MEMO FROM COUNCIL OFFICE:

To: Members of the Common Council

From: Ash Kulak, Deputy Administrator / Deputy Attorney for Common Council
Date: March 1, 2024
Re: <u>Resolution 2024-04</u> – A Resolution Opposing the LEAP Pipeline Water Diversion

Project

Synopsis

This resolution is sponsored by Councilmember Ruff. It expresses the Common Council's opposition to the Indiana Economic Development Corporation's proposed Limitless Exploration / Advanced Pace Innovation District Project that would divert water from the Wabash River aquifer and/or Teays River aquifer, which may impact Hoosiers who rely on these aquifers for their water supply. This resolution also directs the City Clerk to send copies of the resolution to the Indiana General Assembly, Indiana Economic Development Corporation, the Indiana Finance Authority, the Indiana Secretary of Commerce, and Indiana Governor Eric Holcomb.

Relevant Materials

- <u>Resolution 2024-04</u>
- Map of Counties Included in IFA Water Study
- Citizens Action Coalition Report: Proposed LEAP Project in Boone County Reveals Severe Deficiencies in Indiana's Water and Economic Development Policy

Summary

This resolution expresses opposition to the Indiana Economic Development Corporation (IEDC)'s proposed plans to divert water from several different areas within the Wabash River to Boone County for its creation of the LEAP District Project. It expresses the city's solidarity with the Hoosier communities that would be affected by diverting water from their primary water source, as Bloomington faced a similar proposed water diversion project proposed in 2006 that was ultimately not pursued.

In 2006, the Indianapolis Department of Waterworks authorized a private non-profit corporation, Aquavisions, to proceed with a feasibility study and financial review of a proposal to build a 60-mile pipeline, capable of carrying 90 million gallons of water per day, from Lake Monroe to Indianapolis. Questions were raised by Monroe County, as well as then-Bloomington mayor Mark Kruzan, who developed a task force to study the <u>impact</u> the proposed pipeline would have on Bloomington's water supply. The developer ultimately decided not to go through with the pipeline project when the then-governor Mitch Daniels called the idea a "nonstarter."

Now, the IEDC has proposed a large industrial development to be located just north of Lebanon in Boone County, in an area where <u>water quantity is too sparse to support such a large industrial development project</u>. To ensure there will be enough water to support the industries the IEDC wants to attract to the area, it has already taken steps to initiate the creation of a water pipeline to divert water from the Wabash River into Boone County. Unlike in 2006, governor Eric Holcomb is supportive of the proposed diversion and has directed the Indiana Finance Authority (IFA) to oversee a water supply study for the project.

Residents in affected communities along the Wabash River have <u>gathered to voice their</u> <u>opposition to this water diversion proposal</u>, including a group formed by West Lafayette councilmember David Sanders called <u>Stop the Water Steal</u>. Sanders has spoken to local news media about his opposition to the project, both as a city councilmember and founder of Stop the Water Steal.

The Citizens Action Coalition (CAC), a consumer and environmental advocacy organization, has also <u>chimed in</u>, criticizing the IEDC's lack of transparency in this process, as well as the state's position on its use of water as a resource. The Executive Director of the CAC, Kerwin Olson, spoke to local news media about the CAC's opposition to the pipeline project.

Local news clips from community gatherings and stakeholder interviews are available at the following links:

- Community Expresses Concerns About LEAP Project: <u>https://www.youtube.com/watch?v=NW-a9c3x4m0</u>
- Councilmember Sanders Speaks Against LEAP Project: <u>https://www.youtube.com/watch?v=gkA55abAGVQ</u>
- CAC Executive Director Kerwin Olson Claims LEAP Project Threatens Indiana Water & Taxpayers: <u>https://www.youtube.com/watch?v=93epYAlgjH8</u>

After facing this pushback, <u>governor Holcomb has paused action on development</u> of the pipeline until the IFA study is complete. Governor Holcomb explains the purpose of the water study <u>in an interview with WLFI New 18</u>. The IFA has taken steps to <u>initiate the study</u> by engaging professional consultants, as well as releasing goals, an FAQ page, and a request for proposals.

Affected communities have also taken action by developing legislation in opposition to this project, including cities of Attica, Lafayette, West Lafayette, and Monticello, as well as the counties of Miami, Benton, and Tippecanoe. The Tippecanoe County Board of Commissioners went so far as to <u>pass an ordinance</u> placing a nine-month moratorium on the export of water from its borders. The moratorium was passed in an attempt to get the Indiana General Assembly to take action. WTHR <u>reported</u> on this action by Tippecanoe County in December 2023. West Lafayette was the first to propose a <u>resolution</u> in opposition to this project. West Lafayette Councilmember David Sanders spearheaded this initiative, bringing experts from Purdue to discuss ground water hydrogeology.

Contact

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Sources linked above

Jennie Runevitch, "Monroe County Balks at Indy Water Pipeline Proposal," *WTHR*, (July 19, 2006), <u>https://www.wthr.com/article/news/monroe-county-balks-at-indy-water-pipeline-proposal/531-bcaa5cbd-e812-4da6-85d2-2a619d095902</u>.

Sarah Morin, "Pipeline Plan One of Many Regarding Indy Water Needs," *The Herald Times*, (July 23, 2006), <u>https://www.heraldtimesonline.com/story/news/2006/07/23/pipeline-plan-one-of-many-regarding-indy-water-needs/48244651/</u>.

"Developer Pulls Plug on Lake Monroe Pipeline Plan," *WTHR*, (July 27, 2006), <u>https://www.wthr.com/article/news/developer-pulls-plug-on-lake-monroe-pipeline-plan/531-9de19e0d-343b-4f71-a417-a0db4b0cd709</u>.

Bob Seagall, "Indiana Spends Millions on Proposed Pipeline Plan as State Agency Remains Silent and Hides Details," *WTHR*, (July 27, 2023), <u>https://www.wthr.com/article/news/investigations/13-investigates/indiana-spends-millions-lafayette-lebanon-pipeline-plan-wabash-river-boone-county/531-7537884e-3f88-418c-a539-5d944a3dba90.</u>

Noe Padilla, "Gov. Holcomb Announces Indiana Finance Authority Will Oversee Water Study Related to LEAP," *Journal & Courier*, (Nov. 13, 2023), https://www.jconline.com/story/news/local/indiana/2023/11/13/holcomb-announces-indiana-finance-authority-will-oversee-water-study/71574404007/.

"Stop the LEAP Pipeline," *Stop The Water Steal*, <u>https://stopthewatersteal.org/about</u>. See also, Marco Rivero Luna, "Stop the Water Steal Hosts First Meeting in Opposition to LEAP Project Pipeline," *The Purdue Exponent*, (Nov. 2, 2023), <u>https://www.purdueexponent.org/city_state/article_0e1ef11e-79be-11ee-a421-8fc589406d02.html</u>.

"Leap Project Threatens Hoosier Water and Wallets," *Citizens Action Coalition*, <u>https://www.citact.org/leap</u>.

Ella Chew, "State Pauses LEAP Pipeline Until IFA Study Complete," *WLFI News 18*, (Dec. 19, 2023), <u>https://www.wlfi.com/news/local/state-pauses-leap-pipeline-until-ifa-study-complete/article_2a49024a-9ec0-11ee-9ef0-1f4b98cc53df.html</u>.

Staff Reporters, "INTERVIEW: Governor Holcomb Discussing LEAP Project," *WLFI News 18*, (Dec. 15, 2023), <u>https://www.wlfi.com/news/local/interview-governor-holcomb-discussing-leap-project/article_acbee16e-9b86-11ee-bacf-f3f1ea22895c.html</u>.

"North Central Indiana Water Study," *Indiana Finance Authority*, <u>https://www.in.gov/ifa/regional-water-studies/north-central-indiana-water-study/</u>.

Tippecanoe County Board of Commissioners Ordinance No. 2023-26-CM, <u>https://www.tippecanoe.in.gov/DocumentCenter/View/41920/ORD-2023-26-CM-High-Volume-Water-Export-and-Radial-Collector-Well-Moratorium</u>.

West Lafayette Common Council Resolution No. 22-2023 (Amended), https://www.westlafayette.in.gov/home/showpublisheddocument/2023/638330623338430000.

RESOLUTION 2024-04

A RESOLUTION OPPOSING THE LEAP PIPELINE WATER DIVERSION PROJECT

- WHEREAS, the Indiana Economic Development Corporation (the "IEDC") has planned a "LEAP (Limitless Exploration/Advanced Pace) Innovation District" located on more than 9,000 acres in Boone County without ensuring sufficient water resources were available for the businesses and industries to be recruited for locating in the LEAP Innovation District; and
- WHEREAS, the IEDC commenced construction planning of a pipeline to divert as much as 100 million gallons of water per day from the Wabash River aquifer and/or the Teays River aquifer in Tippecanoe County, as well as possibly other surrounding counties, to the LEAP Innovation District, which could jeopardize the water supply for aquifer-reliant residents; and
- WHEREAS, on November 13, 2023, Indiana Governor Eric Holcomb directed the Indiana Finance Authority to oversee the completion and validation of a water supply study for the LEAP Project; and
- WHEREAS, several Indiana communities in this region have passed legislation in opposition to the construction of the pipeline and diversion of water from the Wabash River aquifer and/or Teays River aquifer to the LEAP Innovation District, including the cities of Monticello, Attica, Lafayette, and West Lafayette, as well as the counties of Miami, Benton, and Tippecanoe, with Tippecanoe County passing an ordinance placing a nine-month moratorium on the export of high volumes of water outside of the county; and
- WHEREAS, these communities are chiefly concerned with the potential for negative ecological and economic development consequences within their communities due to diverting water from their residents' primary water source; and
- WHEREAS, members of the public within communities in the impacted region, as well as consumer and environmental advocacy organizations, have spoken out against the LEAP Project, criticizing the IEDC's lack of transparency in initiating the project, the State's position of using water as an economic development tool, and the significant costs of the Project that could burden taxpayers across the state of Indiana as well as reduced water affordability for residents whose water supply has been siphoned; and
- WHEREAS, in response to this opposition, in mid-December of 2023, Governor Holcomb paused action on the Project until the IFA water study is complete; and
- WHEREAS, the reallocation of fundamental resources, like water, in order to further economic development projects in one region of the state at the expense of another, is an unwise policy practice that should not be supported in this or any future instance; and
- WHEREAS, Monroe County faced a similar issue in 2006, in which a 60-mile water pipeline construction project was proposed, and ultimately not pursued, that would have diverted water from Lake Monroe to Indianapolis at a rate of 90 million gallons of water per day; and
- WHEREAS, by adopting this resolution, the Bloomington Common Council hereby expresses its opposition to the LEAP pipeline water diversion project and stands in support of Indiana cities and towns, counties, and rural and agricultural areas that would be impacted by the proposed diversion of millions of gallons of water from their primary water supply;