" is called a vacuum tank and enclosed inside is a bag filtration system. The Hoelscher system treatment capability exceeds the level of treatment required by the Environmental Compliance Approval. Also, the effluent from the treatment system is being tested to ensure compliance with the effluent limits specified in the Environmental Compliance Approval.

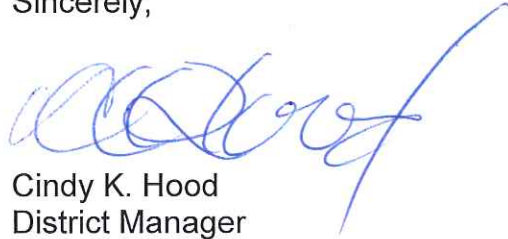
The dewatering pipe has been constructed to withstand the changing weather conditions that will occur over the construction phase. The pipe has been constructed from six inch diameter HDPE piping that has been heat fused together. The pipe has been heat traced and insulated. The dewatering pipe is visible to the public and construction workers who monitor the integrity of the pipe. Also, the company has developed procedures to deal with any incidents involving the dewatering pipe.

I have reviewed the October 2016 test results from the three on-site boreholes and can confirm that the analysis indicates that the zinc levels were undetectable (i.e. less than 5 ug/L).

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Should you have further questions regarding the above, please contact Mr. Tom Teske, at 705-739-6419 or by email at tom.teske@ontario.ca.

Sincerely,



Cindy K. Hood
District Manager
Barrie District Office
Ontario Ministry of Environment & Climate Change

c.c. Lisa Trevisan
Brad Allen/Paul Plotz/Tom Teske
Environmental Assessment and Approvals Branch