

Request for Decision

Title	Bylaw 1607/22 - Resource Extraction Amendments to Land Use Bylaw 1385/17 – Second Reading
Proposed Motion	<ol style="list-style-type: none"> 1. That Council give second reading of Bylaw 1607/22 as amended. 2. That Council schedule a Regular Council Meeting on June 22, 2023 at 5:30 p.m. in Council Chambers for the purpose of holding a second Public Hearing for Bylaw 1607/22. 3. That Council approve an allocation of \$5,000 from the General Operating Reserve to fund additional public notification requirements and mailout to all dwellings regarding the second Public Hearing for Bylaw 1607/22.
Administrative Recommendation	<p>Administration recommends that Council:</p> <ul style="list-style-type: none"> • Give second of Bylaw 1607/22 as amended to allow for Council's recent amendments to Land Use Bylaw 1385/17 to be considered by stakeholders, • Schedule a Public Hearing to solicit feedback on the proposed amendments, and • Approve an allocation of \$5,000 from the General Operating Reserve to fund additional public notification requirements and mailout to all dwellings. <p>Alternatives also remain available (see report section) for Council consideration.</p>
Previous Council / Committee Direction	<p><u>May 9, 2023 Regular Council Meeting</u></p> <p>Motion 168/23: That Council direct Administration to amend Bylaw 1607/22 to reflect, within the Resource Extraction district, a split setback based on commodity type being 400m from single and multi-lot residences for sand, gravel, and clay operations, and 800m from single and multi-lot residences for silica sand operations.</p> <p>Motion 169/23: That Council direct Administration to recommend a policy for Council's consideration that provides additional guidance on resource extraction activities in proximity to Livestock Operations, recognizing the protection of agriculture as a primary land use in Sturgeon County, subject to the approval of Bylaw 1607/22 and prior to it coming into force on September 30, 2023.</p>

April 20, 2023 Regular Council Meeting

Motion 137/22: That Council give third reading of Bylaw 1608/22.

Motion 138/23: That Council postpone consideration of second reading of Bylaw 1607/22, to allow for additional analysis of stakeholder feedback.

April 11, 2023 Regular Council Meeting

Motion 133/23: That Council postpone item 6.2 to the April 20, 2023, Regular Council Meeting.

March 15, 2023 Regular Council Meeting

Public Hearings were held to hear any submissions for or against Bylaw 1607/22.

February 14, 2023 Regular Council Meeting

Motion 016/23: That Council schedule a Regular Council Meeting on March 15, 2023 at 5:30 p.m. in Council Chambers for the purpose of holding Public Hearings for Bylaw 1607/22 and Bylaw 1608/23.

January 24, 2023 Regular Council Meeting

Motion 007/23: That Council give first reading of Bylaw 1607/22.

Motion 008/23: That Council give first reading of Bylaw 1608/22.

Motion 009/23: That Council direct Administration to bring forward a public communications plan related to the implementation of Resource Extraction Regulatory Review recommendations at the time that Bylaws 1607/22 and 1608/22 are presented for consideration of third reading.

Motion 010/23: That Council direct Administration to, subject to the final approval of Bylaws 1608/22 and 1607/22, implement the following Resource Extraction Regulatory Review recommendations by or before September 30, 2023:

- a) Compile a groundwater monitoring policy and necessary management plans as required;
- b) Bring forward a recommended approach for municipal compliance and education resourcing, to complement enhanced operator quarterly reporting and annual third-party validation requirements;
- c) 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;
- d) 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 (community facilities, local programs and services,

	<p>infrastructure, municipal tax relief, etc.); and the possibility for supportive policies and procedures related to the allocation of the CAP Levy; and</p> <p>e) 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.</p> <p>Additional previous Council/Committee direction provided from June 25, 2019 to November 15, 2022 can be found in Attachment 1.</p>
Report	<p><u>Background Information</u></p> <ul style="list-style-type: none"> Sturgeon County has long been a municipality with plentiful extractable resources, particularly sand and gravel. The County seeks to balance economic, social, health, and environmental outcomes in regulating the resource extraction operations in the municipality. Gravel extraction has occurred within areas of Sturgeon County for decades; however, several situations now exist: <ul style="list-style-type: none"> Some of Sturgeon County's land use regulations related to gravel extraction are over 30 years old and require modernization and competitive alignment. Approximately 50% of local resource deposits have been progressively extracted, with another 20% under extraction. Industry has noted that current regulations make part of those deposits uneconomical or inaccessible to extract. The extraction industry has a high local economic impact, with jobs, municipal revenues, and spin-off benefit. Resource extraction operations can have both real and perceived impact on neighbouring residents, environmental conditions, and overall quality of life. Considering these factors, Council directed Administration to review the County's resource extraction regulatory model and bring forward recommendations that best reflect a balance between economic development, environmental stewardship, and community well-being factors. The Resource Extraction Regulatory Review (RERR) was a comprehensive review of Sturgeon County's resource extraction regulations, with extensive stakeholder engagement and expert analysis conducted over more than two years. A "Resource Extraction Regulatory Review Final Report" was completed in March 2021 (see Resource Extraction Regulatory Review - Final Report, March 2021) considering all input and research completed to date. Eight recommendations were provided. Following the completion of the Final Report, a third phase of stakeholder engagement was conducted that considered inputs on final

recommendations. All stakeholder feedback is summarized in the consolidated What We Heard Report (Attachment 4).

- While there is no consensus in the community regarding an ‘ideal’ regulatory model, most engagement participants agreed that change is required that strikes an appropriate balance between economic development, environmental stewardship, and community well-being factors. The proposed model at first reading intended to:
 - respect what the County heard from most stakeholders, and the practices in other jurisdictions;
 - honour the need for investment certainty, landowner rights, and competitiveness;
 - enhance the minimum expectation for operational practices at pits;
 - provide for time-limited approvals in consideration of performance;
 - monitor and protect the environment and local quality of life;
 - align regulation to the specific conditions of each site, based on both scientific analysis and resident input; and
 - assure that neighbours have their say on applications and embeds requirements for ongoing industry/resident communications.

**Bylaw 1607/22 Resource Extraction Amendments to Land Use
Bylaw 1385/17 (Attachment 2)**

- Bylaw 1607/22 as amended will provide for the inclusion of additional regulations to the existing **RE – Resource Extraction** land use district. These include:
 - Transportation performance standards that represent a comprehensive traffic management strategy, including both on-site and off-site mitigation measures;
 - Groundwater management requirements; and
 - Community consultation and communication requirements that would require an operator to host consultation before any gravel application is received, and to communicate quarterly throughout the lifespan of any operation.
- The setbacks in the RE district would reflect a split setback based on commodity type being a fixed 400m from single and multi-lot residences for sand, gravel, and clay operations, and a fixed 800m from single and multi-lot residences for silica sand operations. Note that:
 - Single lot setbacks are 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;

- Multi lot setbacks are as measured from the district boundary of a multi-lot subdivision, hamlet, or area subject to an approved planning document that includes residential development; and
 - The initial setback model for first reading provided for no change in setback distances. The above is a change made for consideration at second reading.
- Existing extraction operations districted RE would be unaffected until they require a permit renewal, at which time new setbacks, additional communication and performance requirements would apply.
- Bylaw 1607/22 would also provide for the inclusion of a new site-specific direct control (**DC - RE 1 Resource Extraction – Direct Control 1**) district in the Land Use Bylaw. This district would provide for:
 - Built-in flexibility, where the regulations can be adapted to each parcel of land considering its site-specific characteristics, and where a developer could apply for a mining operation with setbacks that could be anything less than what is stated in the existing RE District.
 - Exact setback(s) would be determined on a **case-by-case and site-specific basis** at the redistricting stage, and based on scientific analysis and the characteristics of the site.
 - Neighbouring landowners would retain the ability to engage with and potentially negotiate with operator applicants.
- A full range of enhanced performance standards could be applied on a case-by-case basis. These include the standards described in the Resource Extraction Regulatory Review Final Report, such as:
 - Application requirements that outline the supporting documents, studies, and approvals required to be submitted with an application before it is accepted;
 - 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;
 - Development regulations that specify setbacks for any secondary processing activities, prescribe hours of operation, and requirements for progressive extraction and reclamation;
 - Transportation performance standards that represent a comprehensive traffic management strategy, including both on-site and off-site mitigation measures;
 - Groundwater management requirements; and
 - Community consultation and communication requirements which require an operator to host consultation before any gravel

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

- A five (5) year limitation on permit approvals would also be provided for and consider operator performance.

Potential Bylaw Amendments Since First Reading

Following first reading, Administration proposed amendments to provide clarification within the RE district and the proposed DC – RE1 district to improve interpretation and application (see Attachment 2; the proposed amendments are noted in red text). As these amendments are not substantive, a second public hearing is not required to include them. The amendments are as follows:

- Amendments to RE District:

.4(c)v - Notwithstanding the above prescribed setbacks, the operating area of a natural resource extraction and secondary processing use has no defined setback from an existing dwelling located on the subject parcel.

- This will ensure in circumstances where an existing dwelling is situated on the same parcel as an approved resource extraction operation, the operation will not be subject to the prescribed setback, as landowner consent is guaranteed through legal ownership of land (landowner approval is required to apply for and renew development permits) and does not need the “County’s protection” via setbacks.

- Amendments to DC – RE 1 District:

.7 - In considering regulations for the redistricting of land to a Resource Extraction DC District, Council shall evaluate the impacts of a site-specific development and may or may not impose specific performance standards listed below as regulations for the proposed district. These regulations will form conditions of the subsequent development permit.

- As a result of comments received from the Public Hearing, this proposed amendment clarifies that within the DC – RE 1 district, Council can “pick and choose” relevant performance standards and that not all of the performance standards will apply in all circumstances.
- At the April 11, 2023 Regular Council Meeting, Administration was directed to expand the notification area for resource extraction redistricting applications. Administration is proposing that these distances be rationalized, and that the most extensive notification distance of 1.6 km be implemented consistently throughout. As these amendments are not substantive, a second public hearing is not required to include them. The amendments are as follows:

- Amend subsection 2.10.9 to read:

“The Development Authority shall provide notification of a development permit decision for a natural resource extraction or secondary processing use to all landowners within a minimum of 1.6 km of the subject parcel”.

- Amend subsection 3.3.5 to read:

“The manager shall require that a notification of a public hearing for any redistricting to a DC – RE Resource Extraction – Direct Control District or Resource Extraction District be provided to all landowners within a minimum of 1.6 km of the subject parcel to support public consultation opportunities during the redistricting process.”

- Amend 11.2.15 (b)(i) A to read:

“Within 1.6 km (1mi) of the boundaries of the parcel where natural resource extraction or secondary processing has been approved.”

- At the May 9, 2023 Council meeting, Council directed Administration to amend the RE - Resource Extraction District to change the setback requirements. The requirements would reflect **a split setback based on commodity type** being a fixed 400m from single and multi-lot residences for sand, gravel, and clay operations, and a fixed 800m from single and multi-lot residences for silica sand operations. As these amendments are substantive, a second public hearing **would be** required to include them. These proposed amendments are reflected within Attachment 2.

Implementation Process

- Council approved the following implementation plan at first reading, subject to the Bylaw’s ultimate approval and to be completed by September 30, 2023:
 - Enact an approved FTE position within the 2023 Budget that supports increased development permit compliance and enforcement of gravel extraction operations;
 - 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;
 - Compile a groundwater monitoring policy and necessary management plans as required;
 - 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; and

- 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.

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 – one of the largest such engagements for Sturgeon County – and included 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 held between October and November 2020. The third phase occurred during May 2022 and included an open house and online sessions with administrative experts. Overall, the first and second phases were used to develop the Final Report, with the third phase focusing on Final Report recommendations. The findings of these three phases can be found in the Consolidated What We Heard Report (Attachment 3).
- After first reading of the proposed Land Use Bylaw amendment, a Public Hearings was scheduled in accordance with requirements of the *Municipal Government Act*. The Public Hearing provided an opportunity for the public and other stakeholders to provide input on the proposed Bylaw.
- A Public Hearing for Bylaw 1607/22 was held March 15, 2023.
 - Ten people spoke at the Public Hearing; of those, one spoke in favour, two were opposed and the remaining seven speakers did not indicate whether they were in favour or opposed to the proposed amendments. Seventeen written submissions were received (provided in Attachment 4).
 - At the direction of Council, technical questions that were asked during the Public Hearing were captured and the questions and the answers were posted on the County website (the questions and responses are included as Attachment 5).
- Council directed that when Bylaw 1607/22 came for consideration of third reading it include the requirement to bring forward a public communications plan related to the implementation of Resource Extraction Regulatory Review (RERR) recommendations. The plan is therefore pending approval.

	<p><u>Relevant Policy/Legislation/Practices</u></p> <ul style="list-style-type: none"> • Municipalities have limited jurisdiction in resource extraction beyond land use provisions. Most regulations are within the purview of the Government of Alberta. • <i>Municipal Government Act</i>, RSA 2000 c M-26 as amended (MGA) • Land Use Bylaw 1385/17
Implication of Administrative Recommendation	<p><u>Strategic Alignment</u></p> <p>Planned Growth - 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.</p> <p>Thriving Communities - 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.</p> <p><u>Organizational</u></p> <p>This review required considerable staff time, and implementation items will continue to do so. Where additional resources are required, Administration will identify that need through the annual budget process or re-allocation if possible.</p> <p><u>Financial</u></p> <ul style="list-style-type: none"> • The Council-approved budget for this review is fully expended. Future recommendations that have a financial impact will be brought forward for consideration over the implementation timeframe. • Implementation of the new regulatory model could have a positive financial impact for Sturgeon County, its landowners, and its industry partners over time, depending on the degree of resource sterilization. While setbacks would be determined on a site-specific basis under a direct control district, estimates have indicated the municipality could realize up to \$50 million in additional direct revenues over time, in addition to indirect benefits such as jobs and economic spinoff. • Sturgeon County requires gravel for many of its infrastructure projects. In 2022, the County spent \$2,630,829 purchasing gravel for various projects. • In 2021 the County received \$1.04 million from the Community Aggregate Levy (CAP). \$745,000 has been received to the end of Q3 2022.
Alternatives Considered	<p>If Council does not support the recommended amendments presented within Bylaw 1607/22, the following alternatives could be considered:</p> <p>Alternative 1: That Council direct Administration to prepare amendments to Bylaw 1607/22 that would reflect Administration's initial recommendation to retain setbacks within the Resource Extraction district at current</p>

	<p>distances (400m from single lot / 800m from multi-lot residences) while maintaining the proposed direct control flexibility option, increased performance measures, and other Bylaw elements.</p> <p>Alternative 2: That Council direct Administration to prepare amendments to Bylaw 1607/22 that would reflect, within the Resource Extraction district, a harmonization of all single and multi-lot residential setbacks to 400m (<i>or another specific setback distance</i>) with or without the proposed Resource Extraction Direct Control (RE DC) district as an option for operators, while maintaining proposed performance measures and other Bylaw elements.</p> <p>Alternative 3: That Council defeat second reading of Bylaw 1607/22.</p>
Implications of Alternatives	<p>Alternative 1</p> <ul style="list-style-type: none"> • Support for this alternative would not require scheduling a Public Hearing. • The alternative provides for maintenance of current setback distances (400m/800m) in alignment with resident feedback, new flexibility for operators to reduce setbacks through a customized direct control district that reflects site-specific conditions (trees, highways, topography, etc.), and enhanced performance standards and consultations requirements. • Note that if no direct control district option is offered, operators could not reduce a setback below the fixed setback distance unless with neighbour approval. <p>Alternative 2</p> <ul style="list-style-type: none"> • Support for this alternative would require scheduling a Public Hearing as changing the setbacks would be a substantive change. • Lower setback distances potentially improve municipal competitiveness. • A standard setback could improve perceived certainty to industry and residents, and all residences would be subject to the same setback. • Current residents could be surprised when current aggregate pits under the RE district at 800m setback now have a lower setback. • Note that if no direct control district option is offered, operators could not reduce a setback below the fixed setback distance unless with neighbour approval. <p>Alternative 3</p> <ul style="list-style-type: none"> • Defeating the Bylaw would retain the existing RE regulatory model as currently reflected in the Land Use Bylaw (setbacks of 400m/800m, with no direct control district option). • This option does not meet all objectives of the RERR and does not reflect resident interest for more performance standards and consultation requirements. • Negotiation with neighbours to reduce setback is retained in RE district.
Follow up Action	<ol style="list-style-type: none"> 1. Schedule second Public Hearing and issue notice / advertisements of the Public Hearing (Planning & Development Services, Legislative Services, June 2023).

	<ol style="list-style-type: none"> 2. Complete remaining RERR implementation matters (Multiple departments, by September 30, 2023). 3. Complete policy related to resource extraction in proximity to Livestock operations (Planning & Development Services, by September 30, 2023). 4. Bring forward RERR implementation communications plan (Corporate Communications, at third reading).
Attachment(s)	<ol style="list-style-type: none"> 1. Attachment 1: Previous Council / Committee Direction 2. Attachment 2: Bylaw 1607/22 with proposed amendments 3. Attachment 3: Consolidated What We Heard Report 4. Attachment 4: Submissions provided at the Public Hearing for Bylaw 1607/22 5. Attachment 5: RERR Questions from the Public, With Responses
Report Reviewed by:	<p>Bonnie McInnis, Manager, Planning & Development Services</p> <p>Travis Peter, General Manager, Development & 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 type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" 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"/>