

Request for Decision

Title	Resource Extraction Regulatory Review Update
Proposed Motion	That Council direct Administration to bring an updated Resource Extraction Regulatory Review Engagement Plan to a Council meeting in March 2022 to host an in-person and virtual open house session on the east side of the County, inclusive of all elements recommended within the Request for Decision.
Administrative Recommendation	<p>Administration recommends that Council direct Administration to bring an updated Resource Extraction Regulatory Review Engagement Plan to a Council meeting in March 2022 to host an in-person and virtual open house session on the east side of the County.</p> <p>The updated engagement plan shall suggest ways to provide more information on the Final Report and outline an approach to allow Sturgeon County residents to provide meaningful input on the Report's recommendations. This public engagement shall include a letter to residents within proximity to extraction areas, additional opportunities to submit feedback either directly to County officials and/or through the Calahoo-Villeneuve Sand and Gravel Advisory Committee, and invitations to attend an in-person input session held in the east area of Sturgeon County. This process would be promoted through robust advertising and signage.</p>
Previous Council / Committee Direction	<p><u>April 13, 2021 Regular Council Meeting</u> Motion 202/2021: That Council direct Administration to extend the Resource Extraction Regulatory Review stakeholder engagement process to support additional engagement inclusive of continued availability of administrative officials for questions, continued engagement with the Calahoo-Villeneuve Sand and Gravel Advisory Committee, continued collection of inputs from operators, and a new in-person and virtual open house to be held in the east of Sturgeon County at a date contingent on Alberta Health Services and County COVID-19 restrictions; and that Council approve \$19,000 for additional Resource Extraction Regulatory Review public engagement, to be funded from the Planning Reserve.</p> <p><u>March 9, 2021 Regular Council Meeting</u> Motion 129/21: That Council accept the Resource Extraction Regulatory Review Final Report as information.</p>

Motion 130/21: That Council direct Administration to implement the following recommendations, by working with appropriate stakeholders and fulfilling noted implementation activities:

- (a) Bring forward bylaw amendments to implement a new, dual-approach regulatory framework, based on enhanced performance standards and corresponding setbacks from residential developments of 200m or 50m for extraction activities, and 300m for crushing activities. Make no changes to the existing Resource Extraction (RE) district, unless and until such time as all operators have transitioned. Ensure enhanced performance standards for extraction operations that protect air and water quality, minimize noise levels, reduce traffic and dust impacts, ensure acceptable visual impacts, and require progressive extraction and reclamation.
- (b) Apply new flexibility in the municipal permitting process for operators, to accommodate options to either re-district to one of the new resource extraction zones, or to apply for a discretionary use within the Agriculture district.
- (c) Increase municipal compliance and education resourcing, to complement enhanced operator quarterly reporting and annual third-party validation requirements.
- (d) Update municipal application processes, including fee schedules, policies, and administrative procedures, to align to the revised regulatory framework.
- (e) Develop a new municipal communications and information platform to support all stakeholders in local resource extraction activity, inclusive of a dedicated web platform, educational materials, contact information, newsletters, and more.
- (f) Conduct a review of the Community Aggregate Payment (CAP) Levy allocation model to reflect a greater expected revenue over time, the appropriate distribution of broad community benefit versus benefit to communities near aggregate operations, the percentage of allocations for different types of initiatives (regulatory support, community facilities, local programs, infrastructure, municipal tax relief, etc.); and the possibility for supportive policies and procedures related to the allocation of the CAP Levy.
- (g) Review the Calahoo-Villeneuve Sand and Gravel Advisory Committee terms of reference to identify a geographic area, membership, and other elements that are reflective of known extraction areas in Sturgeon County.
- (h) Prepare transition communications to describe implications of new regulations for existing operators and residents, and possible processes for those operations that may opt for the new regulatory model.

January 26, 2021 Committee of the Whole Meeting

Motion 005/21: That the Committee refer the initial consultant recommendations regarding the Resource Extraction Regulatory Review to the Calahoo-Villeneuve Sand and Gravel Advisory Committee, the Economic Development Board and the Transportation Advisory Committee for comment prior to Council's consideration of the Resource Extraction Regulatory Review Final Report.

Report

Background Information

- Sturgeon County contains high volumes of valuable sand and gravel resource deposits, and resource extraction is a key local industry. Sturgeon County's aggregate resources are valued because of their high quality and their proximity to local and regional markets.
- Resources will eventually be depleted, uneconomical to extract, and limited by land use regulations. Of the known aggregate deposits within the Sturgeon River watershed, about 50% have been extracted approximately 20% are under active extraction and processing. Only half of the remaining area is likely to be mined in the future due to economic conditions or inaccessibility due to restrictions.
- Concerns have also been raised regarding matters pertaining to resource extraction in some areas / 'legacy' operations, related to noise, traffic, environmental stewardship, reclamation, communications, enforcement, and more.
- In 2020, Council launched the Resource Extraction Regulatory Review (RERR) to consider these factors and a competitive balance between economic, social, health, and environmental outcomes related to the regulation and operation of aggregate industries within the County. Council noted that:
 - Modern regulations could represent an opportunity to apply technologies and new performance standards that better protect quality of life; and
 - Competitive approaches to regulation support investment certainty, create or protect jobs, and generate new municipal revenue for important community services.
- An expert consultant (B&A Planning) was engaged to provide advice and coordinate stakeholder engagement. The RERR scope included:
 - One of County's largest ever public engagements (9+ months of comprehensive consultation in two phases, hundreds of staff hours, public survey, committee meetings, direct interviews, ongoing contact lines, open houses, etc.);
 - Collection of inputs from industry and other key stakeholders (regional municipalities, governments, etc.);
 - Completion of a jurisdictional review of practices in over 20 comparable municipalities;
 - Completion of a review of aggregate best management practices across western Canada; and
 - Development of a Final Report with specific recommendations for Council consideration
- Sturgeon County's resource extraction framework was last reviewed over two decades ago.

Review Recommendations

- The Final Report (see Attachment 1) and recommendations were finalized in March 2021. A “Best Management Practices” report (Attachment 4) also supported this, among other detailed analyses. The Final Report found that:
 - Sturgeon County’s setbacks are some of the highest in Alberta. A jurisdictional review completed found that the average setback in other jurisdictions is 165m, versus 400m/800m and minimal standards in Sturgeon.
 - There is no public consensus on the “best” approach, but general support for a new “made in Sturgeon” model.
 - There is interest in improved performance standards, communications, consistency, and municipal monitoring/reporting.
 - Eight (8) specific recommendations were made, including details of all findings and best practices. Recommendations included:

Review Recommendation	Admin Comment
<p>1. Municipal Regulatory Model</p> <p>Apply a dual-zone approach to regulation based on intensity (RE1 at 200m and RE2 at 50m setback for extraction, all crushing at 300m+).</p> <p>Apply new and more stringent performance standards to protect air and water quality, minimize noise levels, reduce traffic and dust impacts, ensure acceptable visual impacts, and require progressive extraction and reclamation.</p> <p>Make no changes to existing RE district until operators have transitioned.</p> <p>Noted Benefits: Certainty, flexibility, better competitive alignment with other municipalities across the province, higher performance standards for neighbours, less resource sterilization (new jobs, \$50M in new revenues over time to support lower taxes and community programs).</p>	<p>Could Amend -</p> <p>Operators appear to support the recommended approach. Public engagement indicates support for increased standards and reclamation.</p> <p>However, common public feedback that proposed setbacks are too low / close to dwellings. Some support to remove multi-lot setback criteria.</p> <p>Report contains analysis and best practices on setbacks and standards.</p>
<p>2. Municipal Permitting Process (Contingent on #1)</p> <p>Offer options in the municipal permitting process for operators, to accommodate redistricting to one of the new resource extraction zones (RE1 or RE2), or to apply for approval as a discretionary use within the agriculture district (RE1).</p>	<p>Support – May not result in process improvement but protects interest of residents and operators have supported.</p>

3. Operator Reporting and Municipal Enforcement Increase municipal compliance and education resourcing, to complement a minimum of enhanced operator quarterly reporting and annual third-party validation requirements.	Support – Stakeholders expressed support; this requirement is good practice.
4. Other Municipal Processes (Contingent on #1) Update municipal application processes, including fee schedules, policies, and administrative procedures, to align to the revised regulatory framework.	Support – Requirement if changes in regulatory model are approved. No stakeholder concerns expressed.
5. Municipal Communications & Information Platform Develop a new platform to support all stakeholders in local resource extraction activity, inclusive of a dedicated web platform, educational materials, contact information / knowledge sharing, newsletters, and more.	Support – All stakeholders expressed support for better communication, which the municipality could facilitate and ensure.
6. Community Aggregate Payment (CAP) Levy Review Review the CAP Levy and allocation model to: <ul style="list-style-type: none"> ○ Reflect generate greater expected revenue over time; ○ Ensure distribution of CAP for broad community benefit, not only in proximity to aggregate operations; ○ Review the percentage of allocations of CAP levy for different types of initiatives (regulatory support, community facilities, local programs, infrastructure, municipal tax relief, etc.); and ○ Review the need for supportive policies and procedures related to CAP Levy allocation. 	Support – Residents expressed support for review and clarity, better public communication.
7. Representative Committee Membership Amend the Calahoo-Villeneuve Sand and Gravel Advisory Committee Bylaw to identify a geographic area, membership, and other Committee elements that are reflective of known extraction areas in Sturgeon County.	Support – All stakeholders expressed support, and expanded mandate would reflect all extraction areas.
8. Transitions for Existing Operations (Contingent on #1) Develop transition communications to describe the potential options and	Support – No concerns expressed by stakeholders;

implications of new regulations on existing aggregate operators and residents. Any change in setbacks or standards will require regulatory approval through the same process that a new operation requires, including all consultation and engagement components.	recommendation is good practice.
---	----------------------------------

- The Final Report notes that these recommendations reflect a balance between stakeholder feedback and best practices across Canada. The recommendations were suggested to lead to:
 - Better communication between all parties;
 - Increased resident involvement in proposed or active extraction near them;
 - More than \$50 million in new revenues to the municipality over time (to minimize taxation and fund important community programs, services, and infrastructure);
 - Protection of existing jobs and support for new jobs;
 - Increased approval process flexibility;
 - Increased investment certainty; and
 - Protection of the County’s natural environment.
- Council decided not to proceed to Public Hearing on any bylaw changes, in favour of more engagement. Provincial COVID-19 public health restrictions resulted in the cancellation of additional in person engagement planned 2021.

External Communication

- The Resource Extraction Regulatory Review stakeholder engagement process was one of the largest ever for Sturgeon County, generating hundreds of specific inputs for consideration and resulting in two “What We Heard” reports (see Attachments 2 and 3).
- Efforts included a dedicated engagement platform; mailing list; full scale website; and multiple opportunities to connect with reviewers, such as at an in-person session, online meetings, direct contact, Council presentations, and social media all supporting a comprehensive public engagement program.
- Council directed that additional public engagement occur prior to decision making on the report’s recommendations; however, that engagement was not conducted due to the continued public health impacts of COVID-19 (including a fall event that was cancelled due to rapidly rising cases and public health restrictions). As public health conditions have improved, there is an opportunity to move forward with additional engagement in the manner planned. The County issued the following public statement at the time:
 - “The event will be rescheduled at a time when all residents feel safe to attend larger indoor gatherings. Please note that no changes will be made to the current sand and gravel regulations – further consultation on the proposed recommendations is planned, and

	<p>County Council's decision on next steps is required before any further action."</p> <ul style="list-style-type: none"> With the first in person engagement opportunity hosted in the west of Sturgeon County, there is interest in holding the second opportunity in the east of Sturgeon County. <p><u>Relevant Policy/Legislation/Practices:</u></p> <ul style="list-style-type: none"> Federal and provincial legislation and requirements heavily shape municipal regulatory frameworks. Sturgeon County Land Use Bylaw
Implication	<p><u>Strategic Alignment:</u> The Resource Extraction Regulatory Review relates to all five of Council's strategic community outcomes – Planned Growth, Thriving Communities, Environmental Stewardship, Collaborative Governance, and Operational Excellence.</p> <p><u>Organizational:</u> Administration has the capacity to prepare an engagement plan for Council's consideration. Additional temporary support to implement engagement activities would likely be required, including repurposing of staff and delay of other initiatives. This will be described in more detail within the engagement plan report.</p> <p><u>Financial:</u> Additional budget for engagement activities (contracted support, facility rentals, communications, mailings, signage, etc.) may be required. This will be described in the engagement plan.</p>
Alternatives Considered	<p>Council could:</p> <ol style="list-style-type: none"> Move forward without further engagement to consider recommendations that appear to have broad support and limited direct resident impact, such as changing the composition of the Calahoo-Villeneuve Sand and Gravel Advisory Committee to focus on the whole County, increased operator reporting and municipal enforcement, municipal support for communications between residents and operators, and conducting a review of CAP allocations. Could also support removal of multi-lot setback criteria, leaving a fixed setback standard. Take no further action on report recommendations (Administration will cease further work on this matter until further notice, and communicate widely).
Implications of Alternatives	<p><u>Strategic Alignment:</u></p> <ol style="list-style-type: none"> This option would result in several modernizations and process improvements; however, could miss the opportunity to achieve the specific economic benefits described within the RERR Final Report. This option would miss the opportunity for modernized regulation, supporting both resident and stakeholder interests.

	<p><u>Organizational:</u></p> <ol style="list-style-type: none"> 1. Administration would have the capacity to bring forward required bylaws, policies, or budget requirements to implement desired recommendation(s), 2. Administration would take no further action and would not require additional financial or human resources. <p><u>Financial:</u></p> <ol style="list-style-type: none"> 1. The removal of the multi-lot setback criteria could have a marginal economic and financial impact. Administration would bring back information on requirements to support enhanced municipal enforcement. 2. None.
Attachment (s)	<ol style="list-style-type: none"> 1. Attachment 1: Resource Extraction Regulatory Review – Final Report 2. Attachment 2: Resource Extraction Regulatory Review – What We Heard Phase 1 3. Attachment 3: Resource Extraction Regulatory Review – What We Heard Phase 2 4. Attachment 4: Resource Extraction Regulatory Review – Best Management Practices
Report Reviewed by:	<p>Bonnie McInnis, Manager, Planning and Development Services</p> <p>Lucas Warren, Manager, Corporate Communications</p> <p>Travis Peter, Director, Development and Strategic Services</p> <p>Scott MacDougall, Chief Operating Officer – COO</p> <p>Reegan McCullough, County Commissioner – CAO</p>

Strategic Alignment Checklist

Vision: *Offering a rich tapestry of historical, cultural, and natural experiences, Sturgeon County is a municipality that honours its rural roots and cultivates desirable communities. Uniquely situated to provide world-class agricultural, energy, and business investment opportunities, the County prioritizes responsible stewardship and dreaming big.*

Guiding Principles: Collaboration | Accountability | Flexibility | Excellence | Safety | Future Readiness | Affordability | Innovation

Community Outcome	Not consistent	Consistent	N/A
Planned Growth			
<ul style="list-style-type: none"> Internationally competitive to attract, grow and sustain diverse businesses; tenacious focus on new growth and innovation 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Modern broadband and digital capabilities 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Low cost, minimal red-tape regulations 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Reliable and effective infrastructure planning; comprehensive land use and infrastructure planning 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Thriving Communities			
<ul style="list-style-type: none"> Beautiful, surprising places with high standards; integrated natural spaces & trail systems; healthy and resilient 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Engaging cultural, historical, and civic amenities; strong community identity and pride 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Safe, welcoming, and diverse communities; small community feel and personal connection; commitment to high quality of life 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Environmental Stewardship			
<ul style="list-style-type: none"> Clean air, land, and water; Carbon neutral municipal practices; circular economy opportunities 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Conservation of natural areas and agricultural lands; enhanced greening and biodiversity; safekeeping ecosystems 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Sustainable development; partnerships with industry and others to drive emission reductions 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Collaborative Governance			
<ul style="list-style-type: none"> Predictable and stable external relationships; volunteer partnerships 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Meaningful connections with Indigenous communities 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Ongoing community consultation and engagement; transparent and action-oriented decision making based on sound rationale 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Respectful and informed debate; clear and supportive governance processes 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Operational Excellence			
<ul style="list-style-type: none"> Engaged and effective people – Council, Admin and Volunteers; continuous learning and improvement mindset; nimble and bold, with strong leadership 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Quality cost-effective service delivery; robust procurement and operational practices and policies; asset management and performance measurement; careful debt and reserve stewardship; long-term financial planning and sustainability 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Future focused thinking to proactively respond to emerging opportunities and challenges 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Alternative revenue generation and service delivery models integrated strategic and business planning 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>