

## Request for Decision

<b>Title</b>	<b>Resource Extraction Regulatory Review – Final Stakeholder Engagement Update and Recommendations</b>
<b>Proposed Motions</b>	<ol style="list-style-type: none"> <li>1. That Council accept the Resource Extraction Regulatory Review’s Consolidated What We Heard Report as information.</li> <li>2. That Council rescind Motion 178/21.</li> <li>3. That Council direct Administration to prepare proposed amendments to Land Use Bylaw 1385/17 to reflect the recommendations within the Resource Extraction Review Final Report, in addition to all stakeholder feedback and administrative analysis to date.</li> <li>4. That Council direct Administration to prepare a bylaw to repeal the Calahoo-Villeneuve Sand and Gravel Extraction Area Structure Plan Bylaw 922/01, to be considered concurrently with proposed amendments to Land Use Bylaw 1385/17.</li> <li>5. That Council direct Administration to bring forward implementation requirements and plans for other Resource Extraction Regulatory Review Final Report recommendations and provide for approximately 9 months until the effective date of any bylaw amendments to allow for transitional requirements.</li> </ol>
<b>Administrative Recommendation</b>	Administration recommends that Council accept the Resource Extraction Review’s Consolidated What We Heard Report as information, and direct Administration to prepare proposed amendments to the Land Use Bylaw and the Calahoo-Villeneuve Sand and Gravel Extraction Area Structure Plan based on all information received to date. Administration also recommends that Council direct Administration to bring forward implementation requirements and a staged effective date at third reading of these bylaw amendments.
<b>Previous Council / Committee Direction</b>	<p><u>August 23, 2022 Committee of the Whole Meeting</u></p> <p>Motion 074/22: That the Committee refer Ian Skinner’s presentation to Administration for incorporation into the Resource Extraction Regulatory Review What We Heard Report and to complete an analysis of the information submitted, for Council’s consideration.</p>

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March 22, 2022 Regular Council Meeting

Motion 112/22: That Council approve the attached Resource Extraction Regulatory Review - Phase 3 Engagement Plan.

Motion 113/22: That Council direct Administration to implement the Resource Extraction Regulatory Review - Phase 3 Engagement Plan, and report back to Council with a summary of stakeholder feedback following engagement.

Motion 114/22: That Council approve the allocation of \$14,000 from the Planning Reserve to support the implementation of the Resource Extraction Regulatory Review - Phase 3 Engagement Plan.

March 23, 2021 Regular Council Meeting

Motion 178/21: That Council give first reading of Bylaw 1533/21 as amended.

March 9, 2021 Regular Council Meeting

Motion 129/21: That Council accept the Resource Extraction Regulatory Review Final Report as information.

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.

Additional previous Council/Committee direction can be found in Attachment 2.

## Report Background Information

- Sturgeon County has long been a municipality with extractable resources, particularly sand and gravel. The County seeks to balance economic, social, health, and environmental outcomes in regulating resource extraction operations in the municipality.
- Resource extraction has occurred within areas of Sturgeon County over 30 years. Some deposits are being progressively extracted; however, deposits will eventually be depleted, made uneconomical to extract, or made inaccessible due to land use restrictions.
- In 2019, Council directed Administration to review the County's resource extraction regulatory model and bring forward recommendations that best reflect the above outcomes. This multi-year review and stakeholder engagement has continued, while being impacted by engagement limitations during the COVID-19 pandemic.
- To assess the County's regulatory opportunities, the Resource Extraction Regulatory Review (RERR) was grounded in expert analysis, stakeholder inputs, best practices research, and more. Communications were a primary focus, with a dedicated engagement platform, mailing list, full-scale website, and multiple channels to connect with reviewers such as town halls, online meetings, direct contact, Council presentations, and social media.
- The Resource Extraction Regulatory Review Final Report (Attachment 3) considered all input and research completed at the time and proposed eight recommendations received by Council on March 9, 2021. These consultant recommendations attempted to balance between all stakeholder feedback and best practices across Canada. The recommendations were intended to:

- Increase resident certainty and improve resident experiences with aggregate operations;
- Support better communication between all parties and continued resident involvement for new extraction proposals located in close proximity;
- Protect existing jobs and create new jobs;
- Generate new revenues to the municipality over time (to fund important community programs, services, and infrastructure);
- Increase investment certainty within Sturgeon County;
- Protect the County's natural environment; and more.

**Motion 1: Acceptance of Stakeholder Engagement Phase 3 Results**

- Per Council's direction through Motion 113/22 in March 2022, Administration undertook a third round of public consultation. This exercise included the gathering of feedback on the reduction of setbacks from extraction to 50m and 200m in two separate land use districts as proposed in the Final Recommendation Report. As noted in the Consolidated What We Heard Report (Attachment 1): *Most attendees noted they were not comfortable with the proposed regulations overall, focused predominantly on concerns related to setbacks and process.*
- The proposed performance standards received general support as considered separately from any reduced setbacks.
- The County has little, if any, knowledge, or control on where industry could apply for rezoning and where any reduced setbacks would be applied for. Public reaction to the reduction in setbacks as originally proposed was not necessarily based on any site-specific location.
- It is recommended that Council accept the report for information.

**Motion 2: Rescind Motion 178/21 which gave first reading of Bylaw 1533/21**

- Through this motion, Council gave first reading of Bylaw 1533/21, being two new Land Use Bylaw Districts with reduced setbacks as originally proposed in the Recommendations Report.
- The expected Land Use Bylaw amendments being recommended by Administration materially change the content of Bylaw 1533/21 to the extent that it calls for a new bylaw. As such, Administration recommends that Council rescind Motion 178/21 and that a new amending bylaw be prepared to support Administration's recommended approach.

**Motion 3: Analysis and Recommendations Following Phase 3 Engagement**

- As a result of the feedback received during this third phase of engagement, Administration recommends the inclusion of a site-specific direct control (DC - RE 1 Resource Extraction – Direct Control 1) district in the Land Use Bylaw.
  - Rather than implement the two new land use bylaw districts proposed in the recommendation report, instead it is recommended that the existing RE district be maintained (with

increased performance measures added) and that a new RE direct control (DC1) district be implemented.

- It is acknowledged that each existing and proposed mining site is unique with distinctive site characteristics, topography, access routes, distance to other dwellings, etc. Therefore, should Council believe that a change in setbacks (from 400 metres or 800 metres in the existing RE District) is warranted in a specific case, a Direct Control land use district could be utilized to effectively administer/manage any negative impact the reduction in setbacks may create.
- Further, Administration asserts that the two RE districts proposed in the Recommendations Report with reduced but specified setbacks would not address all situations. One district that has the built-in flexibility, where the regulations can be adapted to the land (and its characteristics), would be more effective.
- A developer could apply for a mining operation with setbacks that could be anything less than what is stated in the Existing RE District of:
  - 400 metres (1,312.3 feet) as measured from the outside wall of an existing *dwelling* to the nearest edge of the operating area of a *natural resource extraction* and *secondary processing use*, and
  - 800 metres (2,624.6 feet) as measured from the district boundary of a multi-lot subdivision, hamlet, or area subject to an approved *planning document* that includes residential *development*.
- The **exact setback(s) would be determined on a case-by-case basis** at the redistricting stage.
- A **full range of enhanced performance standards** would be added to the proposed district and could also, and accordingly, be applied on a case-by-case basis as Council deems necessary. These include the standards described in the Resource Extraction Regulatory Review Final Report, such as:
  - Application requirements that outline 19 supporting documents, studies, and approvals required to be submitted with an application before it is accepted.
  - Transportation performance standards that represent a comprehensive traffic management strategy, including both on-site and off-site mitigation measures.
  - Noise performance standards that include mitigation measures (e.g., the implementation of new technology) and compliance with specific decibel limits.
  - Air quality performance standards, which require compliance with specific provincial limits and adherence to leading mitigation measures.
  - Community consultation and communication requirements would require an operator to host consultation before any

gravel application is received, and to communicate quarterly throughout the lifespan of any operation.

- Development regulations that specify setbacks any secondary processing activities, prescribe hours of operation, and requirements for progressive extraction and reclamation.

**Motion 4: Repeal Bylaw 922/01 Calahoo-Villeneuve Sand and Gravel Extraction Area Structure Plan**

- This Area Structure Plan (ASP) was approved on October 9, 2001. The ASP offered many recommendations on gravel extraction and provided informed guidance for the subsequent update of the County's Land Use Bylaw.
- However, 21 years has lapsed and a detailed review of the document in context of the Resource Extraction Regulatory Review Recommendations Report revealed that most of the recommendations made have either been implemented in Land Use Bylaw 1385/17 or could not be practically implemented.
- One important component of the ASP that still applies pertains to **groundwater monitoring and management plans**. Referring to Motion 074/22 of the August 23, 2022 Committee of the Whole meeting (Ian Skinner's presentation), Administration recently obtained legal advice in this regard, which confirmed that the matter is largely within provincial jurisdiction but that the County has a role to play.
  - At present, the County has a groundwater program for gravel pits in the Calahoo-Villeneuve area, but it has not been formalized in a policy/bylaw and no management plans have been compiled or implemented as part of the program. As a result, Administration proposes to draft a policy during the implementation period and have such policy approved by Council prior to the effective date of the proposed Land Use Bylaw amendments.
  - In this regard, the Land Use Bylaw amendments would provide for additional regulations in the existing RE - Resource Extraction and the proposed DC - RE 1 Resource Extraction – Direct Control 1 land use districts requiring developers to adhere to the County's groundwater program and management plans.
  - Additionally, the amendments would include explicit site access and traffic regulations, water requirements, and community communications requirements to the existing RE – Resource Extraction land use district.

**Motion 5: Other Recommendations and Effective Date**

- The implementation of the other recommendations within the Resource Extraction Regulatory Review Final Report (Attachment 3) would require a staged implementation plan, which would be considered when Council gives third reading to the Land Use Bylaw amendments.
- Other recommendations within the Final Report include:
  - (a) 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.

- (b) Increase municipal compliance and education resourcing, to complement enhanced operator quarterly reporting and annual third-party validation requirements.
  - (c) Update municipal application processes, including fee schedules, policies, and administrative procedures, to align to the revised regulatory framework.
  - (d) 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.
  - (e) 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.
  - (f) 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.
  - (g) 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.
- The above recommendations would be in addition to the amendment of the County's Land Use Bylaw and compilation of a groundwater monitoring policy, as previously noted.
  - The **effective date of proposed Land Use Bylaw amendments would be scheduled for nine (9) months after approval**, to support the completion of implementation requirements.

#### External Communication

- Stakeholder engagement for this Review, which informed the Final Report and the final contents of the Land Use Bylaw amendment, has been extensive – the largest such engagement for Sturgeon County in memory, including months of public engagement, several channels / opportunities for input, and generating hundreds of individual responses for consideration. This was complemented with best practice reviews and input from expert advisors.
- The first phase of public engagement was a month-long online engagement, held in spring 2020. The second phase of public engagement was approximately a month long, held between October and November 2020. The third phase occurred during May 2022 and

	<p>included an open house and online sessions with the Planning and Development department. The findings of these three sessions can be found in the Consolidated What we Heard Report (Attachment 1).</p> <ul style="list-style-type: none"> <li>After first reading of the proposed bylaw amendment, a Public Hearing will be held in accordance with requirements of the <i>Municipal Government Act</i>. The Public Hearing will provide an opportunity for the public and other stakeholders to provide input on the proposed Bylaw.</li> </ul> <p><u>Relevant Policy/Legislation/Practices</u></p> <ul style="list-style-type: none"> <li><i>Municipal Government Act</i>, RSA 2000 c M-26 as amended (MGA)</li> <li>Calahoo-Villeneuve Sand and Gravel Extraction Area Structure Plan Bylaw 922/01</li> <li>Land Use Bylaw 1385/17</li> </ul>
<b>Implication of Administrative Recommendation</b>	<p><u>Strategic Alignment</u></p> <ul style="list-style-type: none"> <li><b>Planned Growth:</b> Plans for responsible growth and manages growth for current and future developments through leading approaches adopted in the Land Use Bylaw supports a strong economic foundation for Sturgeon County.</li> <li><b>Thriving Communities:</b> Recommendations protect resident well-being, safety and quality of life through comprehensive performance standards; reviews of Sturgeon County's CAP levy ensure funds are being directed to programs, services, and infrastructure that best supports communities.</li> </ul> <p><u>Organizational</u></p> <ul style="list-style-type: none"> <li>This review required considerable staff time and implementation items would continue to do so. Where additional resources are required, Administration will identify that need through the annual budget process or re-allocation if possible.</li> </ul> <p><u>Financial</u></p> <ul style="list-style-type: none"> <li>The Council-approved budget for this review is now fully expended. Future recommendations that have a financial impact have been identified in the report and would be brought forward for consideration.</li> <li>Implementation of the new regulatory model is likely to have a positive financial impact for Sturgeon County, its landowners, and its industry partners. It is anticipated that implementation of the model could support additional revenue to the County over time, new economic potential for industry, and new municipal supports for residents.</li> </ul>
<b>Alternatives Considered</b>	<p>Council could decide not to direct Administration to prepare the required amendments to the Land Use Bylaw and the Calahoo-Villeneuve Sand and Gravel Extraction Area Structure Plan.</p>
<b>Implications of Alternatives</b>	<p><u>Strategic Alignment</u></p> <ul style="list-style-type: none"> <li>This would prevent the implementation of most of the recommendations accepted by Council on March 9, 2021. No changes would be made to resource extraction regulations, and Administration would assess what remaining review recommendations (if any) could be implemented independent of the new regulatory model. This would be</li> </ul>



	<p>inconsistent with stakeholder expectations and misaligned to Council's priorities.</p> <p><u>Organizational</u></p> <ul style="list-style-type: none"> <li>Administration would discontinue efforts and preparation of bylaw amendments and noted implementation items.</li> </ul> <p><u>Financial</u></p> <ul style="list-style-type: none"> <li>Implementation of the recommendations would be effectively concluded. No further budget requirements would be identified, and those funds could be saved or directed to other corporate priorities.</li> <li>The potential for positive financial impact for Sturgeon County, including new revenues if bylaw changes were supported, would be missed.</li> </ul>
<b>Follow up Action</b>	<ol style="list-style-type: none"> <li>Bring forward the required amendments to the Land Use Bylaw for first reading (Planning and Development Services, November 2022).</li> </ol>
<b>Attachment(s)</b>	<p>Attachment 1: Consolidated What We Heard Report (June 2022)</p> <p>Attachment 2: List of Previous Council and Committee Direction</p> <p>Attachment 3: Resource Extraction Regulatory Review, Final Report (March 2020)</p>
<b>Report Reviewed by:</b>	<p>Bonnie McInnis, Manager, Planning &amp; Development Services</p> <p>Travis Peter, General Manager, Development &amp; Strategic Services</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
<b>Planned Growth</b>			
<ul style="list-style-type: none"> <li>Internationally competitive to attract, grow and sustain diverse businesses; tenacious focus on new growth and innovation</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Modern broadband and digital capabilities</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Low cost, minimal red-tape regulations</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Reliable and effective infrastructure planning; comprehensive land use and infrastructure planning</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Thriving Communities</b>			
<ul style="list-style-type: none"> <li>Beautiful, surprising places with high standards; integrated natural spaces &amp; trail systems; healthy and resilient</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Engaging cultural, historical, and civic amenities; strong community identity and pride</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Safe, welcoming, and diverse communities; small community feel and personal connection; commitment to high quality of life</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Environmental Stewardship</b>			
<ul style="list-style-type: none"> <li>Clean air, land, and water; Carbon neutral municipal practices; circular economy opportunities</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Conservation of natural areas and agricultural lands; enhanced greening and biodiversity; safekeeping ecosystems</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Sustainable development; partnerships with industry and others to drive emission reductions</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Collaborative Governance</b>			
<ul style="list-style-type: none"> <li>Predictable and stable external relationships; volunteer partnerships</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Meaningful connections with Indigenous communities</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Ongoing community consultation and engagement; transparent and action-oriented decision making based on sound rationale</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Respectful and informed debate; clear and supportive governance processes</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Operational Excellence</b>			
<ul style="list-style-type: none"> <li>Engaged and effective people – Council, Admin and Volunteers; continuous learning and improvement mindset; nimble and bold, with strong leadership</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>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</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Future focused thinking to proactively respond to emerging opportunities and challenges</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Alternative revenue generation and service delivery models integrated strategic and business planning</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>