



CATILINE CREEK DEBRIS FLOW MITIGATION PROJECT

Community Update No 6

November 28, 2024

This is a project status update for Lillooet Lake Estates (LLE) community members regarding the debris flow mitigation project [related to the debris flow hazard at Catiline Creek](#).

Project Overview:

The project is to design, construct, and establish operation and maintenance of a debris flow mitigation structure for the Catiline Creek at Lillooet Lake Estates (LLE). The objective of the project is to reduce the risk to the community and potential for loss of life by increasing capacity of the existing channel to manage future debris flows up to 100,000m³ through the community, under a new forest service road bridge, and into Lillooet Lake. Details of the project scope, current funding and approved budget along with these community updates can be found on the project website: <https://www.slrd.bc.ca/catilinedfm>

Project Updates:

- SLRD staff presented Project Status Update #5 to the SLRD Board on September 25, 2024 meeting. The full staff report with slides may be viewed here: [Catiline Creek Debris Flow Mitigation Project - Status Update No. 5](#). View the presentation on YouTube: [click here](#)
- The current 5 year budget for Catiline Creek Debris Flow Mitigation Service (Cost Centre #2406) is [available to view online in the Financial Plan](#). At this time, eligible project costs have been covered by grant funds through the Community Emergency Preparedness Fund with ineligible costs covered by requisition.
- Loan Authorization - At this time, the SLRD has not yet borrowed any funds from the \$4 million loan that has been authorized for this project, however the full loan amount of \$4 million dollars is included in confirmed funding for the project. For more information on the loan authorization process, see attached information sheet.
- Staff received Board approval to review options for the Community Emergency Preparedness Fund (CEPF) intake (deadline October 4, 2024) at the September 25, 2024 SLRD Board meeting. Exploring this potential funding opportunity was an additional step to mitigate the risk of upward pressure on costs, however due to the current funding structure and complexity of the project there are constraints to being able to submit additional funding applications. Effort was put into researching proposals to meet the program guidelines, but an appropriate proposal was not able to be identified in time for submission. Please refer to the full staff report for additional information on this potential submission: [View Report](#)
- [As outlined in the September 25, 2024 presentation](#), staff are working to learn more about the requirements and potential impacts to the project arising from the Fisheries Act Authorization required by federal Fisheries and Oceans Canada (DFO), including

requirements for riparian habitat offsetting. The project has submitted an Emergency Authorization application for consideration.

Project Budget Update:

- SLRD staff presented the Project Budget to the SLRD Board at the November 27, 2024 Board meeting - the associated staff report (with slides) may be viewed by clicking [here](#) and the staff presentation may be viewed on YouTube by clicking [here](#). At this meeting, the SLRD Board approved an updated project budget of \$11.697 million and associated project schedule, with construction starting in Quarter 3 of 2025 and ending in Quarter 4 of 2026. (Please note that the Board has *removed* the implementation phase of the offsite offsetting work required by Fisheries and Oceans Canada from the project scope, and this implementation phase work will be carried out as a future separate project – the initial staff estimate for this implementation phase work is \$1.265 million but, at this time, the scope of this work is still to be determined and funding sources have not been identified. More information about this future separate project is available in the above staff report and presentation links.)
- The previous project budget of \$8.1 million was set in 2022 and was based on the Class D construction estimate for the 2016 preliminary design. This budget was used for grant applications, and the Catiline Creek debris flow mitigation service establishment bylaw and loan authorization bylaw.
- Updated operations and maintenance cost estimates have been received, which will be incorporated into the upcoming financial planning process for the Catiline Creek Debris Flow Mitigation Service (Cost Centre #2406). Please note that final O & M costs will not be available until completion of the mitigation structure. Once final O & M costs are available, the O & M cost estimates will be updated accordingly for financial plan process purposes.

Current Work:

At this time the project team is proceeding with a number of activities, including:

- Reviewing Oceans and Fisheries Canada's Emergency Authorization requirements and timelines.
- Other permit applications including the Water License Application to the provincial Ministry of Water, Land and Resource Stewardship and authorizations required under the provincial Dike Maintenance Act.
- Reviewing forecasted costs.
- Grant administration.
- Working through land tenure requirements.
- Continuing towards finalizing the statutory right of way with Lillooet Lake Estates.
- Coordinating with the Ministry of Forests for the replacement of the FSR bridge and potential areas along the In-SHUCK-ch FSR to improve the road.
- Consultation and engagement with First Nations.
- Preparing for construction procurement.
- Communications.

Upcoming Milestones – Q4 2024 – Q1 2025:

- The SLRD Board will be considering the 5-year Financial Plan for the Cost Centre in the coming months. Financial plan discussions usually take place between December and March. For more information on the loan authorization process, please see attached information sheet.
- Continue work on permitting, and coordination with partners and rightsholders.
- Continue First Nations engagement and consultation activities

Site Visits:

The SLRD and their consultants/contractors and partners will continue to conduct necessary site visits related to the project in and around Lillooet Lake Estates in the coming months. Thank you for your patience and cooperation during these necessary site visits and inspections, as the SLRD works towards reducing debris flow risk in the Lillooet Lake Estates community. Please let the SLRD (pcampbell@slrd.bc.ca) and or LLE representatives know if you have any feedback at any time.

Project Governance:

The SLRD works with LLE on this project through the Project Steering Committee and regular coordination meetings. The Project Steering Committee includes senior SLRD staff, the project manager, and Gary Young (acting in an advisory capacity) as the appointed representative of the LLE Board, with Peter Shrimpton as Mr. Young's alternate. This committee meets monthly to provide project oversight, and as needed makes recommendations to the SLRD Board for items requiring SLRD Board decisions or approvals.

Contact:

The SLRD appreciates the support of the community members during this important project. The SLRD is committed to keeping you informed and will provide another update once the next milestones are reached. If you have any questions or concerns, please do not hesitate to reach out to your LLE representative, or the SLRD staff listed on the project webpage: slrd.bc.ca/catlinedfm



CATILINE CREEK DEBRIS FLOW MITIGATION PROJECT Information Sheet – Loan Authorization & Project Costs November 28, 2024

The upcoming long-term borrowing associated with the Catiline Creek Debris Flow Mitigation Project (the “Project”) will have significant taxation implications for the community. The Squamish-Lillooet Regional District (SLRD) has prepared answers to some questions to outline how the regional district borrowing process works.

What SLRD cost centre is this Project part of and how does tax requisitioning for the cost centre occur?

At the community’s request, the SLRD Board established a debris flow mitigation structure service, and the cost centre for this service is CC#2406. All costs associated with the Project fall within the CC#2406 service and each year as part of its annual budgeting processes, the SLRD Board approves the overall budget for the service, including the amount that will be tax requisitioned from the corporate property owner. The maximum amount that may be requisitioned annually for the service is determined by the maximum annual tax requisition that is defined in the service establishment bylaw which is the greater of \$375,000 or \$10.2720 per \$1,000 of the net taxable value of land and improvements within the service area.

The SLRD does not directly collect taxes from communities located within electoral areas. Instead, the provincial Surveyor of Taxes collects taxes on behalf of the regional district for applicable services in electoral areas. For the CC#2406 service, a tax requisition is completed for the land comprising the service area, which is defined in the service establishment bylaw. View the Service Establishment bylaw online: [Squamish-Lillooet Regional District Catiline Creek Debris Flow Mitigation Service Establishing Bylaw No. 1786-2022](#)

There are two legal parcels of land comprising the Lillooet Lake Estates community with one property owner and, as such, the SLRD will requisition tax that will be payable by the property owner. It is the SLRD’s understanding that the corporate property owner collects the annual tax from its site owners/shareholders based on its internal corporate processes and then forwards payment to the provincial Surveyor of Taxes.

Who decides the amount of the annual tax?

In consultation with the Electoral Area C Director, the applicable SLRD staff review the service area requirements and considers the amount of tax to be collected from the property owner of the land comprising the service area. The SLRD Board then considers and adopts a five-year financial plan by March 31 of each year for all services of the SLRD that includes this service and the amount of this tax. The financial plan is available online: [Financial Plan.pdf](#)

How is the Project funded?

Current confirmed funding for the Catiline Creek Debris Flow Mitigation Project is as follows:

Canadian Emergency Preparedness Fund (CEPF) Grant	\$2 million
Investing in Canada Infrastructure Program (ICIP) Grant	\$5.697 million
Borrowing from property owner via Loan Authorization Bylaw No. 1787-2022	up to \$4 million
Total	Up to \$11.697 million

What is the budget for the Project?

The approved project budget is \$11.697 million. The associated staff report (with slides) may be viewed by clicking [here](#) and the associated staff presentation may be viewed on YouTube by clicking [here](#).

(Please note that the Board has *removed* the implementation phase of the offsite offsetting work required by Fisheries and Oceans Canada from the project scope, and this implementation phase work will be carried out as a future separate project – the initial staff estimate for this implementation phase work is \$1.265 million but, at this time, the scope of this work is still to be determined and funding sources have not been identified. More information about this future separate project is available in the above staff report and presentation links).

Have any loan funds been used yet for the Project?

No. At this stage of the project, loan funds have not yet been needed so none have been drawn. All project work done to date has been paid from grant funds where applicable and otherwise from the annual tax requisition funds collected to date for the CC#2406 service. As the project continues to progress, the SLRD will determine when to start drawing loan funds and the drawing of the loan funds could occur in various draws up to the \$4 million maximum loan approved. Each drawing of funds requires a security issuing bylaw to first be considered and adopted by the SLRD Board.

How much will the loan of up \$4 million cost LLE site owners/shareholders?

Please see the September 2022 staff report for the SLRD Board which includes details of the community's petition requesting the service establishment and loan authorization for the project: [Staff Report.pdf](#)

The [linked staff report from 2022](#) includes a breakdown of estimated financial impacts for the property owner and its site owners/shareholders. This includes costs of constructing, operating and maintaining the debris flow mitigation structure, and borrowing repayment costs associated with the authorized loan of up to \$4 million. The term of the loan is expected to be 30 years.

Based on current [Municipal Finance Authority of BC](#) interest and actuarial rates, the annual costs of a \$4 million loan at 4.45% interest are estimated at \$255,500. Assuming the estimated annual borrowing costs are equally divided amongst 152 site owners/shareholders, the borrowing costs per site are estimated to be \$1,681 per year. If the loan's interest rate is lower than 4.45%, the annual borrowing costs would decrease and if the loan's interest rate is higher

than 4.45%, the annual borrowing costs would increase. The actual interest rate will not be known until the loan proceeds are drawn, and the Municipal Finance Authority of BC advises the SLRD what the interest rate will be.

The Municipal Finance Authority of BC is independent from the Province of British Columbia and operates under the governance of a Board of members appointed from the various regional districts within the province and is able to offer favourable interest rates.

What is the repayment schedule for the loan?

The repayment schedule will depend on when the loan funds are actually drawn and what the interest rate is at the time as determined by the Municipal Finance Authority of BC. The SLRD will determine the amount of funds needed and the timing of such draws, taking into account various factors, including the results of detailed design, updated cost estimates, and project schedule. Each drawing of funds requires a security issuing bylaw to first be considered and adopted by the SLRD Board.

Borrowing costs associated with each draw of the loan start six (6) months after the SLRD receives the proceeds of each draw. The SLRD Board can choose to make several draws up to the maximum \$4 million loan amount, with consideration given to minimizing financial impacts to the community to the extent possible. The SLRD Board does not make a draw on the loan until the loan funds are needed, and this decision-making is supported by staff planning and estimating when loan funds will be required based on the best information available at the time. As part of this, the SLRD Board has to abide by the deadlines imposed by the Municipal Finance Authority of BC. For example, if the SLRD expects to require loan funds in April 2026, the SLRD Board could be considering adoption of a security issuing bylaw for the required amount by December 2025 in order to meet the procedural deadlines associated with the Spring 2026 MFA loan issue.

How will the SLRD decide how much and when to draw loan funds?

The SLRD will determine the number of draws and the timing of such draws, depending on various factors, including the detailed design, updated cost estimates, project schedule and funding requirements. Each drawing of funds requires a security issuing bylaw to first be considered and adopted by the SLRD Board.

Besides borrowing costs, what are the other costs to site owners/shareholders associated with the Project?

The [linked staff report from 2022](#) includes a summary of estimated financial impacts for the property owner and its site owners/shareholders. This summary includes costs of designing, constructing, operating and maintaining the debris flow mitigation structure and borrowing costs associated with the authorized loan of up to \$4 million.

To date the project has received two significant grants (totalling \$7.697 million) for the design and construction of the debris flow mitigation works in addition to up to \$4 million of loan funds which may be borrowed by the SLRD on behalf of the community and repaid by the community over a period of 30 years.

For more information, please contact:

Phillipa Campbell
Project and Program Coordinator

[Email](#)

Phone: 604-894-6371 Ext. 234