



NATURAL RESOURCES CONSERVATION BOARD  
**2021-22 ANNUAL REPORT**



**NRCB** | Natural Resources  
Conservation Board

## 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.

## LAND ACKNOWLEDGEMENT

In the spirit of reconciliation, the NRCB acknowledges that we live and work on the traditional territories of the many First Nations, Inuit, and Métis people in Alberta, on the lands of Treaty 6, 7, 8, and Métis Nation Region 2 and 3. We recognize and respect the deep connection these peoples share with the land, and acknowledge the language, culture, and heritage of the Indigenous peoples whose footsteps have marked these lands for centuries.



# 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, Forestry and Rural Economic Development. 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 2021-22 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 organization.

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](http://www.nrcb.ca).

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## MESSAGE FROM THE CHAIR

Peter Woloshyn, Board Chair

On behalf of the Board, it is my pleasure to present the NRCB annual report for 2021-22. The past fiscal year has been yet another period of tremendous change and transition for our organization. But it has also been a time of renewal, of re-engagement, and of optimism as we transition away (we hope) from the crisis of a global pandemic toward a new normal of how our organization delivers our dual mandates.

The year also brought some important milestones worth celebrating—2021 marked the 30th anniversary of the establishment of the NRCB with the mandate under the *Natural Resources Conservation Board Act* to determine the public interest of proposed natural resource projects. In January 2022 we marked the 20th anniversary of the *Agricultural Operation Practices Act* and the NRCB's additional responsibilities for regulating Alberta's confined feeding operations. No recognition of these anniversaries can pass without mention of two of our valued staff who have been with the NRCB since the start of those respective mandates. Bill Kennedy, general counsel, joined the NRCB in 1991 and has been a key part of the organization since its very beginning. Karl Ivarson, inspector, joined the NRCB in December 2001 and has been a part of our *Agricultural Operation Practices Act* mandate from its very first days. Our thanks to both of you for your tremendous contributions to this organization.

Another important milestone for the NRCB this past fiscal year was the completion of the public interest review of the Springbank Off-Stream Reservoir Project application in June 2021. This large complex project underwent a significant environmental impact assessment, public consultation, and scrutiny, culminating in the NRCB decision finding the project in the public interest. The NRCB issued its decision 57 days following the close of the 11-day public hearing that was conducted virtually and livestreamed to the public via the NRCB website. As I write this, ground has been broken and construction is underway on this project in order to provide crucial flood mitigation to the City of Calgary. The NRCB continues to be committed to conducting effective and efficient review hearings for natural resource development projects under the *Natural Resources Conservation Board Act*, with four other projects currently pending.

The Board of the NRCB was also kept busy in 2021-22 with decisions under the *Agricultural Operation Practices Act*, reviewing seven decisions by approval officers or inspectors and conducting three virtual hearings. Our process on this mandate has benefitted from the lessons learned during the Springbank review, and these hearings were also livestreamed to the public—an important step in making NRCB activities increasingly transparent and accessible to the public.

The year also saw the NRCB bid farewell to two members of our senior leadership team. CEO John Brown retired in 2021 after more than 30 years with Alberta's public service, capped off by two years at the helm of the NRCB, that included leading the organization through the difficult early months of the pandemic and the shift to work from home. Long-time Science and Technology director Walter Ceroici retired in the early part of 2022 after 15 years with the organization, including time as compliance manager and several stints as acting CEO, on top of his day job running the NRCB SciTech division. Both John and Walter also had long successful careers with various Alberta government departments. On behalf of the NRCB, thank you to both of you for your many years of dedication and hard work. The NRCB is a better organization because of your leadership and you will both be missed.

But it's not all teary farewells at the NRCB. With the retirement of the CEO and acting CEO comes an opportunity for new leadership and vision. Sean Royer joined the NRCB as CEO in February 2022—seconded from the Government of Alberta for a two-year period—and has hit the ground running. He is no stranger to the NRCB. His long and accomplished career has involved various roles at Alberta Agriculture, Forestry and Rural Economic Development and Alberta Environment and Parks, including time working closely with the NRCB as co-chair of the multi-stakeholder Policy Advisory Group that provides advice and direction on policy related to the *Agricultural Operation Practices Act*. I look forward to working with Sean once again in his new capacity as he embarks on an era of transformative leadership for the NRCB.

[Original signed by Peter Woloshyn]

Peter Woloshyn, Board Chair



## MESSAGE FROM THE CEO

Sean Royer, Chief Executive Officer

Welcome to the 2021-22 NRCB annual report—my first since becoming CEO in February 2022. While I am new to the CEO chair, I am not new to the work of the NRCB, as Peter mentioned on the previous page. It is a great pleasure to renew my acquaintance with the NRCB and its mandates from this new perspective.

The NRCB has a very good reputation as a trusted regulator of confined feeding operations in Alberta, as evidenced most recently by the overwhelmingly positive results of a third-party survey of operators and complainants who dealt with the organization in 2021. The survey was conducted in November 2021 by Ipsos and reported satisfaction levels in the 90 to 100 per cent ranges with the work of NRCB approval officers and inspectors in their delivery of the *Agricultural Operation Practices Act*. Those outstanding survey results are testament to the hard work, professionalism, and tremendous expertise of the staff of the NRCB—the true face of our organization. This was the fifth stakeholder satisfaction survey conducted by the NRCB, with the results of each one progressively more positive, demonstrating progress and improvement in the delivery of our regulatory functions.

While we are very proud of these results, we recognize that we can always improve. Future plans for the NRCB include further modernizing the NRCB website to make it easier and more convenient for producers to access our services. We will also continue to be flexible in responding to current conditions and the needs of stakeholders. For instance, in 2021, we allowed operators to confine feed their cow calf herds over the summer in response to the historic drought conditions. We will be especially committed to continuous improvement in how we work and communicate with operators, complainants, municipalities, and environmental organizations, as evidenced by our meetings this past fiscal year with representatives from all five Rural Municipalities of Alberta districts, and through our ongoing work with the Policy Advisory Group. The aim, as always, is to keep the focus on the needs of our stakeholders, ensure our processes are clear, and contribute to the Government of Alberta's red tape reduction initiatives.

One of the greatest threats we might face is the “Great Resignation.” One in five workers globally plan to leave their jobs in 2022 according to Pricewaterhouse Coopers. No sector seems to be immune to this phenomenon, and sadly, the NRCB has already lost some tremendous people in 2022. Going forward, we plan to refocus on talent retention and renewal and to do everything we can to ensure that the NRCB remains a great place to work. Initiatives such as our optional hybrid workplace policy are key to this endeavour, allowing employees the flexibility to work both in the office and at home if they wish. The policy piggybacks on what we have learned during the COVID-19 pandemic—that our team can work effectively wherever we may be. As CEO of a small organization, I have the privilege of being personally connected to every one of our staff and I look for every opportunity to reinforce those connections to make continuous improvements in the workplace experience.

Finally, as a newcomer to the CEO role, I must recognize and thank my immediate predecessors—John Brown and Walter Ceroici. John was CEO from October 1, 2019 to October 9, 2021; Walter was acting CEO until I took over earlier this year. Senior NRCB staff members Andy Cumming, Ben Hsu, and Kevin Seward also did stints as acting CEO. My sincere thanks to all of you for the seamless transitions in leadership and the work that you did to make this organization even stronger. I look forward to building on the previous successes of this organization and working to make the NRCB an even more effective regulator.

[Original signed by Sean Royer]

Sean Royer, Chief Executive Officer



## STRATEGIC PRIORITIES

The NRCB's strategic priorities for 2021-22, as identified in its business plan, are:

1. Coordinate review processes with other provincial and federal review agencies of project applications under the *Natural Resources Conservation Board Act* to ensure reviews are as efficient and effective as possible.
2. Continue to pursue and deliver on the ministry red tape reduction targets in collaboration with Alberta Agriculture, Forestry and Rural Economic Development as applied to the *Agricultural Operation Practices Act* (AOPA) and to NRCB operational policies that assist in the delivery of AOPA.
3. Continue to improve the efficiency of the *Agricultural Operation Practices Act* permit application and compliance response processes.
4. Fulfill the NRCB's commitment to provide staff with ongoing Indigenous education and awareness training.

## 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, Forestry and Rural Economic Development to the NRCB in economic analysis, resource economics, 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 30 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. From 2007 to 2021 he was director of science and technology for the NRCB and also served as compliance manager and as acting CEO at times. He 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.

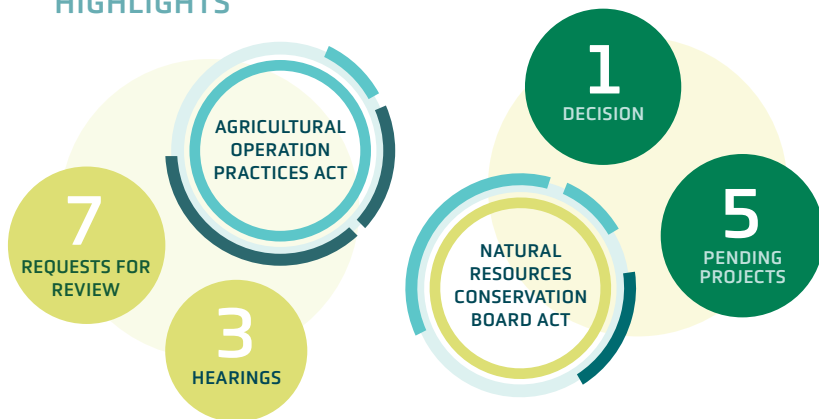


**Indra Maharaj** has more than 30 years of legal experience, including extensive experience in energy regulation along with knowledge of adjudicative tribunals, litigation, and administrative law. She became an Acting Board member in 2020.

*Acting Board members provided support to the Board in times of increased activity in 2021-22.*

# BOARD ACTIVITY 2021-22

## 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*.

Decisions issued by the Board are publicly available on the NRCB website.

## AGRICULTURAL OPERATION PRACTICES ACT

In 2021-22 the Board received requests to review (RFR) six permit decisions by approval officers and one enforcement order decision by an inspector. The Board dismissed two of the requests for review after deliberation and issued decisions detailing the reasoning, as noted below:

- Alieda Farms Ltd.—Board Decision RFR 2021-06 / BA20002 was issued October 12, 2021. The request for review focused on the potential for back flooding of a neighbour's property.
- JBC Cattle Inc.—Board Decision RFR 2021-07 / LA21018 was issued October 13, 2021. The request for review focused on increased traffic, road deterioration, dust, odour, flies, impact of multiple feedlots in the area, and a drop in land values.

One request for review was withdrawn, as noted below.

- Hutterian Brethren Church of Granum / Laing Farms Ltd.—A request for review was submitted on November 1, 2021 and withdrawn November 3, 2021.

Two reviews were granted and directed to virtual hearings, as noted below:

- Hutterian Brethren Church of Little Bow—Board Decision RFR 2021-04 / LA21011 was issued June 9, 2021 and Review Decision 2021-05 / LA21011 was issued July 20, 2021. The review focused on whether the Board should exercise its authority to approve the multi-species CFO expansion, notwithstanding an inconsistency with the Vulcan County municipal development plan.
- Double H Feeders Ltd.—Board Decision RFR 2022-01 / LA21033 was issued January 7, 2022 and Review Decision 2022-02 / LA21033 was issued March 17, 2022. The review focused on whether the approval officer should have assessed the application's consistency with both the municipal development plan and the intermunicipal development plan.

One review had been granted and directed to a virtual hearing in 2020-21 and the hearing was held in 2021-22, as noted below:

- Arie and Willemina Muilwijk—Board Decision RFR 2021-02 / LA19036 was issued February 24, 2021 and Review Decision 2021-03 / LA19036 was issued May 25, 2021. 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.

## ACTIVE FILES

Two files remained active at the conclusion of 2021-22, as noted below:

- John Schooten and Sons Custom Feedyard Ltd.—Board Decision RFR 2021-08 / EO 21-01 was issued November 3, 2021 confirming the Board's previous decision to suspend enforcement order EO 21-01, pending the NRCB's completion of a grandfathering determination for one of the operator's feedlots. The file was closed in 2022-23.
- R&T Penner Farms Ltd.—One request for review of NRCB decision RA22002, which denied an approval application for an expansion at an existing confined feeding operation, was submitted by the operator on March 1, 2022. Board Decision RFR 2022-03 / RA22002 was issued in 2022-23 granting a review.



## 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 formal review process begins after an environmental impact assessment has been deemed complete by Alberta Environment and Parks and the Board has determined that the applicant has addressed any deficiencies. The timeframe for commencing the Board's public interest review then 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.

### DECISIONS

The Board issued the following decisions in 2021-22:

- Springbank Off-Stream Reservoir Project—On June 22, 2021, the Board issued a decision finding Alberta Transportation's Springbank Off-Stream Reservoir Project to be in the public interest. The Board concluded that the public benefits of mitigating flood events downstream of the Project site and, in particular, for the City of Calgary would outweigh the adverse effects, which would be mitigated by the conditions in the approval, together with Alberta Transportation's commitments. The decision was released following a virtual public hearing that ran from March 22, 2021 to April 7, 2021 and was livestreamed to the public. After receiving cabinet authorization, the final cost award decision was released August 10, 2021. The Board issued approval NR-2021-1 to Alberta Transportation on October 19, 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:

- Castle Mountain Resort: Castle Mountain Resort Expansion (Pincher Creek)
- Eastern Irrigation District: Snake Lake Reservoir Expansion (Newell County)
- Source Energy Services Holdings Ltd.: Peace River Open Pit Silica Sand Mine (Peace River)
- St. Mary River Irrigation District: Chin Reservoir Expansion (MD of Taber/Lethbridge County)



# 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:

Coordinate review processes with other provincial and federal review agencies of project applications under the *Natural Resources Conservation Board Act* to ensure reviews are as efficient and effective as possible.

#### STRATEGY

Coordinate *Natural Resources Conservation Board Act* natural resource project review processes with other provincial and federal review agencies to ensure reviews are as efficient and effective as possible. This involves maintaining a strong role in developing the terms of reference for environmental impact assessments to ensure that all relevant information is included in the project review process.

#### RESULTS ACHIEVED

**Coordination with review agencies**—NRCB staff 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. Staff from the NRCB and the federal Impact Assessment Agency of Canada (IAAC) held discussions related to the concurrent *Canadian Environmental Assessment Act, 2012* review of the Springbank Off-Stream Reservoir Project. While Canada and Alberta conducted independent reviews, the NRCB and IAAC ensured that communication lines remained open between the two organizations throughout the review process.

### STRATEGIC PRIORITY:

Continue to pursue and deliver on the ministry red tape reduction targets in collaboration with Alberta Agriculture, Forestry and Rural Economic Development as applied to the *Agricultural Operation Practices Act* (AOPA) and to NRCB operational policies that assist in the delivery of AOPA.

#### STRATEGY

Investigate further red tape reduction opportunities and efficiencies to streamline the request for review process under the *Agricultural Operation Practices Act*.

#### RESULTS ACHIEVED

**Red tape reduction opportunities identified**—The Board has identified opportunities to strengthen the request for review process and reduce the process burden on stakeholders; however, some of these opportunities would require legislative changes.

## ADDITIONAL PRIORITIES:

#### STRATEGY

Ensure the NRCB continues to meet its consultation obligations with Indigenous peoples whose rights may be adversely affected by regulatory activities of the NRCB.

#### RESULTS ACHIEVED

**Indigenous consultation and training**—The NRCB continued to work to minimize process barriers, support collaborative conversations, and ensure the voices of Indigenous peoples are fully represented within the NRCB's regulatory processes. A number of Indigenous communities participated in the NRCB Springbank Off-Stream Reservoir Project review process with four First Nations granted standing, and one Nation participating in the hearing. NRCB staff and Board members also completed the Government of Alberta's four-hour training that provided an overview of cultural protocols for engaging with Indigenous communities across Alberta.

## ADDITIONAL PRIORITIES (CONT'D):

### 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*.

### STRATEGY

Continue to evaluate and refine 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*.

### RESULTS ACHIEVED

**Improved public access**—The NRCB livestreamed the virtual public hearing for the Springbank Off-Stream Reservoir Project, as well as all three hearings under the *Agricultural Operation Practices Act*, 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 2021-22 within its targeted number of working days.

## PERFORMANCE MEASURES AND RESULTS

### EFFICIENCY OF REVIEWS

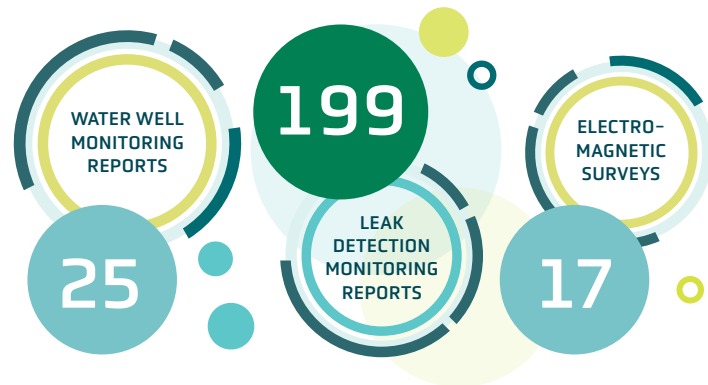
Target: 100%	2019-20	2020-21	2021-22
Percentage of NRCB decisions issued within 80 working days of the conclusion of reviews under the <i>Natural Resources Conservation Board Act</i> (NRCBA)	100% 1 NRCBA review completed <sup>1</sup>	N/A No NRCBA reviews completed	100% 1 NRCBA review completed
Percentage of NRCB decisions issued within 30 working days of the conclusion of hearings under the <i>Agricultural Operation Practices Act</i> (AOPA)	100% 5 AOPA RFRs <sup>2</sup> and 3 AOPA hearings	100% 11 AOPA RFRs and 1 AOPA hearing	100% 6 AOPA RFRs and 3 AOPA hearings <sup>3</sup>

1. This refers 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.
2. 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.
3. Seven RFRs were actually received in 2021-22, but one of them was withdrawn and no Board decision was required.



Former SciTech Director  
Walter Ceroici onsite at a  
dairy operation

In 2021-22, SciTech staff reviewed and provided advice to NRCB field staff on:



## 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.

Conducting technical reviews of environmental impact assessments for project applications under the *Natural Resources Conservation Board Act* continues to be a key responsibility of SciTech. Staff review the terms of reference and environmental impact assessments for proposed natural resource projects and provide feedback to Alberta Environment and Parks. NRCB Board members assigned to review the project rely on information and support provided by SciTech members to make a decision on whether a project is in the public interest. In 2021-22, SciTech staff spent considerable time supporting the Board’s review and decision regarding the complex Springbank Off-Stream Reservoir Project.

The SciTech division also provides scientific and technical support to NRCB field staff involved in *Agricultural Operation Practices Act* permitting and compliance activity. This includes performing desktop and file reviews, reviewing water well and leak detection monitoring results, conducting site visits, collecting information and data, and conducting groundwater, surface water, and soil sampling and monitoring activities to inform recommendations and follow up.

SciTech staff continue to chair and participate on the Monitoring Review Team that provides technical advice to NRCB inspectors and approval officers on complex and challenging confined feeding operation files. In 2021-22, SciTech also continued to develop a process to review and assess whether wetland assessments are required at confined feeding operations as part of the application process, assisting and working with Alberta Environment and Parks.

SciTech staff also continue to co-chair and participate on the Technical Advisory Group, and participate in the review and development of technical guidelines intended to clarify the intent of the *Agricultural Operation Practices Act*. In 2021-22, the Technical Advisory Group, which has representation from the livestock industry and Alberta

Agriculture, Forestry and Rural Economic Development, met newly appointed industry members and discussed progress on the development of technical guidelines for geotechnical investigations, the review of existing guidelines, and the need for additional guidelines.

A priority for the SciTech division continues to be involvement in collaborative work with other agencies on studies to evaluate risks to the environment associated with confined feeding operations and livestock manure management. The NRCB continued its support in follow-up of the Alberta Agriculture, Forestry and Rural Economic Development study of manure management impact on groundwater quality, and on working groups related to the technical review and research on the use of roller compacted concrete at confined feeding operations. SciTech also continued to collaborate with Alberta Environment and Parks, the Alberta Geological Survey, and the University of Calgary to develop an understanding of drinking water quality, including nitrate-N concentration and trends, on local and regional scales within Alberta, and with Olds College to investigate the use of floating wetlands in the treatment of catch basin contents. SciTech staff also continued to represent the NRCB on the Water for Life Cross Ministry Support Team, various watershed planning and advisory councils, Alberta Water Council, and other provincial groups and committees.

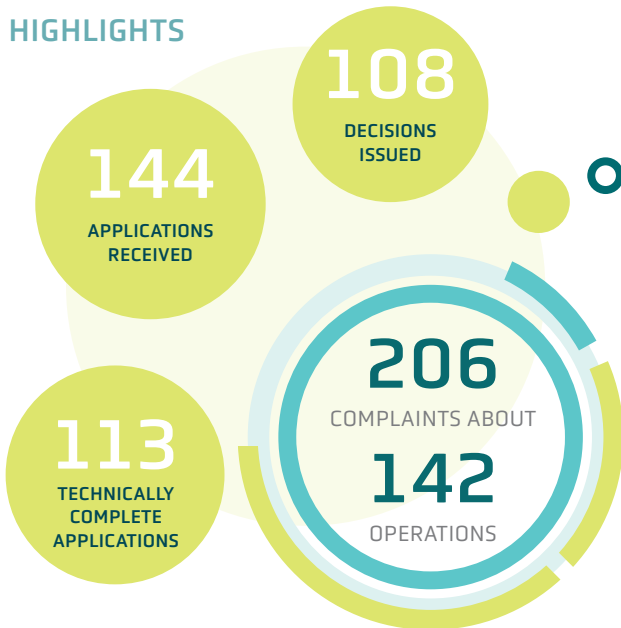


March 2022 saw the departure of the NRCB’s long-serving director of SciTech, Walter Ceroici.

In addition to leading the science and technology division from 2007 until 2021, Walter’s other leadership roles at the NRCB included serving as compliance manager and two separate stints as acting CEO, a role which he filled until his retirement from the NRCB.

## 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, agrology, 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 2021-22, NRCB field services once again exceeded its performance targets:

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

### RESPONDING TO HISTORIC DROUGHT CONDITIONS

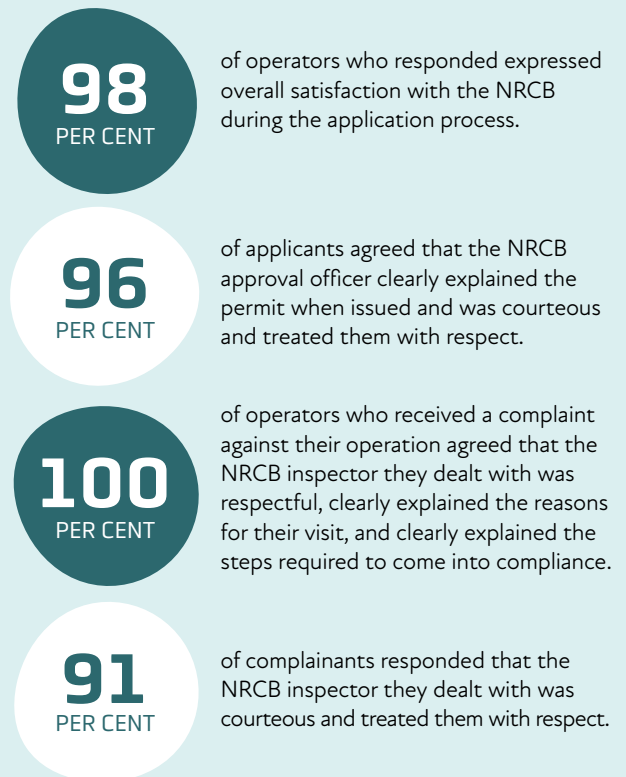
In 2021-22, the NRCB recognized that due to the poor grass pastures resulting from historic drought conditions, summer feeding of cow-calf herds might be required. The NRCB waived the requirement for permits in these circumstances, provided that certain parameters were met.

### THIRD PARTY SURVEY OF OPERATORS AND COMPLAINANTS GIVES NRCB HIGH MARKS



In November 2021, the NRCB contracted Ipsos to conduct a survey of confined feeding operators and complainants about their interactions with the NRCB in the past year. The results were overwhelmingly positive, demonstrating a very high level of satisfaction with the work of NRCB approval officers and inspectors in their delivery of the *Agricultural Operation Practices Act*.

Highlights include the following:



This was the fifth stakeholder satisfaction survey commissioned by the NRCB. The information provided by survey respondents helps the NRCB continue to refine and improve processes, and to better serve Albertans.

Complete results of the 2021 survey and previous surveys of operators and complainants can be found on the NRCB website. Click on Documents and enter "survey" in the search box.

## 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 2021-22. 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 25 operations. Upon follow up, NRCB inspectors determined that nine of those complaints did not constitute unauthorized construction. Inspectors issued compliance directives to seven operators, an enforcement order to one operator, and warnings to three operators requiring them to cease construction and apply for and obtain a permit.

## 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 continue to use the NRCB environmental risk screening tool during application reviews for confined feeding operations to assess the potential risk of facilities (e.g., catch basin, earthen liquid manure storage, feedlot pens) to groundwater and surface water quality. NRCB inspectors also use 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 2021-22, approval officers completed environmental risk screenings for 135 facilities at 60 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, 2021-22

Pathway	Number of facilities ranked LOW potential risk	Number of facilities ranked MODERATE potential risk	Number of facilities ranked HIGH potential risk
Groundwater	133	2	0
Surface water	133	2	0

## MONITORING SURFACE WATER

In 2021 the NRCB continued to collect information on surface water conditions at confined feeding operations during inspections. NRCB inspectors conducted 283 inspections at 198 operations in 2021 (multiple inspections were conducted at some operations). Most inspections were at feedlot, swine, and dairy operations. Inspectors documented surface water issues at 16 operations; serious issues were identified at two of those. (A serious surface water issue involves manure contaminated water runoff flowing into a surface water body.) Of the serious surface water issues, all 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 run-on controls
- pumping manure or catch basin contents from overfull facilities onto the land
- 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 2021-22, the NRCB continued to develop new and update existing operational policies to clarify the intent of the *Agricultural Operation Practices Act*. New and updated policies are publicly available at [www.nrcb.ca](http://www.nrcb.ca)

## REGULATING GREENHOUSE WASTE

In 2021-22, the NRCB continued to work with Alberta Agriculture, Forestry and Rural Economic Development and the Alberta Greenhouse Growers Association to explore opportunities for using the *Agricultural Operation Practices Act* to regulate solid organic wastes generated from large greenhouses. Alberta has 195 greenhouse operations, comprising a total of 500 acres.

## APPLICATIONS

In 2021-22, the NRCB received 144 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 2021-22 was similar to previous years with 113 applications deemed technically complete in 2021-22 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 2021-22, the NRCB exceeded this goal with 92 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, 2021-22

Permit type	Average number of days to decision <sup>1</sup>	Number of decisions issued <sup>2</sup>
Approvals	40	53
Registrations	39	12
Authorizations	34	43

### Efficiency in permitting decisions

The NRCB exceeded its performance target in 2021-22, issuing 92% of permit decisions within 65 working days.

1. The NRCB counts days to decision from the date the application is technically complete.
2. 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 dairy, beef, and poultry sectors were the source of the majority of all applications.

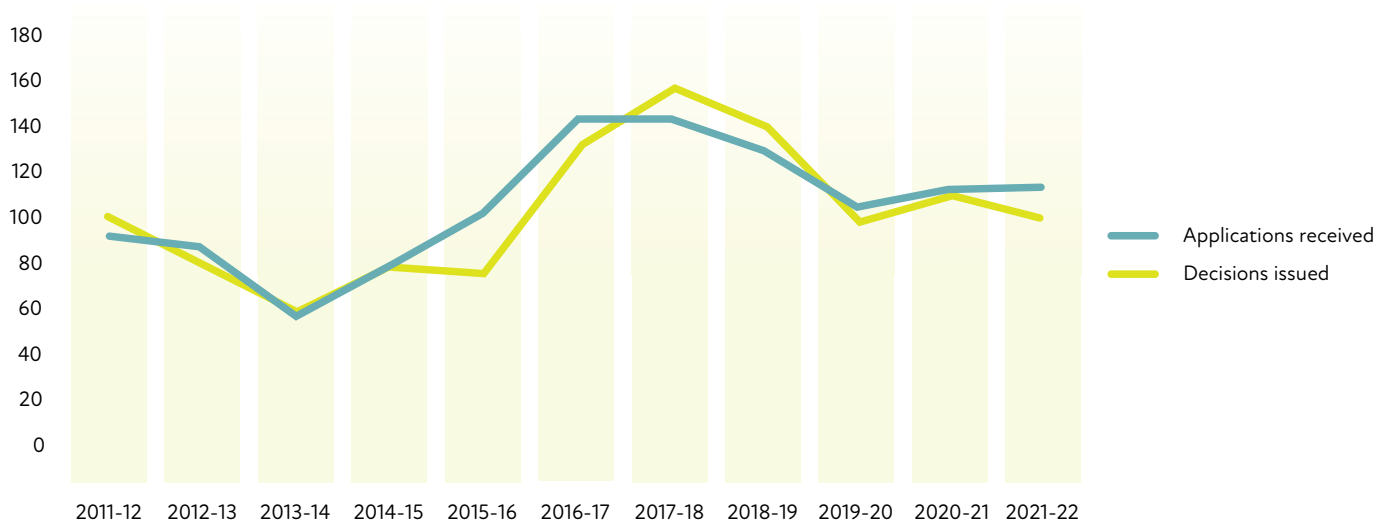
### TECHNICALLY COMPLETE APPLICATIONS RECEIVED AND DECISIONS ISSUED, BY REGION, 2021-22

Permit type	Technically complete applications received	Decisions issued <sup>1</sup>
Peace	1	1
North Central	14	12
Central	56	46
South	42	49
<b>Total</b>	<b>113</b>	<b>108</b>

1. The number of decisions issued in a given year may not match the number of completed applications as some applications may carry forward to the subsequent year or be carried forward from a previous year.



## HISTORICAL TREND OF COMPLETED APPLICATIONS RECEIVED AND DECISIONS ISSUED



## TECHNICALLY COMPLETE APPLICATIONS BY LIVESTOCK CATEGORY, 2021-22

Livestock category	Completed applications <sup>1</sup>
Beef	26
Dairy	48
Goats	0
Poultry	26
Sheep	4
Swine	3
Bison	0
Other <sup>2</sup>	3



1. An application is counted once for each animal type in the application.
2. The NRCB received two applications for biodigesters in 2021-22.



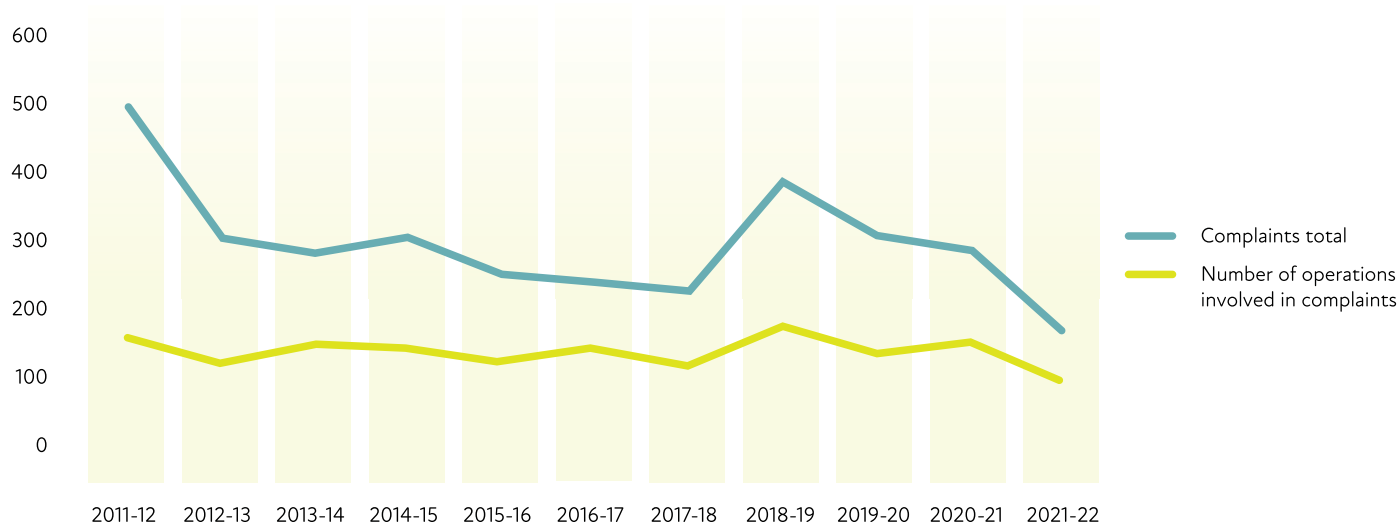
# COMPLIANCE

In the summer of 2021, in recognition of the historic drought conditions in western Canada, the NRCB recognized that summer feeding of cow-calf herds might be required as a result of poor grass pastures resulting from the conditions. Under normal circumstances, cow-calf confined feeding during the grazing period would be considered a confined feeding operation that requires a permit. However, due to the extenuating circumstances, the NRCB did not require producers to obtain permits, provided the following parameters were met: manure had to be managed according to *Agricultural Operation Practices Act* requirements, areas used for cow-calf feeding could not pose a risk to surface water or groundwater quality, the cow-calf herd had to return to grazing when grass was available in 2022, and the feeding area had to return to its normal use.

## COMPLAINTS

The NRCB logged 206 complaints about 142 operations in 2021-22, compared with 311 complaints about 191 operations the previous year. The NRCB also received 13 requests from operators to spread manure on frozen or snow-covered land, 33 requests to spread for erosion control, one request for a grandfathering determination, and 18 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, 2021-22

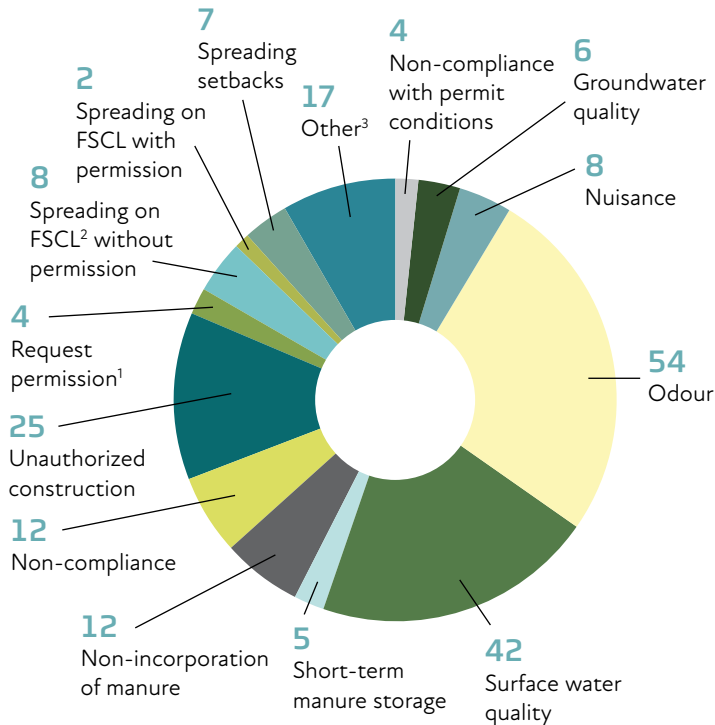
Peace	North Central	Central	Southern
13	31	69	158

## NUMBER OF COMPLAINTS BY TYPE OF CONFINED FEEDING OPERATION, 2021-22

Beef	Cow/calf <sup>1</sup>	Dairy	Poultry	Swine	Sheep	Goats	Horses	Bison	Multi-species <sup>2</sup>	Other <sup>3</sup>	Non-live-stock farm	Acreage
118	35	23	13	19	3	1	7	1	24	12	14	1

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 or category 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, 2021-22



1. "Request permission" means operators contacting the NRCB to inquire whether prior permission is needed before spreading under normal conditions.
2. FSCL refers to frozen or snow-covered land.
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**

95% of complaint files were resolved, or required no further action, within 60 days.

## OTHER COMPLIANCE REQUESTS, 2021-22

Information only	18
Grandfathering determinations	1
Permission to spread on FSCL <sup>1</sup>	13
Permission to spread for erosion control	33

1. FSCL refers to frozen or snow-covered land.

## 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 2021-22, the NRCB received 13 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, 2021-22

Enforcement orders	2
Emergency orders	1
Compliance directives	10
AOPA warnings <sup>1</sup>	8

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

The 2021-22 enforcement orders were issued to two operations, one for unauthorized construction and one for exceeding permitted livestock numbers.

One emergency order was issued in 2021-22 for failure to maintain manure spreading setbacks.

The NRCB issued ten compliance directives: seven for unauthorized construction, two for exceeding permitted livestock numbers, and one for non-compliance with permit conditions. The directives issued for unauthorized construction required the operators to apply for and obtain permits in order to continue using the newly constructed facilities.

Of the AOPA warnings, three were issued for unauthorized construction, two for spreading on frozen or snow-covered land without permission, one for short-term manure storage, and one for non-compliance with permit conditions.

### Grandfathering determinations

In addition, to the above compliance and enforcement activities, NRCB inspectors worked on seven stand-alone grandfathering determinations and issued four grandfathering decisions in 2021-22. 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:

Continue to pursue and deliver on the ministry red tape reduction targets in collaboration with Alberta Agriculture, Forestry and Rural Economic Development as applied to the *Agricultural Operation Practices Act* (AOPA) and to NRCB operational policies that assist in the delivery of AOPA.

#### Strategy

Assist Alberta Agriculture, Forestry and Rural Economic Development with meeting its red tape reduction targets as applied to the *Agricultural Operation Practices Act* (AOPA) and NRCB operational policies that are intended to clarify AOPA requirements.

#### Results achieved

**Red tape reduced**—The NRCB worked with Alberta Agriculture, Forestry and Rural Economic Development and Alberta Environment and Parks to achieve the Government of Alberta’s phase 2 red tape reduction objectives. The NRCB’s red tape reduction activities in 2021-22 included the following:

- The NRCB updated and revised all of the decision document and application templates to reflect phase 1 red tape reduction changes made to *Agricultural Operation Practices Act* regulations and to enhance clarity and consistency.
- The NRCB is reviewing and updating its approvals policy to remove red tape where possible.
- The NRCB continued to work with counterparts at Alberta Agriculture, Forestry and Rural Economic Development to develop a calculator to aid producers in determining the number of head allowed when changing livestock type within their permitted capacity, as allowed under one of the *Agricultural Operation Practices Act* regulations that was updated in an earlier phase of red tape reduction.

## STRATEGIC PRIORITY:

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

### Strategy

Continue to improve efficiencies and optimize business processes to support *Agricultural Operation Practices Act* delivery, and engage the Policy Advisory Group in relevant discussions.

### Results achieved

**Improved business processes**—The NRCB updated and revised its application decision documents and templates to enhance clarity and consistency, and is reviewing and updating its approvals policy to streamline its application process where possible. The NRCB also continued to work with counterparts at Alberta Agriculture, Forestry and Rural Economic Development to develop a calculator to aid producers in determining the number of head allowed when changing livestock type within their permitted capacity, as allowed under one of the updated *Agricultural Operation Practices Act* regulations. Together with a representative from Alberta Agriculture, Forestry and Rural Economic Development, the NRCB continued to co-chair the Policy Advisory Group, which met virtually in March 2022 due to COVID-19 restrictions.

### Strategy

Maintain an open dialogue with 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

**Meetings with municipalities**—In January and February 2022, members of the NRCB, along with counterparts from Alberta Agriculture, Forestry and Rural Economic Development, made presentations to councillors at all five Rural Municipalities of Alberta district meetings regarding the NRCB application, and compliance and enforcement processes. In addition, the NRCB met in person, virtually, or by phone with staff or council members representing all 69 counties and municipal districts in Alberta to discuss aspects of specific permit applications and compliance issues.

### Strategy

Promote consistent understanding of regulatory requirements under the *Agricultural Operation Practices Act* for operators, consultants, and other stakeholders.

### Results achieved

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

**Communication with Indigenous communities and preliminary Indigenous engagement policy development**—The NRCB continued to communicate with Indigenous communities regarding neighbouring confined feeding operations and began preliminary work on a policy for engagement with Indigenous communities under the *Agricultural Operation Practices Act*.

### Strategy

Sustain efforts to educate confined feeding operators and other stakeholders about compliance requirements, including unauthorized construction, application of manure on frozen or snow-covered land, and record keeping for manure application.

### 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 2021-22 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 a new fact sheet on the NRCB's permitting process, dust control, the NRCB manure release response policy, NRCB provisions for operators during dry conditions, the updated compliance and enforcement policy, the ability to subscribe to the NRCB website for updates related to confined feeding operations, and permit conditions. 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. The NRCB continued to respond to complaints and educate both complainants and confined feeding operators on the regulatory requirements under the *Agricultural Operation Practices Act*.

### Strategy

Maintain communication and conduct follow-up inspections with confined feeding operations that have annual permit condition requirements to ensure any potential risks to the environment are being effectively monitored.

### Results achieved

**Follow-up inspections conducted**—NRCB inspectors followed up on 289 annual permit conditions in 2021-22 to ensure confined feeding operations were following the requirements of their permits and taking steps to mitigate potential environmental risks.

### Strategy

Continue to collaborate with government departments and educational institutions on research to better understand the environmental impacts of confined feeding operations.

### Results achieved

**Research collaboration**—The NRCB continued its support in follow-up of the Alberta Agriculture, Forestry and Rural Economic Development study of manure management impact on groundwater quality. The NRCB also provided support to Alberta Environment and Parks, the Alberta Geological Survey, and the University of Calgary in the study and mapping of nitrate-N (and other parameter) concentrations in groundwater in Alberta, as well as to Olds College in investigating the use of floating wetlands in treatment of catch basin contents. In collaboration with Alberta Agriculture, Forestry and Rural Economic Development and the livestock industry, the NRCB also continued to investigate the possibility of developing a technical guideline for the use of roller compacted concrete as a primary liner under the *Agricultural Operation Practices Act*.

### Strategy

Participate in producer meetings, Rural Municipalities of Alberta conferences, and other relevant events to better understand opportunities, challenges, and concerns related to confined feeding operations.

### 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. The NRCB chair and acting CEO attended the Rural Municipalities of Alberta 2021 fall conference.

## PERFORMANCE MEASURES AND RESULTS

### EFFICIENCY OF PERMITTING DECISIONS

Target: 85%	2019-20	2020-21	2021-22
Percentage of decisions issued within 65 working days from the date the application is determined to be complete	92%	93.5%	92%

### COMPLAINT RESOLUTION

Target: 95%	2019-20	2020-21	2021-22
Percentage of complaint files resolved, or requiring no further action, within 60 days <sup>1</sup>	100%	99%	95%

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

## ORGANIZATIONAL CAPACITY

NRCB staff continued to work predominantly from home in 2021-22 in response to the COVID-19 pandemic, and to deliver strong business results in support of the organization's mandates.

The NRCB takes 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 wellness supports.

The NRCB also remains committed to achieving excellence in its fiscal accountability and once again achieved a clean financial audit opinion from the Office of the Auditor General in 2021-22.

# PERFORMANCE

## STRATEGIC PRIORITY:

Fulfill the NRCB's commitment to provide staff with ongoing Indigenous education and awareness training.

### Strategy

Continue to provide in-house training and support external training opportunities in areas of required professional development, including education and training on Indigenous issues as outlined in call to action 57 of the Truth and Reconciliation Commission of Canada report and endorsed by the Government of Alberta for all Alberta public servants.

### Results achieved

**Ongoing professional development related to Indigenous education and awareness**—NRCB staff and Board members completed training provided by the Government of Alberta on Indigenous cultural protocols. In addition, the NRCB participated in internal virtual training sessions on a variety of topics including resilience and mental health, the *Alberta Land Stewardship Act* and regional planning, the regulation of greenhouse waste under the *Agricultural Operation Practices Act*, pension review and estate planning, IT security, Airdar emissions monitoring technology, Hutterite culture, and the Environment and Parks digital regulatory assurance system as it relates to water licensing. NRCB staff members were also provided with external professional development to meet continuing education requirements of professional organizations.

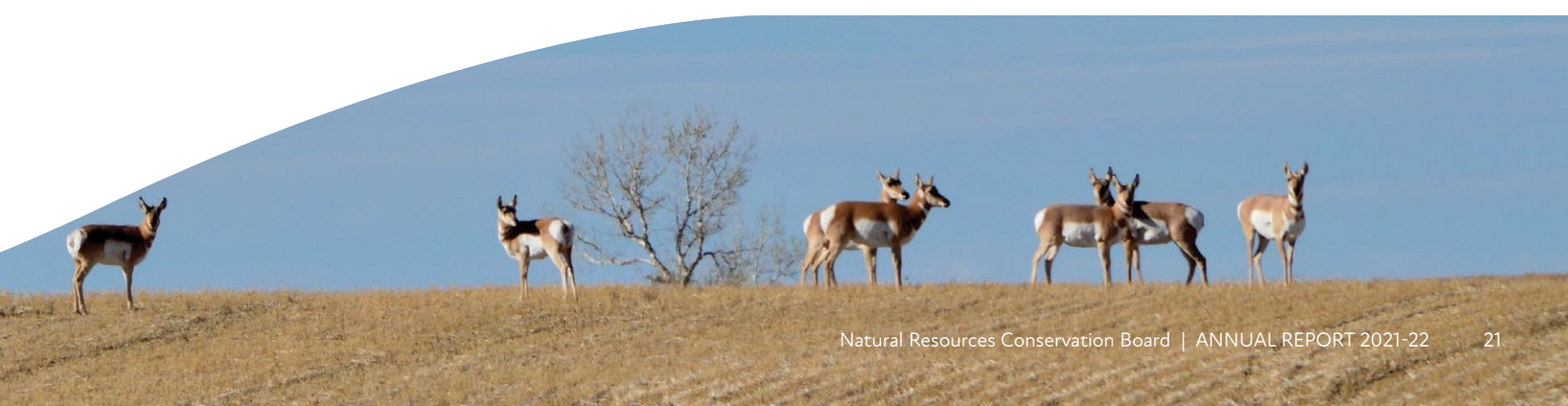
## ADDITIONAL PRIORITIES

### Strategy

Maintain and operationalize a COVID-19 pandemic business continuity plan, reinforcing current risk management systems and strategy.

### Results achieved

**Pandemic response plan maintained**—The NRCB developed a COVID-19 business continuity plan at the beginning of the pandemic and continued to update it as required throughout 2021-22 to reflect the latest public health restrictions and the rapidly changing situation in the province.



### Strategy

Develop and implement a flexible and responsive post-pandemic work arrangement policy

### Results achieved

**Voluntary hybrid workplace policy developed**—Throughout the pandemic, employees have demonstrated their ability to meet or exceed performance expectations while working in a remote work environment. As a result, and because of the benefits and attributes of both working from the office and working remotely, the NRCB has developed a voluntary hybrid workplace option that offers a combination of working in an NRCB office and remotely from home.

### Strategy

Develop a strategic worksite accommodations plan.

### Results achieved

**Equipment procured**—Laptops, monitors, docking stations, and iPhones have been procured to enable staff to continue to effectively work from home when the NRCB transitions to its hybrid workplace policy. Further updates to NRCB office spaces will continue as needed to better reflect the needs of the hybrid workplace policy.

### Strategy

Continue to optimize the NRCB occupational health and safety policy and program to maintain a healthy and productive workplace.

### Results achieved

**Occupational health and safety work ongoing**—The NRCB occupational health and safety policy has been completed, including a formal hazard assessment for all staff. The NRCB continues to work on developing, refining, and implementing a health and safety program. Staff training on specific aspects of health and safety is being coordinated, including defensive driver training and fire extinguisher training which staff completed in 2021-22. An external consultant has been retained to guide the NRCB Occupational Health and Safety Committee in updating its health and safety program.





### Strategy

Develop the appropriate systems and procedures to implement the approved NRCB records retention and disposition schedule.

### Results achieved

**External supports in place**—An external consultant has been retained to guide the NRCB through implementing and operationalizing its records retention and disposition schedule. The consultant met with key records management stakeholders at the NRCB to understand the needs and challenges associated with records management. Work will continue in the next fiscal year to develop policies and procedures for records management based on best practices recommended by the consultant.

### Strategy

Maintain and continuously improve essential infrastructure including:

- a. improving the functionality 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 the statistical reporting function and its interaction with the NRCB website to ensure consistent data is reported. The data entry functions were also enhanced to assist field staff in capturing information related to compliance and permitting activities. An external consultant has been retained to assist with any issues and update the database as required.

**b. Updating technology**—The NRCB continued to replace old technology according to its evergreening schedule to ensure provision of adequate and up to date tools for staff to perform their duties. Laptops, monitors, docking stations, and iPhones have been procured to enable staff to continue to effectively work from home when the NRCB transitions to its hybrid workplace policy.

## OTHER INITIATIVES

In addition, the following organizational initiatives were undertaken or completed in 2021-22:

- **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, and a learning management system. The NRCB updated its IT Security Policy thoroughly to reflect the current IT environment and the NRCB Hybrid Workplace Policy.
- **Vehicles**—Field staff are provided with NRCB-leased vehicles to ensure they have safe transportation suitable for rural farm roads, and for transporting biosecurity supplies and field equipment. In 2021-22, staff collectively travelled more than 210,000 kilometres to respond to complaints and for permitting activities.
- **Stakeholder education and awareness**—Communication and transparency is a priority for the NRCB. In 2021-22 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 permitting under the *Agricultural Operation Practices Act* and submitted articles and information to industry groups and stakeholder publications on dust control, the NRCB manure release protocol policy, NRCB provisions for operators during dry conditions, the updated NRCB compliance and enforcement policy, the ability to subscribe to the NRCB website for updates related to confined feeding operations, and permit conditions.





## STAFF CHANGES

The following staff departures occurred in 2021-22:

- John Brown, Chief Executive Officer, Edmonton office
- Walter Ceroici, Director, Science and Technology, Edmonton office
- Jason Moodie, Inspector, Morinville office

The following new staff member was seconded from the Government of Alberta in 2021-22 to fill a vacancy:

- Sean Royer, Chief Executive Officer, Edmonton office

The following staff member changed positions in 2021-22 following an open competition to fill a vacancy:

- Mike Iwanyshyn, Manager, Science and Technology, 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 are posted on the NRCB internal intranet site, and staff received training on the procedures in March 2020. The NRCB also provides the procedures to each new employee when they start work.

No disclosures were made to the NRCB in 2021-22.



# FINANCIAL STATEMENTS

Year Ended March 31, 2022



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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 Sean Royer]

Sean Royer  
Chief Executive Officer

June 2, 2022

## 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, 2022, 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, 2022, 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

June 2, 2022

Edmonton, Alberta

# STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2022

	2022		2021
	Budget	Actual	Actual
<b>Revenues</b>			
Government transfers			
Transfer from the Department of Environment and Parks (Note 4)	\$ 5,397,000	\$ 5,397,000	\$ 2,700,000
Investment income	70,000	5,605	16,388
Other revenue	1,000	1,060	2,140
	5,468,000	5,403,665	2,718,528
<b>Expenses – directly incurred (Note 2(a) and Schedules 1 and 4)</b>			
Board reviews and hearings	1,154,000	1,113,376	1,089,962
Regulating confined feeding operations	4,270,000	3,876,982	4,039,843
	5,424,000	4,990,358	5,129,805
<b>Annual operating surplus (deficit)</b>	44,000	413,307	(2,411,277)
Transfer amount returned to the Department of Environment and Parks (Note 4)	-	(250,000)	-
<b>Annual surplus (deficit)</b>	44,000	163,307	(2,411,277)
<b>Accumulated surplus at beginning of year</b>	1,587,245	1,587,245	3,998,522
<b>Accumulated surplus at end of year</b>	\$ 1,631,245	\$ 1,750,552	\$ 1,587,245

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

# STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2022

	2022	2021
<b>Financial assets</b>		
Cash and cash equivalents (Note 5)	\$ 1,998,557	\$ 1,885,583
Accounts receivable	1,359	2,134
	1,999,916	1,887,717
<b>Liabilities</b>		
Accounts payable and other accrued liabilities (Note 7)	302,442	341,274
<b>Net financial assets</b>	1,697,474	1,546,443
<b>Non-financial assets</b>		
Tangible capital assets (Note 8)	31,078	40,802
Prepaid expenses	22,000	-
	53,078	40,802
<b>Net assets</b>		
Accumulated surplus (Note 10)	\$ 1,750,552	\$ 1,587,245

Contractual obligations (Note 11)

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

Approved:

Approved:

[Original signed by Peter Woloshyn]

[Original signed by Sean Royer]

Peter Woloshyn  
Chair

Sean Royer  
Chief Executive Officer

Edmonton, Alberta  
June 2, 2022



# STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

YEAR ENDED MARCH 31, 2022

	2022		2021
	Budget	Actual	Actual
<b>Annual surplus (deficit)</b>	\$ 44,000	\$ 163,307	\$ (2,411,277)
Acquisition of tangible capital assets (Note 8)	(17,000)	-	(6,000)
Amortization of tangible capital assets (Note 8)	30,000	9,724	16,973
(Increase)/Decrease in prepaid expenses		(22,000)	155
<b>Increase/(Decrease) in net financial assets</b>	57,000	151,031	(2,400,149)
<b>Net financial assets at beginning of year</b>	1,546,443	1,546,443	3,946,592
<b>Net financial assets at end of year</b>	\$ 1,603,443	\$ 1,697,474	\$ 1,546,443

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

# STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2022

	2022	2021
<b>Operating transactions</b>		
Annual surplus (deficit)	\$ 163,307	\$ (2,411,277)
Non-cash item included in annual surplus (deficit):		
Amortization of tangible capital assets (Note 8)	9,724	16,973
	173,031	(2,394,304)
Decrease in accounts receivable	775	2,315
(Increase)/Decrease in prepaid expenses	(22,000)	155
(Decrease)/Increase in accounts payable and other accrued liabilities	(38,832)	65,275
Cash provided by (applied to) operating transactions	112,974	(2,326,559)
<b>Capital transactions</b>		
Acquisition of tangible capital assets (Note 8)	-	(6,000)
Cash applied to capital transactions	-	(6,000)
<b>Increase/(Decrease) in cash and cash equivalents</b>	112,974	(2,332,559)
<b>Cash and cash equivalents at beginning of year</b>	1,885,583	4,218,142
<b>Cash and cash equivalents at end of year</b>	\$ 1,998,557	\$ 1,885,583

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

# NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022

## 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, 2022

## NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (CONT'D)

### (A) BASIS OF FINANCIAL REPORTING (CONT'D)

#### 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 as well as cash at 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 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:

- are normally employed to deliver government services;
- may be consumed in the normal course of operations; and
- 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, 2022

## 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.
- **PS 3160 Public Private Partnerships (effective April 1, 2023)**  
This standard provides guidance on how to account for public private partnerships between public and private sector entities, where the public sector entity procures infrastructure using a private sector partner.

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

	2022	2021
Budgeted transfer from the Department of Environment and Parks	\$ 5,397,000	\$ 5,397,000
Transfer amount returned to the Department of Environment and Parks	(250,000)	
Adjustment to transfer from the Department of Environment and Parks		(2,697,000)
	\$ 5,147,000	\$ 2,700,000

In 2021, the NRCB and the Department of Environment and Parks agreed to a net transfer of \$2,700,000 while maintaining the spending target of \$5,424,000 for the 2020-2021 fiscal year. The rest of the operations were funded through accumulated surplus, thereby achieving the objective of reducing the cash amount of the NRCB bank account.

In 2022, the NRCB demonstrated fiscal prudence and fiscal responsibility by returning \$250,000 of transfer to the Department of Environment and Parks since the NRCB underspent in the fiscal year.

## 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, 2022, securities held by the fund have a time-weighted return of 0.2% (2021 – 0.4%) per annum. Due to the short-term nature of the CCITF investments, the carrying value approximates fair value.

# NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022

## 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, 2022, there were no uncollectible receivable balances.

## NOTE 7 ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES

	2022	2021
Accounts payable	\$ 55,692	\$ 87,844
Accrued liabilities - employee benefits	246,750	253,430
	<u>\$ 302,442</u>	<u>\$ 341,274</u>

## NOTE 8 TANGIBLE CAPITAL ASSETS

	Computer Hardware	Computer Software	Office Equipment	Office Furniture	2022 Total	2021 Total
<b>Historical Cost</b>						
Beginning of year	\$ 233,374	\$ 25,884	\$ 94,468	\$ 187,166	\$ 540,892	\$ 534,892
Additions	-	-	-	-	-	6,000
Disposals including write-downs	-	-	-	(60,340)	(60,340)	-
	<u>233,374</u>	<u>25,884</u>	<u>94,468</u>	<u>126,826</u>	<u>480,552</u>	<u>540,892</u>
<b>Accumulated Amortization</b>						
Beginning of year	233,374	20,051	62,409	184,256	500,090	483,117
Amortization expense	-	2,000	6,412	1,312	9,724	16,973
Effect of disposals including write-downs	-	-	-	(60,340)	(60,340)	-
	<u>233,374</u>	<u>22,051</u>	<u>68,821</u>	<u>125,228</u>	<u>449,474</u>	<u>500,090</u>
<b>Net Book Value at</b>						
<b>March 31, 2022</b>	<u>\$ -</u>	<u>\$ 3,833</u>	<u>\$ 25,647</u>	<u>\$ 1,598</u>	<u>\$ 31,078</u>	
<b>Net Book Value at</b>						
<b>March 31, 2021</b>	<u>\$ -</u>	<u>\$ 5,833</u>	<u>\$ 32,059</u>	<u>\$ 2,910</u>		<u>\$ 40,802</u>

# NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022

## NOTE 9 BENEFIT PLANS

The NRCB participates in the following 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 \$16,965 for the year ended March 31, 2022 (2021 - \$30,726). 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, 2021, the MEPP reported a surplus of \$1,348,160,000 (2020 - surplus \$809,850,000), and the SRP reported a deficiency of \$20,982,000 (2020 - deficiency \$59,972,000).

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 \$253,729 for the year ended March 31, 2022 (2021 - \$233,107). Pension expense comprises the cost of employer contributions during the year.

## NOTE 10 ACCUMULATED SURPLUS

Accumulated surplus is comprised of the following:

	<b>Investment in Tangible Capital Assets</b>	<b>Unrestricted Surplus</b>	<b>2022 Total</b>	<b>2021 Total</b>
Balance at beginning of year	\$ 40,802	\$ 1,546,443	\$ 1,587,245	\$ 3,998,522
Annual surplus (deficit)	-	163,307	163,307	(2,411,277)
Net investment in capital assets	(9,724)	9,724	-	-
Balance at end of year	\$ 31,078	\$ 1,719,474	\$ 1,750,552	\$ 1,587,245

# NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022

## 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, 2022, the NRCB had contractual obligations under operating leases and contracts totalling \$474,837 (2021 - \$138,722)

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

2022-23	\$	184,954
2023-24		160,663
2024-25		129,220
	\$	474,837

## NOTE 12 BUDGET

The budget was included in the 2021-22 Government Estimates under the Ministry of Environment and Parks. The budget was approved by the Board on May 4, 2021.

## 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, 2022

## SCHEDULE 1

	2022		2021
	Budget	Actual	Actual
Salaries, wages and employee benefits	\$ 4,522,076	\$ 4,322,266	\$ 4,452,290
Supplies and services	871,924	658,368	660,542
Amortization of tangible capital assets (Note 8)	30,000	9,724	16,973
Total expenses	\$ 5,424,000	\$ 4,990,358	\$ 5,129,805

# SALARY AND BENEFITS DISCLOSURE

YEAR ENDED MARCH 31, 2022

## SCHEDULE 2

	2022				2021
	Base Salary <sup>(1)</sup>	Other Cash Benefits <sup>(2)</sup>	Other Non-cash Benefits <sup>(3)</sup>	Total	Total
Chair <sup>(4)(5)</sup>	\$ 184,365	\$ 44,142	\$ 12,613	\$ 241,120	\$ 234,736
Board Member A <sup>(6)</sup>	84,588	11,165	12,007	107,760	131,247
Board Member B <sup>(7)</sup>	91,094	10,307	11,487	112,888	51,673
Chief Executive Officer <sup>(8)</sup>	132,223	20,052	25,128	177,403	253,605

(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 2022.

(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, pension, 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. The position worked on a full-time basis from March 1 to June 30, 2021.

(6) The position was 80% permanent part-time and changed to 60% permanent part-time effective July 1, 2021.

(7) The position commenced on October 19, 2020. The position is 60% permanent part-time. The position worked on a full-time basis from March 1 to June 30, 2021.

(8) The position was occupied by two individuals at different times during the year. The position became vacant on October 9, 2021 and the new CEO commenced on February 7, 2022.



# RELATED PARTY TRANSACTIONS

YEAR ENDED MARCH 31, 2022

## 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:

	2022	2021
Revenues	\$ 5,397,000	\$ 2,700,000
Revenue returned to the Department of Environment and Parks	\$ (250,000)	
Expenses – Directly Incurred	\$ 59,794	\$ 29,320
Payable To	\$ 21,827	\$ 5,475

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, 2022

## SCHEDULE 4

	2022		2021	
	Expenses - Incurred by Others	Expenses - Incurred by Others	Total Expenses	Total Expenses
<b>AOPA and NRCBA Mandates</b>	Expenses <sup>(1)</sup>	Accommodation Costs <sup>(2)</sup>	Total Expenses	Total Expenses
Board reviews and hearings <sup>(3)</sup>	\$ 1,113,376	\$ 95,679	\$ 1,209,055	\$ 1,183,820
Regulating confined feeding operations <sup>(4)</sup>	3,876,982	333,173	4,210,155	4,387,719
	\$ 4,990,358	\$ 428,852	\$ 5,419,210	\$ 5,571,539

(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

Communicating with stakeholders to ensure continued open and constructive communication is a priority for the Natural Resources Conservation Board. This continued to be a challenge in 2021-22 due to public health restrictions associated with COVID-19. Nevertheless, staff and Board members participated in the following meetings and conferences, often in online formats or through phone calls to provide information about NRCB programs, policies, and processes. Regularly scheduled, ongoing meetings with Alberta Agriculture, Forestry and Rural Economic Development were also held in virtual formats to ensure that regulations for the confined feeding industry remain effective and outcome-based.

### MUNICIPALITIES

- Municipal District of Taber
- Ponoka County
- Rural Municipalities of Alberta (RMA)  
District 1 municipal councillors
- RMA District 2
- RMA District 3
- RMA District 4
- RMA District 5
- Stettler County
- Vulcan County

### OTHER GOVERNMENT

- Aboriginal Consultation Office
- Alberta Health
- Alberta Energy Regulator
- Alberta Environment and Parks
- Alberta Transportation
- Alberta Utilities Commission
- Environment and Climate Change Canada
- Fisheries and Oceans Canada
- Farmers' Advocate Office
- Impact Assessment Agency of Canada
- McMaster University
- Olds College
- Results Driven Agricultural Research (RDAR)
- Samson Cree First Nation
- University of Alberta
- University of Calgary
- University of Saskatchewan



## INDUSTRY AND OTHER MEETINGS & EVENTS

- Alberta Cattle Feeders' Association
- Alberta Geological Survey
- Alberta Greenhouse Growers Association
- Alberta Institute of Agrologists
- Association of Professional Engineers and Geoscientists of Alberta
- Banff Pork Seminar
- Bow River Basin Council
- Bow River Phosphorous Management Plan
- Canadian Water Network
- Canadian Water Resources Association
- Energy Regulators Forum
- EnviroTech (Environmental Services Association of Alberta conference)
- Institute of Corporate Directors
- Land and Property Rights Tribunal
- Oldman Watershed Council
- Parkland Airshed Management Zone Board
- Policy Advisory Group
- Red Deer River Watershed Alliance
- Rural Municipalities of Alberta
- Technical Advisory Group
- Water for Life Cross Ministry Support Team

## PHOTO CREDITS

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

The cover photos, inside front cover photo, and photos on pages 1, 7, 10, 23, 24, and 27 appear courtesy of **Sylvia Kaminski**. The photos on pages 4, 10 (photos of Walter Ceroici), 11, 14, 17, and 40 (frost) appear courtesy of **Peter Woloshyn**. Photos on pages 21, 24 (moss), 25 (bridge), 26 (landscape), 40 (chipmunk), 41, and the back cover appear courtesy of **Francisco Echegaray**. The photos on pages 24 (flower), 25, and 26 (sunflower) appear courtesy of **Nora Decosemo, Kari Lisowski, and Ben Hsu** respectively.

Board member photos on pages 2 and 5 are by Brad Calihoo Photography. The CEO photo on page 3 is by **Peter Woloshyn**.



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Copies of the *Agricultural Operation Practices Act* and the *Natural Resources Conservation Board Act* can be obtained from the King's Printer at [www.alberta.ca/alberta-kings-printer.aspx](http://www.alberta.ca/alberta-kings-printer.aspx) 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](mailto:info@nrcb.ca). Dial 310-0000 to be connected toll free to any NRCB office. This document is available online at: [www.nrcb.ca](http://www.nrcb.ca)

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ISBN 978-1-4601-5432-8 (print)  
ISBN 978-1-4601-5433-5 (PDF)  
ISSN 2369-4483 (print)  
ISSN 2369-4491 (online)