



Meeting Date: September 20, 2023

Submitted by: Rob Cascaden, P. Eng – Director – Public Works and Engineering

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Report No: PWE 37-2023

Subject: Municipal Winter Sand Sale

Recommendation:

THAT Council receive for information Report PWE 37-2023, Re: Municipal Winter Sand Sale;

AND THAT Council authorise the Director of Public Works and Engineering (or Designate) to sell up to 5,000 tonnes of sand annually with all net revenue generated being deposited in the Gravel Pit Reserve Fund;

AND FURTHER THAT Council delegate authority to the Director of Public Works and Engineering (or Designate) to set the sale price of sand sold from the Sunningdale Sand Pit at a price not below \$9.50 per tonne plus HST

Purpose:

The purpose of this report is to identify revenue opportunities to support the growth of the gravel pit reserve fund to fund future municipal aggregate resource acquisition.

Background:

Staff, through general discussions with Lucan Biddulph, identified a potentially mutually beneficial opportunity regarding winter sand.

Analysis:

An opportunity exists for the municipality to generate revenue to increase the growth of the gravel pit reserve fund as well as to offset operating costs associated with the Sunningdale sand pit. Staff have discussed with Lucan Biddulph their interest in purchasing winter sand from the Municipality. It was agreed during these discussions that it would be mutually beneficial to enter into an agreement between the two municipalities. For Middlesex Centre, there will be revenue generation and for Lucan

Biddulph there is readily available and potentially long-lasting supply of winter sand. Lucan Biddulph has indicated their sand requirements are approximately 500 tonnes annually. The Sunningdale sand pit currently has estimated reserves of 2 million tonnes. The sale of 500 tonnes annually will not have a significant impact on the sand resource contained in the pit and will still provide ample supply for municipal use.

Staff reached out to a number of aggregate suppliers to understand what the market conditions are like for winter sand sales. The lowest price received was \$7.50 per tonne and the highest price received was \$11.50 per tonne. Staff are suggesting a price in the middle at \$9.50 plus HST be the base price for sand to be sold to Lucan Biddulph.

This represents revenue generation of \$4,750.00 which will be used to offset operating costs and any remaining funds to be deposited in the gravel pit reserve fund.

Lucan Biddulph has committed to providing trucking and coordinating the timing of sand hauling with the Municipality, thus minimizing any staff time or resources required to facilitate the sale of winter sand.

Staff would undertake this as a trial revenue generating opportunity and if found to be successful it could potentially be scaled up and offered to other neighbouring municipalities.

Financial Implications:

The sale of sand from the Municipality's Sunningdale sand pit is expected to generate revenue of \$4,750 + HST, with revenue being used to cover operating costs and any remaining revenue being deposited in the gravel pit reserve fund.

Strategic Plan:

This matter aligns with following strategic priorities:

- Sustainable Infrastructure and Services
- Responsive Municipal Government

This report looks to establish and provide for a potentially long-term sustainable funding stream for the building of the gravel pit reserve fund to acquire future new aggregate resources. By looking at alternative funding options the municipality stands to minimize raising taxes to fund future capital acquisitions for aggregate resources.

Attachments:

N/A