

Request for Decision

Title	Bylaw 1607/22 - Resource Extraction Amendments to Land Use Bylaw 1385/17 – Third Reading
Proposed Motion	<ol style="list-style-type: none"> 1. That Council give third reading of Bylaw 1607/22 as amended. 2. That Council approve the Public Communications Plan related to the implementation of approved Resource Extraction Regulatory Review direction, as provided in Attachment 6. 3. That Council direct Administration to circulate the draft Resource Extraction Direct Control Evaluation Policy, as provided in Attachment 8, to stakeholders for comment prior to final Council consideration.
Administrative Recommendation	Administration recommends that Council give third reading of Bylaw 1607/22 as amended, approve the Public Communications Plan related to the implementation of Resource Extraction Regulatory Review (RERR) as presented, and direct Administration to circulate the draft Resource Extraction Direct Control Evaluation Policy, as provided in Attachment 8, to stakeholders for comment prior to final Council consideration.
Previous Council / Committee Direction	<p><u>May 23, 2023 Regular Council Meeting</u> Motion 195/23: That Council give second reading of Bylaw 1607/22 as amended.</p> <p>Motion 196/23: 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.</p> <p>Motion 197/23: 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.</p> <p><u>May 9, 2023 Regular Council Meeting</u> 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>

Motion 169/23: That Council direct Administration to prepare 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.

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, infrastructure, municipal tax relief, etc.); and the possibility for supportive policies and procedures related to the allocation of the CAP Levy; and
- 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.

Additional previous Council/Committee direction provided from June 25, 2019 to November 15, 2022 can be found in Attachment 1.

Report

Background Information

- Aggregate is a non-renewable resource, important to the local and provincial economy.
- 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:
 - Aggregate is important for construction and infrastructure projects including road maintenance, and sand and gravel become more expensive as haul distance increases.
 - Operators report that ~50% of known aggregate extracted, 20% under active extraction / processing but only half remaining likely to be mined with current economic conditions and land restrictions. The current state would result in impact on local jobs and municipal revenues over time.
 - Current regulations do not provide for specific standards on operators around landowner communication and quality of life measures. Concerns include 'legacy' operations, noise, traffic, environmental stewardship, reclamation, communications, enforcement, etc.
 - The County's land use regulations have not kept pace with the rules in neighbouring municipalities, and the current resource extraction regulatory framework last reviewed over 20 years ago.
- 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
 - 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.
- In this regard, Administration has proposed a policy that establishes the criteria for the evaluation of Resource Extraction Direct Control (RE-DC) district redistricting applications. A draft version is provided as Attachment 8, recommended for discussion with stakeholders.
 - A five (5) year limitation on permit approvals would also be provided for, during which operator performance would be assessed.

Bylaw Amendments Since First Reading

- At the May 9, 2023 Regular Council meeting, Council directed Administration to amend the RE - Resource Extraction District to change the setback requirements. The requirements 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 were substantive, a second public hearing was required to provide an opportunity for public comment on the proposed setbacks.

Bylaw Amendments Since Second Reading

- Following the second Public Hearing of Bylaw 1607/22 on June 22, 2023, Administration is proposing non-substantive amendments to the Bylaw to add clarity:
 - Clarify that a RE-DC setback reduction may also apply to silica sand operations from an existing dwelling – clause 11.3.4(b)(ii).
 - Clarify that subsection 11.3.6 applies to all applications for redistricting to RE-DC.
 - Clarify that economic impact and other reports can be requested under subsection 11.3.6.
 - Further clarify what analysis Administration will complete for a RE-DC application and wording aligned to the proposed policy in subsection 11.3.7.

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.

Communications Plan (Attachment 6)

- Administration has prepared a communications plan to establish the overarching framework for how information will be shared with the public and stakeholders. Following approval of the Bylaw, this plan will be refined.

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 Hearing was scheduled in accordance with requirements of the *Municipal Government Act*. The Public Hearing provided an opportunity

	<p>for the public and other stakeholders to provide input on the proposed Bylaw.</p> <ul style="list-style-type: none"> • A Public Hearing for Bylaw 1607/22 was held March 15, 2023. <ul style="list-style-type: none"> ○ 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. • A second Public Hearing for Bylaw 1607/22 was held on June 22, 2023. <ul style="list-style-type: none"> ○ Ten people spoke at the Public Hearing; of those, two spoke in favour, six were opposed and the remaining two speakers did not indicate whether they were in favour or opposed to the proposed amendments. Thirty-seven written submissions were received (provided in Attachment 7). ○ In reviewing the written submissions, Administration identified that the submissions from residents of the Waterdale subdivision relate directly to a borrow pit in their community, not to a resource extraction development. Answers to the questions posed by residents of Waterdale will be provided directly as they were unrelated to the bylaw under consideration. <p>Technical questions that were asked during the Public Hearing were captured and the questions were responded to generally on the County website.</p> <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
<p>Implication of Administrative Recommendation</p>	<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> 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	<ol style="list-style-type: none"> 1. Council could amend Bylaw 1607/22 before considering third reading. 2. Council could defeat the motion for third reading of Bylaw 1607/22.
Implications of Alternatives	<ol style="list-style-type: none"> 1. The implications depend on the amendments proposed. Substantive amendments would require a third public hearing prior to Council considering third reading of the Bylaw. 2. 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, and ability for operators / industry to negotiate lower setbacks if desired). This option does not reflect resident interest for additional performance standards and consultation requirements.
Follow up Action	<ol style="list-style-type: none"> 1. Implement the approved Public Communications Plan (Planning & Development Services & Corporate Communications, ongoing). 2. Complete remaining RERR implementation matters (Multiple departments, by September 30, 2023). 3. Circulate the draft Resource Extraction Direct Control Evaluation Policy for stakeholder comment, prior to the policy coming for approval (by September 30, 2023).

	4. Complete policy related to resource extraction in proximity to Livestock operations (Planning & Development Services, by September 30, 2023).
Attachment(s)	<ol style="list-style-type: none"> 1. Attachment 1: Previous Council / Committee Direction 2. Attachment 2: Bylaw 1607/22 3. Attachment 3: Consolidated What We Heard Report 4. Attachment 4: Submissions provided at the Public Hearing dated March 15, 2023 for Bylaw 1607/22 5. Attachment 5: RERR Questions from the Public, With Responses 6. Attachment 6: RERR Public Communications Plan 7. Attachment 7: Submissions provided at the Public Hearing dated June 22, 2023 for Bylaw 1607/22 8. Attachment 8: Draft Policy Resource Extraction Direct Control Evaluation
Report Reviewed by:	<p>Bonnie McInnis, Manager, Planning & Development Services</p> <p>Travis Peter, General Manager, Development & 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
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"/>