



February 15, 2018

Honourable Shannon Phillips
Minister of Environment and Parks
Government of Alberta
208 Legislature Building
10800 - 97 Avenue
Edmonton, AB
Canada T5K 2B6

Dear Honourable Phillips,

I am writing you today on behalf of the Fort McMurray Aggregate Users Group (FMAUG), a group of independent contractors involved in the exploration and development of the aggregate business in and around the Fort McMurray area.

Products we supply to Fort McMurray businesses and consumers include cement for foundations of homes being constructed after the devastating fires of last year, road construction material for all highways including highway 63 expansion, supplying gravel to the Oil Sands companies and drilling leases to name a few of our products and customers.

The region has been supplied primarily over the past 30 years by a public gravel pit referred to as Susan Lake. Knowledge of Susan Lake resource being depleted of the quality products used for cement and asphalt along with the lower end products has been well known by your department and the regional players for years. The source pit to replace Susan Lake is referred to as Coffee Lake and was identified as the new public pit over four years ago after considerable testing and consultation. Last year your department awarded an RFP to Mikisew North to manage the new Coffee Lake public pit.

Susan Lake is now scheduled to close over the next few months with Coffee Lake not being open for business and potentially months away from opening. This lack of supply has created a crisis situation and already put a number of businesses out of business and is driving the price of aggregate soaring in the area. Should Coffee Lake not open over the

next very few months more businesses will close and prices of aggregate will continue to increase due to this lack of supply. Perhaps even more troubling is there appears to be no plan B should Mikisew North not be able to satisfy the Government with their plan to administer Coffee Lake. It is our understanding their initial proposal sent to your department a couple of months ago has been sent back to Mikisew North due to a lack of detail in their plan. It is our understanding this proposal has not been returned to your department, again delaying the opening of Coffee Lake.

FMAUG would like to meet with you at your earliest convenience to discuss this situation and discuss ways in which we can work together to alleviate this difficult situation of aggregate becoming a scarce resource in the area. I look forward to hearing back from your office on a convenient time to meet with you hopefully prior to the end of February. Please have your staff contact me, Dan Fouts on my cell at 780-598-0465.

Yours Truly,

Dan Fouts
Chairman, FMAUG

CC Brian Jean
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