

## **Key River Area Submission to Killarney Regarding Detrimental Impacts Due to Low water Levels**

The Key River is like an 8.1 mile long fjord providing the only safe access point to Georgian Bay between Britt and Killarney. The south shore borders the Henvey Inlet First Nation and sections on the north shore are part of the French River Provincial Park. It is used by cottagers, businesses, tourists, sport fishermen and the Henvey Inlet First Nations. The water level trend over the last 13 years has been going down and so far people in the Key River area have been able to adjust to the changes. Now things are going beyond critical and the options to adapt are disappearing or becoming very expensive (both financially and environmentally). The following is the Key River Area Association's attempt to quantify the impact lower water levels may have on the Key River area.

### **1. Business concerns:**

There are 5 Marinas and fishing camps in the area that we are aware of - Key Marina, Camp Dore, Key Harbour Lodge, Georgian Bay Fish Camp, Camp McIntosh. We do not have access to their financial information but there are indications their revenue will drop by a third or more due to lower water levels (revenue from parking, boat docking, ramp fees, cabin rental, fuel sales, boat rental, sale of merchandise etc.) A loss of this magnitude can have a major impact on their sustainability. We are assuming that these businesses will be submitting their own reports to this case study. Estimated loss \$500,000/year

It is expected that there will be a drop in construction businesses (buildings, septic systems, solar systems etc.) due to the higher costs of barging equipment and material to building sites. With the uncertain future on water levels people may be reluctant to spend money on any type of development. Estimated loss \$200,000/year

### **2. Personal concerns:**

There are approximately 200 cottages in the Key River area located along the river, on the Bay and in small bays and inlets. The lower water levels could make access to the cottages very difficult and render docks and water intakes useless. Dredging of individual cottage fronts from dock to main channel or replacing and/or extending existing docks (if possible) could cost \$1,000 - \$10,000 per cottage. New pumps, wells etc to replace present water supply could cost an average of \$300 per cottage. Approximate cost \$130,000 to \$2,060,000

Some cottagers may need to upgrade their boats so they can safely cross the open unprotected waters of Georgian Bay when accessing their cottages from Britt (the next closest access point). Assuming the cost to upgrade to a suitable boat is \$30,000 and 50 cottagers make the upgrade the approximate cost is \$1,500,000

Several property owners are retired and living on fixed incomes. The financial resources to adapt to the low water levels may be not available.

### **3. Cottage Values & Municipal tax base:**

Lower water levels will severely affect the enjoyment and value of the properties. Water is the focal point that draws people to the area. Over the past several years the continuously lower levels have had an adverse affect on activities like swimming, boating etc. The shore line in front of several locations has deteriorated immensely and many of them are no

longer suitable places to participate in water sports. Some cottages located in small bays and inlets may no longer have shore lines as those areas become completely drained.

The potential loss of the municipal tax base as a result of dropping property assessments is a real issue. There will also be a risk of a loss in the ability of municipalities to actually collect their taxes as property owners who can't make it to their properties, or can no longer enjoy their cottage experience, will be less likely to pay even reduced tax bills. Typically, municipalities will sell properties to pay tax arrears, but that option will become more difficult too as access dries up and there are no buyers. This will be a double whammy for the finances of municipalities, which will eventually end up being a problem for the province. Assuming assessments drop by 50% causing an estimated average \$1,200 property tax bill to drop to \$600 the approximate loss in tax revenue to Killarney will be \$120,000/per year

If properties have mortgages; as values decline the property supporting the loan becomes insufficient to cover the amount borrowed and could cause financial hardship to both the borrower and lender.

#### **4. Local environmental concerns:**

Lower water levels will have a significant impact on the local water fowl. Loss of walleye spawning, level required 175.19 m. With the population currently declining there is a good chance for collapse and loss of entire stock. Time and money spent in the past will be lost. Approximate cost of restoration \$250,000

Established wetland loss in river and immediate surrounding area is approximately 75 hectares. Because of the fjord like nature of the Key River the wetlands will have nowhere to regenerate. Per hectare dollar estimate to be determined Value priceless\$\$\$

#### **Looking at some of the local options to deal with lower water:**

##### Dredging the Key River

Most of the Key River has sufficient dept to allow safe boat passage. However there are about 5 different sections (totaling approximately 2 miles) that are expected to become un-navigable as the water levels continue to drop. These sections may need to be marked and dredged. This may be a short term solution if water levels continue to drop or areas dredged fill in with silt due to water flow from spring runoffs. Dredging will also have depth limitations in areas where the bottom is bed rock. This option could provide a navigable channel out to the Bay but would not address water access problems to many individual cottages.

Estimated cost \$1-2 million

##### Building a road to the mouth of the Key River

Pressure will build for alternative access infrastructure - in the case of Key River, there will be pressure for an access road over the Henvey reserve and/or over the Killarney/French River Park. This is going to have huge environmental impact, but will also be a big political/administrative headache for the various government bodies involved. This option could provide access to the Bay but would not address water access problems to many individual cottages. Estimated cost \$4 million

#### **Summary of estimated costs:**

Business concerns	\$700,000 per year
Personal concerns	\$2,190,000 to \$3,560,000

Municipal tax base	\$120,000 per year
Dredging/Road	\$1,000,000 to \$4,000,000
Total	\$4,010,000 to \$8,380,000 (some costs are per year)

Costs that are hard to determine:

- Loss in property value
- Loss of wetlands