

## **Wind Lake Management District**

### **Weed Cutter committee – Michael Bluemel, Bruce Rosenquist, Jerry Kotarak, Jim Marks, John Landry, Jeremy Sauld**

#### ***General Information:***

To compile this information contained in this report, the committee toured both Aquarius Manufacturing in North Prairie, WI and Inland Harvesters in Burlington, WI and talked with Eco Cutter Manufacturing in New Hope, Minnesota. In addition, the committee rode on and operated both Aquarius and Inland Harvester machines on the water on Delavan Lake and Eagle Lake. Communication was made with Little Muskego Lake association, Delavan Lake association, Eagle Lake association, Minocqua Lake association, Mid Lake association and Tichigan Lake association.

#### ***General Discussion:***

We discussed offsetting the cost of purchase and operation by cutting on other lakes for a fee. We discussed the advantages and disadvantages of owning a cutter in general. Also, we had discussions regarding where to cut and how much to cut.

**Committee recommendation** – We do not feel that renting out our cutter would be effective as we would then be losing some of the advantages and flexibility of owning our own cutter. Also the committee felt that we are not looking to make this a profit center by cutting other lakes, as could create other problems with transportation, set-up and training issues.

Our consensus is to cut the same areas we currently cut and maintain the “cutting lanes” better. Provide quicker turnaround for cutting by owning our own cutter rather than renting as well as supplying a faster, larger cutter to increase efficiency while cutting. Cutting 1 -3 days a week for the entire summer will allow us to cut on the best weather days and to cut on an “as needed basis” only.

#### ***Grant Information:***

Talked with Sara DeDunijn at the DNR regarding the grant. Grants are sent to her for our area and she will review and submit. In order to apply we need 3 items, a board directive to apply, a weed cutting permit and a financial plan for purchase. In the past, everyone that has applied has been awarded the grant providing the DNR has money. Her recommendation is to apply by February 1<sup>st</sup> as it appears there is funding available for that date. If funding is not available for that date, she would hold the grant for the June 1<sup>st</sup> deadline and that is a new DNR budget year and there will be funding available at that time. We would receive a letter regarding the grant approximately 3-4 months after the application date. We would have 24 months to spend the money.

**Committee recommendation** – Have board approval to apply for grant and apply by February 1<sup>st</sup> date.

## **Weed Cutter:**

After talking with the 3 manufactures, we determined that Eco Cutter's out of Minnesota did not make a cutter that would work on Wind Lake. Their cutters are air cooled gas engines that have small (2000) pound hauling capacity and would not be economical for cutting on a lake the size of Wind Lake. Their cliental is based on private ponds and small (under 250 acre) lakes. We toured both other facilities (Aquarius and Inland) and have reviewed their specifications for the units. Aquarius is much bigger company that is building multiple units at one time. They are currently on a 4 month build time but stated that they vary between 3 and 6 months based on demand. Inland Harvesting is a single unit production company (can only build one unit at a time). Lead time for them is currently 4 months but can change substantially based on orders and has been as short as 2 months and as long as 9 months.

The operation of the two units and the cutting capacity of both units is virtually identical. There are minor differences in manufacturing and operation but for the most part, both manufactures use the same technology and manufacturing. Both units would have 7' cutter heads and capacity for 10,000# of weeds. This would be 100% more capacity than our current contractor cutter. This allows for a more efficient cutting as we can cut twice as long before needing to unload.

The budget pricing for the units included both the self-unloading trailer and Weed Cutter. There are differences in options on the proposals and both companies would need to submit formal proposals based on an equal list of options. Both companies are not able to give final pricing until we are able to commit to a delivery time frame.

Aquarius systems – HM420 aquatic plant harvester and a TRC -23 trailer Conveyor. Budgetary proposal included. Base unit with options including the wash down system and retractable paddle wheels gives an approximate price \$208000 – After grant \$135200

Inland Harvesting – ILH450 Harvester and ILHTC trailer conveyor. Budgetary proposal included. Base unit with auto greasing and wash down system gives an approximate price \$183000 – After grant \$ 118950

**Committee Recommendation** – Budget based on a 5% increase over the second bidder. Plan on a \$140,000 total cost after grant and get final proposals from both manufacturers with the same equipment list and with bid and performance bonds to determine which manufacturer has the best overall price.

## **Costs:**

**Operational Costs** – The costs listed are based on information we gained from Eagle, Delavan, Muskego lake districts and both Inland and Aquarius manufacturing.

Some districts separated their costs and others did not. Fuel was consistent in cost at between \$6 to \$7 per hour. Maintenance varied based on the district as Muskego paid DPW a flat fee for all storage and maintenance plus parts and worked out to about \$4 per hour, Eagle and Delavan both estimated their maintenance costs at \$3 per hour. We had discussion regarding maintenance costs compared to hours cutting citing that Muskego costs are based on 1800 to 2000 hours of cutting, while Eagle was cutting about 300 hours and Delavan was cutting about 400 hours.

**Committee recommendation** – Other lake associations had an average cost is \$9-11 per hour. Budget \$12 per hour for maintenance & Fuel without storage and Winterizing.

**Operator** - Hourly pay for the operators was between \$10-13 per hour for the operator. Operators were generally paid more for each year they came back to work. All other districts ran the employment through the DPW and were charged for taxes and benefits. We contacted two temporary employment agencies and Ready Hire quoted 80% and Temps Now quoted 85% over hourly rate to employ someone as a temporary employee.

**Committee recommendation** – Offer wages of \$13 per hour and pay a temporary agency to employ for a total cost of \$24 per hour.

**Training** – Both manufacturers offered free training with purchase. No other district had a formal training process. Generally, the new employees were trained by the older employees at most areas.

**Committee recommendation** – Budget \$500 per year for training of new staff. Also Budget an additional \$1000 for the first year.

**Trucking** – Muskego leases trucks from Mortle Trucking for a 4-month period. Eagle and Delevan used DPW to dispose of the weeds. The committee discussed different options. We discussed purchasing a truck, leasing a truck, and renting a truck with an operator. We contacted Mortle Trucking and received a quote of \$2000 per month to lease with a minimum of 3 months.

Purchase of a truck involves storage, maintenance and insurance issues as well as hiring of a driver. We felt that the costs were unknown for ownership and that it would not be the best financial decision.

For a monthly lease, Mortle Trucking is responsible for all maintenance to the vehicle, while we supply an operator, insurance, fuel and we are responsible for any damage to the truck.

For renting with operator, Mortle Trucking quoted \$70 per hour for a driver and truck and they supply fuel, insurance, all maintenance and is responsible for any damage. We discussed flexibility of hours with Mortle and they require notification by 10 am the previous day for rental the next day.

The leasing option was more economical than the purchase and the costs were more fixed, but the hiring of a driver was the unknown cost as the driver would need to be a CDL driver and we are looking for part time.

**Committee recommendation** – Budget \$70 per hour for renting a truck with an operator based on the bid from Mortle Trucking. Would like to bid this out to multiple vendors before we start cutting.

### ***General Operation:***

We based our cost decisions on our discussion of cutting operations that would involve cutting 15 hours per week for 14 weeks (June thru August) for a total of about 210 hours of cutting. We could vary the time each week based on weed activity. This would allow us to only cut on the better weather days and only as needed.

**Committee recommendation** – The board appoints a primary and a secondary person to oversee and make cutting decisions. The primary person would be responsible for setting up the work schedule and making a cut or no-cut decision as well as communicating the schedule to both the operator and the trucking company. The secondary person would back up and help the primary person if needed. We feel that this position is unpaid.

### ***Other Costs:***

**Summer storage** – We received 3 proposals on a 48' pier to moor the cutter on our existing lot next to the public boat launch. Bids ranged from \$6500 to \$7500.

**Committee Recommendation** – purchase a 48' pier with wheels to have installed on our lot. Bid out the pier when we have a date needed and select the best proposal. Budget \$9000

**Winterizing** – All of the other districts included this with their maintenance costs. Both manufactures suggested that winterization was a 2-hour project plus travel. Hourly cost of mechanic is \$110 plus travel time.

**Committee recommendation** – Budget \$500 per year for winterization.

**Off season storage** – All other districts did not pay for any storage and generally stored the cutters either on DPW property or on property the district owned. We discussed covering the cutter with shrink wrap. Contacted two shrink wrap people that committee members have used. Bids were \$400 and \$450.

**Committee recommendation** – Store the cutter on our property and have the cutter shrink wrapped, with a budget of \$750.

**Insurance** – We are waiting for a formal proposal from David Schuppler (our current insurance agent). Based on the verbal conversation with Masha Schuppler after she had talked to the underwriter, she expected the price to be between \$1000 and \$3000 for liability for the year. We attempted to get a price from Hudson insurance as they were recommended by Aquarius and West Bend insurance. However, both companies were unwilling to quote us a price without all of our other insurance coverage included.

**Committee Recommendation** – Budget \$3000 with current vender but bid out the insurance as we get closer to operation.

**Overall recommendations and Financial costs:**

**Cost of hourly operation:**

Operator	\$24	
Maintenance	\$12	
Truck rental complete	\$70	
<b>Total hourly cost Annually</b>		<b>\$106 per hour @210 = \$22260</b>

**Annual cost:**

Insurance	\$3000	
Winterizing	\$500	
Shrink wrap	\$750	
Training	\$500	
<b>Total annual cost</b>	<b>\$4750</b>	
<b>Total all costs annually based on 210 hours</b>		<b>\$27110.00</b>

**Capital Costs:**

<b>Weed Cutter with Trailer (after Grant)</b>	<b>\$140000</b>	
<b>Pier Cost</b>	<b>\$9000</b>	
<b>Training – 1<sup>st</sup> year</b>	<b>\$1000</b>	
<b>Total Capital Costs</b>		<b>\$150000</b>

**Committee Recommendation** – Use \$110,000 from Money market fund and Finance \$40,000 from government financing currently at 3%. Repay the note in 4 years payment to be \$885 per month or \$10620 yearly

<b>Mortgage cost annually for 5 years</b>	<b>\$10620.00</b>
---	-------------------

**Total cost annually** **\$37730.00**

**Committee Recommendation** – Use \$110,000 from our money market and we would be using under 50% of our weed control budget which would leave enough for all spraying needs – We recommend a \$0 dollar increase in Lake fees.