

1) Background

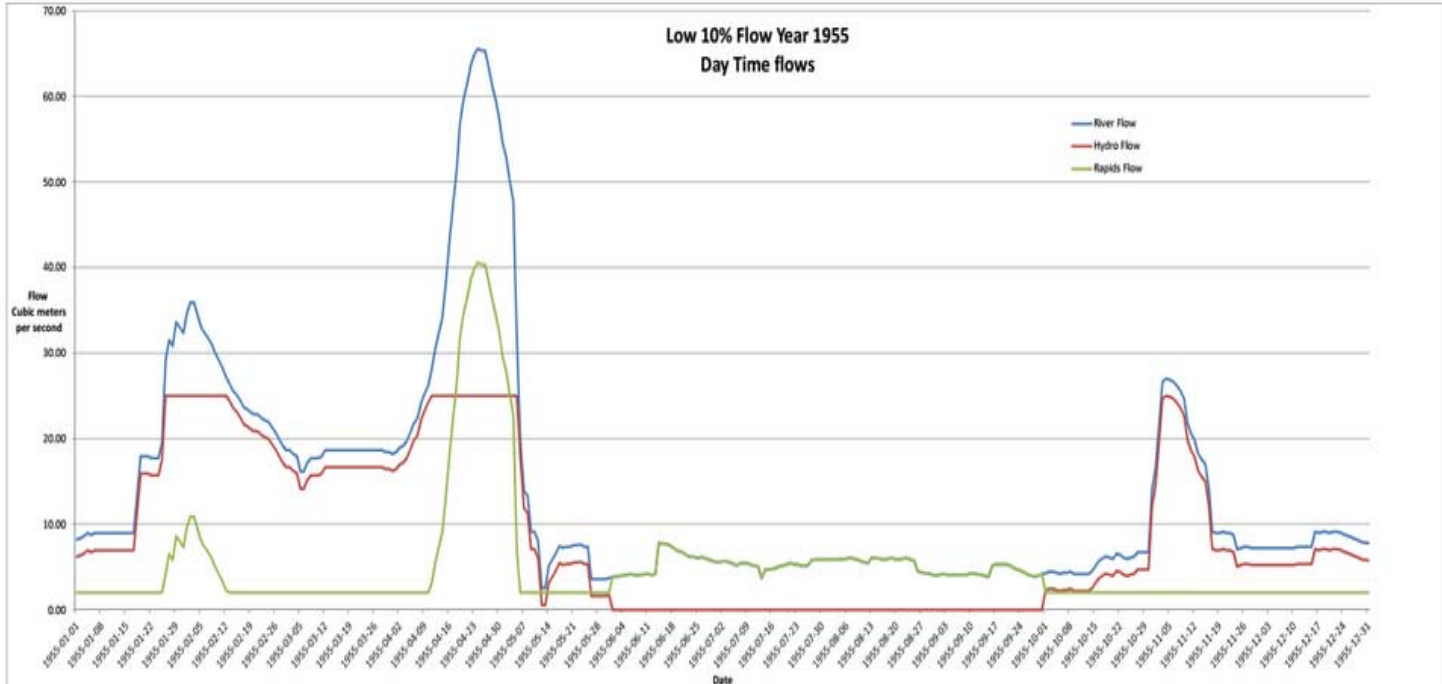
- WO was approached in July 2014 about a possible hydro facility project that would impact the Gull River and involve Minden Wild Water Preserve land owned by Orillia and leased to WO as well as land owned by WO. Further information was requested.
- In September 2014 WO representatives met with Orillia Power Generation to discuss the project details further. Again, further details and information were requested as this was needed to evaluate WO's position on the project.

2) The Minden II Orillia Power Generation Proposal

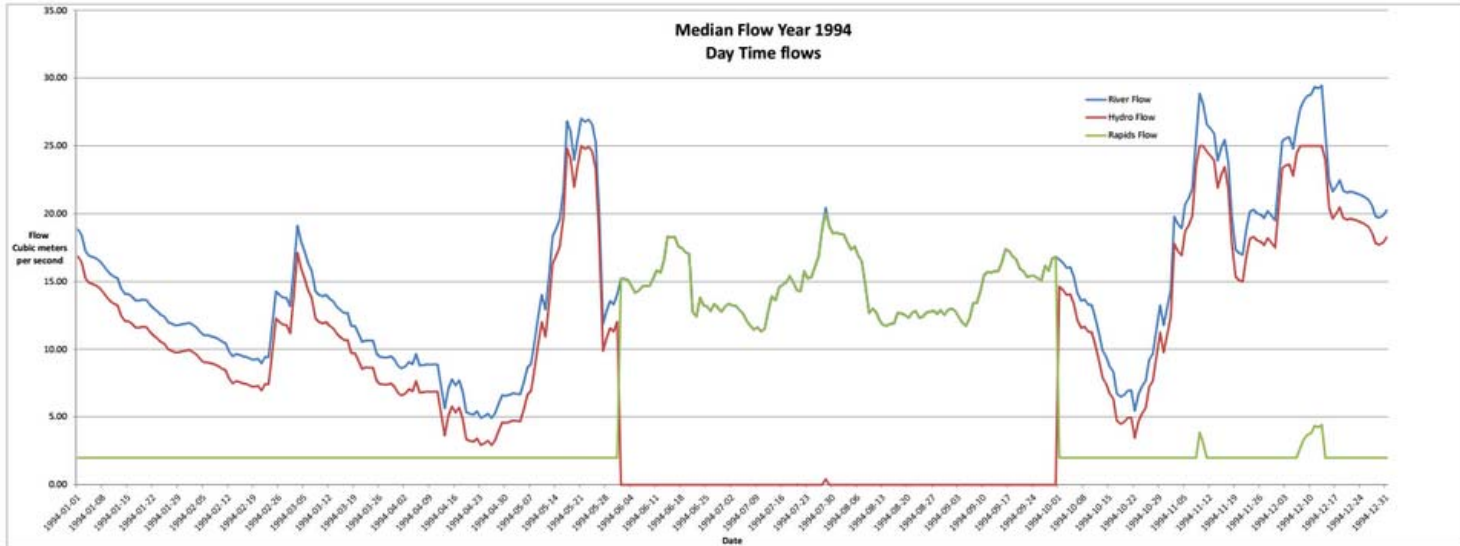
Details and documentation about what Orillia is proposing can be found here: <http://www.mindeniigs.ca/>

Most pertinent to paddlers, Orillia looked at typical river flows and how they might change with a hydro plant. Below are three graphs that depict how flow might be utilized for three selected years: 1955 represents a "low flow" year; 1994 a median flow year; and 1980 a high flow year. For the purposes of these graphs, they assumed flow of 20 cubic meters per second (cms), or 8.3 on the stick gauge, would be maintained for the rapids (when available) during the operating season, during the day. (Please note that this level is one proposed by Orillia and has not been agreed to by WO). They also assumed that their plant would use a maximum flow of 25 cms when available. Year to year variations are significant. They tried to select years that best show the range of conditions that would exist. Orillia is using these graphs to illustrate that they would not receive any flow in certain periods, diverting overnight and off season only, while maintaining minimal legislated flows for fish habitat.

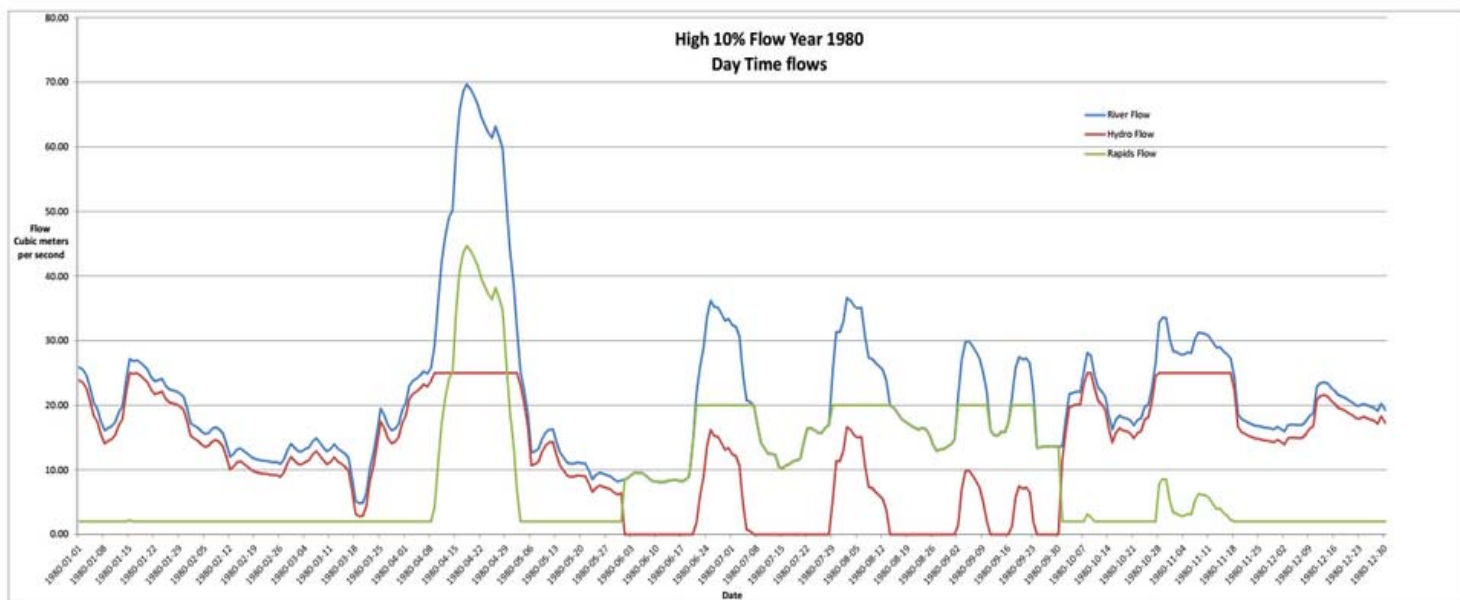
Low Flow year 1955: In this year, the hydro plant would not have operated at all in the kayak season during the day. During the spring freshet, however rapids flow would have been approaching 40 cms, even with the plant operating.



Median Flow Year 1994: In this year, the plant would also not have operated at all in the kayak season during the day. Quite a good flow was available through the rapids all season. In the off season, flows would have mostly been used by the hydro plant, and even the spring freshet flows were not that high that year.



High Flow Year 1980: This year flows during the Kayak season would have been able to be shared between rapids and plant. There would have been 4 periods of time during the season where the rapids would have been held to 20 cms and the plant would have operated at partial capacity. In the spring freshet, flows of over 40 would have been available through the rapids. In the off-season flows would have been mostly used by the hydro plant.



3) Recent Updates

- In June 2015 WO was presented with a draft Memorandum Of Understanding (MOU) from Orillia Power Generation with an indication that it would need to be signed by September 2015 for Orillia to be able to move forward with their proposal.
- WO indicated that they were not in a position to evaluate with MOU without legal counsel and that being a not-for-profit organisation meant that funds were limited for this purpose. Orillia agreed to cover the costs for legal counsel. WO sought out a lawyer and secured their services.
- Throughout June 2015 the WO Board, Advocacy Committee were in discussions with their lawyer to try to determine a position on the MOU. As written, the MOU did not offer sufficient protect to WO and use of the Preserve for its purposes. Although the WO Board was not prepared to sign the MOU as written, it was decided that it was in the best interests of WO to continue discussions with Orillia about a possible MOU.
- WO consulted with the Nature Conservancy of Canada about the proposal as it was found that they WO and the NCC entered into an agreement when the Preserve lands were originally purchased whereby, in consideration of NCC providing a portion of the funds to purchase the property, WO agreed not to change the use of the property without the consent of NCC. NCC has indicated that they will likely consent to the proposed arrangement if WO negotiates an agreement that WO is satisfied protects its use of the Preserve.
- Orillia suggested that WO and Orillia should purchase the shoreline allowances for their respective properties to ensure river access was maintained both for the purposes of WO and in order to allow development of the proposed hydro generating facility. Orillia facilitated this process for WO.
- In early July 2015 Orillia Power indicated that their timelines required that an MOU be signed by August 2015. WO indicated that this would not provide time to investigate the possibility of a workable water use agreement. Without determining flow and access requirements and determining whether Orillia could provide these, it was not possible to reach a decision around WO's position on the project.
- In July 2015 WO attended a meeting to discuss the possibility of having two MOUs, the first an MOU around WO approving access to build the project with reference to a second MOU that would be an operational MOU which would include a water use agreement and define use, access and flows. The first MOU would provide them with what they need to pursue their application. Lawyers for Orillia and WO worked to prepare some suitable wording.
- WO was advised that the application Orillia is preparing requires an unconditional agreement for access. This would leave WO unprotected and with no recourse so it would not be in WO's interest to sign such an agreement. Instead the parties have agreed that in the event that water use agreement cannot be reached, Orillia Power will withdraw its application to develop the generating facility and release its interest in the Preserve lands and the licence agreement would be of no further force and effect.
- This proposal is currently being reviewed by Orillia and the WO Board and Advocacy Committee will review the draft wording in consultation with our lawyer when it is available.

4) Additional Considerations

- WO have made Orillia aware that the measurement of flow is less than ideal right now. This needs to be made consistent, calibrated and publicly available in order to discuss flows. The stick gauge is gradually moving and the measurement does not incorporate changes in flow as a result of changes in the head.
- WO have emphasised to Orillia that there are other river users that need to be involved in discussions (anglers, photographers, artists, commercial tenants and users etc).
- It is clear that things are very much in the preliminary stages. An EA will be an important part of the process and Orillia have estimated that this is 2 years away if they are approved at this first stage.
- The township of Minden is drafting an agreement with Orillia regarding the road allowance portion being purchased by Orillia for their application. This agreement stipulates that these lands will be turned back to the town once the project is complete and dedicated as a park to ensure ongoing public access to the river.
- There is a separate plan by Parks Canada to remediate the Horseshoe Lake dam. This project is independent of Orillia and nothing is scheduled to happen in the next 18 months but Orillia and Parks Canada are trying to coordinate efforts to minimize such construction related disruption. WO will be involved in quarterly meetings on this initiative and will keep paddlers updated.

5) WO's Position

- WO acknowledges that Orillia owns part of the Minden Wild Water Preserve property and the lower half of the river section used for whitewater paddling (below Whitehorse falls to the takeout). WO leases this property from Orillia. Rather than immediately reject the proposal outright, in part because Orillia are our landlord, we indicated that we were prepared to discuss the proposal and explore if it was feasible to build a power generating station without significantly impacting the role of the preserve as a paddling resource.
- WO's primary concern is that we retain paddler access and flows that allow paddling essentially unchanged from the current situation. Orillia have indicated that they would accept and respect access and flow conditions. They propose to divert flow and generate power overnight and during day only outside normal paddling season. While we have some concern about the impact of constructing a pipe through the property, Orillia have indicated they would fully remediate this construction although we understand that construction will impact the use of the preserve and need to explore how to deal with this.
- To retain paddler access, WO has emphasized the importance of minimal impact. For example, if someone arrives at preserve and wishes to paddle during the day in paddling season the water would be as normal (bearing in mind that we already experience low and high levels depending on weather and how Parks Canada is controlling flow). Orillia have suggested they could support the paddling experience with greater control over flows for specific uses. For example, we could order a specific level if we were running an event (e.g. community paddle, rodeo at Earls hole, open canoe or slalom race). During recreational use we could specify blocks of flows suitable to different paddling abilities. There appears to be an opportunity for greater predictability and control of flows making it easier for paddlers planning a trip to know there would be water at a known level. We would like to explore this possibility further.
- The cost of ensuring water for events at the Gull is expensive. Buying releases from Parks Canada (because the labour required to adjust logs is under collective agreement) could be avoided. Costs for recent events include \$7,500 to host the freestyle trials 3 years ago; \$4,500 to have a release for the Gull open boat race in September; and \$8,000 for 5 days of slalom nationals last year.
- WO recognizes the importance of an Environmental Assessment process that would include all stakeholders as it could impose public access and user obligations separate from any negotiated by WO. Any agreements between WO and Orillia would not preclude WO from actively and openly participating and inputting into a formal Environmental Assessment consultation.
- The draft MOU presented to WO includes an estimate of financial compensation both to offset the inconvenience of construction and loss of campsite revenues and as an ongoing annual contribution which would provide a modest income to WO to help support our activities. While potentially beneficial, to date WO have not discussed the financial details with Orillia as these are secondary considerations. Our primary concern is to ensure that paddler use is preserved and ideally enhanced. WO will also seek to ensure that use for commercial users such as the AO Boatwerks paddle school is preserved.
- The WO lawyer is the only person receiving any payment for efforts related to this project. WO recognizes the ongoing importance and contribution of volunteers who are giving up their spare time to be involved on behalf of paddlers in Ontario.

6) Have your say

- WO members and paddlers are encouraged to provide feedback through WO's Advocacy Committee (info@whitewaterontario.ca) and can make representations during the formal consultation process which Orillia is obligated to follow. WO will continue to post updates on our website (www.whitewaterontario.ca), Facebook page (<https://www.facebook.com/whitewaterontario>) and through member newsletters.