

Natural Resources Conservation Board Annual Report 2013-14

Vision, Mission and Values

Our vision: to be a respected decision-maker, exemplifying integrity and foresight

in the best interests of Alberta.

Our mission: as a quasi-judicial and regulatory agency, the NRCB makes impartial

and knowledge-based decisions across two distinct mandates:

 Under the Natural Resources Conservation Board Act, the NRCB decides if natural resource projects are in the public interest, considering social, environmental and economic effects, and

• Under the *Agricultural Operation Practices Act*, the NRCB fulfills applications and compliance responsibilities, administers and advances policies, and conducts board reviews for confined feeding operations.

Our values: in achieving our mission, we honour the NRCB's core values of integrity,

fairness, respect, excellence and service.

The 2013-14 financial reports of the Natural Resources Conservation Board are provided in the annual report issued by Environment and Sustainable Resource Development.



Message from the Chair

It is a great pleasure to chair the Natural Resources Conservation Board. I have the privilege of working with a group of outstanding colleagues who are dedicated to bringing their best to the work of the Board under both the *Natural Resources Conservation Board Act* and the *Agricultural Operation Practices Act*. Board members Jim Turner, Donna Tingley and Jay Nagendran bring diverse environmental, socio-economic and fiscal perspectives and expertise to our review processes under both acts, ensuring that Albertans are provided with fair and balanced decisions that are in the public interest.

The chair and Board members provide an arms-length, quasi-judicial review process that is independent of the Government of Alberta. This process extends to reviews of major non-energy projects, as well as other projects referred by order in council, and appeals of decisions made by approval officers and inspectors under the *Agricultural Operation Practices Act*. Responsibilities of the chair and Board include the governance of the Natural Resources Conservation Board.

The Natural Resources Conservation Board is funded by Environment and Sustainable Resource Development. The board reports through the chair to the Honourable Robin Campbell, Minister, Environment and Sustainable Resource Development. The Natural Resources Conservation Board is also responsible to the Honourable Verlyn Olson, Minister, Agriculture and Rural Development for the permitting and regulation of confined feeding operations under the *Agricultural Operation Practices Act*. In addition to reporting to both ministries, we consult with them and other ministries and agencies, and collaborate on cross ministry projects. We also maintain shared services agreements with the Alberta Energy Regulator and the Alberta Utilities Commission, and our Board members are appointed to the Surface Rights Board, the Land Compensation Board and other agencies as required.

We rely on and always appreciate the commitment and competence of our manager of Board reviews and general counsel. They continue to provide a high level of service for all participants in reviews and hearings, in addition to their regular duties. We also rely greatly on the expertise of science and technology staff, who participate in reviews of environmental impact assessments and provide assistance under the *Natural Resources Conservation Board Act*.

Peter Woloshyn continued to provide tremendous leadership as chief executive officer, working closely with our science and technology, field and corporate services divisions. Through his leadership and the work of our staff in all six offices, we continued to build a strong and effective organization dedicated to continuous improvement and excellence.

I am extremely proud to work with my Board colleagues and all of our co-workers within the Natural Resources Conservation Board, and to provide Albertans with confidence in our decisions regarding major, non-fossil fuel projects and the responsible development of confined feeding operations.

Vern Hartwell

Chair



Message from the CEO

2013-14 marked my seventh year as chief executive officer with the Natural Resources Conservation Board. I have the privilege of working with our expert Board, and leading our talented operational team, to support the delivery of the *Agricultural Operation Practices Act* and Board reviews of major non-energy natural resource projects. In the past year, we strengthened our organizational capacity for delivery of both acts, and continued to build sound operational policy. I would like to thank every member of our staff for their work on these and other initiatives.

Consultation with our stakeholders was productive. The Policy Advisory Group met twice in 2013-14, continuing to provide key advice. The Policy Advisory Group was joined by the Honourable Robin Campbell, Minister, Environment and Sustainable Resource Development, and the Honourable Verlyn Olson, Minister, Agriculture and Rural Development for the January 28, 2014 accountability session on delivery of the *Agricultural Operation Practices Act.* I would like to thank both ministers for participating in the session, which provided valuable feedback on our delivery of the act.

The new field of biogas energy production opened up a need for co-regulation of facilities that use a combination of manure, compost and other organic waste. Under an interim agreement with Agriculture and Rural Development and Environment and Sustainable Resource Development for the Lethbridge Bio-gas facility, we are now regulating the storage and spreading of the digestate, consistent with our regulation of liquid manure. We are working with both ministries to develop a long-term regulatory approach for all biogas facilities.

A draft policy on public notice for grandfathering determinations under the act was vetted through the Policy Advisory Group, and is now being implemented. Draft policies on abandoned facilities, construction deadlines and amendments to municipal conditions were also vetted through the Policy Advisory Group and will be implemented in 2014-15. In spring 2013 we introduced a surface water data collection protocol. A requirement for operators to sign a water licence declaration as part of their application for a permit was also introduced, following consultation with the Policy Advisory Group.

In addition to their regular duties, NRCB staff took on leadership roles in operational policy development and other projects. Science and technology and field staff continued our collaboration with Agriculture and Rural Development studies on the transfer of manure constituents to groundwater. Joint Call of the Land and municipal presentations were initiated with the ministry to support communication with operators and municipal councils. Staff led the continued redesign of the CFO database, the creation of new decision documents, implementation of the updated public website, and a new intranet site to support staff access to technical and corporate information. Aimed at providing links to useful resources on financial planning and personal well being, "A Better You" was launched and has been well received by staff. The successes of each of these initiatives reflect the vision, commitment and hard work of each and every staff member.

The threat of porcine epidemic diarrhea (PED) affected many jurisdictions in Canada and the United States in 2013-14. Due to the vigilance of Alberta's pork industry, Alberta has remained PED-free to date. I would like to commend the industry for its proactive actions to ensure the safety of Alberta's pork industry. 2013-14 was also a year of economic recovery for the pork industry. It is my hope that this trend will continue in 2014-15, and that we can look forward to a successful year for all of the livestock sectors.

Peter Woloshyn

Chief Executive Officer



Alberta's non-energy natural resources and livestock industry are important contributors to the province's economy. Under the *Natural Resources Conservation Board Act* and the *Agricultural Operation Practices Act*, the Natural Resources Conservation Board provides a robust review process and regulatory system, ensuring that growth in these sectors is environmentally sustainable and in the public interest.

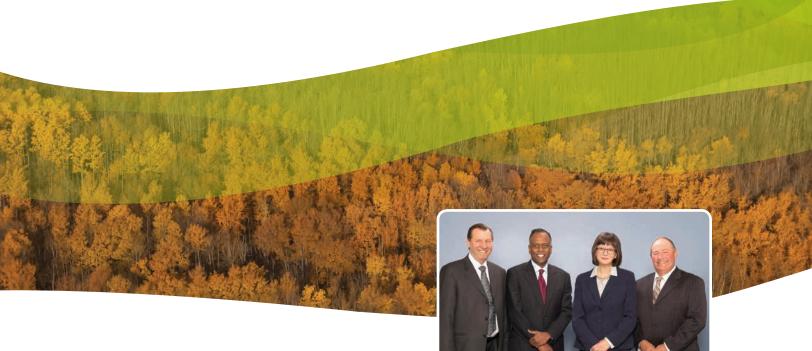
Alberta's livestock sector saw record prices in 2013-14 for cattle and a recovery of prices for the hog industry. A resurgence of profitability in these sectors is anticipated to lead over time to an increased number of applications for new or expanding confined feeding operations.

The Natural Resources Conservation Board continued to deliver on its strategic priorities in 2013-14, aimed at contributing to an effective regulatory framework, clear operational policy and strengthened infrastructure:

 Cross government initiatives—participated in cross-government initiatives on Water for Life, the Clean Air Strategy, and the Land Use Framework (South Saskatchewan Regional Plan). Worked with Agriculture and Rural Development and Environment and Sustainable Resource Development to develop a joint memorandum of understanding for the regulation of bio-digesters. Was also a full participant in the Government of Alberta results based budgeting process for the Resource Management and Environmental Stewardship line of business.

- Consistent delivery of the Agricultural Operation

 Practices Act—continued to emphasize consultation
 on operational policy with industry, municipal and
 non-government environmental stakeholders. In addition
 to two meetings of the multi-stakeholder Policy Advisory
 Group, the Natural Resources Conservation Board also
 jointly convened with Agriculture and Rural Development
 an accountability session on delivery of the Agricultural
 Operation Practices Act.
- Risk based approach to assist in regulating confined feeding operations—continued to emphasize use of a risk based environmental approach for the review of applications under the act, complaint response and the compliance program. Introduced the "Water Data Management Process for Confined Feeding Operations" for managing both groundwater and surface water data, and the "Implementation Plan for Surface Water Data Collection," a protocol for documenting and analyzing surface water conditions on confined feeding operations.
- Enhance confined feeding operation information and access—introduced a new website to facilitate access to information, and continued to upgrade its CFO database.



Board Governance and Reviews

Left to right: Vern Hartwell, Chair, with Board members Jay Nagendran, Donna Tingley and Jim Turner

Board members are Vern Hartwell (chair), Donna Tingley, Jay Nagendran and Jim Turner. The chair and Board members are responsible for overall governance of the Natural Resources Conservation Board, conduct public interest reviews under the *Natural Resources Conservation Board Act*, and are the appeal body for decisions made by approval officers and inspectors under the *Agricultural Operation Practices Act*.

The chair and Board members provide an important armslength review function for proposed natural resource projects. Projects are referred to the Board under the *Natural Resources Conservation Board Act* if a project requires an environmental impact assessment, or if Cabinet deems that a Board review to determine the public interest of a project is desirable.

As a quasi-judicial appeal body under the *Agricultural Operation Practices Act*, the chair and Board members ensure that operators and directly affected parties, including municipalities and neighbours, have an avenue for a fair and objective review of decisions that affect them. The Board considers each request received and will conduct a review if the appeal has sufficient merit.

Natural Resources Conservation Board Act

On February 25, 2014, the Board issued its public interest decision on the Parsons Creek Aggregates application to construct, operate and reclaim a limestone quarry project in the Regional Municipality of Wood Buffalo, near Fort McMurray.

Governance

The chair and Board members of the Natural Resources Conservation Board are responsible for the overall governance of the organization, its financial reporting and performance. The chief executive officer leads the operational divisions, including Corporate Services (finance, human resources and information technology), Field Services, and Science and Technology.

The Natural Resources Conservation Board complies with the requirements of the *Alberta Public Agencies Governance Act* and the *Public Agencies Governance Framework*. Its mandate and roles, code of conduct and Board member competency framework are publicly available at www.nrcb.ca.

The review of the applicant's environmental impact assessment was coordinated between the board and Environment and Sustainable Resource Development. The ministry deemed that the environmental impact assessment was complete and ready for consideration by the Board as of January 16, 2013. This triggered the Board's public review process. The notice of application was published February 18, 2013, the pre-hearing was held August 14, 2013 and the pre-hearing decision report was issued September 5, 2013.

The Board's review addressed consistency with the Lower Athabasca Regional Plan, and the environmental, economic and social effects of the project. The Board determined that the project is in the public interest, based on the applicant's plans and commitments and contingent on conditions identified by the Board. The conditions address air and water quality monitoring, noise levels, highway safety and reclamation. The full decision and all related notices and reports are available at www.nrcb.ca.

Agricultural Operation Practices Act

Board reviews

One request for review was received in 2013-14 and is being held in abeyance pending implementation of a compliance plan.

The Board released its decision on its review of the Sunterra Farms appeal on April 12, 2013. Sunterra Farms asked the Board to review an approval officer decision that denied its application to amend several conditions in its existing permit, issued by Special Areas Number 2 in 1997. The Board decision directed the approval officer to amend one condition, but declined to amend three other conditions. The decision is posted on the Natural Resources Conservation Board website.

Board Administrative Procedures

The Policy Advisory Group was provided with an update on the proposed revisions to the Board Administrative Procedures Regulation.

Core Business One:

Board reviews and appeals under the *Natural Resources Conservation Board Act* and the *Agricultural Operation Practices Act*

Performance Measure and Results

Efficiency of review process	Results achieve	ed	
Target: 100%	2011/12	2012/13	2013/14
Percentage of Natural Resources Conservation Board's decisions issued within 80 working days of the conclusion of reviews under the <i>Natural Resources Conservation Board Act</i> and within 30 working days of the conclusion of hearings under the <i>Agricultural Operation Practices Act</i>	100% 2 AOPA reviews	N/A No reviews completed	100% 1 NRCBA review 1 AOPA review



Regulation under the Agricultural Operation Practices Act

The Natural Resources Conservation Board has records for approximately 2500 confined feeding operations in Alberta. This number reflects the majority of confined feeding operations in the province, most of which are family-run. In the experience of the Natural Resources Conservation Board, most families that own the operations live on-site and are committed to keeping their land and water safe and productive for future generations.

Environmental risk based approach for water quality issues

The operational divisions of the Natural Resources Conservation Board continued to employ the environmental risk screening tool to support the risk based compliance program, to respond to compliance issues on confined feeding operations, and to assess environmental risk for permit applications. Use of the tool and interpretation of results are addressed at twice yearly training sessions. All risk screening results are reviewed by an internal audit committee before follow up action is initiated.

Risk based compliance program

The risk based compliance program was implemented in 2011. Confined feeding operations were identified for the program if they use an earthen manure storage facility for liquid manure

that was constructed before 2002, and if they are located in a potentially high groundwater vulnerability area, as identified on Agriculture and Rural Development maps. To date, nearly half of the 172 operations initially identified from pre-2002 records no longer meet the criteria because they changed livestock type, were never constructed, or are no longer operating. Of the remaining operations, the majority of those screened have been ranked low potential risk, the lowest possible score. Inspectors follow up with operations ranked potential moderate or high risk to determine if follow up action is required. In some cases, staff also conduct additional follow up, including water sample collection or water level monitoring to verify the risk ranking.

Surface water data collection plan

The "Water Data Management Process for Confined Feeding Operations" was introduced in May 2013 to manage how groundwater and surface water data are recorded. The "NRCB Implementation Plan for Surface Water Data Collection" was also introduced in May 2013 to ensure that field staff use a consistent protocol to document surface water conditions when they are on site. To date, surface water issues requiring follow up have been identified at only six operations. Inspectors are working with the operators to address the issues at these sites.



Other initiatives:

- CFO database improvements—upgrades to the CFO database were continued. The database now captures more data and allows more capability for generating reports. Statistical reports generated as of 2013-14 will provide a more precise picture of applications and compliance by livestock type, and of complaints by type of complaint.
- Communication with stakeholders—Call of the Land podcasts and joint presentations to municipal councils were developed in coordination with Agriculture and Rural Development. Both strategies will continue in 2014-15. Articles were also provided for several stakeholder newsletters.
- Website—the updated and revised website (www.nrcb.ca) was released in July 2013.
- Improved decision documents—new application forms were introduced in October 2013, supported by new decision documents. The new documents will ensure that the reasons for an approval officer's decision are accessible and clearly communicated.
- Technical Advisory Group—one new guideline was issued: Determining Equivalent Protective Layers and Constructed Liners (Agdex 096-61).
 The Technical Advisory Group is co-chaired with Agriculture and Rural Development. Technical guidelines are available at www.nrcb.ca and on the ministry website.

2014 accountability session

An accountability session was held on January 28, 2014 with the ministers of Environment and Sustainable Resource Development and Agriculture and Rural Development, the chair of the Natural Resources Conservation Board and members of the Policy Advisory Group. Accountability sessions review the delivery of the Agricultural Operation Practices Act. The full report of the accountability session is available at www.nrcb.ca. Regularly scheduled accountability sessions are a requirement of the 2006 memorandum of understanding between Agriculture and Rural Development, Environment and Sustainable Resource Development and the Natural Resources Conservation Board.

Policy Advisory Group highlights

The Policy Advisory Group met twice in 2013-14: on May 29, 2013 in Calgary, and on January 28-29, 2014, in Edmonton. The Policy Advisory Group provided advice on draft operational policies prepared by Natural Resources Conservation Board staff. Operational policy is developed in response to new and emerging issues, and to ensure that decisions and compliance actions are delivered consistently across the province.

Operational policy discussions in 2013-14:

- abandoned facilities
- construction deadlines
- public notification for grandfathering decisions
- the need for a water licence declaration
- response to inappropriate siting of shortterm solid manure storage piles
- amendments to municipal conditions
- update of the 2008 approval policy





Policy Advisory Group highlights continued

In addition to operational policy discussions, the advisory group was briefed on water quality studies being conducted by Agriculture and Rural Development, regional planning under Environment and Sustainable Resource Development and initiatives within the Natural Resources Conservation Board to improve its data collection, decision documents and communication with stakeholders.

Manure collection and storage studies

The science and technology division continued its involvement with an Agriculture and Rural Development project to study the impact of manure storage and collection areas on groundwater quality. In collaboration with the ministry, division staff conducted groundwater monitoring and installed real-time continuous groundwater level monitoring at several research sites. Various geophysical techniques, including electro magnetic surveys, were used to assess whether any contamination occurred and if so, how far it travelled. The project will be completed in 2015.

Core Business Two:

Regulation under the Agricultural Operation Practices Act

Performance Measure and Results

Results achieved Efficiency of permitting process Target: 85% 2011/12 2012/13 2013/14 Percentage of decisions issued within 65 working days 84.4% 88% 77%* from the date the application is determined to be complete Complaint resolution Results achieved 2011/12 2012/13 2013/14 Target: 95% Percentage of complaint files responded 98% 99% 100% to within one business day and inspected, if necessary, within five business days** Several decisions were delayed at the request of the operator or to facilitate municipal involvement. ** Serious contraventions are addressed within 24 hours. (Note: this performance measure has been re-worded from the business plan to clarify the actual targets and measurements.)

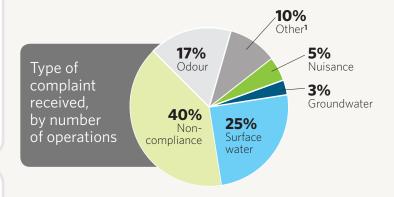
Key Statistics - Agricultural Operation Practices Act

	Number of applications for an increase in livestock numbers	Number of permits issued for an increase in livestock numbers	Number of operations involved in complaints by livestock category
Cattle	1	2	46
Cow/calf ¹	n/a	n/a	25
Dairy	8	10	23
Mixed ²	n/a	n/a	7
Other ³	2	3	18
Poultry	13	12	6
Swine	1	1	31

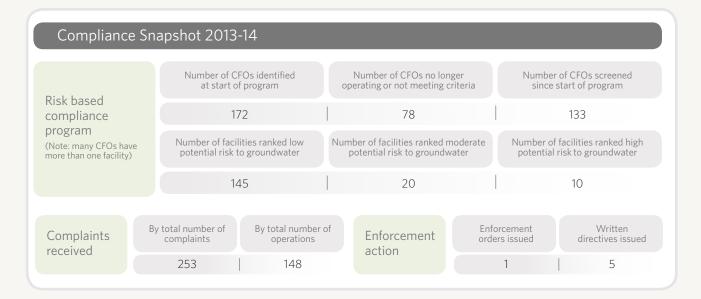
- 1. Cow/calf do not require a permit under AOPA.
- 2. Mixed operations are counted under the specific livestock category applied for.
- 3. Includes bison, goats, horses and sheep.

Permits Sn	apshot 2013-1	4
Applications received	AOPA permits issued	Requests for Board review
70	74	1





1. Includes complaints that do not fall under the *Agricultural Operation Practices Act* (disposal of deads, animal welfare, livestock on acreages, livestock in common bodies of water, road allowances).





A supportive work environment

A healthy work environment is a continued priority of the Natural Resources Conservation Board. In 2013-14, it launched "A Better You," an intranet-based site that links staff to resources aimed at supporting a healthy work-life balance. Currently, A Better You provides links to information about retirement planning, personal finances, and living well. The 2013 staff survey indicated 100 per cent agreement that staff are aware of available programs and supports to assist them.

Support for education and training

Staff continued to access funds for training and conference attendance. In addition, approval officers, inspectors and science and technology staff were provided with a two-day joint training session.

Tools to support information sharing

- An Excel integrator upgrade was introduced to improve the efficiency of entering expense report information and other complex invoices.
- Population of the technical documents repository was continued.
- Cataloguing images for the image bank was continued.
- A review of operational division central filing, retrieval and information retention systems was initiated, but deferred to 2014-15.

Building effective communication

With staff working out of six offices in the province, face-to-face communication is an important part of building an effective team:

- The chief executive officer meets one-on-one with every operational staff on an annual basis. In 2013-14 these meetings were conducted in the spring and fall of 2013.
- In fall 2013, Corporate Services met with staff in their Calgary, Lethbridge, Morinville and Red Deer offices to provide information about current human resources, accounting and information technology programs, and other initiatives, including A Better You.
- Video-conferencing is now regularly used for division meetings and projects. In addition, field staff participate in regularly scheduled face-to-face meetings. One face-to-face training session was held November 20-21, 2013. An all-staff retreat was held May 14-17, 2013.

Technical expertise

An Alberta Energy Regulator noise expert and an air quality expert from Matrix Solutions were consulted for the review of the Parsons Creek Aggregates application under the *Natural Resources Conservation Board Act*.



Performance Measure and Results

NRCB employee satisfaction ¹	Results achiev	/ed	
Target: 75%	2011/12	2012/13	2013/14
Per cent of staff who express satisfaction on survey results	81%	Result not available	88%
NRCB employees have appropriate training	Results achiev	/ed	
NRCB employees have appropriate training Target: 90%	Results achieved 2011/12	ved 2012/13	2013/14
			2013/14

Where We Were

Municipalities

Sturgeon County, St. Albert, February 11, 2013

Starland County, Starland, April 9, 2013

Two Hills County, Two Hills, April 12, 2013

Lesser Slave River County, Flatbush, April 25, 2013

Stettler County, Stettler, August 21, 2013

Kneehill County, Three Hills, October 18, 2013

Warner County, Warner, March 4, 2014

Lethbridge County, Lethbridge, March 20, 2014

Pincher Creek County, Pincher Creek, March 25, 2014

Forty Mile County, Foremost, March 26, 2014

Athabasca County, Athabasca, March 26, 2014

Stakeholder meetings and events

Water, Agriculture and the Environment Conference, Lethbridge, April 16-17, 2013

Air and Waste Management Association Conference, Edmonton, April 16-17, 2013

Energy Regulatory Forum, Calgary, May 16, 2013

Clean Air Strategic Alliance, Red Deer, June 4-5, 2013

Alberta Pork Regional Producer Meetings, Lethbridge, May 30; Grande Prairie, June 6, 2013

Environment, Energy and Resources Law Summit, Yellowknife, June 20-21, 2013

Calgary Stampede, Calgary, July 4-8, 2013

Alternative Dispute Resolution Conference, Edmonton, September 17-18, 2013

Remediation Technology Conference, Banff, October 15-18, 2013

Alberta Milk Producers Meeting, Red Deer, October 23, 2013

Alberta Beef Producers Regional Meetings, Sundre, October 28; Cochrane, November 4, 2013

Agri-Trade, Red Deer, November 6-9, 2013

Alberta Association of Municipal Districts and Counties Fall Convention, Edmonton, November 12-15, 2013

South Saskatchewan Regional Plan Public Meetings, Calgary, November 13; Red Deer, November 28, 2013

Alberta Pork Annual General Meeting, Calgary, November 14, 2013

Alberta Irrigation Projects Conference, Lethbridge, November 26, 2013

Canfax Cattle Market Forum, Calgary, November 26-27, 2013

Alberta Beef Producers Annual General Meeting, Calgary, December 3-4, 2013

Banff Pork Seminar, Banff, January 22-23, 2014

Remote Sensing of Alberta's Dynamic Landscape, Edmonton, January 23, 2014

Alberta Agricultural Service Board Convention & Trade Show, Medicine Hat, January 29, 2014

Alberta Soil Science Workshop, Calgary, February 12-14, 2014

Alberta Beef Industry Conference, Red Deer, February 20-21, 2014

Ag Expo, Lethbridge, February 26-28, 2014

Peace Country Classic Agri-Show, Grande Prairie, March 6-8, 2014

Western Canadian Dairy Seminar, Red Deer, March 12-13, 2014

Red Deer River Watershed Alliance Spring Forum & Convention, Rimbey, March 14, 2014

Alberta Association of Municipal Districts and Counties Spring Convention, Edmonton, March 17, 2014

Photo credits

The Natural Resources Conservation Board gratefully acknowledges permission to use the following photos. All other photos are board owned. Cover Bow Lake, Banff National Park. Peter Woloshyn Moose in Whitemud Creek, Edmonton. Peter Woloshyn Unnamed creek in Healy Pass, Banff National Park. Peter Woloshyn
 Page 3 Writing on Stone Provincial Park. Peter Woloshyn Beaver in Wedgewood Ravine, Edmonton. Peter Woloshyn
 Page 4 Fall colours north of Fort McMurray. Peter Woloshyn
 Page 6 Piglet. Alberta Livestock and Meat Agency
 Page 10 Alpine flowers in Healy Pass, Banff National Park. Peter Woloshyn
 Page 11 Grey owl in Drayton Valley. Peter Woloshyn



Contact Information

Calgary office 19th Floor, Centennial Place 250 - 5 Street SW Calgary AB T2P 0R4 Tel: 403-297-8269 Fax: 403-662-3994

Edmonton office 4th Floor, Sterling Place 9940 - 106 Street Edmonton AB T5K 2N2 Tel: 780-422-1977 Fax: 780-427-0607 Fairview office 213 Provincial Building 10209 - 109 Street, Box 159 Fairview AB TOH 1L0 Tel: 780-835-7111 Fax: 780-835-3259

Lethbridge office Agriculture Centre 100, 5401 - 1 Avenue S Lethbridge AB T1J 4V6 Tel: 403-381-5166 Fax: 403-381-5806 Morinville office 201 Provincial Building 10008 - 107 Street Morinville AB T8R 1L3 Tel: 780-939-1212 Fax: 780-939-3194

Red Deer office 303 Provincial Building 4920 - 51 Street Red Deer AB T4N 6K8 Tel: 403-340-5241 Fax: 403-340-5599 Copies of the Agricultural Operation Practices Act and the Natural Resources Conservation Board Act can be obtained from the Queen's Printer at www.qp.gov.ab.ca or through the NRCB website.

For additional copies of this publication, contact the Edmonton office of the NRCB at **780-422-1977** or email **info@nrcb.ca**. Dial 310-0000 to be connected toll free to any NRCB office.

Email: info@nrcb.ca

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