



June 29, 2022

Mr. Patrick Shea
General Manager
Saint Paul Regional Water Services
1900 Rice Street
Saint Paul, MN 55113

RE: Acquisition of Water

Dear Mr. Shea,

As you are aware, there are current concerns for sustainable use of groundwater near White Bear Lake (the north and east metro groundwater management area), and various measures for water conservation are now being considered that could have a bearing on current use by local municipalities. These measures could also impact the capacity for White Bear Township to provide historic quantities of water to residents of North Oaks. North Oaks Company LLC (NOC) is the primary developer of residential lots in North Oaks that are in various stages of completion. In addition, NOC is the primary developer of industrial sites in White Bear Township, and intends to develop a large mixed-use site in Lino Lakes, similarly impacted by this potential reduction of water.

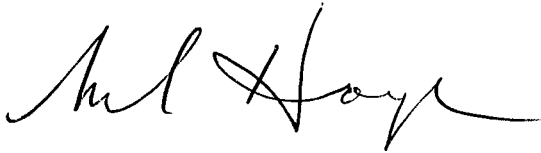
In response to this significant challenge, NOC has started to evaluate high level water supply options for these Communities per the attached table and is in the process of initial screening of alternatives. We note that a long-term sustainable solution may involve a combination of alternatives, and to that end, we are currently designing stormwater reuse at two or more development sites to be used for local irrigation needs.

As you can see on the alternatives table, NOC is interested in discussing potential future partnerships with Saint Paul Regional Water Services (SPRWS) and may consider both short term and long-term options outlined for implementation within the next 6 months to 2 years. The ultimate timeline will depend on the mix of alternatives that rise to the top as the best solution. We do feel that partnership with SPRWS and expansion of the communities you serve may very well be the best and most sustainable, long-term option, especially considering SPRWS' capacity to make greater use of surface water sources.

NOC requests to continue discussions with SPRWS about specific water supply partnerships. Time is of the essence since White Bear Township has notified the City of North Oaks that it may terminate its Joint Powers Agreement to provide water service to North Oaks, on or before May 2024. We would like to hear initial feedback on these high-level concepts outlined in the alternatives table, and then progress towards detailed water supply evaluations of viable alternatives with SPRWS.

We welcome your feedback on this issue to help us maintain water supply capacity for our community.

Sincerely,
North Oaks Company LLC

A handwritten signature in black ink, appearing to read 'Mark Houge', written in a cursive style.

Mark Houge
President

CC: Don Pereira, North Oaks Company LLC
Lauren Grouws, North Oaks Company, LLC
Michelle Stockness, Barr Engineering