ALBERTA ENVIRONMENTAL APPEALS BOARD

Report and Recommendations

Date of Report and Recommendations - September 29, 2006

IN THE MATTER OF sections 91, 92, and 95 of the *Environmental Protection and Enhancement Act*, R.S.A. 2000, c. E-12; and section 115 of the *Water Act*, R.S.A. 2000, c. W-3;

-and-

IN THE MATTER OF appeals filed by the Future of Blackfoot and Area Environmental Association, Lori Fradette, Gerry Fradette, Dwight and Lynn Janzer, John Gerich, Judy Gerich, Doug Kuchenbrand, Anna Kuchenbrand, Gail Moore, Don Gilmour, and Laura Jacques-Gilmour, with respect to *Water Act* Licence No. 00207448-00-00 issued to DJ Hog Farms Ltd. by the Director, Northern Region, Regional Services, Alberta Environment.

Cite as:

Future of Blackfoot and Area Environmental Association et al. v. Director, Northern Region, Regional Services, Alberta Environment re: DJ Hog Farms Ltd. (29 September 2006), Appeal Nos. 05-057-064, 067-069-R (A.E.A.B.).

MEDIATION BEFORE:

Mr. Ron Peiluck, Vice-Chair.

APPEARANCES:

Appellants:

The Future of Blackfoot and Area Environmental Association, represented by Mr. Don Gilmour; Ms. Lori Fradette; Mr. Gerry Fradette; Mr. Dwight and Ms. Lynn Janzer; Mr. John Gerich; Ms. Judy Gerich; Mr. Doug Kuchenbrand; Ms. Anna Kuchenbrand; Ms. Gail Moore; Mr. Don Gilmour; and Ms. Laura

Jacques-Gilmour.

Director:

Mr. Tom Slater, Director, Northern Region, Regional Services, Alberta Environment; Mr. Guy Hancock, Application Coordinator, Alberta Environment; Mr. Kevin Nipp, Hydrogeologist, Alberta Environment; Mr. Steve Wallace, Hydrogeologist, Alberta Environment; represented by Mr. William

McDonald Alberta Justice.

Licence Holder:

Mr. Dwight Peregrym and Mr. Jason Peregrym, DJ Hog Farms Ltd., represented by Mr. Keith Wilson, Wilson Law Office.

Other Participants:

County of Vermilion River, represented by Mr. Don Whittaker, Reeve; Mr. Miles Latimer, Deputy Reeve; and Mr. Howie Bjorge,

Agricultural Fieldman.

Board Staff:

Ms. Marian Fluker, Associate Counsel.

EXECUTIVE SUMMARY

Alberta Environment issued a Licence, under the *Water Act*, to DJ Hog Farms Ltd., authorizing the operation of a works and the diversion of up to 9,137 cubic metres of water annually for agricultural purposes (confined feeding operation) near Blackfoot, Alberta.

The Board received 11 Notices of Appeal from the Future of Blackfoot and Area Environmental Association, Ms. Lori Fradette, Mr. Gerry Fradette, Mr. Dwight and Ms. Lynn Janzer, Mr. John Gerich, Ms. Judy Gerich, Mr. Doug Kuchenbrand, Ms. Anna Kuchenbrand, Ms. Gail Moore, Mr. Don Gilmour, and Ms. Laura Jacques-Gilmour appealing the Licence.

The Board conducted a mediation meeting at which the participants reached an agreement with respect to the Licence. Further discussions took place and an additional agreement was struck. The Board recommends that the Minister of Environment accept the agreements.

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I. BACKGROUND

[1] On January 6, 2006, the Director, Northern Region, Regional Services, Alberta Environment (the "Director"), issued Licence No. 00207448-00-00 under the *Water Act*, R.S.A. 2000, c. W-3 (the "Licence") to DJ Hog Farms Ltd. (the "Licence Holder") authorizing the operation of a works and the diversion of up to 9,137 cubic metres of water annually from the source of water from wells at NE 12-050-02-W4M, near Blackfoot, Alberta, for agricultural purposes (confined feeding operation).

On January 25, 2006, the Environmental Appeals Board (the "Board") received 13 Notices of Appeal¹ appealing the Licence. Two of the 13 Notices of Appeal, were subsequently withdrawn.²

On January 30, 2006, the Board wrote to the Appellants, the Licence Holder and the Director (collectively the "Participants") acknowledging receipt of the Notices of Appeal, requesting additional information from certain Appellants, and notifying the Licence Holder and the Director of the appeals. The Board also requested the Director provide the Board with a copy of the records (the "Record") relating to these appeals, and the Participants provide available dates for a mediation meeting, preliminary meeting, or hearing.

According to standard practice, the Board wrote to the Natural Resources Conservation Board (the "NRCB") and the Alberta Energy and Utilities Board (the "AEUB") asking whether this matter had been the subject of a hearing or review under their respective legislation. The AEUB responded in the negative. On February 7, 2006, NRCB wrote to the Board advising that a review had been conducted in relation to the Licence Holder's confined feeding operation, however, the review was limited to issues relating to the "Minimum Distance Setback." The NRCB further advised that their review did not deal with concerns regarding groundwater requirements or the Licence issued by Alberta Environment.

Notices of Appeal received from: Mr. Don Gilmour, filed on behalf of himself and the Future of Blackfoot and Area Environmental Association; Ms. Lori Fradette; Mr. Gerry Fradette; Mr. Dwight and Ms. Lynn Janzer; Mr. John Gerich; Ms. Judy Gerich; Mr. Doug Kuchenbrand; Ms. Anna Kuchenbrand; Mr. Don Faltermeier; Ms. Amanda Lee Faltermeier; Ms. Gail Moore; and Ms. Laura Jacques-Gilmour.

² Faltermeir et al. v. Director, Northern Region, Regional Services, Alberta Environment re: DJ Hog Farms Ltd. (16 May 2006), Appeal Nos. 05-065 & 05-066-DOP (A.E.A.B.).

- [5] On February 22, 2006, the Board received a copy of the Record from the Director, and on February 28, 2006, forwarded a copy to the Appellants and the Licence Holder, and again requested that certain Appellants provide additional information as previously requested.
- [6] On April 6, 2006, due to delays in receiving the requested information, the Board requested the Participants again provide their available dates for a mediation meeting in May 2006. On April 20, 2006, the Board, in consultation with the Participants, scheduled a mediation meeting for May 17, 2006, to be held in Lloydminster, Alberta.
- [7] On April 26, 2006, the County of Vermillion provided a copy of the draft Regional Water Study completed by Urban Systems and Golder Associates and advised there would be a representative of the County at the mediation meeting.

II. MEDIATION MEETING

- [8] Pursuant to section 11 of the *Environmental Appeal Board Regulation*, Alta. Reg. 114/93, the Board conducted a mediation meeting on May 17, 2006 in Lloydminster, Alberta with Mr. Ron V. Peiluck, Vice-Chair, as the presiding mediator (the "Mediator").
- [9] In conducting the mediation meeting, the Mediator reviewed the mediation process and explained the purpose of the mediation meeting. He then circulated copies of the Participants' Agreement to Mediate. All Participants signed the Agreement and discussions ensued.
- [10] Following productive and detailed discussions at the mediation meeting, and during subsequent conference calls, Resolutions were reached. These documents are attached as pages 4 to 15.

III. RECOMMENDATIONS

[11] In accordance with section 99 of the *Environmental Protection and Enhancement Act*, R.S.A. 2000, c. E-12 (the "Act"), the Board recommends that the Minister of Environment order that *Water Act* Licence No. 00207448-00-00 be varied in accordance with the Resolutions

reached by the Participants. Attached for the Minister's consideration is a draft Ministerial Order implementing this recommendation.

Further, with respect to sections 100(2) and 103 of the Act, the Board [12] recommends that copies of this Report and Recommendations, and of any decision by the Minister, be sent to the following:

- Mr. Don Gilmour;
- Ms. Laura Jacques-Gilmour;
- Mr. Doug and Ms. Anna Kuchenbrand;
- Mr. Dwight and Ms. Lynn Janzer;
- Mr. Gerry and Ms. Lori Fradette;
- Mr. John and Ms. Judy Gerich;
- Ms. Gail Moore:
- Mr. Don Whittaker, Reeve, County of Vermilion River;
- Mr. Howie Bjorge, Agricultural Fieldman, County of Vermilion River;
- Mr. Keith Wilson, Wilson Law Office, representing Mr. Dwight Peregrym and Mr. Jason Peregrym of DJ Hog Farms Ltd.; and
- Mr. William McDonald, Alberta Justice, representing Mr. Tom Slater, Director, Northern Region, Regional Services, Alberta Environment.

Dated on September 29, 2006, at Edmonton, Alberta.

Steve E. Hrudey, D.Sc. (Eng.), P.Eng.

Chair

IV. RESOLUTION

RESOLUTION ENVIRONMENTAL APPEALS BOARD EAB File No. EAB 05-057-064 and 05-067-069

In the matter of the mediation of the appeal of the decision of the Director, Central Region, Regional Services, Alberta Environment, to issue Licence No. 00207448-00-00 under the *Water Act*, R.S.A. 2000, c. W-3, to DJ Hog Farms Ltd. ("DJ Hog"), authorizing the operation of a works and the diversion of up to 9,137 cubic metres of water annually from the source of water from wells at NE 12-050-02-W4, near Blackfoot, Alberta, for agricultural purposes.

All participants to the appeals have agreed to the following terms and conditions:

- 1. THAT Licence No. 00207448-00-00 be amended by adding immediately after condition 4.7 the following:
 - "4.7.1 The Licensee shall submit an Annual Water Use Report to the Future of Blackfoot and Area Environmental Association
 - (a) on or before February 28th of each year following the year in which the information on which the report is based was collected; or
 - (b) within a time period specified by the Director."
- 2. THAT the Representatives of the County of Vermillion River (the "County") agree to place a motion before the County Council, requesting that the County commit to having the results from the water level testing of one of the County's wells located at NW 01-50-02 W4M be provided to the Future of Blackfoot and Area Environmental Association ("FOBAEA") on an annual basis, starting February 2007.
- 3. THAT the Representatives of the County agree to place a motion before the County Council, requesting the County commit to having its independent agent or qualified person take annual water quality sampling from the DJ Hog well and analyzed on an equivalent basis to that required by the Natural Resources Conservation Board, and the independent agent or qualified person will submit the water sampling to a qualified laboratory and the County will provide the results to FOBAEA and DJ Hog.
- 4. THAT the Representatives of the County agree to place a motion before the County Council, requesting the County commit to having its independent agent or qualified person measure the pumping water level of DJ Hog Well PW3-98 on a quarterly basis, and the County will provide the results of these tests to FOBAEA and DJ Hog.
- 5. THAT the Representative of the County shall place the motion before the County Council on or before May 31, 2006.
- 6. THAT if the motion is not ratified by the County, the participants can request a continuation of the mediation process.

7. THAT in consideration of the foregoing, and providing the County passes the motion as stated above, the Appellants, Mr. Don Gilmour on behalf of himself and the Future of Blackfoot and Area Environmental Association (FOBAEA), Ms. Lori Fradette, Mr. Gerry Fradette, Mr. Dwight and Ms. Lynn Janzer, Mr. John Gerich, Ms. Judy Gerich, Mr. Doug Kuchenbrand, Ms. Anna Kuchenbrand, Ms. Gail Moore, and Ms. Laura Jacques-Gilmour, agree to withdraw their Notices of Appeal.

RESOLUTION AGREED TO BY:

"original signed by"	Date: May 17, 2006
Don Gilmour	
"original signed by"	Date: <u>May 17, 2006</u>
Laura Jacques-Gilmour	
"original signed by"	Date: May 17, 2006
Doug Kuchenbrand	
"original signed by"	Date: May 17, 2006
Anna Kuchenbrand	
"original signed by"	Date: May 17, 2006
Dwight Janzer	
Represented by Don Gilmour	
"original signed by"	Date: May 17, 2006
Lynn Janzer	
Represented by Don Gilmour	
"original signed by"	Date: May 17, 2006
Gerry Fradette	
"original signed by"	Date: May 17, 2006
Lori Fradette	
"original signed by"	Date: May 17, 2006
John Gerich	
Represented by Don Gilmour	

"original signed by"	Date: May 17, 2006
Judy Gerich Represented by Don Gilmour	Dute. <u>May 17, 2000</u>
"original signed by"	Date: May 17, 2006
Gail Moore	Bute. <u>1914y 17, 2000</u>
"original signed by"	Date: May 17, 2006
Tom Slater, Director, Central Region Regional Services, Alberta Environment represented by William McDonald, Alberta Justice	Date: <u>May 17, 2006</u>
"original signed by"	Date: May 17, 2006
Dwight Peregrym DJ Hog Farms Ltd. Represented by Keith Wilson, Wilson Law Office	
"original signed by"	Date: May 17, 2006
Jason Peregrym DJ Hog Farms Ltd. Represented by Keith Wilson, Wilson Law Office	Date: <u>May 17, 2006</u>
"original signed by"	Date: May 17, 2006
Don Whittaker, Reeve County of Vermilion River	Date. <u>May 17, 2000</u>
"original signed by"	Date: May 17, 2006
Howie Bjorge Agricultural Fieldman County of Vermilion River	<u></u> , <u></u> , <u></u>

Date: May 17, 2006

"original signed by"

Miles Latimer Deputy Reeve County of Vermilion River

RESOLUTION ENVIRONMENTAL APPEALS BOARD EAB File No. EAB 05-057-064 and 05-067-069

In the matter of the mediation of the appeal of the decision of the Director, Central Region, Regional Services, Alberta Environment, to issue Licence No. 00207448-00-00 under the *Water Act*, R.S.A. 2000, c. W-3, to DJ Hog Farms Ltd. ("Licence Holder"), authorizing the operation of a works and the diversion of up to 9,137 cubic metres of water annually from the source of water from wells at NE 12-050-02-W4, near Blackfoot, Alberta, for agricultural purposes.

All participants to the appeals have agreed to the following terms and conditions:

- 1. THAT this is an amendment to the Resolution agreed to by the Participants on May 17, 2006, and where there is a conflict between the Resolution signed on May 17, 2006 and this Resolution, this Resolution shall be followed. Otherwise, the terms in the May 17, 2006 Resolution will remain in force.
- 2. THAT the monitoring specified in the May 17, 2006 Resolution will start when the Licence Holder starts using the PW3-98 well in 2007.
- 3. THAT the Representatives from the County of Vermilion River (the "County") agree to place a motion before the County Council, requesting that the County amend motions 45-05-06 and 46-05-06 carried at the May 23, 2006 County Council meeting by deleting the phrase "its independent agent or qualified person" and replacing it with "a qualified, independent agent".
- 4. THAT the Representative of the County shall place the motion before the County Council on or before August 1, 2006.
- 5. THAT should the County decide in five years not to continue having its qualified independent agent conduct the testing on the PW3-98 well, then the Licence Holder shall hire an independent, qualified person to conduct the testing as stated in conditions 3 and 4 of the May 17, 2006 Resolution.
- 6. THAT with these changes, the Participants confirm that condition 6 of the May 17, 2006 Resolution has been satisfied.
- 7. THAT the Participants agree this Resolution can be signed by counterpart.

"original signed by"	
	Date: Sept 18, 2006

RESOLUTION AGREED TO BY:

Don Gilmour

"original signed by"	Date: <u>Sept 18, 2006</u>
Laura Jacques-Gilmour	<u>= - p - 2 , 2 2 2 2</u>
Doug Kuchenbrand	Date:
Anna Kuchenbrand	Date:
"original signed by" Dwight Janzer Represented by Don Gilmour	Date: <u>Sept 18, 2006</u>
"original signed by" Lynn Janzer Represented by Don Gilmour	Date: <u>Sept 18, 2006</u>
Gerry Fradette Represented by Don Gilmour	Date:
Lori Fradette Represented by Don Gilmour	Date:
"original signed by" John Gerich Represented by Don Gilmour	Date: <u>Sept 18, 2006</u>
"original signed by" Judy Gerich	Date: <u>Sept 18, 2006</u>
Represented by Don Gilmour	

"original signed by"	
Gail Moore Represented by Don Gilmour	Date: Sept 18, 2006
Tom Slater, Director, Central Region Regional Services, Alberta Environment represented by William McDonald, Alberta Justice	Date:
Dwight Peregrym DJ Hog Farms Ltd. Represented by Keith Wilson, Wilson Law Office	Date:
Jason Peregrym DJ Hog Farms Ltd. Represented by Keith Wilson, Wilson Law Office	Date:
Don Whittaker, Reeve County of Vermilion River	Date:
Howie Bjorge Agricultural Fieldman County of Vermilion River	Date:
Miles Latimer Deputy Reeve County of Vermilion River	Date:

	Date:
Laura Jacques-Gilmour	
"original signed by"	Date: <u>Aug 29, 2006</u>
Doug Kuchenbrand	<u> </u>
"original signed by"	Date: <u>Aug 29, 2006</u>
Anna Kuchenbrand	Date. <u>Aug 27, 2000</u>
	Date:
Dwight Janzer Represented by Don Gilmour	
	Date:
Lynn Janzer Represented by Don Gilmour	
	Date:
Gerry Fradette Represented by Don Gilmour	
	Date:
Lori Fradette Represented by Don Gilmour	
	Date:
John Gerich Represented by Don Gilmour	
	Date:
Judy Gerich Represented by Don Gilmour	

	Date:
Laura Jacques-Gilmour	
Doug Kuchenbrand	Date:
Anna Kuchenbrand	Date:
Anna Kuchenbranu	Date:
Dwight Janzer Represented by Don Gilmour	
Lynn Janzer Represented by Don Gilmour	Date:
"original signed by"	Date: <u>Aug 31, 2006</u>
Gerry Fradette Represented by Don Gilmour	
"original signed by"	Date: <u>Aug 31, 2006</u>
Lori Fradette Represented by Don Gilmour	
John Gerich Represented by Don Gilmour	Date:
Judy Gerich Represented by Don Gilmour	Date:

	Date:
Gail Moore Represented by Don Gilmour	
"original signed by" Tom Slater, Director, Central Region Regional Services, Alberta Environment represented by William McDonald, Albert	Date: Sept 5, 2006
Dwight Peregrym DJ Hog Farms Ltd. Represented by Keith Wilson, Wilson Law	Date:
Jason Peregrym DJ Hog Farms Ltd. Represented by Keith Wilson, Wilson Law	Date:
"original signed by" Don Whittaker, Reeve County of Vermilion River	Date: <u>Aug 22, 2006</u>
"original signed by" Howie Bjorge Agricultural Fieldman	Date: <u>Aug 22, 2006</u>
County of Vermilion River "original signed by" Miles Latimer Deputy Reeve County of Vermilion River	Date: <u>Aug 22, 2006</u>

	Date:
Gail Moore Represented by Don Gilmour	
Tom Slater, Director, Central Region Regional Services, Alberta Environment represented by William McDonald, Alberta Ju-	Date:stice
"original signed by" Dwight Peregrym DJ Hog Farms Ltd. Represented by Keith Wilson, Wilson Law Off	Date: <u>Aug 8, 2006</u>
"original signed by" Jason Peregrym DJ Hog Farms Ltd. Represented by Keith Wilson, Wilson Law Off	Date: <u>Aug 8, 2006</u>
Don Whittaker, Reeve County of Vermilion River	Date:
Howie Bjorge Agricultural Fieldman County of Vermilion River	Date:
Miles Latimer Deputy Reeve County of Vermilion River	Date:

	Date:
Gail Moore Represented by Don Gilmour	
Tom Slater, Director, Central Region	Date:
Regional Services, Alberta Environment represented by William McDonald, Alberta	Justice
	Date:
Dwight Peregrym DJ Hog Farms Ltd. Represented by Keith Wilson, Wilson Law C	Office
	Date:
Jason Peregrym DJ Hog Farms Ltd. Represented by Keith Wilson, Wilson Law C	Office
"original signed by"	Date: Aug 22, 2006
Don Whittaker, Reeve County of Vermilion River	
"original signed by"	Date: Aug 22, 2006
Howie Bjorge Agricultural Fieldman County of Vermilion River	
"original signed by"	Date: Aug 22, 2006
Miles Latimer Deputy Reeve	
County of Vermilion River	

V. DRAFT ORDER

Ministerial Order /2006

Environmental Protection and Enhancement Act, R.S.A. 2000, c. E-12;

and

Water Act, R.S.A. 2000, c. W-3.

Order Respecting Environmental Appeals Board Appeal Nos. 05-057-064 and 05-067-069

I, Guy Boutilier, Minister of Environment, pursuant to section <i>Protection and Enhancement Act</i> , make the order in the attached	
Respecting Environmental Appeals Board Appeal Nos. 05-057-064	4 and 05-067-069.
Dated at the City of Edmonton, in the Province of Alberta, this 2006.	day of,
-	Guy Boutilier Minister

Draft Appendix

Order Respecting Environmental Appeals Board Appeal Nos. 05-057-064 and 05-067-069

With respect to the decision of the Director, Northern Region, Regional Services, Alberta Environment (the "Director") to issue Licence No. 00207448-00-00 (the "Licence") under the *Water Act*, R.S.A. 2000, c.W-3, to DJ Hog Farms Ltd. (the "Licensee"), I, Guy Boutilier, Minister of Environment, order that:

- 1. The decision of the Director to issue Licence No. 00207448-00-00 is confirmed subject to the following amendments:
- 2. The Licence is amended by adding the following immediately after condition 4.7:
 - "4.7.1 The Licensee shall submit an Annual Water Use Report to the Future of Blackfoot and Area Environmental Association
 - (a) on or before February 28th of each year following the year in which the information on which the report is based was collected; or
 - (b) within a time period specified by the Director."



Ministerial Order 22/2006

Environmental Protection and Enhancement Act, R.S.A. 2000, c. E-12;

and

Water Act, R.S.A. 2000, c. W-3.

Order Respecting Environmental Appeals Board Appeal Nos. 05-057-064 and 05-067-069

I, Guy Boutilier, Minister of Environment, pursuant to section 100 of the *Environmental Protection and Enhancement Act*, make the order in the attached Appendix, being an Order Respecting Environmental Appeals Board Appeal Nos. 05-057-064 and 05-067-069.

Dated at the City of Edmonton, in the Province of Alberta, this 10 day of October, 2006.

"original signed by"
Guy Boutilie
Ministe

Appendix

Order Respecting Environmental Appeals Board Appeal Nos. 05-057-064 and 05-067-069

With respect to the decision of the Director, Northern Region, Regional Services, Alberta Environment (the "Director") to issue Licence No. 00207448-00-00 (the "Licence") under the *Water Act*, R.S.A. 2000, c.W-3, to DJ Hog Farms Ltd. (the "Licensee"), I, Guy Boutilier, Minister of Environment, order that:

- 1. The decision of the Director to issue Licence No. 00207448-00-00 is confirmed subject to the following amendments:
- 2. The Licence is amended by adding the following immediately after condition 4.7:
 - "4.7.1 The Licensee shall submit an Annual Water Use Report to the Future of Blackfoot and Area Environmental Association
 - (a) on or before February 28th of each year following the year in which the information on which the report is based was collected; or
 - (b) within a time period specified by the Director."