

KENMARK
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COASTSIDE COUNTY
WATER DISTRICT

VIA HAND-DELIVERY

March 21, 2022

Mr. Robert Feldman
President
Board of Coastside County Water District
766 Main Street
Half Moon Bay, CA 94019

Mr. John Muller
Vice President
Board of Coastside County Water District
766 Main Street
Half Moon Bay, CA 94019

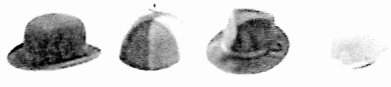
Re: Proposed CCWD Ordinance No. 2022-01

Dear Messer. Feldman and Muller:

We are writing regarding the above-referenced CCWD ordinance that addresses the water shortage emergency in the District and certain proposed water restrictions.

As you may know, Ocean Colony Partners ("OCP") is managed by Kenmark and owns the two eighteen-hole golf courses and related facilities in Ocean Colony. Ocean Colony is a mixed-use planned development of around 525 acres consisting of approximately 600 homes, the two golf courses, the clubhouse, cart barn, Mullins restaurant, the Ritz Carlton hotel, various common areas and parks, and a significant section of the Coastal Trail with coastal parking and beach access facilities. The two golf courses cover around 275 acres and are irrigated by OCP utilizing its five wells located south of Pilarcitos Creek, local runoff from portions east of Highway 1 and from within Ocean Colony, and CCWD water. OCP maintains a series of irrigation, storm drainage retention and sedimentation ponds on the golf courses by which OCP receives, collects and distributes irrigation water. OCP's current annual water usage is approximately 84,000,000 gallons with about 25% provided by CCWD and the remainder from its wells and local runoff.

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In addition to the golf courses, OCP also provides irrigation water to the Ocean Colony Homeowners Association for its street medians, open space areas and several community parks, the Ocean Shores Condominium Association for its common areas and landscaping, and Ritz hotel for major portions of its landscaping including its Colony Club pool/tennis court areas. In 2021, that non-OCP water use alone exceeded 3,500,000 gallons of CCWD water. This non-OCP irrigation situation apparently resulted from historic irrigation/water distribution systems installed in the 1970s and 1980s prior to resubdivision of large common parcels and before residential build-out and hotel site development. Therefore, the non-OCP irrigation areas do not have their own landscaping meters or direct irrigation connections.

We have reviewed the proposed CCWD ordinance and are familiar with the recent SWRCB resolutions and the SFPUC's Tier 2 water allocations. OCP recognizes the serious water situation facing California and the District, and appreciates that it is both necessary and appropriate to implement water conservation measures. In fact, OCP has been doing that for many years.

After Kenmark first assumed management of OCP, between 2006 and 2014 the annual average water use by OCP was reduced from approximately 130,000,000 gallons to 100,000,000 gallons, and golf course irrigated acreage was reduced from around 240 acres to 200. Those reductions were accomplished by a variety of measures including: "browning-out" substantial portions of the golf courses during the peak irrigation season; limiting irrigation to 6:00 p.m. to 8:00 a.m.; converting over 35 acres of irrigated turf grass to drought tolerant native grasses and shrubs; controlling incidental run-off; irrigating greens and surrounds with hand held hoses (instead of sprinklers) with positive shut-off valves/devices; increasing "wetting" agents to irrigated areas to reduce run-off and improve water intake/retention; increased and improved aerification to entrance root structure and water value; computer irrigation system improvements designed to better regulate sprinkler heads, identify leaks, adjust for rainfall periods, and measure soil water content; limited golf cart cleaning and shut-off restricted pressure washers; and clubhouse landscaping converted to drought tolerant plants with limited hose watering. In the clubhouse and restaurant, drinking water service was limited to "request only", linen was eliminated to reduce laundry, all bathroom fixtures were replaced with low flow products and showers were removed, and facility cleaning protocol was changed to utilize less water dependence.

Since 2014, OCP has diligently continued its water conservation efforts. We have further reduced our water use from an average annual consumption of 100,000,00 gallons in 2014 to 84,000,000 gallons in 2021. Of that 84,000,000 gallons, around 63,000,000 were generated from OCP's wells and local run-off, and approximately 21,000,000 gallons were CCWD potable water. These additional water reduction results were primarily accomplished by converting even more golf course acreage to native grasses/vegetation such that irrigated acreage was further reduced from 200 acres to around 175 acres, and by more aggressive "browning-out" areas of the golf courses during peak season. OCP has also committed substantial funds every year to clean and repair its wells and distribution pipeline so as to improve well production and reduce utilization of CCWD potable water.

In summary, from 2006 to 2021, OCP has reduced its annual water usage by over 45,000,000 gallons (35%) and reduced its irrigated acreage from 240 acres to 175 (27%). On another 15-20

acres, irrigation still occurs but has been substantially reduced to keep vegetation alive but not growing. Perhaps nothing better illustrates the extent and results of OCPs water conservation efforts than the enclosed two "before" and "after" photographs of the golf courses. One photo is pre-conservation and the other post-conservation during peak irrigation season.

OCP's efforts with respect to water preservation have not ended with just its improved golf course irrigation practices and other water conversation measures over the years. As the CCWD Board undoubtedly recalls, OCP also has been a major advocate and supporter of recycled water since 2008. OCP participated in all the 2008 and 2015 studies, tests and designs, and offered to reimburse in 2015 the entire estimated 20-30 year amortized cost of a SAM recycled water project. We also offered to connect OCP's distribution pipeline to the SAM facility, and distribute excess recycled water to Smith Field and other potential users. And, in recent subdivision developments OCP has installed underground closed storm drainage systems with microfiltration equipment and holding vaults connected to its irrigation and retention ponds to capture maximum run-off, clean it, and recycle it for golf course irrigation.

The proposed CCWD ordinance requests that the golf courses reduce current CCWD water consumption from 2020 usage by 50%. According to CCWD records, that would necessitate a reduction from 19,700,000 gallons to around 9,800,000. OCP's records (on a calendar year basis), show 2020 usage at 21,300,000 gallons (50% = 10,650,000). OCP is certainly prepared to continue to implement significant water conservation measures, and attempt even further reductions over those already obtained since 2006. However, a reduction of another 9,800,000 - 10,650,000 gallons of CCWD water will not be possible without seriously jeopardizing the golf courses and their operations, cutting-off all water to the homeowner associations and Ritz hotel, or in the worst case, closing one of the courses.

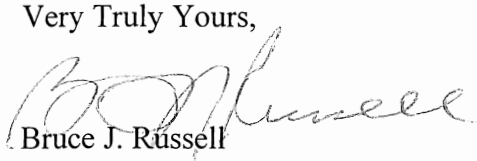
We recognize that OCP and its golf course operations are a commercial recreational enterprise that must respond responsibly to the emergency water situation and do its part to protect the healthy, safety and welfare of the community when it comes to CCWD potable water availability. That is why OCP has since 2006 already voluntarily reduced its water consumption by over 35%, and has since 2008 actively supported and offered to finance a comprehensive recycled water project. OCP is committed to continuing (and enhancing) its water conservation efforts at a realistic and sustainable level while maintaining its operations. However, for the golf courses necessary irrigation and maintenance of the greens, tees, green surrounds and playing turf are essential to stay in business. Just like agricultural and floriculture uses (which we note are completely exempt from the CCWD ordinance), water is a critical component of the golf course operations. Additionally, the golf courses have over 300 heritage Monterey Pine and Cypress trees that require a reasonable level of irrigation to stay healthy and thrive. Protecting those heritage trees is an important task. And, we believe it is fair to note that OCP's golf course operations provide substantial benefits to the Coastside and its residents. In addition to being a Coastal Act and LCP priority recreational use, OCP employs over 150 workers (65% local residents), it provides the City of Half Moon Bay with over $650,000 annually in golf taxes and proportionate sales taxes and property taxes, and it brings significant revenue to local hotels, restaurants and shops. In non-pandemic years, OCP historically hosts 30-35 charitable, civic,

foundation and community events including Navy SEAL week, CalFire tournaments, Boy and Girls Club events, St. Mary's Hospital, San Mateo Community College, PAL Youth, and many other charity golf outings and auctions. OCP also makes significant financial and other contributions to local high school sports activities, local clubs, neighborhood groups, civic organizations and charities.

In conclusion, the significant water conservation achievements of OCP over the past 15 years should be acknowledged and "credited" in setting a current reduction goal in the proposed CCWD ordinance. As noted, a 50% reduction would be drastic and virtually impossible to accomplish without serious adverse consequences. Instead, a 10-15% CCWD water reduction request for the golf courses would still present considerable challenges given the already 35% water reduction, but would be a more realistic and attainable goal.

We appreciate your review and consideration of our comments and are available to respond to questions, provide additional information, or meet with CCWD staff.

Very Truly Yours,



Bruce J. Russell
Chief Executive Officer

CC: Ken Coverdell, Director
Chris Mickelson, Director
Glenn Reynolds, Director
Mary Rogren, General Manager
Cathleen Brennan, Water Resources Analyst

Pre-Conservation



Post-Conservation

