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December 1, 2017

Mr. Mitchell Shnier
Mitchell@Shnier.com

Dear Sir:

Re: Proposed hydro-electric generating station at the Bala Falls
Proponent's dewatering system is deficient, inadequate, and non-compliant

Thank you for your email of November 23, 2017 and the attached letter you provided to Lisa Trevisan, Director of Central Region of the Ministry of the Environment and Climate Change regarding your concerns that the proponent's dewatering system is inadequate. I am pleased to respond on behalf of Lisa Trevisan.

I have provided below responses to the concerns that you raised and I have used numbering to match the numbering that you used in your letter.

- 1) Environmental Compliance Approval (ECA) Number 0521-9XKKZ3 issued on October 20, 2017 requires the proponent to use Four (4) settling basins/tanks to hold and treat the water prior to discharge through a bag filtration system. The ECA specifies that the basins/tanks must be Aquatech Models or approved equivalent equipment. The ECA specifies that the bag filtration must be Ultra Tech Models 9727-O/S or approved equivalent. The proponent has decided to use the Hoelscher dewatering system along with a Geo-absorb bag filtration system. The proponent's consultant has confirmed that the aforementioned equipment is equivalent to the equipment approved under the ECA. Staff of the Ministry of the Environment's Approvals Branch has accepted the Hoelscher/Geo-absorb equipment as an approved equivalent. Consequently, the proponent does not require the use of the international shipping containers.
- 2) a) As indicated under Item 1) above, the Hoelscher/Geo-absorb equipment is considered an "approved equivalent" and is permissible under ECA Number 0521-9XKKZ3.
b) The Hoelscher/Geo-absorb equipment has been accepted as an approved equivalent by the ministry. The system did have an overflow that resulted from the backflow pressure created by the piping to the vacuum tank. The dewatering system has adequate capacity to treat the water from the cofferdam.
- 3) a) Environmental Compliance Approval Number 0521-9XKKZ3 does not specify the materials that must be used to construct the dewatering piping. Staff of our Environmental Approvals Branch has confirmed that the high density polyethylene pipe is an acceptable option compared to metal piping that is more

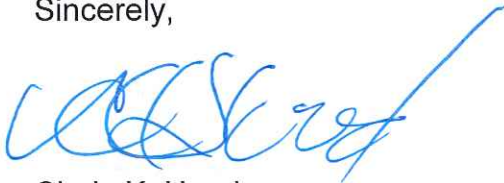
prone to cracks from bending the pipe and freezing temperatures. The pipe has not been pressure tested since it is not under pressure. The pipe is inspected daily and can be readily observed by workers and members of the public.

b) The pipe has been suspended as the District of Muskoka did not approve the pipe to be attached to the bridge.

- 4) As explained above, the overflow resulted from backpressure created by the discharge piping. The issue is being addressed by the proponent. The overflow water was treated water, was contained on site and given the quality of the water discharging it is not anticipated that any environmental impairment resulted from the overflow.
- 5) As explained above, the dewatering system has adequate capacity to treat the water from the cofferdam.
- 6) The overflow from the dewatering system was not a reportable spill. The water from the tanks did not contain a contaminant that caused an adverse effect and is therefore not considered a reportable spill.
- 7) The shipping container is over ten (10) years old. It is not anticipated that the rainwater in the containers is contaminated from a chemical that was used in the manufacturing of the unit more than ten (10) years ago.
- 8) The dewatering system does have a sampling location that has been observed by my staff. The discharge water is being sampled and tested daily.
- 9) We have no information or evidence that any equipment containing PCBs has been buried at the site. Should the contractor locate anything buried at the site that may represent a risk to the environment ministry staff will ensure that appropriate clean up is conducted.

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
Fariha Pannu/Mohammed Nizamuddin/Mansour Mahmood/Youssouf Kalogo