



# Villeneuve Gravel Pit Report

# Villeneuve Gravel Pit Phase 1 & 2

## Purpose

Provide County Council with an update to the phase 1 & 2 gravel operations that Transportation is contracting out at the Villeneuve gravel pit, West of the Hamlet of Villeneuve on RR 272.





# Villeneuve Gravel Pit Phase 1 & 2

## History

- Sturgeon County purchases land for gravel extraction in 1960
- 2009 Code of Practice from Alberta Environment
- 2011 County Council approved rezoning of land
- 2014 Three phase approached developed
- 2014 County Council approves Phase 1 129,800t gravel
- 2015 Phase 1 Stripping and Crushing completed
- 2016 County Council approves Phase 2 165,368t gravel
- 2017 Phase 2 Stripping and Crushing completed
- Phase 1 & 2 supplied gravel for the Villeneuve Area for 6 years (46,000t annual)



# Villeneuve Gravel Pit Phase 1 & 2

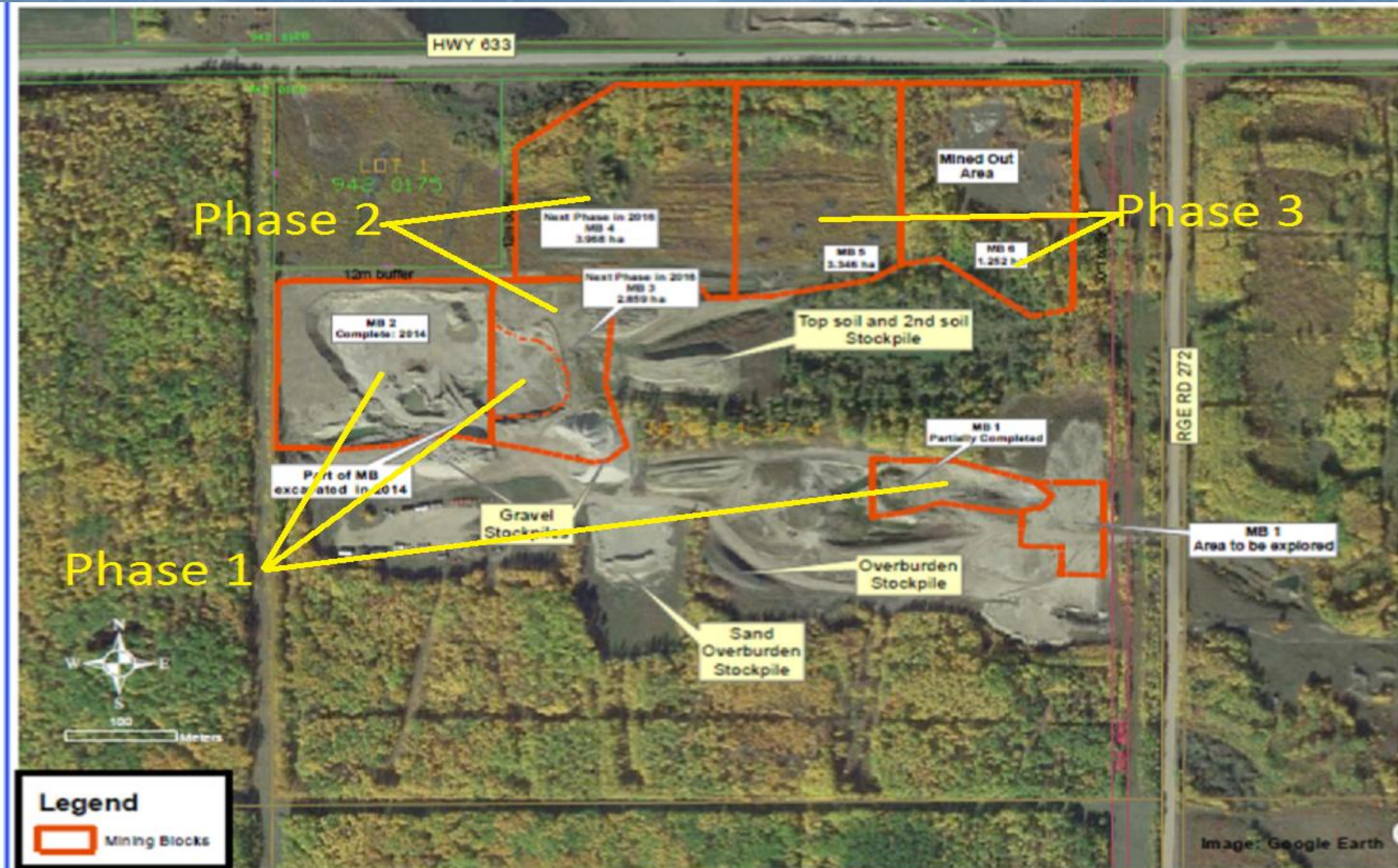
## Financials

	Gravel Crushed Tonnes	\$ Spent	Reclamation (Reserves)	Cost per Tonne *	Market Price	\$ Savings
Phase 1	129,799t	\$1,287,606	\$162,248	\$11.17	\$18.90 (2015)	\$1,015,028
Phase 2	165,368t (assumed)	\$1,390,744 (assumed)	\$454,762	\$11.16	\$19.59 (2017)	\$1,394,052
Total To Date	282,867t	\$2,678,350	\$617,011			\$2,409,080

\*Cost per Tonne includes reclamation



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## Operational

- Total crushed to date 282,867t, used to date 104,996t,
- Current volume of gravel stockpiled 177,871t at the Villeneuve pit will provide the Villeneuve area road gravel for the next 3.8 years, based on 46,000t per year
- Approximately 227,000t remaining in Mining block(MB) 5 and MB 6 to be stripped and crushed, which will provide an additional 5 year supply
- The next phase of gravel crushing should start in 2019 for MB 5 & 6
- Due to current favorable tender pricing mining the phase 3 remaining gravel in 2019 at projected cost of \$2,533,320 would resulting in savings of \$1,913,610
- Completion of mining MB 5 & 6 will meet gravel requirements until 2025



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## Reclamation

- A reclamation plan developed in 2020
  - Reclamation completed by 2022 (Assuming Phase 3 is completed)
  - The cost of reclamation from reclamation reserve
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- Reclamation reserve phase 1,  $129,799\text{t} \times \$1.25 = \$162,248$   
phase 2,  $165,368\text{t} \times \$2.75 = \$454,762$   
TOTAL = \$617,010

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## Summary

- Saving realized from phases 1 & 2 of \$2.4M
- Expected further savings from phase 3 of \$1.9M
- Current crushed stockpile material will be exhausted by 2020
- Current proven resource in phase 3 will provide supply until 2025
- Future Decisions
  - Increase reserve contributions for reclamation
  - Gravel investments short & long term decision
  - Future roadside development permit requirements



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## QUESTIONS

