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4 WAYS TO CONTROL WATER COSTS

here's an ancient Arab proverb that says, "It is wise to bring some water when one goes out to look for water."

The maxim holds true today as well as it did in ancient times, especially for managers and superintendents of golf courses. The search for water - at least the readily available and affordable type - can be a laborious and expensive process, so you better come prepared.

CONSIDER THE FOLLOWING:

- · The cost of water per golf round - if one assumes an average of 30,000 rounds per year - ranges from \$8 to \$50 per round.
- · Since 1970, the total annual cost of irrigating a golf course in the arid regions of the U.S. has increased from roughly \$12,000 to more than \$250,000.

Accessing adequate supplies of water and effectively managing its use is one of golf's biggest challenges. The scarcity of water, the difficulty accessing it and the uncertainty over its future availability and price leave

against three characteristics: 1) price per unit (gallon or acre foot), 2) total units consumed, and 3) cost per source. Then evaluate other supply alternatives. Water professionals follow a calculated process when conducting an audit. They review the current source and cost, compare costs with comparable benchmarks, identify and evaluate the cost of potential alternative sources and, finally, assess the financial and legal feasibility of making a change.

TRANSITION TO A CHEAPER SOURCE.

This is assuming that doing so is legal and permissible. Matt Payne, a water resource expert at WestWater Research, the Boise, Idaho-based water rights advisory firm, says: "Gaining water independence can improve supply reliability and eliminate exposure to the risk of increasing water rates. Most water users do not understand how to or even that they may shop water sources." Many golf courses receive water from a local utility or from the source most convenient when the original needed to secure an

Golf businesses are struggling with the high costs and restrictions for acquiring and using water. In many cases, the solutions are readily available but have not been fully explored.

many courses in a virtual desert.

Many golf managers and superintendents understand full well the challenges water presents, but lack knowledge of how best to manage this critical element of their operation and budget. Here are four ways that courses can control or reduce water supply costs.

CONDUCT A WATER AUDIT. Compare your water bill to competing courses

irrigation source. That source may no longer be the best solution. Shopping the market may uncover new options, including buying a water right.

WORK WITH EXPERTS. The widespread issues surrounding water rights, availability and use have spawned a specialized category of experts. Attorneys such as Brad Herrema at Denver-based Brownstein Hyatt Farber Schreck specialize in water-use



law and regulations. Herrema and others with similar expertise advise their clients that possession of a secure and affordable water source is - in many cases - even more valuable than land. To confirm that your access to water is secure for the long term, you may want to employ the services of an expert. The team with the best players usually wins at this game too.

OPTIMIZE WATER ASSET MANAGEMENT

TACTICS. According to Clay Landry, the managing director at WestWater, which works with the U.S. Department of Interior and the Internal Revenue Service among others, observes: "Some courses hold large water rights that are not fully utilized. These rights represent potentially valuable assets." He advises clients to monetize water rights and excess capacity, noting that a course may own rights to excess capacity that can be very attractive on the open market.

Golf businesses are struggling with the high costs and restrictions for acquiring and using water. In many cases, the solutions are readily available but have not been fully explored. It's time for golf course owners, operators and superintendent to evaluate new solutions and options to manage their use of water. GCI