

ADMINISTRATIVE REPORT



TO: Board of Directors
FROM: J. Zaffino, Chief Administrative Officer
DATE: May 7, 2026
RE: Petition to Leave Service Area – Electoral Area “H” (H2025.004-SAP)

Administrative Recommendation:

THAT the Chain Lake-Shinish Creek Diversion Service Establishment Amendment Bylaw No. 1382.02, 2026, being a bylaw to reduce the service area by excluding the property at 3610 Princeton-Summerland Road, be denied.

Purpose: To remove a property from the Chain Lake-Shinish Creek Diversion Service Area Folio: H-01090.00

Legal: Lot 16, Plan KAP6455, District Lot 2075, KDYD Civic: 3610 Princeton-Summerland Road

OCP: Small Holdings (SH) Zone: Small Holdings Three (SH3)

Alternatives:

1. THAT the Chain Lake-Shinish Creek Diversion Service Establishment Amendment Bylaw No. 1382.02, 2026, being a bylaw to reduce the service area by excluding the property at 3610 Princeton-Summerland Road, be read a first, second and third time;
 2. That consideration of the Chain Lake-Shinish Creek Diversion Service Establishment Amendment Bylaw No. 1382.02, 2026, be deferred pending:
 - a) *TBD.*
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Purpose:

The applicant has submitted a petition request to the Regional District that seeks to exclude the property at 3610 Princeton-Summerland Road from the Chain Lake-Shinish Creek Diversion Service Area.

In order to facilitate this, it is being proposed to amend Schedule ‘A’ of the Chain Lake-Shinish Creek Diversion Service Establishment Amendment Bylaw No. 1382, 1993, to exclude the subject property.

In support of this petition request, the applicant has stated that:

- *We still disagree with the principle of a parcel tax. The properties on the lake benefit from the dam a great deal more than those not on the lake. If it wasn't for the dam there would be no lake and those properties would have a much lesser value and would not be as desirable because they would no longer have waterfront property.*
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- *Our property address is 3610 Princeton Summerland Rd or Lot 16 and is the furthest property from the lake. Almost all of the addresses on the Princeton Summerland Rd do not have lake frontage as the highway is between their properties and the lake. Some have a great view but not all.*
 - *As deemed by the BC Assessment office waterfront properties have a higher value than non waterfront. They are also much more in demand when it comes to resale. I have looked at the BC Assessment site and most of the Chain Lake properties on the lake have property assessments higher than those off of the lake and they are often smaller as well.*
 - *Using assessed property value would shift the cost burden disproportionately to higher value lakefront properties. This could be seen as penalizing property value. If the dam project goes through and the Parcel Tax of \$1,100.00 (as was proposed to all property owners) is added to our yearly tax balance it will equal an 82.2% increase for us. The higher value properties will not realize that same huge percentage amount of an increase. ie: a property that has a yearly tax balance double ours will only have a 42.3% increase and most of the properties have a higher assessed value than we do. Now we ask, how fair is that and who is being penalized under this scenario!!! Also for our 82% we gain absolutely nothing - still no view, no lakefront, no access etc.*
 - *This large increase to our taxes may force us to sell and we really do not want to do that as we love the area.*

Strategic Priorities: Operational

Background & Analysis:

Under the Chain Lake-Shinish Creek Diversion Service Establishment Amendment Bylaw No. 1382, 1993, the Regional District is “empowered and authorized” to undertake the dredging of Chain Lake, as well as the construction and maintenance of a diversion ditch/lake drainage and flow control outlet system.

In support of this, the Regional District is further “empowered and authorized” to:

- acquire all such licenses, rights or authorities as may be required for the dredging of Chain Lake, and the construction and maintenance of a diversion ditch/lake drainage and flow control outlet system; and
- enter into contracts with such authorities and companies as may be necessary or appropriate to implement the dredging of Chain Lake, and the construction and maintenance of a diversion ditch/lake drainage and flow control outlet system.

Cost recovery related to this service is by parcel tax applied to approximately 61 properties within the service area that is not to exceed “\$10,000 per annum” for the service.

Dam Safety Audit:

In 2023, the water storage facility at Chain Lake was audited to determine compliance with the provincial *Dam Safety Regulation* and reconfirmed the failure probability rating and risk level for Chain Lake Dams as being “Significant” due to:

- the spillway requiring replacement;
- the catwalk or bridge over spillway being past its life and possibly posing a safety hazard;

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- the absence of log boom preventing debris from accumulating on the dam face and within spillway; and
 - rodent holes being evident on the dam site.

Importantly, a partial failure of the dam could lead to downstream flooding and flood damage, including to provincial assets (e.g. Chain Lake West Recreation Site).

In response, the Regional District submitted a documentation package to the provincial government in 2024 for review and approval by the dam authority, and which included the following:

- complete design drawings;
- an “Upgrade Plan Submission Report”;
- a “Dam Emergency Plan”;
- an “Operations, Maintenance, and Surveillance Plan”;
- an “Environmental Management Plan”.

Further, a study was undertaken to determine if there was any benefit being provided to property owners outside the existing service area and if the service area should be expanded and concluded that there was no significant benefit.

Board Consideration:

At its meeting of October 3, 2024, the Board approved three readings of amendment bylaws to support the repair and maintenance of the dam through a loan authorization for \$750,000 and to increase the current requisition limit from \$10,000 to \$72,232.

At its meeting of February 20, 2025, the Board re-read Amendment Bylaw No. 1382.01, 2024, a third time, as amended, in order to ensure that the requisition limit accurately reflected the debt servicing and operational costs of providing the service.

It was subsequently determined that the reconstruction of the dam and spillway will cost approximately \$1,750,000, prompting Amendment Bylaw No. 1382.01, 2024, to be scheduled for reconsideration at the Board’s meeting of June 5, 2025, in order to ensure that the requisition limit accurately reflected the estimated costs of upgrading the dam and spillway. This item was, however, removed from the Agenda.

To address the new costs, the Electoral Area “H” Director is contributing \$498,000 from the Electoral Area “H” Growing Communities fund, leaving \$1,250,000 to be covered by the loan authorization bylaw.

In summary, the current requisition of \$10,000, when applied to 61 properties represents a cost of approximately \$164 a year. If a property were to be removed from the service area, this would result in the remaining properties paying approximately \$167 a year.

Following refurbishment of the dam, it is anticipated, based on 2025 estimates, that the annual requisition will increase to \$75,000 and, when applied to 61 properties represents a cost of approximately \$1,230 a year. If a property were to be removed from the service area, this would result in the remaining properties paying approximately \$1,250 a year.

Subject Property:

The current boundaries of the subject property were created by a Plan of Subdivision deposited with the Land Titles Office in Kamloops on March 10, 1954, while available Regional District records indicate that a building permit has not previously been issued for this property.

Under the Electoral Area “H” Official Community Plan (OCP) Bylaw No. 2497, 2012, the subject property is currently designated Small Holdings (SH) and is the subject of a Watercourse Development Permit (WDP) Area designation associated with Chain Lake.

Under the Electoral Area “H” Zoning Bylaw No. 3065, 2024, the property is currently zoned Small Holdings Three (SH3) which permits for a single detached dwelling as a principal use.

Analysis:

In considering this request, Administration notes that the subject property is within 150 metres of Chain Lake and for this reason, it is seen to receive measurable benefits from the service in the form of public amenity, protection of access, stabilized lake levels and erosion control.

The rationale for the petition request (i.e. that the property is not a waterfront property and that property taxes will increase if the proposed dam upgrades proceed) is also seen to apply to a number of other properties within the service area.

If a property is removed from the service area on this basis, it is likely that similar requests will follow from other property owners in the service area (NOTE: a second request of this nature has already been received by the Regional District).

This is because the removal of a property from the service area would result in costs being redistributed amongst a smaller number of parcels, which would increase costs for the remaining property owners.

Administration is concerned that this could lead to a scenario where the removal of a property from the service area triggers a cascading effect ultimately leading to the collapse of the service or rendering the service unworkable.

In addition, the removal of parcels from the service area is seen to be premature in light of ongoing consideration of potential dam upgrades, which will involve a public assent process. If the assent process fails, the dam will likely be decommissioned at the expense of properties within the service area.

While the cost to decommission the dam is unknown at this time, it would also be redistributed amongst a smaller number of parcels if this property is removed from the service area, increasing costs for remaining property owners.

Alternative:

Conversely, Administration recognises that if the proposed dam upgrades proceed, the anticipated increase in annual operating costs borne by property owners in the service area is large (approximately \$1,066 annually).

However, Administration considers that this matter would be better considered through the public assent process and not through individual ad hoc petition requests.

Should the Board wish to remove this property from the service area, it should be aware that a detailed engineering analysis of a decommissioned dam design has not been completed and thus the potential impacts of decommissioning are not fully known at this time.

Conceptually, the lake level is estimated to drop by 1.45 metres upon decommissioning due to the requirement to return to native channel elevation.

The performance of the lake/reservoir *may* decrease during storm events as a result and this would increase the risk of flooding to properties around the lake/reservoir.

A detailed environmental study would also need to be done due to the significant alteration to the ecosystem associated with decommissioning and the completion of such a study *may* result in additional work and studies to be carried out.

Summary:

In summary, Administration is concerned that the petition request will increase costs for other property owners in the service area and may ultimately jeopardize the viability of the service. For these reasons, Administration is recommending that the petition be denied.

Financial Implications:

Financial implications have been considered and any adjustments resulting from the removal of an individual property from the service area are seen to be minor (e.g. removal of the subject property from the service area would result in an increase of \$3 to the current annual operating costs for each remaining parcel).

Communication Strategy:

No communication strategy is proposed as this is not required under the *Local Government Act* in relation to the amendment of a service area bylaw.

Site Context:

The subject property is approximately 1.12 ha in area and is situated on the north side of Princeton-Summerland Road, approximately 150 metres from Chain Lake. It is understood that the parcel is comprised of vacant land.

The surrounding pattern of development is generally characterised by similarly sized recreational parcels (available records suggest as few as 5 properties may have year-round residents) that have been developed with single detached dwellings.

Will a PowerPoint presentation be presented at the meeting? No

Respectfully submitted:

"Ben Kent"

Ben Kent
Planner II

Endorsed By:



C. Garrish
Senior Manager of Planning

Endorsed By:



A. Fillion
Managing Director, Dev. & Infrastructure

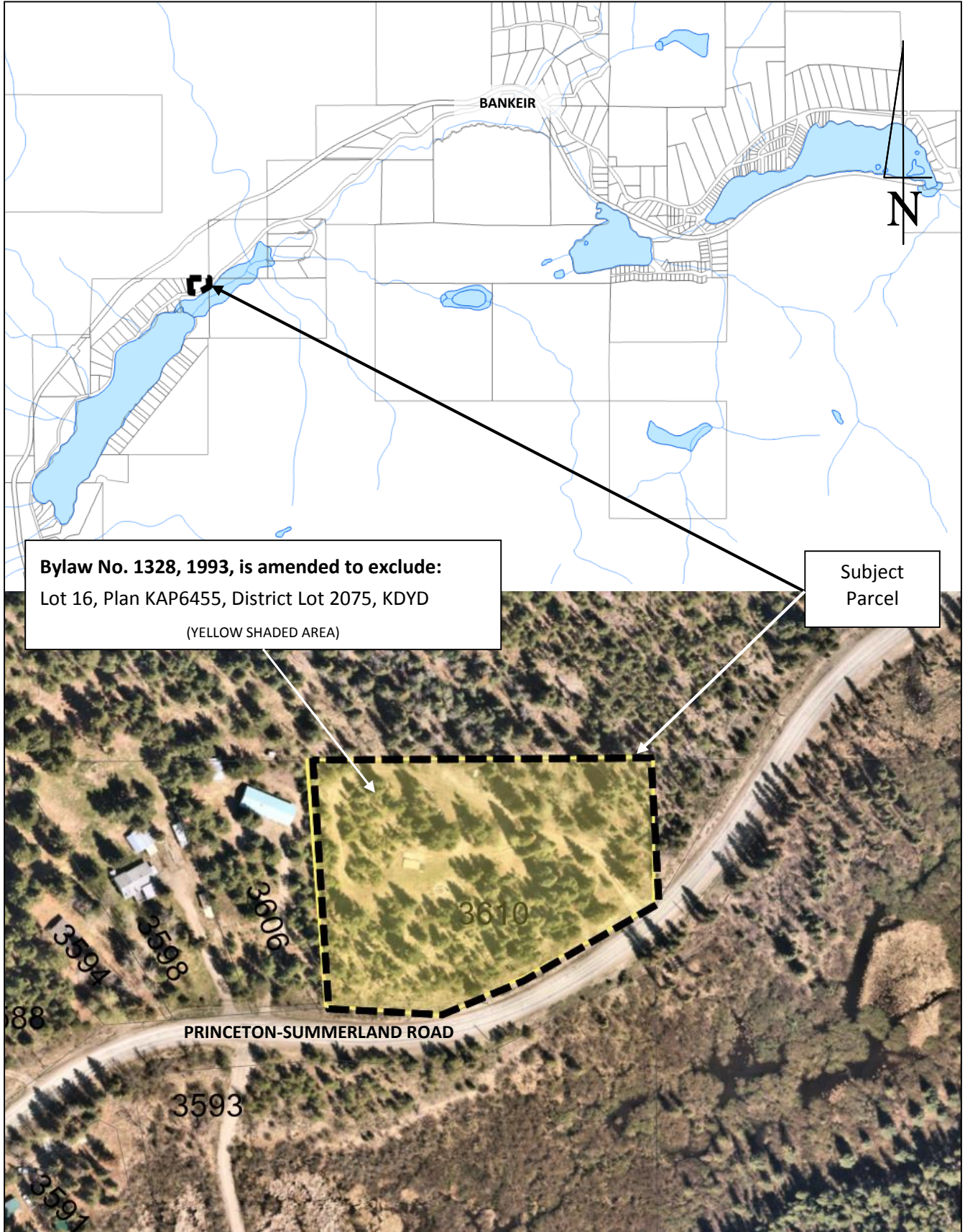
Attachments: No. 1 – Context Maps

No. 2 – Service Area Map

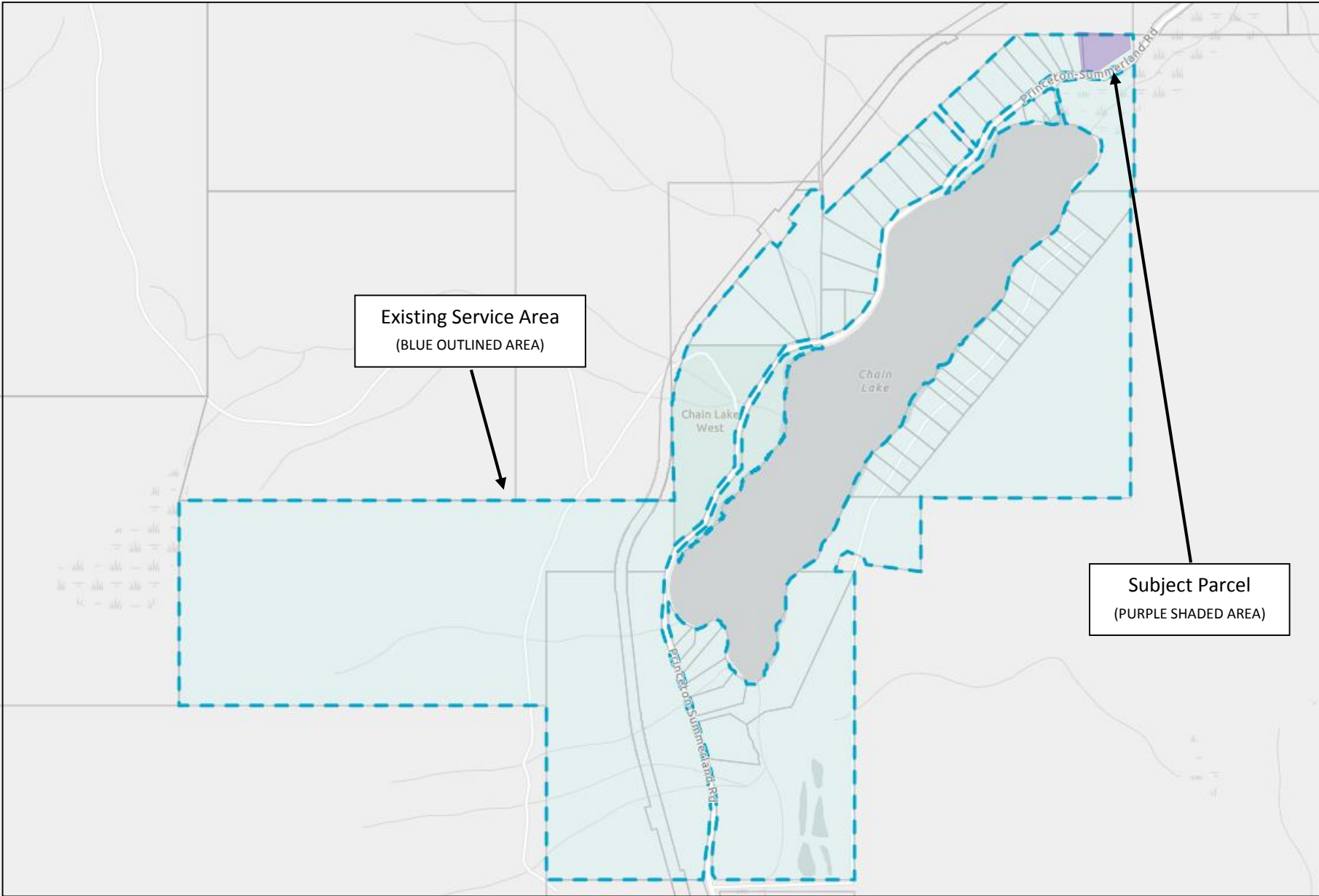
No. 3 – Aerial Photo

No. 4 – Site Photos (Dam)

Attachment No. 1 – Context Maps



Attachment No. 2 – Service Area Map



Attachment No. 3 – Aerial Photo



Attachment No. 4 – Site Photos (Dam)

