

Goose River Hydro, Inc.

P.O. Box 334
Belfast, ME 04915

9/20/2016

To the residents residing on Swan Lake,

As I am sure you are all painfully aware we are suffering a water level crisis. As the dam owners of the lake, it would seem that a lot of the blame is being shifted towards us. We would like to clarify a few things concerning the Swan Lake water level this year.

Unfortunately we had a somewhat (not saying alarmingly) dry summer last year, and one of the hottest on record this year. We finished last summer with relatively normal low level and progressed into a winter that ended up being one of the driest, warmest winters many of us have seen. There was little to no snow pack, virtually no ice – with a reported “Ice-Out” of March 15th the earliest in any of the recorded 134 years and a cumulative rainfall of approximately 25.4 inches; which I am sure we can all agree is not a lot of rain. Furthermore we reduced the lake level around ice-out due to concerns around ice damage starting the summer with a lower than normal level. We then transitioned into the hottest, driest summer on record. Now when we say hot and dry, it doesn’t just mean that there is little-to-no rain to fill the lake but also the fact that when temperatures are as high as we have seen evaporation was occurring at extremely fast rates as well.

Now as it is very easy to have a scapegoat and try and blame the issue at hand on a person, realize that across the state, lakes have record low levels, and are experiencing similar issues to what we have here.

Now as the dam owners, we see this as a very big issue as we understand that many lake residents have boats, docks and plans to enjoy our beautiful lake for the summer. We are aware of our responsibility for maintaining the proper levels in the lake so that there is enough water to enjoy recreation on the lake. We would also like to emphasize that we have an agreement that has been in place for close to 40 years now and that has worked reasonably well so far. In this past year, even with all of the extreme weather conditions and lack of water, we were not out of compliance with the guidelines that the swan lake committee made up with Larry Gleeson. While we may not have the ideal lake level this year, please remember that when the weather wasn’t so sporadic and extreme and we weren’t dealing with a winter

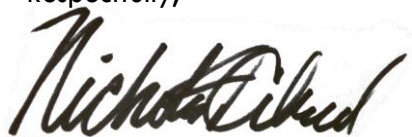
with record low snow falls, that this agreement has stood and worked reasonably well.

As for the future, I think that many, if not all of you are aware that we are going through the FERC relicensing process for our license which expires in 2020. Now even though the Swan Lake dam isn't an electrical generating facility, it does fall under the FERC project known as Goose River P-2804. The plan is that since this agreement has worked well for the past 40 years, that we will keep the same parameters and avoid long complicated negotiations to find a different process.

Moving forward these are some things that we have in the works.

1. Utilize a volunteer from the Swan Lake committee to do weekly level monitoring and reporting from the dam.
2. Build and install a remote level indicator attached to wifi with real time response and reporting to the association's website for real-time viewing and monitoring.
 - a. We are waiting for it to be completed, but hopefully this will be done shortly and installed in the near future. This will allow anyone to access the responder online and see in real time what the level on the dam is. This will allow everyone on the lake to help be part of the solution and keep an eye on the level; comments, questions or concerns around lake levels can then be delivered to our email address: gooserverhydro@gmail.com
 - b. This new system will also allow for trend prediction in the future to foresee low/high levels and help decide how much/little the gate should be opened.
3. Finally, the lessons learned from this summer will be rectified for the following year in the following way: The average water usage and evaporation amount (in inches) will be accounted for and added to our minimum level requirement before memorial day to ensure for a full summer of adequate water in Swan Lake. Please understand that we will try our best to do this but as we do not control the weather we will try our best to maintain a high level coming into the summer.

Respectfully,

A handwritten signature in black ink, appearing to read "Nicholas Cabral", written over a light grey rectangular background.

Nicholas A. Cabral

President
Goose River Hydro, Inc.