



Q & A – Supplementary Questions as of July 7th 2021

The Water Supply

Q: Did we test the capacity of the wells? I thought we had done something a year or two ago?

A: Yes - the wells were tested on the advice of our hydrogeologist Richard Langford in November 2019 and again in July 2020

Q: Who performed the test and was this independent of the designer and the contractor.

A: Yes – the well tests were performed by our course manager Wayne Murray, independent of the designer and the proposed contractor

Q: If yes when was this done and specifically what test was done? What were the test conditions and results?

A: Well #1 was pumped continuously at 48 cubic meters per hour for 10 days in November 2019. During that time 11,520 cubic meters of water was taken from the aquifer which recovered within 24 hours indicating an abundance of water at that location.

Well #2 was pumped at 7 cubic meters per hour for 6 days after which the water level had dropped to a level that prevented any further water extraction. This test indicates that this well is of limited value as a back up.

In July 2020, the above test was repeated on Well #1 for 7 days at 35 cubic meters per hour which confirmed our view that there was abundant water at this location.

Q: Given some of the sprinklers are not working (as we say in the presentation) ... then what adjustments were made to the findings to see what the well would be able to do with new system at 1,000 sprinklers.

A: Our maximum estimated water needs with our new irrigation system and 1000 + sprinklers is 485 cubic meters per day, well within the capacity of our current best well. Our back up is of limited use, hence the recommendation to conduct a geophysical survey and drill a new back up in 2022.

The Alternative 17th

Q: I would like to make a query on the layout of the proposed new irrigation system. I noticed that the alternative 17th hole is not covered on the layout posted at reception. The Club have invested a large amount of capital in the alternative 17th hole, passed by the Members. So my question is why is it omitted. I am in full support of an improved Irrigation system and its benefit as I would consider the Golf Course our No 1 asset. I would be obliged if you could forward my query to those leading the Irrigation project.

A: The alternative 17th is connected to the existing irrigation system with PE pipework. The green has 5 sprinklers and there are 3 sprinklers located in the approach. This irrigation was installed by our

own staff who can also add additional sprinklers to the surrounds as necessary should the need arise. This system will connect up to the new system when installed. Please note that for the last 2 months there is no water getting to the this area via the existing irrigation system due to a suspected cable fault and the 16th, 17th, 17th (a) and 18th greens are all being hand watered.

Water quality, the harvesting of rain water and use of solar energy

Q: Have sufficient water quality samples been taken over time to assure the club of the available water quality from the wells?

A: Samples are taken every 6 months to check for salinity and ph. This has been occurring since our course manager Wayne joined us in 2017. To date, we have had no noticeable change in water quality. Increased extraction from the aquifer by others in the local area does introduce a risk to water quality and availability which is why we are proposing to carry out a geophysical survey and drill an additional well as part of the project next year.

Q: Has the concept of rain water capture to underground tanks been explored? Some degree of capture would enhance our green image.

A: The concept of rain water harvesting this was considered by the subcommittee but not considered feasible at this time. Average rainfall in Co. Louth is 721mm per annum and to capture 500 cubic meters of water just once we would need 2000 sq. meters of surface or run off area with attendant collection point(s) and pumps. We don't believe that this could be justified from an economic stand point but that is not to say that it cannot be considered in the future.

The use of underground tanks was also discussed but the disadvantages compared to an above ground tank were significant. The biggest issues were the extra cost associated with excavation, the cost of the tank itself which would need to be properly reinforced, the extra cost for a pumping system to bring the water up from below the ground and potential planning restrictions given that we are in an area of special conservation. Maintenance would also be an issue as it would be very difficult to tell if the underground tank suffered any cracks or other damage.

Our course manager Wayne is planning an in house project to capture the rain water from the roof of the maintenance facility and to use that water to mix with the chemicals that are sprayed on the course. Water harvesting can also be considering with regard to any future work on the club house where water harvested from the roof can be used to service the bathrooms.

Q: A solar panel farm generating electricity could feed a battery bank to power the pumps needed to push the water throughout the system. This could be grant assisted and would help the green image the club should be developing.

A: We have not considered this as part of the current irrigation project as we have adequate power supply from our existing substation and any such proposal would increase the project capital cost significantly regardless of grants. However, our General Manager Liam has requested information from SEAI about what grants would be available for installing solar panels on our buildings so as to reduce our total energy cost, currently running at €40,000 per annum. This is a separate project which will be looked at in the future.

Project Timeline

Q: Can the project be split into bite size pieces while the Covid effect plays out?

A: The project will effectively be done in two pieces, namely Sept to Dec 2021 and Jan to Mar 2022. We could look at doing it across two winter/spring periods but this would involve increased costs as the contractor would have to mobilise twice and there would most likely be wage and material price inflation in the interim. Also, the current price offered reflects the fact that there is no other similar size irrigation project available on the island of Ireland this coming winter/spring.

VAT, Grants & Project Financing

Q: Can we recover the VAT?

A: The club is not registered for VAT as to do so would mean that we have to charge and collect VAT on all green fees and subscriptions. Most other clubs are the same as are many financial services and healthcare businesses. All incur vat on large capital projects (new machines, buildings etc) with no vat recovery. Also, we have checked this with our Honorary Treasurer and an independent VAT advisor who both confirmed that unfortunately there is no basis for VAT recovery in our situation and the revenue won't make any exceptions when the law on the matter is very clear. We therefore believe that there's no angle here to pursue any further

Q: Have we applied for any grants to cover the cost of the irrigation project?

A: We investigated applying for Sports Capital Grants for the project and were advised that, because we were a private members club with significant cash resources, our chances of qualifying for any assistance would be very remote. If we did qualify, the amount received would be small and we would not be able to proceed with the project or spend any money on it until after the grant was approved which could be 12 or more months from receipt of the application.

Q: Have we considered members capital levies as an alternative funding mechanism?

A: We considered many options including subscription increases, capital levies and debentures but given the amount of cash available in our ring fenced funds and our ability to borrow and repay those borrowings, we agreed that the best course of action was as outlined by our Honorary Treasurer. Capital levies may be a part of future funding of projects but is not envisaged for this one.

Purchase of the course and the lease

Q: Where is the club at with regard to negotiations for the purchase of the lands currently held by way of sporting lease?

A: In the course of discussions with the landowner it has been made clear that the golf course lands held by way of sporting lease are not for sale.

Q: Is the sporting lease renewable?

A: The current lease has a term of 99 years, effective 1st May 2004, so the unexpired term is 82 years. A new lease will need to be negotiated at that time.

Q: Rather than take out a loan from a bank why not take out a 10 year loan from the ring fenced funds free of interest?

A: It is felt prudent to retain the sum of €840,000 in the ring fenced 1 account. This assures members that the Club will have strong reserves to protect it in the event of any further unforeseen circumstance in the near future that might threaten the club's income. The Hon Treasurer addressed this point in his presentation at the webinar on June 24th pointing out that were we to deplete our reserves and then in the event of a crisis needed to access bank funding, it would be the worst possible time to seek bank support.