



City of Gustavus

Project Scoping Document Nomination Short Form

Project eligibility

Does the proposed project represent a major, nonrecurring expense? YES ☒ NO ☐

Will the proposed project result in a fixed asset (e.g., land, major equipment, building or other structure, road or trail) with an anticipated life of at least two years? YES ☒ NO ☐

Will the project provide broad community benefit? YES ☒ NO ☐

If you were able to answer YES to all three questions, please provide the following additional information:

1. Project title (Suggested heading in CIP): [Gravel Pit Single Operator Model](#)
2. Project description and benefit. Describe the project in half a page or less, including specific features, stages of construction, etc. Explain how the project will benefit the Gustavus community.

This project provides for the first-year funding (and potentially longer) for the new operational standard at the gravel pit. It extends the life of the operation by implementing an alternative system, for a single, exclusive operator which was necessary to address the limited amount of gravel remaining. The current rate and methods of extraction is not sustainable. The way to prolong the life of the gravel pit at this time is to expand into the available sections between ponds and surrounding areas, which is not possible with several operators staging material, not all of whom are extracting to a sufficient depth.

The new model is for the operator to mine and stack gravel and other materials that the operator will sell to the various gravel users, including the City. Although the City is not subject to the \$4.00 per cubic yard royalty fee, the new contract includes a \$10.00/yard operator fee for gravel for City needs, which includes clearing and grubbing that previously was included as a standalone project. The expectation is that these costs will be mitigated through receipt of the \$4.00 per yard royalty fee from other users, but it is unknown how much that will yield in the first year. Additionally, gravel expenses are not included in the FY26 operating budget and gravel receipts historically have been included as general revenue in the budget, rather than encumbered for gravel pit operations or roads.

Containing this endeavour to a specific project allows us to monitor its progress. After that, we should be better able to gauge the costs for FY27 once we have a known quantity of gravel revenue. Because the easy to access material is almost gone, until we acquire more land, we have to mitigate this by deeper extraction methods. To achieve deeper mining of gravel the operator will need to purchase a long reach excavator. It is inevitable that the costs are going to increase.

Additionally, the roads contract will be renegotiated and extended or put out to bid again. The single operator gravel pit contract specifies that there will be a negotiation each year of the 5-year contract.

The project provides the opportunity to continue providing gravel for the community and for the operation of City responsibilities such as roads.

3. Plans and progress. Describe in one or two paragraphs what has been accomplished so far (if anything). This may include feasibility study, conceptual design, final design/engineering/permitting, fundraising activity, and total funds raised to date.

The City, in consultation with John Barry of Neval Engineering, issued an RFP for a single operator to extract material from the city's gravel pits. Fairweather Construction was the sole bidder. The City then refined the terms of the Materials Extraction Contract with Fairweather Construction. The contract will be effective June 1, 2025.

4. Project cost:

A. TOTAL COST (including funds already secured) = \$40,000

B. For construction projects, break out preconstruction costs (feasibility/design/permitting):

Preconstruction costs = \$_____ Construction costs = \$_____

5. Timeline: Indicate when you hope to complete each phase of the project.

Please keep in mind that the CIP will not be published until the end of September.

Legislative funding (if any) would not be available until July of next year (or later) for state funding and October of next year (or later) for federal funding.

Although we updated and the Council already approved a longer-term more comprehensive gravel pit CIP project for CAPSIS, in which this single operator model was detailed, this project is not CAPSIS related. Rather, it is a project to fund, at a minimum, the first year of the new gravel pit model until we can determine if it will be advantageous to the community and the City and the approximate revenue to expect from gravel sales.

The single operator Materials Extraction Contract will be in effect beginning June 1, 2025.

A. For projects that consist of land or equipment purchase only, state when the purchase would be made: _____

For construction projects:

B. Preconstruction phase to be completed by _____.

C. Construction phase to be completed by _____.

6. Provide a quality digitized photo, drawing, map, or other graphic image of your project if possible.

Attached:

- Drawing of extend excavator arm and expected depth
- Aerial view of the current gravel pit configuration.

Working Ranges

