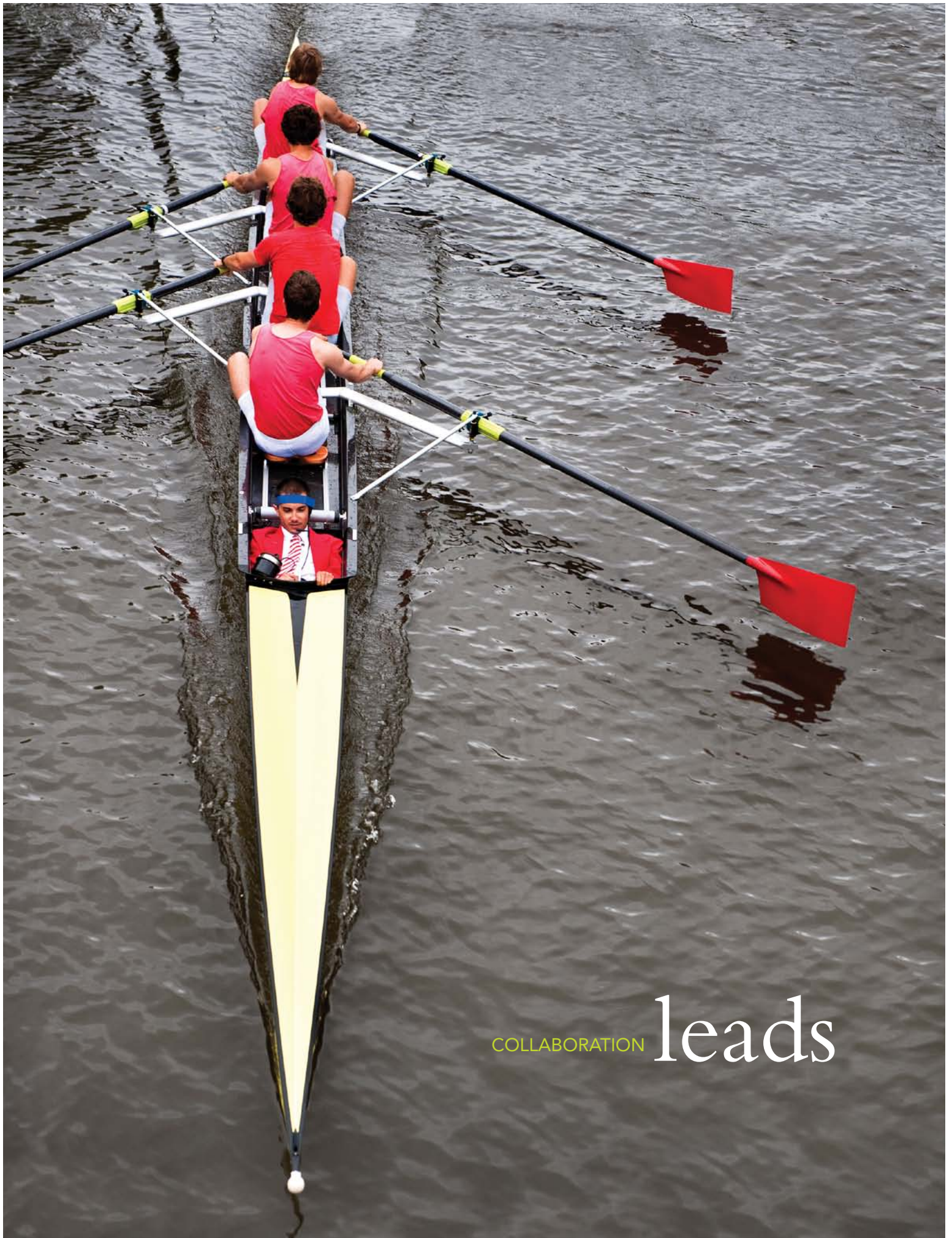




2011 ANNUAL REPORT

collaboration



COLLABORATION leads

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COLLABORATION together

Vision

The air will have no adverse odour, taste or visual impact and have no measurable short- or long-term adverse effects on people, animals or the environment.

Mission

The Clean Air Strategic Alliance is a multi-stakeholder alliance composed of representatives selected by industry, government and non-government organizations to provide strategies to assess and improve air quality for Albertans, using a collaborative consensus process.

ABOUT CASA

Since its creation by ministerial order in 1994, CASA has operated as a multi-stakeholder partnership committed to providing strategies to enhance air quality in Alberta. Partnering government, industry and non-government organizations makes recommended solutions more long-lasting and creative than might otherwise be possible.

Every group and team includes government, industry and non-government representation. Decisions and recommendations are made by consensus, with participants working together as equals toward actions or outcomes acceptable to all.

If consensus cannot be achieved, alternatives may be developed and presented to CASA's Board for decision. Those alternatives reflect the extent of consensus and areas of agreement, the specific issues about which there is no consensus, and the reasoning behind the differing views.

Responsibility for specific air quality planning is shared among stakeholders. Regulatory implementation, licensing, compliance, control and enforcement remain with existing government agencies.

2011 HIGHLIGHTS

Strategic Direction

In 2011, the Board and Secretariat concentrated on an overall review of the organization. That review included analysis of direction, goals and processes. It considered how CASA's operating environment was changing, and how CASA could adapt to make the organization even more responsive to future demands. Out of those discussions, a new strategic plan was developed and presented to the Board at the end of the year.

Managing Collaborative Processes Guide

The development of a handbook was initiated to support CASA's multi-stakeholder teams in developing sustainable solutions for air quality.

Originally begun as a guide for project managers, the scope was broadened to include ways to renew and strengthen the consensus-based approach used at CASA. Planned for publication in 2012, it will include a toolkit to foster collaborative dialogue.

MESSAGE FROM THE PRESIDENT



The dialogue between stakeholders who hold different views about environmental management is often as much about the journey as the destination. Stakeholders value the way in which they interact as much as the outcome. The people who commit to that journey are often required to spend long hours in intensive debate, with no assurance that they will be rewarded for their efforts. As CASA's new President I have a deep appreciation for this organization's accomplishments and the hundreds of stakeholders who have engaged in CASA-led air quality discussions.

Like so many Albertans who care about the quality of our air, I have a long-standing personal and professional interest in finding innovative and durable solutions to air quality problems. Like them I have spent most of my career trying to find better ways to solve the environmental issues that challenge us. I've come to understand that "right answers" can be elusive, but I also believe that people of good will, using the best information available, can generate solutions to problems that would confound us as individual organizations.

It's hard to imagine another time in Alberta's history when it was more important for regulators, industries and non-government organizations to work together. There are few among us who believe that the road ahead will be easy. Alberta finds itself playing an increasingly larger role in discussions between stakeholders and between governments on a bigger stage. Many CASA stakeholders have observed that their work together over many years has equipped them to participate more effectively in those broader policy discussions.

And still, there is more work to do at home. New, seemingly intractable air quality issues will emerge in 2012 that will require our very best efforts to solve. CASA provides us with a place where that can happen. I am delighted to be part of that dialogue and a champion of the "CASA way".

A handwritten signature in black ink, appearing to be 'Ernie Hui'. The signature is stylized and fluid, with a long horizontal stroke extending to the right.

Ernie Hui,
President

MESSAGE FROM THE EXECUTIVE DIRECTOR



2011 was a year of considerable change at the Alliance. CASA closed the year with a new President, a new Strategic Plan, significant staff transitions at the Secretariat, and a new draft guide for project managers. At the same time, stakeholder discussions are underway that will result in new opportunities to address emerging air quality issues.

Our past President, Peter Watson, was recently appointed as Deputy Minister to the Executive Council of Alberta. Over the past 6 years Peter's open and unwavering commitment to consensus-based dialogue was a positive influence on all our members and the secretariat. He was and is a "true believer" and we will miss his always thoughtful contributions to CASA discussions.

Going forward, the Alliance is fortunate to have a new President who can build on CASA's impressive track record. Ernie Hui has the hands-on experience and knowledge required to help CASA members reach their goals on complicated air quality issues. Ernie's many years as a leader at Alberta Environment and Water will provide the Alliance with the kind of valuable advice only available through senior government representation. Having someone of Ernie's caliber at our helm isn't simply a pleasure, it's a necessity.

Over the past 14 months CASA members participated in several projects, analyses and workshops, all directed at clarifying CASA's goals and strategies for the years ahead. CASA's Strategic Plan for 2012 – 2016 was the product of a lengthy and comprehensive look at CASA's role, capabilities and priorities in a rapidly changing environment. As part of the process, members reflected on CASA's business processes and suggested ways in which we can work smarter. The new plan will drive CASA's operational plans and, as a byproduct, CASA members have been schooled in the process of developing "strategic foresight".

The development of air quality policy recommendations continues to occupy most of our time at CASA. Our members' belief in working together to improve air quality in Alberta is the reason they contribute so much of their time. This report describes the work done by each of the CASA Project Teams and developments in each of Alberta's airshed zones.

2012 promises to be as busy as the past year. Having paused to reflect on CASA's direction, our members are now anxious to tackle new issues and to implement our new strategic plan. Their enthusiasm is infectious and entirely consistent with the thoughts of Margaret Mead:

"Never doubt that a small group of thoughtful, committed people can change their world. Indeed it's the only thing that ever has."

A handwritten signature in black ink, appearing to read "Norman MacLeod". The signature is fluid and cursive, written in a professional style.

Norman MacLeod,
Executive Director

BOARD OF DIRECTORS AND SECRETARIAT

(as of December 31, 2011)

Industry Stakeholder Groups (by sector)

Agriculture



Director –
Rich Smith,
Alberta Beef Producers



Alternate Director –
Dwayne Marshman,
Wild Rose Agricultural Producers

Alternate Energy



Director – Vacant

Alternate Director –
David Lawlor,
ENMAX

Chemical Manufacturers



Director –
Yolanta Leszczynski,
Scottford Manufacturing



Alternate Director –
Al Schulz,
Chemistry Industry Association
of Canada

Forestry



Director –
Brian Gilliland,
Weyerhaeuser Co. Ltd.



Alternate Director –
Keith Murray,
Alberta Forest Products Association

Mining



Director –
Peter Darbyshire,
Graymont Limited



Alternate Director –
Dan Thillman,
Lehigh Cement

Oil & Gas – Large Producers



Director –
John Squarek,
Oasis Energy Inc.



Alternate Director –
Bill Clapperton,
Canadian Natural Resources Limited

Oil & Gas – Small Producers



Director –
Gary Leach, Small Explorers &
Producers Association of Canada

Alternate Director – Vacant

Petroleum Products



Director –
Cindy Christopher,
Imperial Oil

Alternate Director – Vacant

Utilities



Director –
Don Wharton,
TransAlta Corporation



Alternate Director –
Jim Hackett,
ATCO Power Canada Ltd.

Government Stakeholder Groups (by sector)

Aboriginal (First Nations)



Director –
Holly Johnson Rattlesnake,
Samson Cree Nation

Alternate Director – Vacant

Aboriginal (Métis)



Director –
Louis Pawlowich,
Métis Settlements General Council

Alternate Director – Vacant

Federal



Director –
Mike Norton,
Environment Canada



Alternate Director –
Rachel Mintz,
Environment Canada

Local (Rural)



Director –
Carolyn Kolebaba,
Alberta Association of Municipal Districts
& Counties



Alternate Director –
Tom Burton,
Alberta Association of Municipal Districts
& Counties

Local (Urban)



Director –
Cindy Jefferies,
Alberta Urban Municipalities Association

Alternate Director – Vacant

Provincial – Energy



Director – Vacant
Alternate Director –
Jennifer Steber,
Alberta Energy

Provincial – Environment



Director –
Ernie Hui,
Alberta Environment and Water



Alternate Director –
Bev Yee,
Alberta Environment and Water

Provincial – Health



Director –
Margaret King,
Alberta Health and Wellness



Alternate Director –
Dawn Friesen,
Alberta Health and Wellness

Non-Government Organization Stakeholder Groups (by sector)

Consumers/Transportation



Director –
Don Szarko,
Alberta Motor Association

Alternate Director – Vacant

Health



Director –
Leigh Allard,
The Lung Association – Alberta & NWT



Alternate Director –
Eileen Gresl Young,
COPD & Asthma Network of Alberta

Pollution A



Director –
Myles Kitagawa,
Toxics Watch Society of Alberta

Alternate Director – Vacant

Pollution B



Director –
Chris Severson-Baker,
Pembina Institute



Alternate Director –
Ruth Yanor,
Mewassin Community Council

Wilderness



Director –
David Spink,
Prairie Acid Rain Coalition



Alternate Director –
Ann Baran,
Southern Alberta Group
for the Environment

CASA Secretariat



Director –
Norman MacLeod

Past Members

Thank you to these past board members, who helped lead us in 2011:

- Rejeanne Cool, ME Global Canada Inc.
- Randal Cripps, Environment Canada
- Jim Ellis, Alberta Environment and Water
- Tony Hudson, The Lung Association, Alberta & NWT
- Alex Mackenzie, Alberta Health and Wellness
- Linda Osinchuk, Alberta Urban Municipalities Association
- Linda Sloan, Alberta Urban Municipalities Association
- Ted Stoner, Canadian Petroleum Products Institute
- Peter Watson, Alberta Energy
- Brian Wiens, Environment Canada

Secretariat

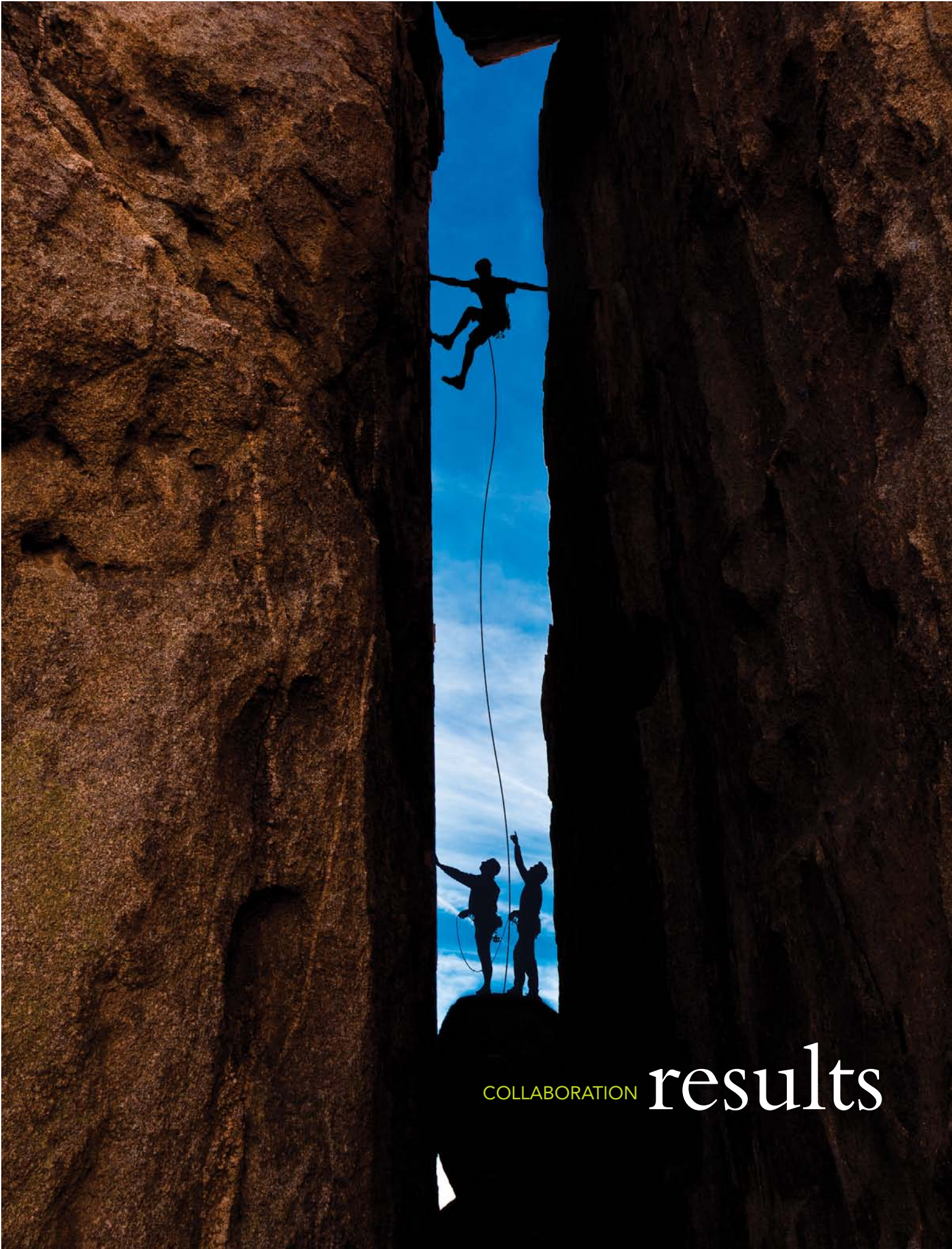
SECRETARIAT VISION

CASA is a recognized leader in coordinating multi-stakeholder groups as they build consensus strategies to improve air quality.

SECRETARIAT MISSION

The CASA Secretariat supports and coordinates our partners as they work towards the CASA vision. We are trusted to provide expertise, knowledge and best practices in each of our service-oriented roles.

- **Executive Director**
Norman MacLeod
- **Executive Assistant**
Alison Hughes
- **Senior Manager**
Robyn-Leigh Jacobsen
- **Project Design Advisor**
Sandra Klashinsky (from June)
- **Project Managers**
Linda Jabs (until September);
Celeste Dempster (from August)
- **Program Coordinator**
Asia Szkudlarek (from August)
- **Communications Advisor**
Jean Moses
- **Administrative Assistant**
Jillian Kaufman
- **Financial Administrator**
Karen Bielech



COLLABORATION

results

EVALUATING AND MEASURING CASA'S PERFORMANCE

CASA believes strongly in "what gets measured gets done." Accordingly, a strong system for measuring and evaluating performance is in place. That includes setting priorities, evaluating organizational performance and performance measures.

Performance Evaluation

Article 16 of CASA bylaws states "The performance of the Society will be evaluated upon the expiration of three years from the date of its incorporation, or the date of its last performance evaluation, by the Members of the Society." Performance evaluation occurred in 1997, 2001, 2004, and 2007 and 2010.

Setting Priorities

Every three years, the Board has a thorough discussion of emerging air quality issues and engages in strategic planning. This past year, they participated in a two-day workshop to look at ways CASA could change and how those changes might lead to wins for stakeholders.

Performance Measures

CASA has five performance measures, with multiple indicators for each measure. All performance measures and their calculated results are approved by consensus of the CASA Board.

Performance Measures 1, 2 and 4 are calculated every three years, most recently in 2011. The other two are calculated annually with those results included here.

Performance measures, with their corresponding indicators include:

PERFORMANCE MEASURE 1A – IMPROVED AIR QUALITY INDICATORS IN AREAS OF CASA ACTION

Indicators

- Annual average ambient concentrations of: NO₂, SO₂, PM_{2.5}, H₂S, O₃, benzene, and wet acid deposition
- Annual peak concentrations of: NO₂, SO₂, PM_{2.5}, H₂S, O₃, and benzene
- Percent hourly exceedances of: NO₂, SO₂ and H₂S
- Percentage of stations assigned to action levels defined by the CASA Particulate Matter and Ozone Management Framework based on annual three-year data assessments completed by Alberta Environment and Water

PERFORMANCE MEASURE 1B – CHANGE IN EMISSIONS OF SUBSTANCES OF CONCERN IN AREAS OF CASA ACTION

Indicators

- Annual total emissions from power generation for NO_x, SO_x, PM_{2.5}, and mercury
- The change in flaring and venting associated with solution gas, well testing and coalbed methane

PERFORMANCE MEASURE 1C – ENERGY USE AS AN INDIRECT MEASURE OF AIR QUALITY IN AREAS OF CASA ACTION

Indicator

- Electrical power capacity based on renewable and alternative energy sources

Note: Performance Measures 1A to 1C evaluate Alberta's progress toward CASA's vision of clean air and do not necessarily measure progress made by CASA itself.

PERFORMANCE MEASURE 2 –

CAPABILITY TO MEASURE AIR QUALITY EFFECTS ON HUMANS AND THE ECOSYSTEM

Indicator

- The percentage of monitoring stations and/or parameters implemented from the 2009 Ambient Monitoring Strategic Plan (AMSP)

PERFORMANCE MEASURE 3 –

NUMBER OF RECOMMENDATIONS IMPLEMENTED THROUGH COMPREHENSIVE AIR QUALITY MANAGEMENT SYSTEM

Indicator

- Percentage of substantive recommendations from 4 years ago, being 2007, that have been implemented

PERFORMANCE MEASURE 4 –

DEGREE OF CASA MEMBERS', PARTNERS' AND CLIENTS' SATISFACTION WITH THE CASA APPROACH

Indicators

Satisfaction with CASA's:

- Overall approach
- Openness and transparency
- Implementation of recommendations
- Resources for teams
- Achievements
- Support to airshed zones
- Communication between teams

PERFORMANCE MEASURE 5 –

DEGREE OF RECOGNITION OF CASA AS A MAJOR VEHICLE FOR DELIVERING IMPROVED AIR QUALITY MANAGEMENT FOR ALBERTA

Indicators

- Return visitors to website
- News stories about CASA
- Quality of news stories about CASA

Note: Performance Measure 2 is primarily a reflection of work done by airshed zones and the scientific community. Performance Measures 3 to 5 focus more directly on progress made by CASA.

Results

PERFORMANCE MEASURE 3

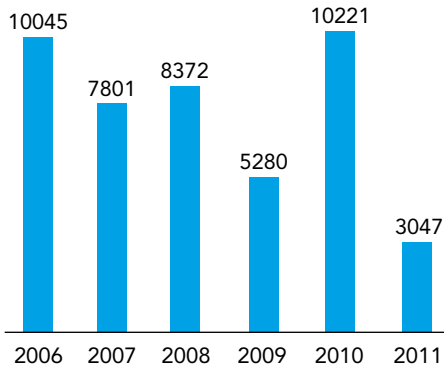
Performance Measure 3 is an annual calculation to determine the extent to which CASA recommendations were implemented three years after their submission by the CASA Board. The Performance Measures Committee assessed CASA recommendations approved by the Board in 2007.

There was one substantive recommendation for 2007 from the Renewable and Alternative Energy Project Team: "The Renewable and Alternative Energy Project Team recommends that the Government of Alberta develop and implement a policy framework to increase the supply of and demand for renewable and alternative electrical energy in Alberta. This policy framework should be developed and implemented in a timely manner, and the Government should consider including in the policy framework the elements and policy options described in this report." The recommendation was given an implementation rating of 30%. The policy framework and an action plan to implement it will be delivered to the Minister of Energy by the end of 2012.

PERFORMANCE MEASURE 5

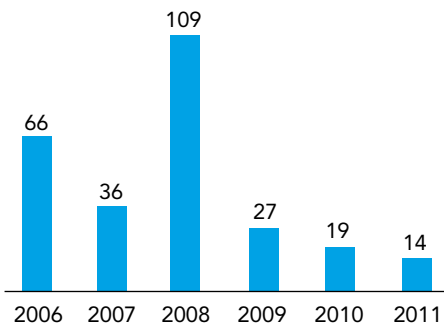
In 2011, the number of repeat web visitors dropped considerably from the previous year to a historical low. That number represents 36.64% of total visitors. The drop in repeat visitors was probably because of the low number of active CASA projects in 2011. Figure 1 shows repeat visitors over the past six years.

Figure 1
Number of Repeat Visitors to the CASA Website



One news story indicator, as set out in Figure 2, measures the number of news stories about CASA in the Alberta news media (print, television, radio, magazines, etc.) each year. The number of news stories is proportional to newsworthy activity by CASA.

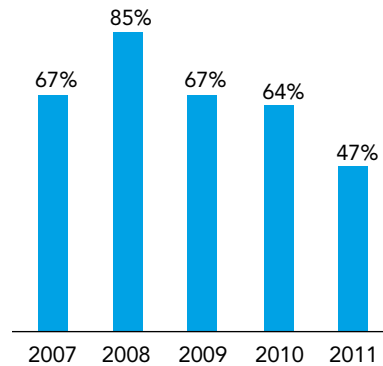
Figure 2
CASA News Stories Count



In 2011, the total number of news stories dropped. The majority of news articles made reference to CASA as an organization rather than to specific project information. That meant most coverage was neutral, but those that did reference specific projects were positive.

The second indicator measures the quality of that news coverage. Since 2007, that calculation has been through the Media Relations Rating Points (MRP)TM system developed by the Canadian Public Relations Society. The score is determined by evaluating several attributes of each story, and the presence of CASA messages in the article. As shown in Figure 3, using the MRP, CASA achieved an overall score of 47.3% in 2011. Given the predominantly neutral, mention-only articles, the drop in overall score is to be expected.

Figure 3
CASA News Stories Quality (MRP Rating)





CASA TEAMS

Board Committees

EXECUTIVE COMMITTEE

The Executive Committee provides leadership, advice and direction to support CASA strategic goals and objectives. Providing guidance to, and taking direction from, the Board of Directors, the Committee provides impartial leadership. Members liaise with Ministers and advocate for CASA and the CASA process, monitor board effectiveness and adherence to policies and procedures. The Committee oversees CASA finances and operation of the secretariat.

Members

- President –
Peter Watson/Ernie Hui, Government of Alberta
- Vice-President –
Cindy Christopher, Imperial Oil Ltd.
- Vice-President –
Myles Kitagawa, Toxics Watch Society of Alberta
- Secretary-Treasurer –
Norman MacLeod, CASA

CASA & AAC JOINT STANDING COMMITTEE

This committee works to strengthen the relationship between CASA, the Alberta Airsheds Council and the individual airshed zones, and provides a forum for discussing and addressing strategic issues around effective air quality management in Alberta.

Highlights

The Committee prioritized its key tasks and began work to examine policies, pressures, and strategies influencing CASA, the Alberta Airshed Council and airshed zones as well as further clarification of the roles, interests, and relationships between these groups.

Members

- Bob Scotten (Chair), West Central Airshed Society
- Bev Yee (Chair), Alberta Environment and Water
- Nadine Blaney, Fort Air Partnership
- Bill Clapperton, Canadian Natural Resources Ltd.
- Celeste Dempster, CASA
- Myles Kitagawa, Toxics Watch Society of Alberta
- Carolyn Kolebaba,
Alberta Association of Municipal Districts & Counties
- Norman MacLeod, CASA
- Shelly Pruden, Peace Airshed Zone Association
- Al Schulz, Chemical Industry Association of Canada
- Chris Severson-Baker, Pembina Institute
- Kevin Warren, Parkland Airshed Management Zone
- Sharon Willianen, Alberta Environment and Water (Observer)

COMMUNICATIONS COMMITTEE

This longest-running committee develops communications policy and direction for recommendation to the Board of Directors. The team provides direction and advice to strategic internal and external communications initiatives, plans and priorities in support of the CASA mission and vision. Its responsibilities also include administration of performance measure five (degree of recognition of CASA).

Highlights

This year, the team contracted a benchmarking communications survey to measure degree of awareness and key concerns of both CASA stakeholders and the general public. The departure of long-standing chair Tony Hudson precipitated membership changes.

Members

- Leigh Allard (Chair), The Lung Association, AB & NWT
- Ann Baran, Southern Alberta Group for the Environment
- Lisa Elliott, Alberta Energy
- Kimberly Gray, Canadian Association of Petroleum Producers
- Tony Hudson, The Lung Association, AB & NWT
- Ogho Ikhalo, Alberta Environment and Water
- Yolanta Leszczynski, Shell Canada – Scottford Manufacturing
- Jean Moses, CASA
- Deb Steele, The Lung Association, AB & NWT
- Brian Waddell, Alberta Environment and Water
- Ruth Yanor, Mewassin Community Council

Corresponding members

- Bob Curran, Energy Resources Conservation Board
- Tom Neufeld, Energy Resources Conservation Board
- Gloria Trimble, Environment Canada

OPERATIONS STEERING COMMITTEE

This team is responsible for oversight of the development and operation of the CASA Data Warehouse (CDW) website and database. The Operations Steering Committee (OSC) is intended to function like a strategic board and does not deal with implementation details.

Highlights

The Committee has been following the potential impacts of emerging provincial and national government policies which may affect how data is collected, reported and stored. The future of the Committee will, in large part, be driven by policies such as the national Air Quality Management System, Cumulative Effects Management System and the Integrated Monitoring, Evaluation and Reporting Framework. In the interim, CASA has been providing assistance to the Alberta Environment and Water Data Providers committee which is working on data provision requirements for incorporation into the Air Monitoring Directive.

Members

- Tom Dickson (Chair), Alberta Environment and Water
- Michael Bisaga, Lakeland Industry & Community Association
- Glynis Carling, Esso Canada
- Matthew Dance, Toxics Watch Society of Alberta
- Linda Jabs, CASA
- Shane Lamden, NOVA Chemicals Corporation
- Norman MacLeod, CASA
- Rachel Mintz, Environment Canada
- Keith Murray, Alberta Forest Products Association
- Bob Myrick, Alberta Environment and Water
- Janine Ross, Alberta Environment and Water
- Bob Scotten, West Central Airshed Society
- Merry Turtiak, Alberta Health and Wellness
- Kevin Warren, Parkland Airshed Management Zone
- Brian Wiens, Environment Canada

PERFORMANCE MEASURES COMMITTEE

This committee is charged with developing a process for calculating and assessing CASA's performance. It also oversees the calculation of performance indicators related to those measures.

Highlights

In 2011, the Committee began making preparations for its 3 year performance measures review which will be completed in 2012. The Committee has received strategic direction from the Board and is well positioned to conduct a thorough assessment to ensure that CASA's performance measures reflect CASA's performance and influence on air quality management in Alberta.

Members

- Peter Darbyshire, Graymont Western Canada Inc.
- Celeste Dempster, CASA
- Bob Myrick, Alberta Environment and Water
- Ted Stoner, Canadian Petroleum Products Institute
- Ruth Yanor, Mewassin Community Council

STRATEGIC FORESIGHT COMMITTEE

In March 2010, CASA embarked on its first strategic foresight process by creating the Joint Foresight Project Team. Strategic foresight is a forward-in-time exploration of the trends and other drivers of change that can affect the on-going success of an organization. Insights from this team's March 2011 final report contributed to the solid foundation for CASA board's strategic conversations and planning. This dual-purpose committee both informed CASA's June 2011 strategic planning session, and built initial, in-house capacity in the practice of strategic foresight.

Highlights

The Committee completed their work in March. They identified explored and prioritized trends and drivers. They also identified and explored the range of possible future conditions along with implications for CASA, and presented key insights and ideas.

Members

- Myles Kitagawa (Chair), Toxics Watch Society of Alberta
- Bev Yee (Chair), Alberta Environment and Water
- Dave Chaplin, Foresight Canada
- Bill Clapperton Canadian, Natural Resources Limited
- Stephanie Clarke, Alberta Environment and Water
- Gerry Ertel, Shell Canada Limited
- Jillian Flett, Alberta Environment and Water
- Kristina Friesen, Alberta Capital Airshed Alliance
- Eileen Gresl, COPD & Asthma Network of Alberta
- Robyn-Leigh Jacobsen, CASA
- Margaret King, Alberta Health and Wellness
- Norm MacLeod, CASA
- Ruben Nelson, Foresight Canada
- Al Schulz, Chemistry Industry Association of Canada
- Chris Severson-Baker, Pembina Institute
- Rich Smith, Alberta Beef Producers
- Jennifer Steber, Alberta Energy
- Brian Wiens, Environment Canada
- Brian Woodward, Foresight Canada

Project Teams

CONFINED FEEDING OPERATIONS IMPLEMENTATION REVIEW

This team provided a progress report outlining and assessing implementation of the recommendations from the 2008 report entitled *Managing Emissions from Confined Feeding Operations*. The team also identified and shared learnings from the implementation of the recommendations.

2011 Highlights

The team presented their final report in March 2011. The work of CFO Implementation review team was used in preparation of the reconvening of the Confined Feeding Operations Team in December.

Members

- Ron Axelson, Intensive Livestock Working Group
- Ann Baran, Southern Alberta Group for the Environment
- Laura Blair, Alberta Environment and Water
- Robyn-Leigh Jacobsen, CASA
- Sandi Jones, Alberta Agriculture and Rural Development
- Jim McKinley, Natural Resources Conservation Board
- Denis Sauvageau, Friends of an Unpolluted Lifestyle

ELECTRICITY FRAMEWORK REVIEW

This team formed a working group that was tasked with describing the difference between the approaches in the CASA Electricity Framework, the Base Level Industrial Emissions Requirements (BLIERs) discussions under the national Air Quality Management System (AQMS), and the proposed federal CO₂ Regulation.

2011 Highlights

The group presented their final report to the Board in December. In comparing the direction and focus of the most recent BLIERs consultations with the existing CASA Framework, the Working Group modeled and evaluated the projected outcomes of the two approaches. The Working Group also considered the relative environmental and economic gains and losses if the proposed BLIERs and the proposed CO₂ Regulation were to replace the existing CASA Framework. Alberta Environment and Water made a commitment that, as necessary, it would use the final report to inform higher levels of national AQMS BLIERs discussions.

Working Group Members

- Randy Dobko (Chair), Alberta Environment and Water
- Jim Hackett (Chair), ATCO Group, Utilities
- Tom Marr-Laing (Chair), Pembina Institute
- Ahmed Idriss, Capital Power Corporation
- Robyn-Leigh Jacobsen, CASA
- David Lawlor, ENMAX
- Ken Omotani, TransAlta Generation Partnership
- David Spink, Prairie Acid Rain Coalition
- Srikanth Venugopal, TransCanada Transmission

FLARING AND VENTING

This team considered possible recommendations to improve the management framework.

2011 Highlights

The participants in this multi-stakeholder review had differing views with respect to the priority and the means to pursue further reductions in flaring and venting. Given the opportunity to deliberate on the future of the Flaring and Venting Project Team, CASA's Executive Committee (representing all stakeholder groups) concluded that the team had satisfactorily completed its Terms of Reference and should be disbanded. If there were a desire to undertake further work through a consensus-based process, a new team would be initiated through the CASA Statement of Opportunity process.

Members

- Andrew Higgins (Chair), Canadian Natural Resources Limited
- Chris Severson-Baker (Chair), Pembina Institute
- Randy Dobko (Chair), Alberta Environment and Water
- Bob Barss,
Alberta Association of Municipal Districts & Counties
- Wayne Hillier, Husky Energy
- Gary Leach,
Small Explorers and Producers Association of Canada
- Robyn-Leigh Jacobsen, CASA
- Anna Maslowski, Alberta Energy
- Randal McNeill, Husky Energy
- Krista Phillips, Canadian Association of Petroleum Producers
- Colby Ruff, Energy Resources and Conservation Board
- Jim Spangelo, Energy Resources and Conservation Board
- Jolene Shannon,
Pembina Agricultural Protection Association
- John Squarek, Oasis Energy Inc.
- James Vaughan, Energy Resources and Conservation Board

PARTICULATE MATTER AND OZONE MANAGEMENT IMPLEMENTATION

This team monitors the implementation of the 2003 PM and Ozone Management Framework, and provides stakeholder advice on implementation as required.

2011 Highlights

The team submitted two documents to the Air Management Committee of the Canadian Council of Ministers of the Environment with respect to the development of the national Air Quality Management System. The first was a "Lessons Learned" document which provided insights on the implementation of Alberta's PM and Ozone Management Framework. The second document provided comments on the proposed "Guidance Document for the Achievement Determination of the Canadian Ambient Air Quality Standards" for PM_{2.5} and Ozone.

Members

- Claude Chamberland (Chair), Shell Canada Energy
- Myles Kitagawa (Chair), Toxics Watch Society of Alberta
- Bob Myrick (Chair), Alberta Environment and Water
- Sara Bars, TransCanada
- Jill Bloor, Calgary Region Airshed Zone
- Andrew Clayton, Alberta Environment and Water
- Erin Evans, City of Calgary
- Kelly Fyhn, EPCOR
- Linda Harvey, City of Calgary
- Marc Huot, Pembina Institute
- Ahmed Idriss, Capital Power Corporation
- Linda Jabs, CASA
- Shane Lamden, NOVA Chemicals Corporation
- Norman MacLeod, CASA
- Keith Murray, Alberta Forest Products Association
- Crystal Parrell, Alberta Environment and Water
- Mike Pawlicki, Lafarge Canada Inc.
- Dennis Stefani, Alberta Health Services (Calgary and Area)
- Karina Thomas, Alberta Health and Wellness
- Kevin Warren, Parkland Airshed Management Zone
- Darcy Walberg, Agrium

Corresponding members

- Long Fu, Alberta Environment and Water
- Krista Phillips, Canadian Association of Petroleum Producers

CASA Renewal

Prompted by evolving policy and regulatory initiatives, combined with a demand for increasing operational efficiency, this year CASA embarked on a comprehensive review of the corporate direction.

Alberta's policy and regulatory regime is evolving in response to escalating concerns about air quality, increasing complexity of air quality issues, and expanding stakeholder interests. The challenge for the Board of Directors was how to adjust to these pressures, and to determine how the organization can best contribute to the management of Alberta air quality in the future.

Regular review is built into CASA's bylaws, requiring a periodic "assessment of fundamental principles, including vision, mission and goals". The process used in 2011 was a comprehensive one, including:

1. A scan of CASA's operating environment, and the wide array of processes and factors affecting CASA;
2. An assessment of potential future trends and conditions;
3. A canvas of stakeholders and staff, soliciting observations and ideas; and
4. Development of a package of strategic alternatives for Board consideration.

STRATEGIC FORESIGHT COMMITTEE

The Strategic Foresight Committee examined the range of potential changes that would most significantly affect a CASA-like organization from now until 2040. While no one can predict the future, they explored the range of possible futures to help position CASA to more confidently and effectively adapt to future changes.

The Committee identified nine trends and drivers that could affect CASA's world in the future:

1. The nature of air quality data available for decision-making;
2. A willingness to exercise leadership on air quality issues;
3. The scope and size of carbon pricing and its impacts;
4. The nature of impacts on climate change in Alberta;
5. The prominence of natural capital in human ecological decision-making;
6. The role and relationship of non-government players in environmental decision-making;
7. The ability of the Government of Alberta to influence/shape Alberta's future;
8. The impact of air quality on the well-being of individual Albertans; and
9. The degree of innovation in production and use of Alberta's hydrocarbon resources.

The Committee also developed four major insights about CASA's future:

1. **Building on success:** air quality management in Alberta has advanced over the past 15 years largely because of the ongoing dialogue and collaboration through CASA.
2. **Defining the 'S' in CASA:** the primary focus in the past has been on generating solutions to air quality challenges, but there is an opportunity for CASA to address emerging issues and help shape the path forward.
3. **Expanding CASA's reach and broadening its focus:** there is an opportunity to consider integrated approaches to air quality management, to consider tackling issues beyond its present scope, to expand to other scales, and to engage a broader range of stakeholders.
4. **Building capacity:** broadening CASA's focus and engaging a wider range of stakeholders will require enhanced capacity to facilitate interest-based discussions, and to contemplate issues beyond those associated with regulated emissions.

ENVIRONMENTAL SCAN FINDINGS

An environmental scan examined social, technological, environmental, economic and political developments in the world today. Some of the significant findings were that:

- Air quality is one of the top three environmental issues related to health
- Although new technology may mitigate emissions, it can also lead to unintended consequences and new air quality issues
- There is continued concern about the health effects and long-term impacts of oil and gas activities
- Fossil fuel demand is up, and increased growth in oil and gas activities will increase air quality concerns and emissions
- International pressures feed a growing public interest in credible and accessible environmental monitoring and air quality information
- Odour remains an important issue to the general public

GOVERNMENT INITIATIVES

Both the provincial and federal governments are working on initiatives that relate to CASA's future. Provincially, the Land-use Framework for Alberta and the Cumulative Effects Management System are in formative stages. Nationally, the Air Quality Management System is expected within the next year.

The Land-use Framework provides a blueprint for land use management and resource decision-making in order to reach Alberta's long-term environmental, social and economic goals. Recommendations for regional plans will be developed by area advisors who appreciate and understand the broad interests of each region.

The Cumulative Effects Management System represents a shift from managing air quality on a provincial basis to managing it on a regional basis. Its focus changes from managing air quality on its own to a holistic management considering air, land, water and biodiversity together.

The national Air Quality Management System (AQMS) will build on existing federal, provincial and territorial air quality management to deliver a Canada-wide approach with flexibility in addressing regional differences in air quality issues. It will establish regionally coordinated air sheds and air management zones, and access to air quality information by introducing public reporting, modeling and monitoring mechanisms.

STRATEGIC PLANNING RETREAT

In June, the Board participated in a strategic planning retreat and sought to develop a new strategic direction to guide the work of CASA over the next 5 to 10 years.

During the Board discussion, four key goals emerged:

1. Providing strategic advice
2. Contributing to effective and efficient air quality management
3. Contributing to a reliable, comprehensive, and objective knowledge system
4. Communicating information that builds awareness, understanding, and commitment to air quality management

AIRSHED ZONES

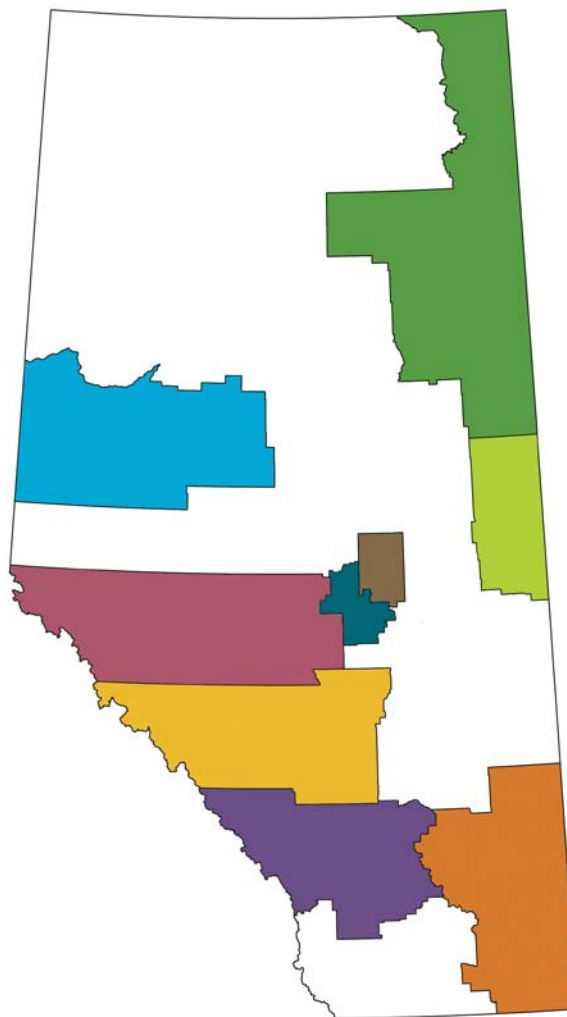
In Alberta, non-profit societies or associations conduct passive and/or continuous ambient air quality monitoring as airshed zones.

Formed by local stakeholders to deal with air quality issues in a specific region, they are funded by the partners in each airshed zone.

CASA provides guidelines for formation and operation, but each airshed zone operates independently as a non-profit society or association. All endorsed airshed zones are consensus-based and support the CASA vision.

CASA has endorsed eight airsheds throughout the province. This document includes short reports from each of those eight airsheds. The Alberta Capital Airshed Alliance (Edmonton and area) is included in the map here, with endorsement by CASA pending.

Airshed Zones



- Wood Buffalo Environmental Association Airshed
- Peace Airshed Zone Association
- Lakeland Industry & Community Association
- Fort Air Partnership Airshed
- Alberta Capital Airshed Alliance (CASA endorsement pending)
- West Central Airshed Society
- Parkland Airshed Management Zone
- Calgary Region Airshed Zone
- Palliser Airshed Society

ALBERTA AIRSHEDS COUNCIL

The Alberta Airsheds Council provides a forum to identify and advocate for the common interests of the nine airshed zones. Representatives from all Airshed Zones meet on a regular basis. In 2011, the meetings were in Red Deer, Edmonton and Canmore.

In the fall of 2011, Bob Scotten, Executive Director for West Central and Palliser Airshed Zones and Jill Bloor, Calgary Region Airshed Zone's Executive Director were elected Co-chairs of the AAC. Nadine Blaney with the Fort Air Partnership is the Secretary/Treasurer.

The Alberta Airsheds Council:

- provides a forum for discussing air quality issues and management strategies
- strengthens relationships between airsheds, regulatory agencies and others
- facilitates communication between the airsheds and the public
- acts as a resource for forming airsheds

For more information, go to www.albertairshedsCouncil.ca

CALGARY REGION AIRSHED ZONE (CRAZ)

This past year was busy for CRAZ. We deployed a network of 30 passive air monitors and all reports since July are posted to our website.

We worked with the City of Calgary to develop a education/outreach component and wrap for the Downtown Air Monitoring station. We're also working to secure a new site for the station. Success will be a great achievement because it will be one of a very few with an education/outreach component.

Together CRAZ, the City of Calgary and AEW secured a new site for the Southeast station after the original was sold. Preparation for relocation has begun with a very appealing wrap. One day it could also incorporate an education component.

The Particulate Matter/Ozone Audit Committee received two reports commissioned in 2010. It also completed an Achievement Report for the Board on actions outlined in the PM/O₃ Management Plan. An All-sources Emissions Inventory and Community-based Social Marketing project were commissioned for completion by March.

Membership presentations to 11 southern Municipal Councils were positively received, and we hope that translates to new members in 2012.

The 2012-2014 Strategic Plan was completed, providing direction for the organization and for committees as they prioritize their work.

The Education/Outreach program continued with completion of the first CRAZ Photo Contest in May. This summer, over 300 children and youth learned about air quality and what they can do to protect it. CRAZ, with Calgary Co-op and Husky, continued the Gauge 'n Save program at gas stations, with 15 volunteers attending to 600 cars over the summer.

Through the Education programs, we increase public awareness of the organization. We also show people specific techniques to use to ensure we continue to enjoy our present air quality. The CRAZ Board, staff and volunteers are excited about building on last year's accomplishments.

FORT AIR PARTNERSHIP (FAP)

In 2011 Fort Air Partnership (FAP) continued its transition toward a regional air monitoring network. Operating a regional network (rather than fence line monitoring) gives a more well-rounded characterization of regional air quality. It provides the ability to measure the cumulative impact of all pollutant sources, taking into consideration regulated industrial emissions, as well as non-regulated emission sources such as urban, oil and gas, and agricultural activities.

This work began with redefining network objectives to support regional monitoring. A third-party contractor began a comprehensive assessment of Fort Air Partnership's monitoring network and data in September 2011. Sonoma Technology Incorporated is performing this analysis to identify monitoring gaps and redundant activities in light of new priorities, and to meet emerging needs identified by airshed stakeholders.

Significant equipment upgrades were made to several of FAP's stations, including the National Air Pollution Surveillance (NAPS) station at Elk Island National Park.

Throughout the year, Fort Air Partnership (along with West Central Airshed Society and the Alberta Capital Airshed Alliance) was actively involved in the Capital Region Multi-Stakeholder Air Forum. This multi-stakeholder group is responsible for developing a Capital Region Air Quality Management Framework, which will define triggers for sulphur dioxide, nitrogen dioxide, fine particulate matter and ozone (set below existing standards and objectives) to signal the need for management actions.

FAP's continuing communications included the distribution of annual reports and a quarterly e-bulletin, plus presentations to industry groups and county councils. A focus group study in November of 2011 provided further guidance for current communications activities. FAP also provided continued support for the Life in the Heartland initiative, a collaborative effort between organizations in the Industrial Heartland to keep residents informed about issues regarding industrial development.

LAKELAND INDUSTRY AND COMMUNITY ASSOCIATION (LICA)

2011 marks LICA's second year of operating the fully implemented regional air quality monitoring program. The continuous monitoring program currently consists of three fixed continuous monitoring trailers and one portable monitoring station. The regional monitoring program also includes a 26 station passive network, integrated volatile organic compound and polycyclic aromatic hydrocarbon sampling at selected locations, and the landowner-sampled *Community Monitoring Project*.

LICA also samples for potential air quality impacts on soils through its soil acidification monitoring program.

In 2011, to further enhance the soil acidification monitoring program that began in 2010 with the establishment of a soil plot in Moose Lake Provincial Park, LICA added a second sampling plot at Whitney Lakes Provincial Park. Over the next year, LICA has plans to implement one more soil monitoring plot in the northern part of the airshed zone.

Projects currently underway include analyzing co-located and duplicate sampling data, interpretation and analysis of volatile organic compound and polycyclic aromatic hydrocarbon monitoring data, establishing synergy with the Beaver River Watershed Alliance through lake chemistry analysis (potential acidification impacts), and education and outreach through local schools or focused public events.

In 2011, LICA's showpiece public education and outreach event was the 'Green Your Ride' vehicle emissions testing clinic. Area drivers were provided with an opportunity to learn about the environmental impact of their vehicle and how maintenance or repairs may reduce tailpipe emissions and increase fuel efficiency. The clinic included free tests of tailpipe emissions, tire pressure, and the vehicle's gas cap seal. Nearly 60 vehicles were tested during the half-day event, and drivers were provided with insight regarding the 'environmental performance' of their vehicle. Participants received a report card that included the results of several tests including tailpipe emissions of various substances (hydrocarbons, carbon monoxide, carbon dioxide, and oxygen), trouble codes from vehicles' onboard diagnostics computer including the emissions control system, and tire pressure. For diesel-fueled cars and trucks, report cards also included exhaust opacity test values.

PALLISER AIRSHED SOCIETY (PAS)

2011 started as a promising year, with some restored monitoring, special monitoring in downtown Medicine Hat, and a few additional months of operating the Rover station.

The passive monitoring stations were restored to twenty sites, and subsequently increased to twenty-two monitoring sites, which provides an improved data set for the whole region. Two new sites located in the Hays area were added to fulfill a request by the CNRL Hays Plant to join the airshed.

A special monitoring program was set up to monitor total hydrocarbon and oxides of nitrogen during the cold winter months of 2010/11. This was conducted to determine odour issues experienced in cold weather.

Unfortunately, PAS experienced a decline in contributions, and subsequently had to adjust its monitoring program to meet financial reality. The Rover program was shortened by one month, and all other initiatives were reviewed to identify cost-saving opportunities. A subcommittee has been struck to enhance membership and review the sustainability of the current funding model.

PARKLAND AIRSHED MANAGEMENT ZONE (PAMZ)

In 2011, the Parkland Airshed Management Zone's (PAMZ) activities again focused on the operation of its Air Quality Monitoring (AQM) Program and implementation of its Ozone Management Plan (OMP).

The Martha Kostuch Portable AQM Station supported a number of air quality investigations, including odour concerns in the vicinity of Bowden and Evergreen.

The David McCoy Portable's schedule included background monitoring near the site of a proposed bioenergy generation facility near Horn Hill, and stops in Sundre, Crossfield and Dogpound.

Replacement of the monitoring network's aging data acquisition and control systems (DACS) began with the installation of a new system at the Caroline station in November. The DACS systems in the two portable stations are slated for replacement in 2012 and 2013.

In March, as part of the implementation of medium-term objectives of its Ozone Management Plan, PAMZ held an inaugural Ozone Prevention Workshop. Participants learned about ground-level ozone and what they and their organizations can do to help prevent its formation. They received comprehensive "tool kits" to help them. More workshops are planned for 2012.

Work continued all year on a number of objectives identified in the PAMZ Five Year Plan developed in 2010, with completion of two notable ones – a review of PAMZ's organizational structure and governance, and an overhaul of the Issues Identification and Response Process. The revamped issues process will ensure issues are responded to within 90 days, which is a significant improvement over the previous process.

Late in 2011, work began on an assessment of air quality data collected at The Red Deer Station since its establishment in 2001. This station will most likely be relocated to a new site in 2012 because of significant development around the site in recent years. A new site will ensure that collected data is representative of Red Deer as a whole, and suitable for use in calculating Air Quality Health Indexes (AQHIs).

PEACE AIRSHED ZONE ASSOCIATION (PAZA)

In 2011 PAZA unveiled a new logo and visual brand identity. We undertook these changes to ensure the outward appearance of our organization accurately reflects the professional value and integrity of our work. Our new look is meant to communicate the human side of PAZA's contribution to the region. Promoting our new brand through the use of social media and improvements to our webpage has allowed us to reach a broader demographic.

As we continue to be the leader in air quality monitoring in the Peace region, 2011 was a year of modernization and planning for the future. A strategic planning workshop solidified our focus on the priority of producing credible air quality monitoring data and recognized the need to modernize our vision and mission while continuing to work to secure equitable and sustainable funding for PAZA.

PAZA promoted the rollout of Alberta's new Air Quality Health Index (AQHI), measuring the AQHI at Henry Pirker and Beaverlodge. In 2012 we plan to expand our AQHI monitoring and reporting to our rover station.

PAZA continued to grow community education and partnership opportunities throughout the year and we look forward to partnering with municipal and industry members in hosting the first ever vehicle emissions clinic in the City of Grande Prairie in 2012.

PAZA recognizes the air quality monitoring needs of our region are continually changing and we must grow and adapt to remain effective. Working closely with our stakeholders we completed an extensive review of our region's air quality monitoring needs and our program objectives. This work completed in 2011 strongly positions PAZA to move into the future, where 2012 should see a full network assessment project.

WEST CENTRAL AIRSHED SOCIETY (WCAS)

The West Central Airshed Society continues to operate thirteen continuous air monitoring stations and fourteen passive sites. In 2011, the network operated at over 98% uptime. The Hightower station operating 65 kilometers north of Hinton was badly damaged by a severe wind storm in October. Damage to the two wind generators exceeded twenty thousand dollars. The network has been upgraded to provide AQHI capability at five of the monitoring stations; most notably is the addition of O₃ and PM_{2.5} analyzers to the Edson station.

WCAS serves on a number of regional and provincial initiatives. A great deal of time has been devoted to the Capital Region/Industrial Heartland Multi-stakeholder Air Forum steering Committee, the Capital Airshed Partnership, the Alberta Airshed Council and the CASA Joint Standing Committee. WCAS is committed to participate in the development of the future of air quality monitoring and management in the province.

WCAS completed a fourteen month ozone monitoring program in the Capital region. Three continuous monitoring stations with ozone and NO_x analyzers plus meteorological equipment were operated in Barrhead, New Serepta and Sedgewick. The Barrhead and New Serepta stations also sampled VOCs for the summer months in 2010 and 2011. A contractor will be providing a review of the data analysis in February 2012.

The major challenge for WCAS has been declining financial support. This is a result of reduction of emissions, the rapid pace of tracking facility acquisitions, and the nature of voluntary contributions from most emitters in the region. WCAS is committed to finding a sustainable funding solution.

WOOD BUFFALO ENVIRONMENTAL ASSOCIATION (WBEA)

2011 was a year of evolution and productivity for the Wood Buffalo Environmental Association. We welcomed new members and delivered on significant milestones set out in our 2011-2015 Strategic Plan. Among the notable achievements were:

- Presenting to the Alberta Environmental Monitoring Panel.
- Acquiring the WBEA servers, thereby bringing data management systems in-house.
- Commissioning an expert assessment of our air monitoring network.
- Presenting key papers demonstrating the innovative, scientific foundation of WBEA monitoring activities and pilot projects, during our International Symposium “Alberta Oil Sands: Energy, Industry and the Environment”.
- Hosting the 43rd Air Pollution Workshop, held in conjunction with the Symposium and attended by over 120 scientists engaged in air pollution research.
- Meeting significant air quality monitoring challenges and playing a key role for both members and the public by delivering continuous advisories during the Richardson wildfire in May and June.
- With leadership from the Ambient Air Technical Committee, assuming responsibility for the operation and maintenance of our air monitoring network. Our new Field Operations Centre was acquired and renovated in support of this undertaking.
- Dr. Kevin Percy was appointed as Executive Director.
- The Human Exposure Monitoring Program held two successful workshops focused on odour compound identification and measurement.
- The Terrestrial Environmental Effects Monitoring program successfully and safely carried out an intensive 2011 Forest Health Monitoring Program.
- Several new staff joined WBEA in support of our activities.
- WBEA held the first annual Member’s Tour and Open House.
- Alberta Environment and Water introduced an Air Quality Health Index to which WBEA contributes data from four of our community stations.
- Communicating with stakeholders by means of a Community Report, electronic newsletters, a redesigned website, a new vignette, and an annual report.

FUNDING

Core operations of CASA were supported by a financial contribution from Alberta Energy. Industry, government and non-government organizations provided additional funding and in-kind support for CASA projects.

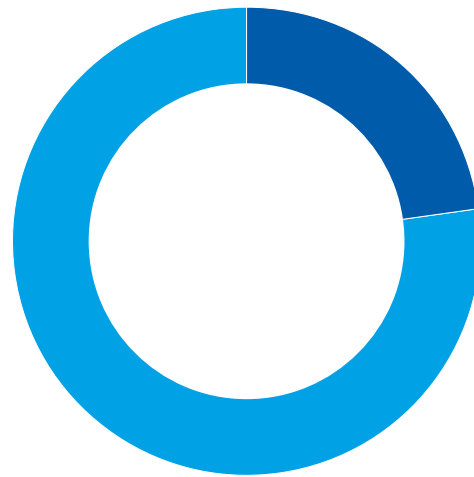
A dollar figure has been placed on the support and assistance provided by each sector, including both cash and in-kind contributions. In-kind contributions include time spent in meetings, time spent preparing for meetings, and travel costs. A dollar figure representing the time and resources that each sector invests in CASA cannot accurately depict the true value of stakeholder contributions. However, these figures are presented here in order to acknowledge and recognize our partners' involvement in CASA.

Cash and In-Kind Contributions by Stakeholder Group



Government	\$1,066,025
Industry	\$ 109,500
NGO	\$ 88,650
Total	\$1,264,175

Total Cash and In-Kind Contributions



Cash	\$ 975,000
In-Kind	\$ 289,175
Total	\$1,264,175

THE ORGANIZATIONS

The following organizations provide financial and in-kind contributions, supporting those sitting at the board table and on project teams.

IN-KIND AND FINANCIAL SUPPORT FOR 2011

- Agrium Inc.
- Alberta Agriculture and Rural Development
- Alberta Association of Municipal Districts & Counties
- Alberta Beef Producers
- Alberta Capital Airshed Alliance
- Alberta Energy
- Alberta Energy and Utilities Board
- Alberta Energy Resources Conservation Board
- Alberta Environment and Water
- Alberta Forest Products Association
- Alberta Health and Wellness
- Alberta Health Services
- Alberta Motor Association
- Alberta Natural Resources Conservation Board
- Alberta Sustainable Resource Development
- Alberta Urban Municipalities Association
- Alberta Utilities Commission
- AltaGas Ltd.
- ATCO Power
- BC Oil & Gas Commission
- Bert Riggall Environmental Foundation
- Calgary Region Airshed Zone
- Canadian Association of Petroleum Producers
- Canadian Natural Resources Limited
- Canadian Petroleum Products Institute
- Capital Power Corp.
- Chemistry Industry Association of Canada
- City of Calgary
- ConocoPhillips Canada
- COPD and Asthma Network of Alberta
- County of Mountainview
- EnCana Power and Processing ULC
- Enmax Energy Corporation
- Environment Canada
- EPCOR Utilities Inc.
- Fort Air Partnership
- Friends of an Unpolluted Lifestyle
- Graymont Western Canada Inc.
- Health Canada
- Husky Energy
- Imperial Oil Limited
- Intensive Livestock Working Group
- Lakeland Industry and Community Association
- Lehigh Inland Cement Limited
- Lung Association, Alberta & NWT
- Maxim Power Corp.
- MEGlobal Canada Inc.
- Métis Settlements General Council
- Mewassin Community Council
- MGV Energy Inc./
Canadian Society for Unconventional Resources
- Nexen Inc.
- NOVA Chemicals Corporation
- Oasis Energy
- Palliser Airshed Society
- Parkland Airshed Management Zone
- Peace Airshed Zone Association
- Pembina Agricultural Protection Association
- Pembina Institute
- Petro-Canada
- Ponoka Fish and Game
- Residents for Accountability in Power Industry Development
- Samson Cree Nation
- Shell Canada
- Small Explorers and Producers Association of Canada
- Southern Alberta Group for the Environment
- Suncor Energy Inc.
- Town of Canmore
- Town of Whitecourt
- Toxics Watch Society of Alberta
- TransAlta Utilities Corporation
- TransCanada Corporation
- West Central Airshed Society
- Weyerhaeuser Company
- Wild Rose Agricultural Producers
- Wood Buffalo Environmental Association



FOR THE YEAR ENDED DECEMBER 31, 2011

financial statements

AUDITOR'S REPORT

To the Members of The Clean Air Strategic Alliance Association

We have audited the accompanying financial statements of the The Clean Air Strategic Alliance Association, which comprise the statement of financial position as at December 31, 2011, and the statements of operations and changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.



Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the The Clean Air Strategic Alliance Association as at December 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in dark teal ink that reads "Hawkings Epp Dumont LLP". The signature is written in a cursive, flowing style.

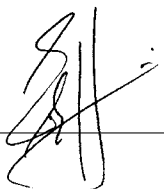
HAWKINGS EPP DUMONT LLP
Chartered Accountants

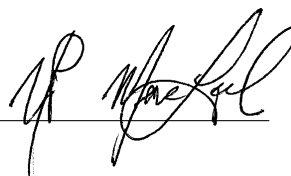
Edmonton, Alberta
February 24, 2012

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2011

	2011			2010 Total
	Core	External Projects	Total	
ASSETS				
Current Assets				
Cash and cash equivalents (Note 4)	\$ 1,123,097	\$ 156,439	\$ 1,279,536	\$ 1,373,294
Receivables (Note 5)	12,458	324	12,782	28,948
Interfund receivable (payable)	(3,862)	3,862	–	–
Prepaid expenses	5,136	–	5,136	4,611
	1,136,829	160,625	1,297,454	1,406,853
Property and Equipment (Note 6)	15,700	29,343	45,043	36,684
	\$ 1,152,529	\$ 189,968	\$ 1,342,497	\$ 1,443,537
LIABILITIES AND FUND BALANCES				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 57,994	\$ –	\$ 57,994	\$ 38,530
Deferred contributions (Note 7)	698,674	160,625	859,299	1,005,778
	756,668	160,625	917,293	1,044,308
Long term Liabilities				
Deferred contributions – property and equipment (Note 8)	15,700	29,343	45,043	19,061
	772,368	189,968	962,336	1,063,369
Fund Balances				
Internally restricted (Note 2 (a))	290,000	–	290,000	290,000
Unrestricted				
Invested in property and equipment	–	–	–	17,637
Available for operations	90,161	–	90,161	72,531
	380,161	–	380,161	380,168
	\$ 1,152,529	\$ 189,968	\$ 1,342,497	\$ 1,443,537

On Behalf of the Board: President 

Executive Director 

The accompanying notes are an integral part of these financial statements.

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2011

	2011			2010
	Core	External Projects	Total	Total
Revenue				
Grants (Note 7)	\$ 962,976	\$ 100,667	\$ 1,063,643	\$ 1,441,859
Amortization of Deferred Contributions – Property & Equipment (Note 8)	6,643	8,542	15,185	–
Interest	13,700	527	14,227	7,398
	983,319	109,736	1,093,055	1,449,257
Expenses (Schedule 1)				
Projects	314,437	–	314,437	309,500
General and administrative	389,703	–	389,703	391,948
Board support	142,168	–	142,168	103,559
Communications	136,285	–	136,285	118,118
Other	726	2,525	3,251	285
External projects	–	107,211	107,211	520,818
	983,319	109,736	1,093,055	1,444,228
Excess of Revenue over Expenses before Other Items	–	–	–	5,029
Other Items				
Loss on disposal of property & equipment	–	–	–	(5,029)
Excess of Revenue over Expenses	–	–	–	–
Fund Balances, Beginning of Year	380,168	–	380,168	380,168
Fund Balances, End of Year	\$ 380,168	\$ –	\$ 380,168	\$ 380,168

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2011

	2011	2010
Operating Activities		
Excess of revenues over expenses		
Excess of revenue over expenses	\$ -	\$ -
Amortization of property and equipment	15,185	3,106
Amortization of deferred contributions – property and equipment	(15,188)	-
Loss on disposal of property and equipment	-	5,029
	(3)	8,135
Change in non cash working capital balances related to operations:		
Decrease in accounts receivable	16,166	17,849
Decrease in prepaid expenses	(525)	2,769
Increase (decrease) in accounts payable and accrued liabilities	19,464	(4,138)
Increase (decrease) in deferred contributions	(146,479)	(269,252)
	(111,377)	(244,637)
Financing Activities		
Deferred contributions received – property and equipment	41,170	19,061
Investing Activities		
Purchase of property and equipment	(23,551)	(33,640)
Proceeds on disposal of property and equipment	-	225
	(23,551)	(33,415)
Change in Cash and Cash Equivalents During the Year	(93,758)	(258,991)
Cash and Cash Equivalents, Beginning of Year	1,373,294	1,632,285
Cash and Cash Equivalents, End of Year	\$ 1,279,536	\$ 1,373,294
Additional Cash Flow Information:		
Interest received	\$ 7,012	\$ 7,372

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

Note 1 Nature of Operations

The Clean Air Strategic Alliance Association (the "Association") is a non profit organization incorporated March 14, 1994 under the *Societies Act* of Alberta and is not taxable under the Canadian *Income Tax Act*. The Association is comprised of members from three distinct stakeholder categories: industry, government and non government organizations. The Association has been given shared responsibility by its members for strategic air quality planning, organizing and coordination of resources, and evaluation of results in Alberta. In support of these objectives, the Association receives cash funding from the Province of Alberta as well as cash and in kind support from other members.

Note 2 Accounting Policies

The financial statements have been prepared on a fund accounting basis using the deferral method of accounting for contributions in accordance with Canadian generally accepted accounting principles ("GAAP") and include the following significant policies:

(a) Fund Accounting

The Core Project Fund accounts for funds provided by governments together with interest earned that are used to support general operations. The Board of Directors has internally restricted accumulation of this fund to pay necessary expenses in the event of the wind down of the Association. The unrestricted portion of this fund consists of the undepreciated balance of property and equipment, entitled investment in property and equipment and the remainder of the fund entitled available for operations.

The External Projects Fund accounts for funds provided by Association stakeholders together with interest earned that are raised and expended by project teams for specific purposes.

(b) Property and Equipment

Property and equipment are recorded at cost. Amortization, which is based on the cost less the residual value over the useful life of the asset, is computed using the following methods and rates:

Computer equipment	Declining balance	30%
Furniture and equipment	Declining balance	30%

Long lived assets are tested for recoverability whenever events or changes in circumstances indicate their carrying amount may not be recoverable. An impairment loss is recognized when its carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

Note 2 Accounting Policies – continued

(c) Non Monetary Support

Association members contribute non monetary support including staff resources, meeting space and publication support. The value of this non monetary support is not reflected in these financial statements.

(d) Revenue Recognition

Grants are recognized as income at an amount equal to expenses incurred for related projects. Interest is earned from short term investments computed on the accrual basis.

(e) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the recorded amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates. Significant areas requiring the use of management's estimates include the collectible amounts of accounts receivable, the useful lives of property and equipment and the corresponding rates of amortization and the amount of accrued liabilities.

(f) Financial Instruments

The Association has classified its cash as financial assets held for trading which are subsequently recognized at fair value as determined on the basis of market value. Interest income and expense are recognized in the period in which they occur. Accounts receivable are classified as loans and receivables. Accounts payable and accrued liabilities are classified as other liabilities

Unless otherwise noted, the fair values of these financial instruments approximate their carrying value. It is management's opinion that the Association is not exposed to significant currency or credit risks arising from these financial instruments.

The Association is exposed to interest rate risk on interest earned from short term investments because the interest rate fluctuates with the prime rate.

Note 3 Future Accounting Policy Changes

The Canadian Institute of Chartered Accountants is transitioning from Canadian generally accepted accounting principles (CGAAP – Part IV) to CGAAP – Part III – Accounting Standards for Not for Profit Organizations.

The Association's financial statements will be prepared in accordance with CGAAP – Part III for the fiscal year commencing January 1, 2012 and will include comparative information for the prior year. The Association's transition date is January 1, 2011 and accordingly, the Association will prepare its opening Part III balance sheet at that date.

The Association does not believe the transition to the Part III standards will have an impact on their financial statements.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

Note 4 Cash and Cash Equivalents

	2011	2010
Guaranteed Investment Certificates	\$ 1,110,155	\$ 63,839
Operating accounts	118,796	124,070
Savings accounts	50,585	1,185,385
	\$ 1,279,536	\$ 1,373,294

Guaranteed Investment Certificates bear interest at rates ranging from 1.15% - 1.51% (2010 – 1.13% - 1.51%) and mature between January 3, 2012 and September 12, 2012.

Note 5 Receivables

	2011	2010
Accrued interest	\$ 7,265	\$ 50
Goods and Services Tax	5,517	9,581
Grants	–	19,317
	\$ 12,782	\$ 28,948

Note 6 Property and Equipment

	2011			2010
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 86,635	\$ 45,624	\$ 41,011	\$ 36,654
Furniture and equipment	8,819	4,787	4,032	30
	\$ 95,454	\$ 50,411	\$ 45,043	\$ 36,684

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

Note 7 Deferred Contributions

(a) Core Fund

During the year, the Association received grants totaling \$850,000 (2010 – \$850,000) from the Province of Alberta. The purpose of the grants is to provide core funding in support of the Association's objectives as detailed in Note 1. The Regulations to the *Department of the Environment Act*, the *Department of Energy Act*, the *Department of Health Act*, and the *Department of Agriculture and Food Act* under which the grants have been provided, specify that grants must either be used for the purposes specified in the grant, be used for different purposes if such different purposes are agreed to by the applicant and the respective Minister, or be returned to the Province of Alberta. Accordingly, in the event the Association does not utilize the funds in pursuit of its objectives, any unexpended grant monies remaining may have to be repaid to the Province of Alberta.

	2011	2010
Balance, Beginning of Year	\$ 833,995	\$ 906,140
Grants Received and Receivable During the Year	850,000	850,000
Transfer to Deferred Contributions – Property & Equipment	(22,345)	-
Transfer to External Projects	-	(800)
Revenue Recognized to Cover Expenses During the Year	(962,976)	(921,345)
Balance, End of Year	\$ 698,674	\$ 833,995

(b) External Projects Fund

Deferred external project contributions are comprised of monies received for specific external projects, which have not been expended for the purposes specified in the mandates of the projects.

	2011	2010
Balance, Beginning of Year	\$ 171,783	\$ 368,890
Grants Received and Receivable During the Year	108,334	322,607
Transfer to Deferred Contributions – Property & Equipment	(18,825)	-
Transfer to External Projects	-	800
Revenue Recognized to Cover Expenses During the Year	(100,667)	(520,514)
Balance, End of Year	\$ 160,625	\$ 171,783

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

Note 8

Deferred Contributions Related to Property and Equipment

Deferred contributions related to property and equipment represent restricted contributions with which some of the Association's property and equipment was purchased. The changes in the deferred contributions related to property and equipment are as follows:

	2011	2010
Balance, Beginning of Year	\$ 19,061	\$ –
Transfer from Internal Deferred Revenue (Note 7)	22,345	19,061
Transfer from External Deferred Revenue (Note 7)	18,825	–
Less: Amounts Recognized During the Year	(15,188)	–
Balance, End of Year	\$ 45,043	\$ 19,061

Note 9

Economic Dependence

The Association's primary source of revenue is grants from the Province of Alberta. The Association's ability to continue viable operations is dependent on this funding.

Note 10

Capital Management

The Association's objectives when managing capital are to maintain a sufficient Core Fund balance to achieve the purpose of the funds and to ensure compliance with internal and external restrictions placed on those funds.

In the management of capital, the Association includes fund balances in the definition of capital. As at December 31, 2011, the Association has \$380,161 (2010 – \$380,168) in capital.

Capital management objectives, policies and procedures are unchanged since the preceding year.

Note 11

Budget Figures

Budget figures are provided for informational purposes only and are unaudited.

Note 12

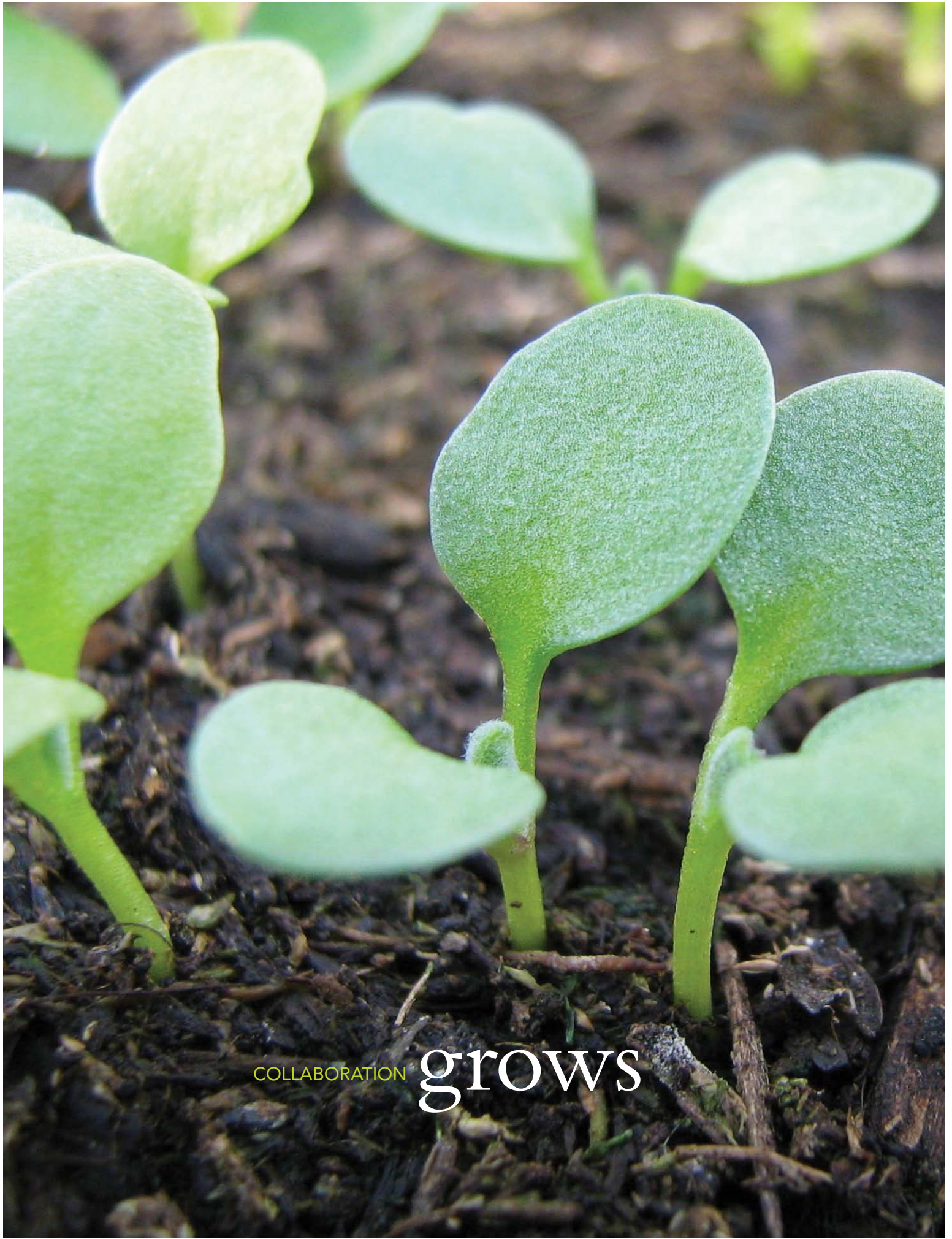
Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

SCHEDULE 1 – SCHEDULE OF EXPENSE BY OBJECT

FOR THE YEAR ENDED DECEMBER 31, 2011

	2011		2010 Actual
	Budget (Note 10)	Actual	
Supplies and Services			
Travel	\$ 82,308	\$ 58,776	\$ 48,195
Computer equipment	38,890	31,244	35,783
Stakeholder honoraria	37,089	19,374	37,334
Meetings	27,105	16,526	18,173
Amortization of property and equipment	5,195	15,185	3,106
Printing	17,392	13,257	17,074
Subscriptions	7,000	8,854	7,069
Furniture and equipment	11,000	7,288	3,227
Office supplies	6,020	7,069	5,778
Telecommunications	13,059	6,821	10,370
Advertising	11,160	4,374	8,918
Insurance	3,777	3,868	3,697
Courier	2,050	2,147	1,477
Bank charges	2,000	1,945	1,901
Records storage	2,700	1,549	1,541
Stakeholder development	5,125	1,083	2,562
	271,870	199,360	206,205
Professional Fees			
Consulting	244,094	218,513	583,653
Audit	8,800	9,531	8,000
	252,894	228,044	591,653
Human Resources			
Salaries and wages	552,160	563,383	496,666
Benefits	83,020	83,020	76,577
Staff development	16,005	13,564	8,599
Recruiting	6,000	3,254	23,452
Employee recognition	2,500	2,430	2,439
Contracted services	2,500	-	38,637
	662,185	665,651	646,370
Total Expenses	\$ 1,186,949	\$ 1,093,055	\$ 1,444,228



COLLABORATION

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