

Watersign and the Golf courses

Golf is a very popular sport all over the world. There are approx 40,000 golf courses, 50% of them are in the USA.(over 16,000 Golf courses in the USA).

Golf course uses a lot of water* and as a result a lot of energy to pump that water.

An average golf course will use between 300,000 – 650,000 gallons that will cost 250,000 to 350,000 US\$ per year. If we will add the energy cost the number could climb to 500,000 US\$ and more.

Irrigation in Golf courses is controlled by the "traditional " control systems, based on time and not on flow control because of two main reasons, until recently water was not an "issue", Golf is a lucrative leisure sport and cost of water was not a concern and the other reason is the way American control water usage in nonresidential applications, they use a time basis because solutions are cheaper and there was no real need to monitor and control the flow and the instantaneous consumption. Ties, (in short, no water meters Therefore the user can not know how much water he uses and if a burst occurred or a blockage. Existing control solutions enable the user to know only the time each sector was irrigating and the total quantity of the whole area. The needs have changed because of water shortages and the notion the water must be saved and used efficiently.

Water loss due to bursts and leakages is estimated to be in the range of 5-15% of the water supplied to the area.

Let's work with those numbers in order to evaluate the benefit of an accurate and reasonably priced system.

Per Year (Using the lower part of the range):

- The total cost of water and energy of a golf course is 500,000 US\$
- 5% loss due to leakage and breakage : 25,000 US\$
- 50% saving due to the monitoring and control system (the actual number will be much higher since the monitoring system will alert immediately and most of the water will be saved- the real number should be 85-90%): however we will stick with the lowest figure,12,500 US\$ per year

Market Size In the USA:

- As mentioned there are 16,000 golf courses in the USA
 - With water loss of 5% it is a 400,000,000 US\$ of wasted water and energy
 - The Hydro Sign system will cost 2,000-5,000 US\$--→ 80,000,000 US\$ only in the USA. In addition the company will charge a percentage of the water (and \$) saving ("save-sharing").
- The world market is **double** and most Golf courses are located in countries suffering from water shortages (Australia, Portugal etc.).This means a system that monitor and alert water usage is badly needed.

Other advantages:

- The system can hook to any existing control system and enable the supervisor to know how much water each sector uses, monitor bursts and blockages, save water and save on energy costs.
- Water sense is big in the USA, Golf courses are perceived (and rightfully so) as "water wasters" and the Hydro Sign System will enable them to save and show the saving.

Business Model:

- WaterSign will offer the system to one of the large golf courses equipment supplier on a OEM basis.(there are 3 real players in this field)
 - The company will sell the "equipment" to the golf course and in addition Hydro Sign will get a yearly fee based on part of the water/energy saving. This will create a constant income flow and tie the golf course to HydroSign, enabling the company to offer new features and upgrades, effectively blocking competitors to break in.
 - Another source of income will be selling new markers for existing projects (after 5-10 years). This replacement market brings high returns and markers can be purchased only from us.