



NRCB | Natural Resources
Conservation Board



NATURAL RESOURCES CONSERVATION BOARD
2020-21 ANNUAL REPORT

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 Natural Resources Conservation Board (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.



ACCOUNTABILITY STATEMENT

The NRCB is accountable to the Minister of Alberta Environment and Parks.

The *Natural Resources Conservation Board Act* is the responsibility of Alberta Environment and Parks.

The *Agricultural Operation Practices Act* is the responsibility of Alberta Agriculture and Forestry. A 2006 memorandum of understanding between the Minister of Sustainable Resource Development, the Minister of Agriculture and Rural Development, the chair, and the chief executive officer of the NRCB describes the purpose of the act, and governance and mandate responsibilities.

The 2020-21 financial reports of the NRCB are provided in the annual report issued by Alberta Environment and Parks, as well as in this annual report.

GOVERNANCE

The chair and Board members of the NRCB provide strategic direction and are responsible for the overall governance of the organization, its financial reporting, and reviews under the *Natural Resources Conservation Board Act* and the *Agricultural Operation Practices Act*. The chief executive officer is responsible for corporate services, the delivery of regulatory functions of the *Agricultural Operation Practices Act*, and development of policy to support those functions, and is accountable to the chair and Board members for the general operation of the corporation.

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



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MESSAGE FROM THE CHAIR

Peter Woloshyn, Board Chair

What a year it has been. At the beginning of the 2020-21 fiscal year, we were just starting to wrestle with COVID-19 and all of its implications. By the end of the year, the entire organization had become experts at working remotely, using technology to stay connected in new ways, and adjusting to the ever changing situation. It has been a master class in adaptability—in real time. It has also shown how resilient we are as an organization. Thank you to the staff and Board members of the NRCB for continuing to deliver on our dual mandates to Albertans while navigating public health restrictions, childcare and family responsibilities, and the many other challenges we have all faced since March 2020. I am proud to call you my colleagues.

For the NRCB, 2020-21 was a big year in other ways as well with the lead up to, and beginnings of, the public hearing on the Springbank Off-Stream Reservoir Project application. Going to hearing during a pandemic on a project application of this magnitude and complexity presented new challenges. But it also provided an opportunity for increased accessibility as we conducted a virtual hearing and livestreamed it to the public via the NRCB website. On behalf of the Board I extend our thanks and appreciation to everyone who worked so hard to make this happen. In particular a big thank you for the tireless efforts, unwavering commitment, and long hours from our science and technology division, our legal counsel, communications, document managers, and Board staff, as well as my fellow panel members Walter Ceroici, Daniel Heaney, and Sandi Roberts.

This past fiscal year was also busy on the *Agricultural Operation Practices Act* side with the Board reviewing eleven decisions by approval officers or inspectors—the most requests for review received in more than a decade. The Board completed one hearing, and directed another review to a hearing in April 2021.

In addition, the NRCB saw some change at the Board level with the retirement of part-time member Keith Leggatt at the end of March, the transition of Sandi Roberts from part-time to full-time Board member,

and the addition of two new part-time members: Earl Graham and Indra Maharaj. Welcome to your new roles Sandi, Earl, and Indra. Thanks to Keith for your careful and well-reasoned work on many decisions; we wish you all the best in your future adventures.

It hasn't all been pandemic-related challenges and heavy workloads however—2021 also marks the 30th anniversary of the NRCB as an organization. While no big celebrations have been planned, I am happy to take this opportunity to recognize the NRCB's contributions over the past three decades in determining the public interest of natural resource projects and, since 2002, in regulating the confined feeding industry across the province. As depicted in the pages of this annual report, the NRCB continues to fulfill an important role on behalf of the Government of Alberta in processing applications and responding to compliance issues for confined feeding operations, and in conducting numerous hearings under the *Agricultural Operation Practices Act*, and reviews such as the complex Springbank flood mitigation project.

So what have we learned in this year like no other? What will we take forward into the post-COVID future? One obvious lesson is the importance of technology in bringing people together. It kept us connected as we were forced to stay apart and it gave us a platform to hear evidence and concerns in a hearing environment. But in spite of the successes of these examples, we also learned the weaknesses of technology and the importance of gathering in person. The connections we establish with co-workers during informal chats in the hallway, or during face-to-face engagement with stakeholders and communities are difficult to replicate in a virtual environment. While the relationships we had already established before the pandemic most definitely helped us work effectively in a remote world, those connections require maintenance. I look forward to taking those lessons forward and making the most of them as we move into the NRCB's 31st year.

[Original signed by Peter Woloshyn]

Peter Woloshyn, Board Chair



MESSAGE FROM THE CEO

John Brown, Chief Executive Officer

The NRCB 2020-21 annual report marks a unique year due to the impacts of COVID-19, yet one that saw no real change in the delivery of the NRCB's business results. For our organization, in many ways it was "business as usual" in a year like no other.

A full fiscal year in which NRCB staff worked 100 per cent remotely actually resulted in very little change in the results we report in this document. The number of applications received for confined feeding operations and decisions issued under the *Agricultural Operation Practices Act* increased slightly over the numbers from the previous fiscal year. The NRCB received slightly fewer complaints than the previous year, but those complaints were reported about a greater number of operations. The science and technology division continued to ably support the Board in its review of projects under the *Natural Resources Conservation Board Act*, while also providing their expertise to both inspectors and approval officers in their work regulating confined feeding operations in Alberta. The NRCB also continued to assist Alberta Agriculture and Forestry to meet red tape reduction targets. And the NRCB once again received a clean audit from the Office of the Auditor General, emphasizing the organization's continued strengths in fiscal management.

As well, it was "all hands on deck" from our small organization for the review of the Springbank Off-Stream Reservoir Project which went to public hearing as 2020-21 drew to a close. The Board review of this complex natural resources project received strong support as usual from our Board staff, science and technology division, communications specialist, and legal team. But that support was further strengthened by one of our approval officers who lent her expertise to that of the SciTech team, and by our field office administrators, website coordinator, accounting assistant, and human resources consultant who stepped forward to provide stellar document management service as our virtual hearing got underway in March 2021. It truly was a team effort.

In a year in which staff were forced to work remotely in an environment of constant uncertainty and the stress that uncertainty brings, the achievement of these "business as usual" results is remarkable. The very fact that the NRCB continued to deliver its business functions at such a high level in such an unusual time speaks to the skill and dedication of our staff. I thank all of you for your ongoing commitment to integrity, fairness, respect, excellence, and service in everything you do.

Behind the scenes, several operational and organizational initiatives in response to the pandemic helped facilitate our staff to continue to perform at a high level, and recognized the extraordinary circumstances facing confined feeding operations in the province due to COVID-19. The maintenance of an up-to-date pandemic response plan guided the NRCB's efforts and additional work to digitize accounting processes ensured we all continued to be paid. An employee engagement program helped to keep staff connected and engaged as we worked out of our home offices and on our kitchen tables. Externally, the NRCB instituted a temporary compliance and enforcement guideline to assist confined feeding operators whose businesses were impacted by backlogs in the food processing chain linked to the pandemic. These extraordinary COVID-19 responses on the part of the NRCB are highlighted throughout this report.

The stresses and challenges of the past year and the manner in which the NRCB has met them cements, in my opinion, the organization's place as a trusted and effective regulator, as well as a careful steward of the province's natural resources. We look forward to continuing to serve the province of Alberta as we carry out our dual mandates in 2021-22.

[Original signed by John Brown]

John Brown, Chief Executive Officer



STRATEGIC PRIORITIES

The NRCB's strategic priorities for 2020-21, as identified in its business plan, are:

1. In collaboration with Alberta Agriculture and Forestry, pursue and deliver on the ministry's red tape reduction targets, as applied to the *Agricultural Operation Practices Act* (AOPA), and NRCB operational policies in place to assist in the delivery of AOPA.
2. Continue to improve the efficiency of the *Agricultural Operation Practices Act* permit application and compliance response processes.
3. Implement call to action 57 of the Truth and Reconciliation Commission of Canada report (2015), endorsed by the Government of Alberta for all Alberta public servants, by providing training for NRCB staff and Board members on the history of Aboriginal peoples, including the legacy of residential schools, the *United Nations Declaration on the Rights of Indigenous Peoples*, and Treaties and Aboriginal rights, Indigenous law, and Aboriginal-Crown relations, as outlined in the report.
4. Continue to ensure an effective biosecurity policy is in place and that field staff have the necessary training, equipment, and supplies to adhere to the biosecurity policy.
5. Coordinate review processes with other provincial and federal review agencies of project applications under the *Natural Resources Conservation Board Act* (NRCBA) to make reviews as efficient and effective as possible; continue to investigate opportunities to streamline processes under the NRCBA with a focus to reduce timelines and ensure participant engagement is effective and efficient.

BOARD



Peter Woloshyn was appointed Board chair in December 2017. Prior to his appointment, Peter led the NRCB's operations and corporate divisions as chief executive officer for more than 11 years following the re-structuring of the NRCB in 2006. During his tenure as CEO, he created the multi-stakeholder Policy Advisory Group that remains in place today and is pivotal to the success of delivering NRCB's regulatory functions under the *Agricultural Operation Practices Act*. He also oversaw the removal of regulatory obstacles to facilitate approval of biodigesters that use a manure-based feedstock. Peter brings 22 years of experience with Alberta Agriculture and Forestry to the NRCB in economic analysis, resource use, and work in crop insurance and reinsurance with Agriculture Financial Services Corporation. He is also a community advisor board member of the University of Alberta's Alberta Land Institute.



Sandi Roberts joined the Board of the NRCB as a governance member in October 2020, after three years as an acting Board member. Sandi has more than 25 years of professional experience, including eight years as an NRCB approval officer, as well as experience as an agricultural engineer. She was a member of council with the Town of Carstairs from 2010 to 2017, where she chaired or participated in numerous sub-committees, including the Policy and Governance Committee, the Municipal Planning Commission, and the Municipal Development Committee. She spent 17 years as an instructor at Olds College, including a three-year stint as coordinator for the agricultural engineering technology program, and a one-year term as acting dean of the trades and technology department. She is a member of the Central Alberta Regional Assessment Review Board and the Intermunicipal Subdivision and Development Appeal Board for Carstairs, Didsbury, Sundre, and Cremona.



Appointed to the Board in June 2017, **Page Stuart's** career has been primarily in private industry, spanning agricultural and environmental policy, research, operations, and finance. With a track record developing value-added business opportunities and a keen interest in effective governance, Page has served in a number of advisory and elected volunteer capacities, notably Alberta Cattle Feeders' Association chair, AgCoalition founding co-chair, Canadian Roundtable for Sustainable Beef Indicators co-chair, and Alberta Farm Safety Advisory Council co-chair. Page was a key member of the team receiving the first national environmental stewardship award presented to a feedlot in Canada, and has since championed multiple agricultural sustainability initiatives. She represents the Board on the NRCB's Policy Advisory Group, and is currently working toward completion of a Certificate in Tribunal Administrative Justice. Page volunteers on Lakeland College's Capital Campaign Cabinet, and as chair, The Family Centre of Northern Alberta Board.

ACTING BOARD MEMBERS



Walter Ceroici worked at Alberta Environment and Parks for more than 25 years on policy development in contaminated sites assessment and remediation, waste management, and groundwater resource assessment. He has been with the NRCB since 2007 as director of science and technology and became an Acting Board member in 2019.



Earl Graham spent more than 13 years in municipal politics and has experience with water initiatives, planning services, and as a director of the Rural Municipalities of Alberta. He was appointed as an Acting Board member in 2020.



Daniel Heaney has more than 30 years of professional experience in sustainable agriculture, including the impacts of manure management practices on crop production and water quality. He has been an Acting Board member since 2017 and was reappointed in 2020 to a five-year term.



Keith Leggat has more than 30 years of experience with the Government of Alberta in resource inventory and ecological land classification, land use planning, and air and water policy development. He was appointed as an Acting Board member in 2017 and left the Board at the end of March 2021

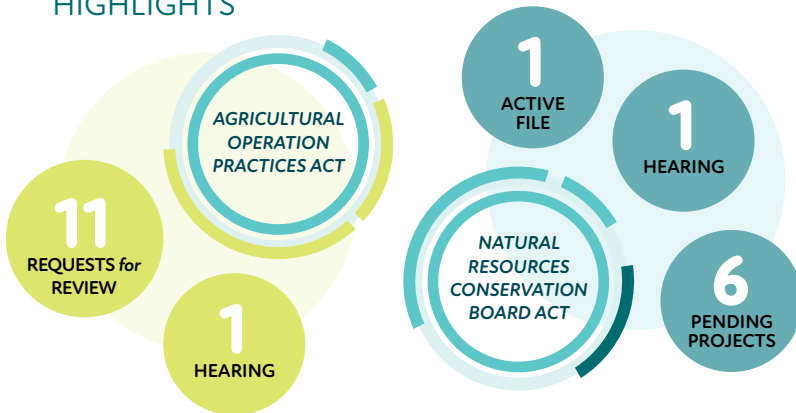


Indra Maharaj has more than 30 years of legal experience, including extensive experience in energy regulation along with knowledge of adjudicative tribunals, litigation, and administrative law. She became an Acting Board member in 2020.

Acting Board members provided support to the Board in times of increased activity in 2020-21.

BOARD ACTIVITY 2020-21

HIGHLIGHTS



In accordance with the NRCB's dual mandates, the Board issues decisions on reviews of approval officer and inspector decisions under the *Agricultural Operation Practices Act*, and reviews proposed major natural resource projects under the *Natural Resources Conservation Board Act*.

All decisions issued by the Board are publicly available on the NRCB website.

AGRICULTURAL OPERATION PRACTICES ACT

In 2020-21 the Board received requests to review (RFR) nine permit decisions by approval officers and two grandfathering decisions. The Board dismissed nine of the requests for review after deliberation and issued decisions detailing the reasoning, as noted below:

- Stant Enterprises Ltd.—Board Decision RFR 2020-04 / PR19005 was issued June 2, 2020. This was the first request for a Board review of a grandfathering decision. The Board denied a review, but referred the issue of abandonment to the inspector.
- P&H Wessels Farms Ltd.—Board Decision RFR 2020-05 / LA20001 was issued July 9, 2020. The requests for review focused on concerns about the impact of the operation and manure spreading lands on surface and groundwater quality, and groundwater quantity.
- Hutterian Brethren Church of Granum—Board Decision RFR 2020-06 / LA20014¹ was issued October 9, 2020. The requests for review focused on surface and groundwater quality; groundwater supply; impact on a minor air strip; health effects; effects on environment, economy, and community; procedural fairness; dead animal disposal; and compliance.
- Hutterian Brethren Church of Starland—Board Decision RFR 2020-07 / RA20032 was issued October 27, 2020. The requests for review focused on uncertainty of water supply for the confined feeding operation and related effects on the regional groundwater supply; risk to surface and groundwater quality; odours and noise; the municipal development plan; past farming practices; and request for a road use agreement.
- Rimrock Feeders Ltd.—Board Decision RFR 2020-08 / PL20001 was issued November 13, 2020. The request for review of a grandfathering decision focused on abandonment, confined feeding operation capacity, and notice.
- Hutterian Brethren of Murray Lake—Board Decision RFR 2020-09 / LA20035 was issued November 13, 2020. The request for review focused on consistency with the municipal development plan, and NRCB's approval policy as it relates to road use agreements.

- Corner's Pride Farms Ltd.—Board Decision RFR 2020-10 / LA19032 was issued December 15, 2020. The requests for review focused on legislative and regulatory compliance; water quality; and effects on environment, economy, and community.
- Manna Farms Ltd.—Board Decision RFR 2020-11 / RA20041 was issued December 17, 2020. The request for review focused on consistency with the municipal development plan.
- Lone Pine Hutterian Brethren—Board Decision RFR 2021-01 / RA20029A was issued February 11, 2021. The request for review focused on change in dimensions of earthen manure storage, consolidating permits, and legislative requirements and risk.

1. Later, the Board also received requests to review decision summary LA20014A, which was issued to correct a clerical date error on registration LA20014 for the Hutterian Brethren Church of Granum (the date on the registration was incorrectly stated as July rather than August). Since no other matters were considered in decision summary LA20014A the Board dismissed the requests.

One review had been granted and directed to a written hearing in 2019-20 and the hearing was held in 2020-21, as noted below:

- 1577912 Alberta Ltd. (Hines Creek Farms)—Board RFR Decision 2020-01 / FA19003 was issued March 10, 2020, and following the written hearing, Board Decision 2020-03 / FA19003 was issued April 23, 2020. The review focused on the county's municipal development plan.

Active files:

- Arie and Willemina Muilwijk—Board Decision RFR 2021-02 / LA19036 was issued February 24, 2021, directing the matter to a virtual, oral public hearing. The review focused on the sufficiency of information in the application to support a roller compacted concrete liner, permit conditions, risk to water well, and deemed capacity. (The Board held the hearing on April 20 and 21, 2021 and issued its review decision in 2021-22.)



NATURAL RESOURCES CONSERVATION BOARD ACT

In accordance with the *Natural Resources Conservation Board Act*, projects that are directed by Alberta Environment and Parks to submit an environmental impact assessment are also subject to a review by the Board to determine whether the projects are in the public interest.

The Board's public interest determination is made after an environmental impact assessment has been deemed complete by Alberta Environment and Parks and the Board has deemed that the applicant has addressed any deficiencies. The timeframe for commencing the Board's public interest review depends on the time required by both the NRCB and Alberta Environment and Parks to review the application, and the time required by the applicant to complete the application/environmental impact assessment. The Board determines whether a public hearing is required under its governing legislation.

Active files—application for the following proposed project has been submitted to the Board:

- Springbank Off-Stream Reservoir Project—application to construct an off-stream reservoir to temporarily store water from the Elbow River during a flood. On December 2, 2020, the NRCB held a pre-hearing conference and on December 21, 2020 the Board issued the notice of hearing. On February 3, 2021, Alberta Environment and Parks deemed the environmental impact assessment complete. The Board also heard a preliminary matter application from the Stoney Nakoda Nations on February 4, 2021 for adjournment of the hearing scheduled for March 22, 2021. On March 22, 2021, the NRCB's virtual, oral public hearing (held in a virtual format due to COVID-19 restrictions) for the application commenced. (The hearing concluded on April 7, 2021 and the Board issued its decision in 2021-22).

Decisions—the Board issued the following decisions in 2020-21:

- Pre-Hearing Conference Decision Report, Springbank Off-Stream Reservoir Project, December 10, 2020
- Decision Report on the Stoney Nakoda Nations' January 20, 2021 Applications, Springbank Off-Stream Reservoir Project, February 9, 2021

Pending project applications—the following project applicants have been directed by Alberta Environment and Parks to prepare environmental impact assessments. The applications have not yet been submitted to the Board for review:

- AHP Development Corporation: Amisk Hydroelectric Project (Fairview)
- Castle Mountain Resort: Castle Mountain Resort Development (Pincher Creek)
- Cyclus Power Inc.: Cavus Pump Storage Generation Project (Grande Cache)
- Stone Creek Resorts Inc.: Silvertip Gondola Project (Canmore)
- TransAlta Corporation: Brazeau Pumped Storage Hydro Expansion Project (Brazeau)
- Ultimate Hemp World Inc.: Ultimate Hemp World Paper Factory (Viking)

PERFORMANCE

CORE BUSINESS ONE:

Public interest reviews of proposed natural resource projects under the *Natural Resources Conservation Board Act* and reviews of approval officer or inspector decisions under the *Agricultural Operation Practices Act*

STRATEGIC PRIORITY:

Implement call to action 57 of the Truth and Reconciliation Commission of Canada report (2015), endorsed by the Government of Alberta for all Alberta public servants, by providing training for NRCB staff and Board members on the history of Aboriginal peoples, including the legacy of residential schools, the *United Nations Declaration on the Rights of Indigenous Peoples*, and Treaties and Aboriginal rights, Indigenous law, and Aboriginal-Crown relations, as outlined in the report.

Strategy

Ensure the NRCB continues its consultation obligations with Indigenous peoples whose rights may be adversely affected by natural resource projects under the *Natural Resources Conservation Board Act*, or by confined feeding operation applications and Board reviews under the *Agricultural Operation Practices Act*. In addition, the Board will develop a fact sheet and web presence outlining its role, operating principles, and what Indigenous communities can expect when participating in an NRCB hearing.

Results achieved

Indigenous training and consultation—NRCB staff and Board members received training from Alberta's Aboriginal Consultation Office (ACO) on the Crown duty to consult and accommodate Indigenous peoples when their rights may be adversely affected, and on the role of the ACO. The Board continued to develop communication materials with the intent to minimize process barriers, support collaborative conversations, and ensure the voices of Indigenous peoples are fully represented within the NRCB's regulatory process. A new section entitled "Indigenous Engagement" was added to the NRCB website, and included information from the fact sheet "Aboriginal Consultation and Participation in Natural Resource Development Project Reviews under the *Natural Resources Conservation Board Act*". With respect to active files, a number of Indigenous communities participated in the NRCB Springbank Off-Stream Reservoir Project review process. Four First Nations were granted standing, and one Nation participated in the hearing.

1. In this document, the NRCB uses the term "Indigenous" to refer to all First Nations, Métis, Inuit, and other Indigenous peoples, recognizing that not all people self-identify using the term "Indigenous". The NRCB uses the term "Aboriginal" when required for historical or legal reasons or when referencing programs, program area titles, and data sources that use "Aboriginal".

STRATEGIC PRIORITY:

Coordinate review processes with other provincial and federal review agencies of project applications under the *Natural Resources Conservation Board Act* to make reviews as efficient and effective as possible; continue to investigate opportunities to streamline processes under the *Natural Resources Conservation Board Act* with a focus to reduce timelines and ensure participant engagement is effective and efficient.

Strategy

Investigate opportunities to streamline processes under the *Natural Resources Conservation Board Act* to reduce timelines and ensure participant engagement is effective and efficient.

Results achieved

Meetings with review agencies—NRCB staff have worked closely with Alberta Environment and Parks during the review of the Springbank Off-Stream Reservoir Project and continue to pursue opportunities to advance process efficiencies. NRCB staff held discussions with the federal Impact Assessment Agency of Canada related to its concurrent *Canadian Environmental Assessment Act*, 2012 review of the Springbank Off-Stream Reservoir Project. While Canada and Alberta conducted independent reviews, the NRCB and the Agency have pursued opportunities to achieve efficiencies to the benefit of both jurisdictions.

Strategy

Identify critical issues related to applications under the *Natural Resources Conservation Board Act*, including participation in developing the terms of reference for environmental impact assessments, to ensure that all relevant information is included in the review process.

Results achieved

Identification of critical issues in active reviews—the NRCB completed its review of the second round of supplementary information requests on the Springbank Off-Stream Reservoir Project, received June 23, 2020. On December 2, 2020, the panel designated to review the Project held a pre-hearing conference in a virtual format due to COVID-19 restrictions, and issued its decision report on December 10, 2020 outlining the issues to be considered in the public hearing.

ADDITIONAL PRIORITIES:

Strategy

Proactively provide opportunities for all participants to understand *Natural Resources Conservation Board Act* and *Agricultural Operation Practices Act* review and hearing processes through guides; public information sessions; and prompt, accurate responses to direct inquiries.

Results achieved

Information requests—Staff responded to a number of information requests, including media requests, regarding Board reviews under the *Natural Resources Conservation Board Act* and the *Agricultural Operation Practices Act*. Staff attended virtual information sessions hosted by Alberta Transportation on the Springbank Off-Stream Reservoir Project on September 24 and October 9, 2020, and sessions hosted by the Impact Assessment Agency of Canada on its draft report on the Project on January 21 and January 27, 2021.

Strategy

Improve access to the complete public record for public interest determinations under the *Natural Resources Conservation Board Act* and reviews under the *Agricultural Operation Practices Act* by continuing to update the NRCB website.

Results achieved

Improved public access—The NRCB livestreamed the pre-hearing conference and public hearing for the Springbank Off-Stream Reservoir Project to make them accessible to the public, and posted the livestream and recordings to its website. Hearing exhibits referenced by parties were immediately visible to all parties participating in the virtual proceedings, resulting in seamless access to evidence. All documents relating to public interest reviews under the *Natural Resources Conservation Board Act* and hearings under the *Agricultural Operation Practices Act* were shared with interested or affected parties and posted to the NRCB website. The NRCB continued to improve the database and search function for these documents to make them more easily accessible on the website.

Efficiency in Board decisions

The Board issued 100% of decisions in 2020-21 within its targeted number of working days.

PERFORMANCE MEASURES AND RESULTS

EFFICIENCY OF REVIEWS

Target: 100%	2018-19	2019-20	2020-21
Percentage of NRCB decisions issued within 80 working days of the conclusion of reviews under the <i>Natural Resources Conservation Board Act</i> (NRCBA)	100% 1 NRCBA review completed	100% 1 NRCBA review completed ¹	N/A No NRCBA decision issued
Percentage of NRCB decisions issued within 30 working days of the conclusion of hearings under the <i>Agricultural Operation Practices Act</i> (AOPA)	100% 8 AOPA RFRs ² and 3 AOPA hearings ³	100% 5 AOPA RFRs and 3 AOPA hearings	100% 11 AOPA RFRs and 1 AOPA hearing

- Both this review and the 2018-19 NRCBA review refer to the Cougar Creek Debris Flood Retention Structure. The Board had initially issued a decision in November 2018 finding the project in the public interest. However, in January 2019, the Town of Canmore advised the Board of proposed structural design changes causing the Board to suspend its decision on February 28, 2019 and await a revised application. The Board issued a decision finding the revised application in the public interest in October 2019.
- RFRs are requests for review from directly affected parties. The Board must issue a decision (with reasons) to either grant or deny a request for review. If the Board finds merit in an RFR it grants a hearing. Hearings are oral or written. Oral hearings may be virtual or in person.
- Four requests for review were directed to hearing in 2018-19 but one was postponed for mediation.



NRCB Environmental Specialist Stephanie Chisholm taking relative elevation measurements of groundwater monitoring wells

SCIENCE AND TECHNOLOGY

The NRCB science and technology (SciTech) division provides scientific and technical support to the Board and operations. SciTech staff have technical expertise in a number of areas including engineering, geology, hydrology, hydrogeology, and soil science. The division also has access to additional expertise from other sources when needed, such as the consulting community, and from the Alberta Energy Regulator and Alberta Utilities Commission through service sharing agreements.

SciTech staff review the terms of reference for proposed natural resource projects and provide feedback to Alberta Environment and Parks. Conducting technical reviews of environmental impact assessments for project applications under the *Natural Resources Conservation Board Act* continues to be a key responsibility of the division. Information received from SciTech reviews is used by NRCB Board members assigned to the project review to make a decision on whether a project is in the public interest. In 2020-21, SciTech staff spent considerable time supporting the Board's review of the complex Springbank Off-Stream Reservoir Project.

SciTech staff provide scientific and technical support to NRCB field staff involved in *Agricultural Operation Practices Act* permitting and compliance activity, and review water well and leak detection monitoring submissions from confined feeding operations.

SciTech staff continued to chair and participate on the Monitoring Review Committee that provides technical advice to NRCB inspectors and approval officers on challenging confined feeding operation files.

HIGHLIGHTS

In 2020-21, SciTech staff reviewed and provided advice to NRCB field staff on:



Also, to help streamline the approval process for confined feeding operations, SciTech staff completed wetlands assessment training in 2020-21 and drafted an agreement with Alberta Environment and Parks where NRCB staff could conduct some aspects of wetland assessments at confined feeding operations.

A priority for the SciTech division continues to be involvement in collaborative research work with other agencies on studies to evaluate risks to the environment associated with confined feeding operations and livestock manure management. A significant achievement in 2020-21 was the completion of a seven-year study, led by Alberta Agriculture and Forestry, on livestock manure impacts of groundwater quality in Alberta. SciTech staff made significant contributions to the study through provision of technical expertise. Findings of the study have been used to inform the NRCB's approach to conducting environmental assessments at confined feeding operations. In addition, SciTech staff co-authored a peer-reviewed paper on the study and presented study findings at technical conferences.

SciTech staff also continued to co-chair and participate on the Technical Advisory Group, and participated in the review and development of technical guidelines intended to clarify the intent of the *Agricultural Operation Practices Act*. In 2020-21, the Technical Advisory Group, which has representation from the livestock industry and Alberta Agriculture and Forestry, completed a guideline on sub-soil investigations and an assessment on whether enough information exists to prepare a guideline on the use of roller compacted concrete as a liner at confined feeding operations.

FIELD SERVICES

HIGHLIGHTS



NRCB field services has two distinct roles: on the applications side, approval officers issue permits in accordance with the requirements of the *Agricultural Operation Practices Act*; on the compliance side, inspectors follow up on conditions in permits and respond to complaints. Field services staff have expertise in a number of areas including agriculture, agronomy, biology, engineering, environmental sciences, and hydrology. In complex situations or when additional expertise is required, field services relies on the NRCB's science and technology division.

In 2020-21, NRCB field services once again exceeded its performance targets:

- 93.5 per cent of permit decisions were issued within 65 working days, and
- 99 per cent of complaints were resolved or determined to require no further action, within 60 working days.

RESPONDING TO COVID-19

In 2020-21, situations arising from the COVID-19 pandemic had the potential to cause disruption to supply chains, and to impact livestock numbers and manure management practices at confined feeding operations. The NRCB encouraged operators to contact its staff for assistance in managing these pressures. A special compliance guideline was also developed by the NRCB to provide inspectors with some latitude when addressing complaints or non-compliance issues related to the pressures.

ADDRESSING UNAUTHORIZED CONSTRUCTION

Unauthorized construction of a new manure storage facility, or to expand an existing facility for an increase in livestock numbers, is a serious violation of the permitting requirements of the *Agricultural Operation Practices Act*. In spite of significant efforts by the NRCB and industry organizations over the past three years to inform operators of confined feeding operations that unauthorized construction is illegal, the NRCB continued to see increased cases of unauthorized facility construction at a number of operations in 2020-21. Prosecution of operators who construct without a permit remains a potential enforcement tool.

Unauthorized construction violations were brought to the NRCB's attention via complaint or by operator self-reporting. The NRCB addressed unauthorized construction complaints at 17 operations. Upon follow up, NRCB inspectors determined that seven of those complaints did not constitute unauthorized construction. Inspectors issued compliance directives to four operators, and enforcement orders to two operators, requiring them to cease construction and apply for and obtain a permit. Inspectors also issued a written warning in one case; one is still under investigation and the remaining two had already begun the permit application process for their new facilities at the time of inspection.

SCREENING FOR ENVIRONMENTAL RISK

When approval officers or inspectors identify environmental risk at confined feeding operations, they typically work with operators to address the issue. Approval officers continued to use the NRCB environmental risk screening tool in 2020-21 during application reviews for confined feeding operations to assess the potential risk of facilities (e.g., catch basin, earthen manure storage, feedlot pens) to groundwater and surface water quality. NRCB inspectors also used the tool, as required, to respond to complaints, and for annual follow-up on operations identified under the NRCB's risk-based compliance program.

In 2020-21, approval officers completed environmental risk screenings for 182 facilities at 61 operations. Operators were required to take remedial action to address any risks to the satisfaction of the NRCB at facilities determined to have a high potential risk to groundwater or surface water.

ENVIRONMENTAL RISK SCREENING RESULTS, 2020-21

Pathway	Number of facilities ranked LOW potential risk	Number of facilities ranked MODERATE potential risk	Number of facilities ranked HIGH potential risk
Groundwater	182	0	0
Surface water	173	9	0

MONITORING SURFACE WATER

In 2020-21, the NRCB continued to collect information on surface water conditions at confined feeding operations during inspections. NRCB inspectors conducted 293 inspections at 184 operations in 2020 (multiple inspections were conducted at some operations). Most inspections were at dairy, feedlot, and multi-species operations. Inspectors documented surface water issues at 22 operations; serious issues were identified at seven of those. (A serious surface water issue involves manure contaminated water runoff flowing into a surface water body.) Of the serious surface water issues, three were determined to be preventable.

The main actions taken by operators to address identified surface water issues included:

- constructing berms to prevent surface water run-on
- establishing or maintaining surface water runoff controls
- pumping manure or catch basin contents from overfull facilities onto the land
- incorporating applied manure
- developing manure management plans

All of the surface water issues identified were addressed by the operators to the satisfaction of the NRCB.

New and updated operational policies, guides, and fact sheets

In 2020-21, the NRCB continued to develop new and update existing operation policies to clarify the intent of the *Agricultural Operation Practices Act*. New and updated policies are publicly available at www.nrcb.ca



APPLICATIONS

In 2020-21, the NRCB received 119 permit applications for confined feeding operations. These included approvals (permits for larger operations), registrations (permits for smaller operations), and authorizations (permits for manure storage facilities where there is no change in livestock numbers). The number of completed applications received in 2020-21 was essentially unchanged over the previous year with 116 applications deemed technically complete in 2019-20 and 117 in 2020-21.

The NRCB aims for efficiency in issuing all permit decisions with a goal to issue 85 per cent of decisions within 65 working days of the date at which the application is deemed to be complete. In 2020-21, the NRCB exceeded this goal with 93.5 per cent of decisions issued within 65 working days. While a few decisions took longer to process, most applications were processed and decisions issued well within the target.

AVERAGE NUMBER OF DAYS TO DECISION, 2020-21

Permit type	Average number of days to decision ¹	Number of decisions issued ²
Approvals	53	63
Registrations	43	6
Authorizations	33	41

Efficiency in permitting decisions

The NRCB exceeded its performance target in 2020-21, issuing 93.5% of permit decisions within 65 working days.

1. The NRCB counts days to decision from the date the application is technically complete.
1. The number of decisions in this table does not include approval officer amendment decisions under Section 23 of AOPA (5 in total for this period).

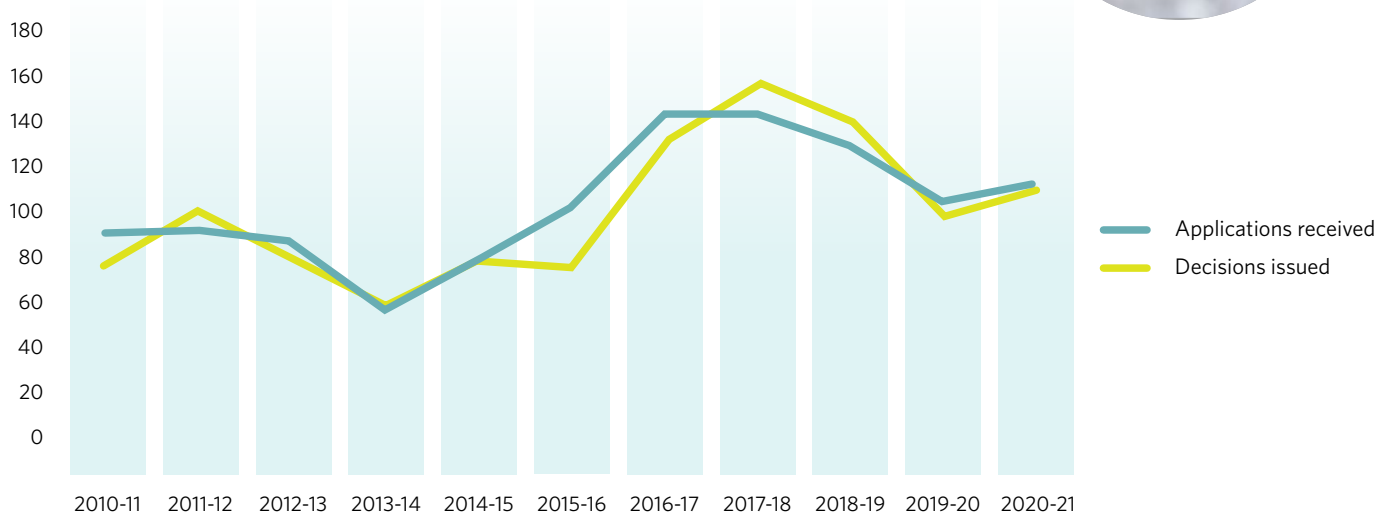
Most applications were received from operators in the central and southern regions of the province. The poultry, cattle, and dairy sectors were the source of the majority of all applications.

TECHNICALLY COMPLETE APPLICATIONS RECEIVED AND DECISIONS ISSUED, BY REGION, 2020-21

Region	Technically complete applications received	Decisions issued ¹
Peace	1	1
North Central	13	16
Central	52	54
South	51	44
TOTAL	117	115

1. The number of decisions issued in a given year may not match the number of completed applications as some applications may carry over from the previous year.

HISTORICAL TREND OF COMPLETED APPLICATIONS RECEIVED AND DECISIONS ISSUED



TECHNICALLY COMPLETE APPLICATIONS BY LIVESTOCK CATEGORY, 2020-21

Livestock category	Completed applications ¹
Beef	26
Dairy	17
Goats	1
Poultry	18
Sheep	3
Swine	4



1. An application is counted once for each animal type in the application.

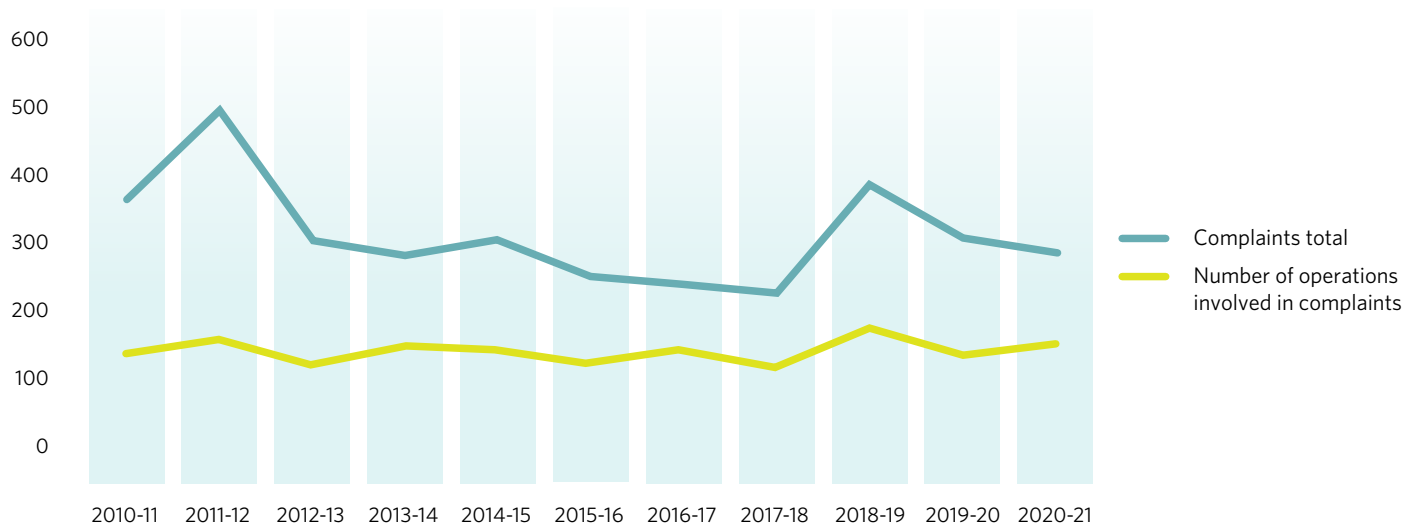
COMPLIANCE

In 2020-21, the NRCB developed a guideline for compliance and enforcement in recognition of the extraordinary circumstances facing confined feeding operations due to COVID-19. From May 1 to December 31, 2020, the guideline enabled NRCB inspectors to exercise enforcement discretion if operators were able to demonstrate that contraventions of their permit terms and conditions, or of the legislation, was materially linked to a backlog in the food processing chain that was, in turn, linked to COVID-19. While there were no cases of the special guideline being used, industry associations expressed appreciation on behalf of their members for the NRCB's willingness to take into account the unique challenges brought about by the pandemic.

COMPLAINTS

The NRCB logged 311 complaints about 191 operations in 2020-21, compared with 333 complaints about 173 operations the previous year. The NRCB also received 55 requests from operators to spread manure on frozen or snow-covered land and 57 information only requests. The latter can include requests for information on confined feeding operation expansions or manure spreading regulations, for example, and come from both confined feeding operators and the public.

HISTORICAL TREND OF COMPLAINTS RECEIVED



NUMBER OF COMPLAINTS BY REGION, 2020-21

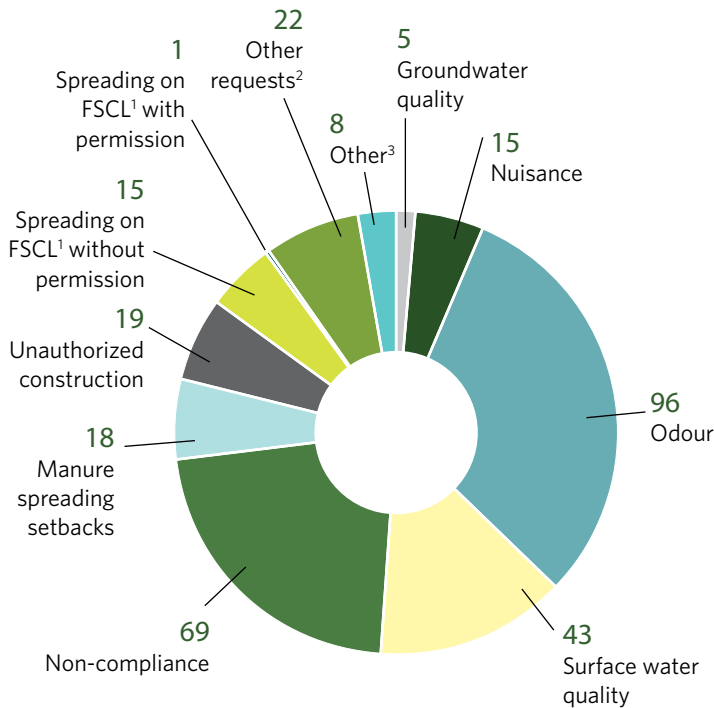
Peace	North Central	Central	Southern
8	28	114	161

NUMBER OF COMPLAINTS BY TYPE OF CONFINED FEEDING OPERATION, 2020-21

Beef	Cow/calf ¹	Dairy	Poultry	Swine	Sheep	Goats	Horse	Bison	Multi-species ²	Other ³
126	26	47	11	26	2	6	8	1	30	28

1. Cow/calf operations that do not confine and feed livestock when grazing is available do not require a permit under the *Agricultural Operation Practices Act* but must comply with the manure management requirements of the act.
2. "Multi-species" means a confined feeding operation with more than one type of livestock.
3. "Other" includes game farms, stables, auction markets, and other facilities that do not fall under the *Agricultural Operation Practices Act*.

TYPES OF COMPLAINTS 2020-21



1. FSCL refers to frozen or snow-covered land.
2. Most "other requests" involved requesting permission to apply manure without incorporation for wind erosion control.
3. "Other" includes complaints that do not fall under the *Agricultural Operation Practices Act* (e.g., disposal of dead livestock, animal welfare, livestock on residential acreages).

Efficiency in complaint resolution

99% of complaint files were resolved or required no further action within 60 days.



OTHER COMPLIANCE REQUESTS, 2020-21

Information only	57
Grandfathering determinations	8
Permission to spread on FSCL ¹	55

1. Frozen or snow-covered land

Ninety nine per cent of complaint files were resolved, or required no further action, within 60 days.

ENFORCEMENT

The *Agricultural Operation Practices Act* prohibits applying liquid or solid manure on frozen or snow-covered land without prior permission from the NRCB. In 2020-21, the NRCB received 55 requests for permission to spread from operators. Field staff worked with the operators to ensure that manure removed from the facilities and applied on frozen or snow-covered land was spread according to strict requirements in order to minimize environmental risks.

ENFORCEMENT ACTIONS TAKEN 2020-21

Enforcement orders	3
Emergency orders	4
Compliance directives	6
AOPA warnings ¹	14

1. AOPA warnings were instituted in 2018 as a means to track non-compliance issues.

The 2020-21 enforcement orders were issued to three operations, two for unauthorized construction and the third for non-compliance with the *Agricultural Operation Practices Act*.

Four emergency orders were issued in 2020-21. Three were issued to operations for manure run-off into common bodies of water and the fourth for non-compliance with the *Agricultural Operation Practices Act*.

The NRCB issued six compliance directives: four for unauthorized construction, one for non-compliance with permit conditions regarding decommissioning of a manure storage facility, and one for exceeding livestock numbers. The directives issued for unauthorized construction required the operators to apply for and obtain permits in order to continue using the newly constructed facilities.

The majority of the AOPA warnings issued were for manure application violations.

Grandfathering determinations

In addition, to the above compliance and enforcement activities, NRCB inspectors worked on eight stand-alone grandfathering determinations and issued three grandfathering decisions in 2020-21. Each grandfathering decision involves an investigation to determine the livestock type and/or capacity of the operation that existed when Part 2 of the *Agricultural Operation Practices Act* came into effect in 2002.

PERFORMANCE

CORE BUSINESS TWO:

Regulation under the *Agricultural Operation Practices Act*

STRATEGIC PRIORITY:

In collaboration with Alberta Agriculture and Forestry, pursue and deliver on the ministry's red tape reduction targets, as applied to the *Agricultural Operation Practices Act*, and NRCB operational policies in place to assist in the delivery of the *Agricultural Operation Practices Act*.

Strategy

Help ensure that Alberta Agriculture and Forestry meets its red tape reduction targets as applied to the *Agricultural Operation Practices Act*, and NRCB operational policies in place to assist in the delivery of the *Agricultural Operation Practices Act* by collaborating with colleagues in the ministry.

Results achieved

Red tape reduced—The NRCB worked with Alberta Agriculture and Forestry, and Alberta Environment and Parks to achieve the Government of Alberta's phase 1 red tape reduction objectives and began work to achieve phase 2 targets. Red tape reduction activities in 2020-21 included the following:

- The NRCB is updating permit application forms, guides, and fact sheets to reflect phase 1 red tape reduction changes made to *Agricultural Operation Practices Act* regulations implemented in December 2020.
- The NRCB initiated work on development of a calculator to aid producers in determining the number of head allowed when changing from their permitted capacity and livestock type, as allowed under one of the updated regulations.
- The NRCB science and technology division entered into an agreement with Alberta Environment and Parks whereby NRCB staff can conduct wetland assessments at proposed confined feeding operations, thereby reducing the need for confined feeding operators to deal with two regulators during the permitting process (i.e., with Alberta Environment and Parks under the *Water Act* and with the NRCB under the *Agricultural Operation Practices Act*).
- The NRCB also decreased the timeframe for its performance benchmark for complaint resolution from 90 to 60 days, thus reducing the impact of timelines on operators and improving response times for complainants.



STRATEGIC PRIORITY:

Continue to improve the efficiency of the *Agricultural Operation Practices Act* permit application and compliance response processes.

Strategy

Streamline the application process for confined feeding operations by updating application forms, and ensuring they are available on the NRCB website and can be submitted electronically.

Results achieved

Streamlined application process—The NRCB implemented an online permit application process, and revised and streamlined its application forms for confined feeding operation permits, based on feedback from applicants. The new application forms are available on the NRCB website. The NRCB also initiated work on development of a calculator to aid producers in determining the number of head allowed when changing from their permitted capacity and livestock type, as allowed under one of the updated regulations.

Strategy

Meet with and inform municipalities about permitting requirements in the *Agricultural Operation Practices Act*; explain how the NRCB assesses municipal land use planning provisions when making permitting decisions; and explain the NRCB's compliance and enforcement processes.

Results achieved

Meeting with municipalities—Because of restrictions due to COVID-19, the NRCB met virtually or by phone with staff or council members from 19 municipalities rather than in person to discuss aspects of specific permit applications and compliance issues.

Strategy

Meet with confined feeding operation applicants to explain *Agricultural Operation Practices Act* permitting requirements and information needed to support *Agricultural Operation Practices Act* applications.

Results achieved

Meetings with confined feeding operation applicants— Because of restrictions due to COVID-19, the NRCB has continued to provide information on AOPA requirements to applicants by phone or email, and followed public health recommendations when conducting site visits.

Strategy

Clarify roles and improve the efficiency of procedures for applications and compliance responses under the *Agricultural Operation Practices Act* by consulting and engaging with Alberta Health Services and Alberta Environment and Parks.

Results achieved

Clarification of roles—The NRCB updated the letters used to refer applications to municipalities and other agencies, such as Alberta Health Services and Alberta Environment and Parks. The updates clarify the legislated requirements under which the applications are referred, and help referral bodies to better streamline their responses and internal processes, thereby making the application processes more efficient. This information was also shared with members of the Policy Advisory Group. The NRCB and Alberta Environment and Parks also continued to use the same response line services so that complaints can be efficiently addressed. Complainants only phone one number and the two agencies determine which one will take the lead, thus reducing duplication and resulting in a more streamlined response and use of resources.

Strategy

Improve the efficiency of the delivery of the *Agricultural Operation Practices Act* by developing and updating operational policies, with advice from the Policy Advisory Group as required.

Results achieved

Updating of operational policy—In 2020-21, the NRCB commenced updating its policies, guides, and fact sheets to reflect December 2020 amendments to two *Agricultural Operation Practices Act* regulations. Together with a representative from Alberta Agriculture and Forestry, the NRCB continued to co-chair the Policy Advisory Group, which met virtually in May 2020 and January 2021 due to COVID-19 restrictions.



Strategy

Provide consistent understanding and application of regulatory requirements under the *Agricultural Operation Practices Act* by staff, operators, and consultants by developing technical guidelines and continuing the NRCB commitment to participate in the Technical Advisory Group as required.

Results achieved

Development of technical guidelines—The NRCB and Alberta Agriculture and Forestry co-chair the Technical Advisory Group (TAG), which completed work on a new technical guideline in 2020-21 for subsoil investigations for manure storage facilities and manure collection areas. TAG continued development work on guidelines for assessing naturally occurring protective layers, for compacted soil liners assessment, and that provide guidance on manure incorporation and manure injection. TAG also commissioned work to establish whether sufficient information exists to support development of a guideline for the use of roller compacted concrete as a liner at confined feeding operations.

Strategy

Educate confined feeding operators about compliance requirements, including unauthorized construction, application of manure on frozen or snow covered land, and record keeping for manure application, by coordinating with industry associations.

Results achieved

Communication with confined feeding operators and industry associations—NRCB staff connected virtually or by phone with representatives from industry associations on several occasions in 2020-21 regarding the requirements of the *Agricultural Operation Practices Act*. The NRCB also provided information and articles to the associations to share with their members on a variety of topics, including new and improved application forms for confined feeding operation permits, the NRCB response to short-term pressures faced by industry due to COVID-19, the NRCB's guideline for confined feeding operation enforcement and compliance in response to COVID-19, and repercussions of unauthorized construction. In addition, the NRCB continued to provide all applicants with information on unauthorized construction and go through all permit conditions (including record keeping requirements) with applicants when permits are issued.

Strategy

Continue to support other provincial ministries and agencies studying the potential effects of manure collection and storage facilities on groundwater quality, and use the results for ongoing improvements to tools used by the NRCB in regulation of confined feeding operations and manure management under the *Agricultural Operation Practices Act*.

Results achieved

Manure impact study—The NRCB concluded its involvement with Alberta Agriculture and Forestry's seven-year study on the impact of manure storage and collection facilities and manure spreading on groundwater quality. A final report containing study findings was completed by Alberta Agriculture and Forestry and an overview of the results was presented to the Policy Advisory Group at its January 2021 meeting. As a result of the study, the NRCB made several improvements to how it conducts environmental assessments at confined feeding operations.

STRATEGIC PRIORITY:

Continue to ensure an effective biosecurity policy is in place and that field staff have the necessary training, equipment, and supplies to adhere to the biosecurity policy.

Strategy

Update existing biosecurity policy to ensure it is current and effective and ensure staff are equipped to comply with the policy.

Results achieved

Policy reviewed—The NRCB has reviewed this policy and will publish the updated version in 2021-22. The NRCB provided staff with log books to track their adherence to biosecurity procedures.

ADDITIONAL PRIORITIES:

Strategy

Stay informed on confined feeding operation siting issues and any challenges facing the livestock industry by attending producer meetings, Rural Municipalities of Alberta conferences, and other relevant events.

Results achieved

Maintaining connections with stakeholders—COVID-19 public health restrictions forced many stakeholder groups to cancel their events or hold their meetings in virtual formats. NRCB staff stayed informed on issues of relevance to these groups by attending virtual meetings when possible and maintaining their networks of connections with the stakeholders in other ways.

PERFORMANCE MEASURES AND RESULTS

EFFICIENCY OF PERMITTING DECISIONS

Target: 85%	2018-19	2019-20	2020-21
Percentage of decisions issued within 65 working days from the date the application is determined to be complete	92%	91%	93.5%

COMPLAINT RESOLUTION

Target: 95%	2018-19	2019-20	2020-21
Percentage of complaint files resolved, or requiring no further action, within 60 days ¹	99%	100%	99%

1. In 2020-21, the NRCB reduced the timeframe for its performance benchmark for complaint resolution from 90 to 60 days.



ORGANIZATIONAL CAPACITY

The COVID-19 pandemic brought new challenges to the NRCB in 2020-21 and the organization adapted quickly to ensure the safety of staff and stakeholders. The NRCB closed its offices to the public and staff began working from home on March 19, 2020. Staff continued to deliver strong business results in support of the organization's mandates while adjusting to their new remote work environments and navigating public health orders and the challenges they brought. Most staff continued to work from home throughout 2020-21.

The following organizational initiatives were undertaken in 2020-21 in response to the pandemic:

- Business continuity plan—The NRCB developed a COVID-19 business continuity plan at the beginning of the pandemic and continues to update it to reflect the latest public health restrictions and the rapidly changing situations in the province.
- Streamlining of accounting and payroll processes—To better accommodate all staff who were working remotely and to move towards a digitized workplace, the NRCB accelerated efforts to streamline accounting and payroll processes by converting from a paper-based system to one in which records are processed and stored electronically.
- Employee engagement strategy—The NRCB undertook additional employee engagement efforts in 2020-21, including regular virtual meetings and organization-wide town hall meetings, as well as two staff surveys, in order to determine employees' needs and help keep staff connected while working remotely.

Pandemic aside, the NRCB continues to take tremendous pride in the outstanding work its staff delivers, and is committed to providing a work environment that supports this level of performance, through internal and external training, and personal and wellness supports.

The NRCB also remains committed to achieving excellence in its fiscal accountability and once again achieved a clean financial audit from the Office of the Auditor General in 2020-21.

PERFORMANCE

STRATEGIC PRIORITY:

Implement call to action 57 of the Truth and Reconciliation Commission of Canada report (2015), endorsed by the Government of Alberta for all Alberta public servants, by providing training for NRCB staff and Board members on the history of Aboriginal peoples, including the legacy of residential schools, the *United Nations Declaration on the Rights of Indigenous Peoples*, and Treaties and Aboriginal rights, Indigenous law, and Aboriginal-Crown relations, as outlined in the report.

Strategy

Provide in-house training and support external training opportunities in areas of required professional development, including education and training on Indigenous issues as required by call to action 57 of the Truth and Reconciliation Commission of Canada report.

Results achieved

Ongoing training on Indigenous issues—NRCB staff and Board members received training from Alberta's Aboriginal Consultation Office (ACO) on the Crown duty to consult and accommodate Indigenous peoples when their rights may be adversely affected, and on the role of the ACO.

ADDITIONAL PRIORITIES:

Strategy

Continue development of an occupational health and safety policy and program for the NRCB.

Results achieved

Occupational health and safety policy complete—The NRCB occupational health and safety policy has been completed and the NRCB is now developing a health and safety program guide. A formal hazard assessment has been completed for all staff and staff training on specific aspects of health and safety is being coordinated, beginning with fire extinguisher safety training.

Strategy

Advance the NRCB records retention and disposition schedule through the provincial government's Alberta Records Management Committee approval process.

Results achieved

Schedule approved—The NRCB records retention and disposition schedule was approved by the Alberta Records Management Committee in October 2020. The NRCB is now working toward operationalizing the schedule.

Strategy

Maintain and continuously improve essential infrastructure including:

- a. improving the functionality and reporting capabilities of the confined feeding operation database, and
- b. updating computers and other electronic devices issued to staff in accordance with the NRCB's commitment to information technology evergreening.

Results achieved

- a. Improvements to the confined feeding operation database**—The NRCB updated its database to improve usability when entering data and also increased reporting functions of the database.
- b. Updating technology**—The NRCB continued to replace old computers and iPhones according to its evergreening schedule to ensure provision of adequate and up to date tools for staff to perform their duties. Webcams, headsets, laptops, and printers were procured to enable staff to access video conferencing and effectively work from home during the COVID 19 pandemic.

Strategy

Prioritize the safety of NRCB staff when conducting field work by providing appropriate vehicle and personal identification, and other equipment as required.

Results achieved

Staff and vehicle identification—The NRCB provided staff with clothing identifying them as NRCB employees, and vehicles have been equipped with NRCB signage for improved identification and safety during field work. Identification cards for staff are also in development.



OTHER INITIATIVES

In addition, the following organizational initiatives were undertaken or completed in 2020-21:

- **Information technology (IT)**—The NRCB continued to maintain four tiers of backup and an advanced IT security service that includes advanced security software, network vulnerability scanning, phishing email campaigns to educate staff on security, and a learning management system. An enhanced learning management system for IT security was implemented in June 2020 to increase staff's knowledge of IT threats and security for the remote desktop server access was enhanced. A disaster recovery plan exercise was held in December 2020, successfully restoring the remote desktop services server from backup. This demonstrates that if the remote desktop server is down, IT can respond to the issue quickly and restore it, and is an especially important consideration as NRCB staff continue to work from home.
- **Training**—Staff were provided with external professional development and training opportunities to meet continuing education requirements of professional organizations. The NRCB also conducted a series of internal virtual training sessions on a variety of topics including agricultural land use and prairie hydrology/hydrogeology, regulation of confined feeding operations in other provincial jurisdictions, Indigenous consultation, and records management.
- **Vehicles**—Field staff are provided with NRCB-leased vehicles to ensure they have safe transportation suitable for rural and farm roads, and for transporting biosecurity supplies and field equipment. In 2020-21, staff collectively travelled close to 200,000 kilometres to respond to complaints and for permitting activities.
- **Stakeholder education and awareness**—Transparency is a high priority for the NRCB. In 2020-21 the NRCB website was further updated to improve public access to documents related to the *Agricultural Operation Practices Act* and natural resource project reviews. The NRCB also updated its fact sheet on unauthorized construction under the *Agricultural Operation Practices Act* and submitted an article on unauthorized construction to industry groups and stakeholder publications, along with information and articles on new and improved application forms for confined feeding operation permits, and the NRCB guideline for confined feeding operation enforcement and compliance in response to COVID-19.

STAFF CHANGES

The following staff departures occurred in 2020-21:

- Adria Snowdon, Approval Officer, Lethbridge office

The following new Board member was appointed in 2020-21 to fill a vacancy:

- Sandi Roberts, Board Member, Calgary office


STATEMENT OF DISCLOSURES UNDER THE PUBLIC INTEREST DISCLOSURE (WHISTLEBLOWER PROTECTION) ACT

The NRCB's *Whistleblower Protection: Procedures for disclosures under the Public Interest Disclosure (Whistleblower Protection) Act* were approved by the Public Interest Commissioner on August 21, 2018. These procedures were posted on the NRCB internal intranet site, and staff have received training on them. The NRCB also provides the procedures to each new employee when they start work.

No disclosures were made to the NRCB in 2020-21

FINANCIAL STATEMENTS

Year Ended March 31, 2021



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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying NRCB financial statements have been prepared and presented by management, who is responsible for the integrity and fair presentation of the information.

These financial statements are prepared in accordance with Canadian public sector accounting standards. The financial statements necessarily include certain amounts based on the informed judgments and best estimates of management.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the NRCB has developed and maintains systems of internal controls to produce reliable information for reporting requirements. The systems are designed to provide reasonable assurance that NRCB transactions are properly authorized, assets are safeguarded from loss and the accounting records are a reliable basis for the preparation of the financial statements.

The Auditor General of Alberta, the NRCB's external auditor appointed under the *Auditor General Act*, performed an independent external audit of these financial statements in accordance with Canadian generally accepted auditing standards and has expressed his opinion in the accompanying Independent Auditor's Report.

NRCB's Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls. In both the presence and absence of management, the NRCB's Board meets with the external auditors to discuss the audit, including any findings as to the integrity of financial reporting processes and the adequacy of our systems of internal controls. The external auditors have full and unrestricted access to the NRCB's Board.

[Original signed by Kevin Seward]

Kevin Seward
Acting Chief Executive Officer

May 31, 2021

INDEPENDENT AUDITOR'S REPORT



To the Members of the Natural Resources Conservation Board

REPORT ON THE FINANCIAL STATEMENTS

OPINION

I have audited the financial statements of the Natural Resources Conservation Board (the Board), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, change in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2021, and the results of its operations, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

BASIS FOR OPINION

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]

Auditor General

May 31, 2021
Edmonton, Alberta

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2021

		2021	2020
	Budget	Actual	Actual
Revenues			
Government transfers			
Transfer from the Department of Environment and Parks (Note 4)	\$ 5,397,000	\$ 2,700,000	\$ 5,397,000
Investment income	70,000	16,388	86,195
Other revenue	1,000	2,140	2,565
	5,468,000	2,718,528	5,485,760
Expenses - directly incurred (Note 2(a) and Schedules 1 and 4)			
Board reviews and hearings	1,066,000	1,089,962	1,152,655
Regulating confined feeding operations	4,358,000	4,039,843	4,235,107
	5,424,000	5,129,805	5,387,762
Annual operating (deficit) surplus	44,000	(2,411,277)	97,998
Accumulated surplus at beginning of year	3,998,522	3,998,522	3,900,524
Accumulated surplus at end of year	\$ 4,042,522	\$ 1,587,245	\$ 3,998,522

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2021

	2021	2020
Financial assets		
Cash and cash equivalents (Note 5)	\$ 1,885,583	\$ 4,218,142
Accounts receivable	2,134	4,449
	1,887,717	4,222,591
Liabilities		
Accounts payable and other accrued liabilities (Note 7)	341,274	275,999
Net financial assets	1,546,443	3,946,592
Non-financial assets		
Tangible capital assets (Note 8)	40,802	51,775
Prepaid expenses	-	155
	40,802	51,930
Net assets		
Accumulated surplus (Note 10)	\$ 1,587,245	\$ 3,998,522

Contractual obligations (Note 11)

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

YEAR ENDED MARCH 31, 2021

	2021		2020
	Budget	Actual	Actual
Annual operating (deficit) surplus	\$ 44,000	\$ (2,411,277)	\$ 97,998
Acquisition of tangible capital assets (Note 8)	(17,000)	(6,000)	(22,900)
Amortization of tangible capital assets (Note 8)	30,000	16,973	38,772
Decrease in prepaid expenses	155	155	845
(Decrease)/Increase in net financial assets	57,155	(2,400,149)	114,715
Net financial assets at beginning of year	3,946,592	3,946,592	3,831,877
Net financial assets at end of year	\$ 4,003,747	\$ 1,546,443	\$ 3,946,592

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2021

	2021	2020
Operating transactions		
Annual operating (deficit) surplus	\$ (2,411,277)	\$ 97,998
Non-cash item included in annual operating (deficit) surplus:		
Amortization of tangible capital assets (Note 8)	16,973	38,772
	(2,394,304)	136,770
Decrease/(Increase) in accounts receivable	2,315	(2,714)
Decrease in prepaid expenses	155	845
Increase/(Decrease) in accounts payable and other accrued liabilities	65,275	(7,426)
Cash (applied to) provided by operating transactions	(2,326,559)	127,475
Capital transactions		
Acquisition of tangible capital assets (Note 8)	(6,000)	(22,900)
Cash applied to capital transactions	(6,000)	(22,900)
(Decrease)/Increase in cash and cash equivalents	(2,332,559)	104,575
Cash and cash equivalents at beginning of year	4,218,142	4,113,567
Cash and cash equivalents at end of year	\$ 1,885,583	\$ 4,218,142

The accompanying notes and schedules are part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

NOTE 1 AUTHORITY AND PURPOSE

The Natural Resources Conservation Board (NRCB) operates under the authority of the *Natural Resources Conservation Board Act*, Chapter N-3, RSA 2000 (NRCBA). NRCB's mandate is to provide for an impartial process to review projects that will or may affect the natural resources of the Province of Alberta. Included in this mandate are reviewable projects described in the NRCBA as well as the regulatory responsibilities set out in Part 2 of the *Agricultural Operation Practices Act*, Chapter A-7, RSA 2000 (AOPA) for the approval, monitoring and compliance of livestock confined feeding operations. The NRCB is exempt from income taxes under the *Income Tax Act*.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

(A) BASIS OF FINANCIAL REPORTING

REVENUES

All revenues are reported on the accrual basis of accounting.

Government transfers

Transfers from the Government of Alberta are recognized as revenue when the transfer is authorized and the NRCB meets the eligibility criteria.

Government transfers and associated externally restricted investment income are recognized as deferred contributions if the eligibility criteria for use of the transfer, or the stipulations together with NRCB's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, NRCB complies with its communicated use of these transfers.

Investment income

Investment income includes interest income and is recognized when earned.

EXPENSES

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed.

Directly incurred

Directly incurred expenses are those costs the NRCB has primary responsibility and accountability for, as reflected in the government's budget documents.

Incurred by others

Services contributed by other related entities in support of NRCB's operations are not recognized but disclosed in Schedule 4.

VALUATION OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.

The NRCB's financial assets and liabilities are generally measured as follows:

Financial Statement Component	Measurement
Cash and cash equivalents	Cost
Accounts receivable	Lower of cost or net recoverable value
Accounts payable and other accrued liabilities	Cost

The NRCB does not hold equities traded in an active market, nor does it engage in derivative contracts or foreign currency transactions. The NRCB is not exposed to remeasurement gains and losses and, consequently, a statement of remeasurement gains and losses is not presented.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

FINANCIAL ASSETS

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets are NRCB's financial claims on external organizations and individuals at the year end.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

Accounts receivable

Accounts receivable are recognized at the lower of cost or net recoverable value.

LIABILITIES

Liabilities are present obligations of the NRCB to external organizations and individuals arising from past transactions or events occurring before the year end, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

Liabilities also include:

- all financial claims payable by the NRCB at the year end; and
- accrued employee vacation entitlements.

Environmental Liabilities

Contaminated sites are a result of contamination of a chemical, organic or radioactive material or live organism that exceeds an environmental standard, being introduced into soil, water or sediment. A liability for remediation of a contaminated site may arise from an operation that is either in productive use or no longer in productive use and may also arise from an unexpected event resulting in contamination. Management has reviewed the accounting standards PS 3200 and PS 3260 and has concluded that the NRCB does not have any environmental liabilities.

NON-FINANCIAL ASSETS

Non-financial assets are acquired, constructed, or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

- (a) are normally employed to deliver government services;
- (b) may be consumed in the normal course of operations; and
- (c) are not for sale in the normal course of operations.

Non-financial assets include tangible capital assets and prepaid expenses.

Tangible capital assets

Tangible capital assets are recognized at cost less accumulated amortization. The threshold for capitalizing new tangible capital assets is \$5,000. These assets are amortized over their estimated useful lives commencing in the month following acquisition, using the following annual rates and methods:

Computer hardware	Straight line - 3 years
Computer software	Straight line - 2 to 7 years
Office equipment	Declining balance - 20% per year
Office furniture	Declining balance - 20% per year

Tangible capital assets are written down when conditions indicate that they no longer contribute to the NRCB's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the Statement of Operations.

Prepaid expenses

Prepaid expenses are recognized at cost and amortized based on the terms of the agreement.

MEASUREMENT UNCERTAINTY

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount, whenever estimates are used. The amounts recognized for amortization of tangible capital assets are based on estimates of the useful life of the related assets. The resulting estimates are within reasonable limits of materiality and are in accordance with the NRCB's significant accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

NOTE 3 FUTURE CHANGES IN ACCOUNTING STANDARDS

The Public Sector Accounting Board has approved the following accounting standards:

- **PS 3280 Asset Retirement Obligations (effective April 1, 2022)**
This standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets.
- **PS 3400 Revenue (effective April 1, 2023)**
This standard provides guidance on how to account for and report on revenue, and specifically, it differentiates between revenue arising from exchange and non-exchange transactions

The NRCB has not yet adopted these standards. Management is currently assessing the impact of these standards on the financial statements.

NOTE 4 GOVERNMENT TRANSFERS

	2021	2020
Budgeted transfer from the Department of Environment and Parks	\$ 5,397,000	\$ 5,397,000
Adjustment to transfer from the Department of Environment and Parks	(2,697,000)	-
Actual transfer received from the Department of Environment and Parks	\$ 2,700,000	\$ 5,397,000

NOTE 5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high quality, short-term securities with a maximum term to maturity of three years. As at March 31, 2021, securities held by the fund have a time-weighted return of 0.4% (2020 - 1.9%) per annum. Due to the short-term nature of the CCITF investments, the carrying value approximates fair value.

NOTE 6 FINANCIAL INSTRUMENTS

The NRCB has the following financial instruments: cash and cash equivalents, accounts receivable and accounts payable and other accrued liabilities.

The NRCB has exposure to the following risks from its use of financial instruments:

(A) LIQUIDITY RISK

Liquidity risk is the risk that the NRCB will encounter difficulty in meeting obligations associated with its financial liabilities. The NRCB does not consider this to be a significant risk as the NRCB collects government transfers quarterly to meet all obligations that arise during the year.

(B) CREDIT RISK

The NRCB is exposed to credit risk from potential non-payment of accounts receivable. As at March 31, 2021, there were no uncollectible receivable balances.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

NOTE 7 ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES

	2021	2020
Accounts payable	\$ 87,844	\$ 77,898
Accrued liabilities - employee benefits	253,430	198,101
	\$ 341,274	\$ 275,999

NOTE 8 TANGIBLE CAPITAL ASSETS

	Computer Hardware	Computer Software	Office Equipment	Office Furniture	2021 Total	2020 Total
Historical Cost						
Beginning of year	\$ 233,374	\$ 19,884	\$ 94,468	\$ 187,166	\$ 534,892	\$ 511,992
Additions	-	6,000	-	-	6,000	22,900
Disposals including write-downs	-	-	-	-	-	-
	233,374	25,884	94,468	187,166	540,892	534,892
Accumulated Amortization						
Beginning of year	225,310	19,884	54,395	183,528	483,117	444,345
Amortization expense	8,064	167	8,014	728	16,973	38,772
Effect of disposals including write-downs	-	-	-	-	-	-
	233,374	20,051	62,409	184,256	500,090	483,117
Net Book Value at						
March 31, 2021	\$ -	\$ 5,833	\$ 32,059	\$ 2,910	\$ 40,802	
Net Book Value at						
March 31, 2020	\$ 8,064	\$ -	\$ 40,073	\$ 3,638		\$ 51,775

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

NOTE 9 BENEFIT PLANS

The NRCB participates in the multi-employer pension plans: Management Employees Pension Plan (MEPP) and Supplementary Retirement Plan for Public Service Managers (SRP). The expense for these pension plans is equivalent to the annual contribution of \$30,726 for the year ended March 31, 2021 (2020 - \$32,964). The NRCB is not responsible for future funding of the plan deficit other than through contribution increases.

The NRCB does not have sufficient plan information on the Government of Alberta multi-employer defined benefit pension plans to follow the standards for defined benefit accounting, and therefore follows the standards for defined contribution accounting. Accordingly, pension expense recognized for the Government of Alberta multi-employer defined benefit pension plans is comprised of employer contributions to the plans that are required for its employees during the year, which are calculated based on actuarially pre-determined amounts that are expected to provide the plans' future benefits.

At December 31, 2020, the MEPP reported a surplus of \$809,850,000 (2019 - surplus \$1,008,135,000), and the SRP reported a deficiency of \$59,972,000 (2019 - deficiency \$44,698,000).

As a result of the COVID-19 outbreak, declared a global pandemic on March 11, 2020, global financial markets and world economies have experienced significant volatility. Given the extent of the crisis, and varying levels of response and recovery of countries across the globe, additional uncertainty remains and will continue to exist with regards to fair value measurement of the pension plans investments.

In addition, the NRCB sponsors a defined contribution pension plan for employees who are not eligible to participate in the government sponsored pension plans. The expense for this pension plan is \$233,107 for the year ended March 31, 2021 (2020 - \$234,835). Pension expense comprises the cost of employer contributions during the year.

NOTE 10 ACCUMULATED SURPLUS

Accumulated surplus is comprised of the following:

	Investment in Tangible Capital Assets	Unrestricted Surplus	2021 Total	2020 Total
Balance at beginning of year	\$ 51,775	\$ 3,946,747	\$ 3,998,522	\$ 3,900,524
Annual operating (deficit) surplus	-	(2,411,277)	(2,411,277)	97,998
Net investment in capital assets	(10,973)	10,973	-	-
Balance at end of year	\$ 40,802	\$ 1,546,443	\$ 1,587,245	\$ 3,998,522

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

NOTE 11 CONTRACTUAL OBLIGATIONS

Contractual obligations are obligations of the NRCB to others that will become liabilities in the future when the terms of those contracts or agreements are met.

As at March 31, 2021, the NRCB had contractual obligations under operating leases and contracts totalling \$138,722 (2020 - \$330,027).

Estimated payment requirements for obligations under operating leases and contracts for each of the next five years are as follows:

2021-22	\$	129,555
2022-23		2,500
2023-24		2,500
2024-25		2,500
2025-26		1,667
	\$	138,722

NOTE 12 BUDGET

The budget was included in the 2020-21 Government Estimates under the Ministry of Environment and Parks. The budget was approved by the Board on May 22, 2020.

NOTE 13 APPROVAL OF FINANCIAL STATEMENTS

The Board approved the financial statements of the NRCB.

EXPENSES – DIRECTLY INCURRED DETAILED BY OBJECT

YEAR ENDED MARCH 31, 2021

SCHEDULE 1

	2021		2020
	Budget	Actual	Actual
Salaries, wages and employee benefits	\$ 4,593,465	\$ 4,452,290	\$ 4,611,984
Supplies and services	800,535	660,542	737,006
Amortization of tangible capital assets (Note 8)	30,000	16,973	38,772
Total expenses	\$ 5,424,000	\$ 5,129,805	\$ 5,387,762

SALARY AND BENEFITS DISCLOSURE

YEAR ENDED MARCH 31, 2021

SCHEDULE 2

	2021				2020
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-cash Benefits ⁽³⁾	Total	Total
Chair ⁽⁴⁾⁽⁵⁾	\$ 177,135	\$ 47,399	\$ 10,202	\$ 234,736	\$ 240,311
Board Member A ⁽⁵⁾	104,108	14,104	13,035	131,247	152,006
Board Member B ⁽⁵⁾⁽⁷⁾	-	-	-	-	177,686
Board Member C ⁽⁶⁾⁽⁸⁾	40,125	4,724	6,824	51,673	-
Chief Executive Officer ⁽⁹⁾	200,863	8,895	43,847	253,605	131,254
Acting Chief Executive Officer ⁽¹⁰⁾	-	-	-	-	106,148

(1) Base salary includes regular salary.

(2) Other cash benefits include health benefits pay in lieu, pension pay in lieu and vacation payouts. There were no bonuses paid in 2021.

(3) Other non-cash benefits include employer's share of all employee benefits and contributions or payments made on behalf of employees including Employment Insurance, Canada Pension Plan, Government of Alberta pension plan, health benefits, professional memberships and WCB premiums. The NRCB is a participant in the Alberta Energy Regulator (AER) flexible health benefit plan.

(4) Automobile allowance included in other cash benefits.

(5) The position is 80% permanent part-time.

(6) The position is 60% permanent part-time.

(7) The position became vacant on March 6, 2020.

(8) The position commenced on October 19, 2020.

(9) The position commenced on October 1, 2019.

(10) The appointment of the Acting Chief Executive Officer ended on September 30, 2019.

RELATED PARTY TRANSACTIONS

YEAR ENDED MARCH 31, 2021

SCHEDULE 3

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's Consolidated Financial Statements. Related parties also include key management personnel and close family members of those individuals in the NRCB. The NRCB and its employees paid certain taxes and fees set by regulation for premiums, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The NRCB had the following transactions with related parties reported in the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	2021	2020
Revenues	\$ 2,700,000	\$ 5,397,000
Expenses - Directly Incurred	\$ 29,320	\$ 27,984
Payable To	\$ 5,475	\$ 4,650

The NRCB also had transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not reported in the financial statements and are included in Schedule 4.

The NRCB has a Memorandum of Understanding (MOU) with the AER and an MOU with the Alberta Utilities Commission (AUC) to share resources on an on-going basis. Under the MOUs, the NRCB is both a service provider and a service recipient.

ALLOCATED COSTS

YEAR ENDED MARCH 31, 2021

SCHEDULE 4

	2021		2020	
	Expenses ⁽¹⁾	Expenses - Incurred by Others	Total Expenses	Total Expenses
AOPA and NRCBA Mandates		Accommodation Costs⁽²⁾		
Board reviews and hearings ⁽³⁾	\$ 1,089,962	\$ 93,858	\$ 1,183,820	\$ 1,244,464
Regulating confined feeding operations ⁽⁴⁾	4,039,843	347,876	4,387,719	4,572,432
	\$ 5,129,805	\$ 441,734	\$ 5,571,539	\$ 5,816,896

(1) Expenses - Directly Incurred as per Statement of Operations.

(2) Accommodation Costs, including grants in lieu of taxes, allocated by square footage.

(3) Board reviews and hearings comprise expenses related to AOPA appeals and NRCBA reviews.

(4) Regulating confined feeding operations comprise expenses related to (a) the approval, monitoring and compliance activities under AOPA and (b) science and technical activities in support of AOPA and NRCBA mandates.



IN THE COMMUNITY (VIRTUALLY)

Communicating with stakeholders to ensure continued open and constructive communication is a priority for the Natural Resources Conservation Board. This was a challenge in 2020-21 due to public health restrictions associated with COVID-19. Nevertheless, staff and Board members continued to fulfill their professional responsibilities and participated in the following meetings and conferences in online formats or through phone calls to provide information about NRCB programs, policies, and processes. Regularly scheduled, ongoing meetings with Alberta Agriculture and Forestry were also held in virtual formats to ensure that regulations for the confined feeding industry remain effective and outcome-based.

MUNICIPALITIES

- Beaver County
- Birch Hills County
- Camrose County
- County of Newell
- County of Vermillion River
- Kneehill County
- Lacombe County
- Lethbridge County
- Mountain View County
- Municipal District of Willow Creek
- Ponoka County
- Red Deer County
- Rocky View County
- Special Areas #3
- Town of Canmore
- Town of Fort MacLeod
- Town of Picture Butte
- Town of Pincher Creek
- Thorhild County
- Westlock County

OTHER GOVERNMENT

- Alberta Energy Regulator
- Alberta Environment and Parks
- Alberta Health Services
- Alberta Transportation
- Alberta Utilities Commission
- Environment and Climate Change Canada
- Farmers' Advocate Office
- Impact Assessment Agency of Canada
- Office of the Ethics Commissioner
- Oldman River Regional Services Commission
- Olds College
- Parkland Airshed Management Zone Board
- Public Agency Secretariat
- University of Alberta
- University of Calgary Environmental Science Program

INDUSTRY AND OTHER MEETINGS & EVENTS

- Alberta Cattle Feeders' Association
- Alberta Institute of Agrologists
- Alberta Milk
- Alberta Nutrient Management Seminar Series
- Association of Professional Engineers and Geoscientists of Alberta
- Banff Pork Seminar
- Canadian Water Network
- Canadian Water Resources Association
- Environmental Services Association of Alberta
- EnviroTech (Environmental Services Association of Alberta conference)
- GeoConvention
- Institute of Corporate Directors
- Intensive Livestock Working Group
- Journal of Environmental Quality
- Policy Advisory Group
- Technical Advisory Group
- Western Canadian Dairy Seminar
- Western Poultry Conference

PHOTO CREDITS

The NRCB is very fortunate to have some talented photographers as members of its staff and Board and gratefully acknowledges the generous donation of their photos in these pages.

The large cover photo, and photos on pages 1, 6 to 7 (forest), 11, 13, 14 (sheep), 16, 18, 19, 22 (trees), 24 (mountain), 26, and 40 appear courtesy of **Peter Woloshyn**. The photos on the inside front cover and pages 4, 6 to 7 (mountain), 10 (coulee), 12, 14 (berries), 17, 22 (rainbow), 24 (wind turbine), and the back cover appear courtesy of **Sylvia Kaminski**. The photo of Stephanie Chisholm on page 10 is by **David Smejkal**.

Board and CEO photos on pages 2, 3, and 5 are by Brad Callihoo Photography.



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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. This document is available online at: www.nrcb.ca

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