

**RESOLUTION DETERMINING BENEFITTED PROPERTY
REGARDING FM FLOOD RISK MANAGEMENT DISTRICT NO. 1 PROJECT
AND SETTING HEARING**

WHEREAS, the Cass County Joint Water Resource District (the “District”) is a joint water resource district and political subdivision under Chapter 61-16.1 of the North Dakota Century Code, comprised of the four water resource districts in Cass County, North Dakota.

WHEREAS, the District possesses those powers enumerated in Title 61 of the North Dakota Century Code, including the power to create, construct, operate, and maintain flood protection projects, and the power to create special assessment districts to fund and finance flood protection projects.

WHEREAS, the Red River of the North and its tributaries are prone to frequent flooding, and flooding presents significant risks to the Valley’s agricultural economy, communities, residents, property, and infrastructure.

WHEREAS, in accordance with a FEASIBILITY COST-SHARE AGREEMENT dated September 22, 2008, between the United States Army Corps of Engineers (the “Corps”), the City of Fargo (“Fargo”), and the City of Moorhead (“Moorhead”), the Corps completed the FARGO-MOORHEAD METROPOLITAN FEASIBILITY STUDY (the “Study”); the objectives of the Study were to investigate flood issues in the area, to identify viable flood risk reduction and flood protection options, and to potentially recommend implementation of a federal project.

WHEREAS, as a result of the Study, the Corps, Fargo, and Moorhead identified a diversion project in North Dakota, with upstream staging and storage, as the preferred option for proceeding with a flood protection project for the benefit of the Fargo-Moorhead metropolitan area and other portions of Cass and Clay Counties.

WHEREAS, in July of 2011, in accordance with the National Environmental Protection Act, the Corps released a FINAL FEASIBILITY REPORT AND ENVIRONMENTAL IMPACT STATEMENT that identifies a 36-mile diversion channel in North Dakota with a 20,000 cubic feet per second capacity, and associated appurtenances and project components, as the Fargo-Moorhead Metropolitan Area Flood Risk Management Project.

WHEREAS, in June of 2012, Fargo, Moorhead, Cass County, Clay County, the Buffalo-Red River Watershed Management District, and the Cass County Joint Water Resource District (the “District”) entered into a LIMITED JOINT POWERS AGREEMENT, and subsequent amendments (collectively, the “Limited JPA”), to create the Diversion Board of Authority (the “Diversion Authority”); the Limited JPA identifies the obligations, duties, and tasks of the various members of the Diversion Authority, as well as the powers and authorities of the Diversion Authority itself, regarding the proposed diversion project.

WHEREAS, the non-federal sponsors must ultimately enter into a Project Partnership Agreement, or similar agreement, with the Corps prior to construction of the diversion project under which the non-federal sponsors must agree to fund a certain share of the costs of developing, designing, and constructing the diversion project.

WHEREAS, the North Dakota members of the Diversion Authority considered options to fund and finance the North Dakota share of the non-federal costs of developing, designing, and constructing the diversion project, and the parties agreed the District should develop a proposed special assessment district for purposes of funding and financing a portion of North Dakota's non-federal share of the diversion project, if deemed necessary, and to fund and finance operation and maintenance of the diversion project; the Diversion Authority similarly authorized the District to proceed with development of an assessment district.

WHEREAS, the District, as a member of the "Diversion Project Assessment Committee," a committee of the Diversion Authority, developed methodology for purposes of conducting an assessment district vote to fund and finance the development, design, construction, operation, and maintenance of certain portions of the diversion project.

WHEREAS, in a RESOLUTION OF NECESSITY dated December 11, 2014, the District found, determined, and declared it necessary to create FM FLOOD RISK MANAGEMENT DISTRICT NO. 1, an assessment district under Chapter 61-16.1 of the North Dakota Century Code for purposes of funding and financing a portion of North Dakota's non-federal share of the development, design, construction, operation, maintenance, and ownership of the FM FLOOD RISK MANAGEMENT DISTRICT NO. 1 PROJECT, more specifically described as follows:

The diversion project will reduce the flood risk to the metropolitan area, including the North Dakota cities of Fargo, West Fargo, Harwood, Horace, Reile's Acres, Frontier, Prairie Rose, Briarwood, and North River, and the project will provide reduction in flood risk to some residents of non-metropolitan Cass County including portions of Barnes, Berlin, Harwood, Mapleton, Pleasant, Raymond, Reed, Stanley, Warren, and Wiser Townships. The diversion project will reduce flood risk through construction of a 36-mile, 20,000 cubic feet per second (cfs) diversion channel that will start approximately three miles south of the confluence of the Red River and the Wild Rice River and extend west and north around the metropolitan area before re-entering the Red River east of Argusville. The diversion project will provide flood risk reduction from the Red River and its North Dakota tributaries, including the Wild Rice, Sheyenne, Maple, Rush, and Lower Rush Rivers. The diversion project will include an embankment and tie-back levees that will temporarily stage flood waters upstream of the metropolitan area to ensure no downstream impacts. The diversion project features will include gated control structures on the Red River, Wild Rice River, and the inlet to the Diversion Channel. The diversion project will also include aqueduct structures on the Sheyenne and Maple Rivers as they cross the Diversion Channel. In addition to the Diversion Channel and associated structures, the diversion project will include levees along the Red River through Fargo. The In-Town Levees will enable flood waters to safely pass through the

Red River as well as the diversion channel, which will help reduce diversion project impacts and will provide more robust flood risk reduction.

Construction will include excavation of approximately 50 million cubic yards of earth to form the diversion channel. Construction will also involve six interstate highway bridges, twelve county and township road bridges, four railroad bridges, three gated control structures, two aqueduct structures, a rock-ramp outlet structure, and other structures. Development and construction of the diversion project will also include purchasing of the requisite permanent and temporary right of way to construct, own, operate, and maintain the diversion project; relocating utilities; and other items as necessary to construct, own, operate, and maintain the diversion project.

The FM FLOOD RISK MANAGEMENT DISTRICT NO. 1 PROJECT is the "Project"; a map of the Project is attached to the District's RESOLUTION OF NECESSITY, and is on file with the District's Secretary-Treasurer.

WHEREAS, the District and its agents have inspected the lots and parcels of land that would benefit from the Project and that may be subject to assessments to fund and finance a portion of North Dakota's non-federal share of Project costs.

WHEREAS, the District conducted a benefit analysis and determined the property that will benefit from the construction of the Project, and the District has prepared a preliminary list of the benefits, the assessment costs, and the percentage assessments regarding each tract of land that will benefit from the Project.

NOW THEREFORE, BE IT RESOLVED that the District hereby adopts and approves the preliminary list of benefits and assessments regarding the FM FLOOD RISK MANAGEMENT DISTRICT NO. 1 assessment district, on file with the District's Secretary-Treasurer the date of this RESOLUTION.

BE IT FURTHER RESOLVED that the District will levy a maintenance levy against the benefitted properties within the FM FLOOD RISK MANAGEMENT DISTRICT NO. 1 assessment district from time to time as necessary in accordance with N.D. Cent. Code Section 61-16.1-45 for purposes of maintaining and operating the project.

BE IT FURTHER RESOLVED that the District will conduct a hearing regarding the Project and the FM FLOOD RISK MANAGEMENT DISTRICT NO. 1 assessment district, and at least 10 days before the hearing, the District will file with the Cass County Auditor a list showing the percentage assessments against each tract of land that will benefit from the Project and the corresponding estimate of assessments for each parcel.

BE IT FURTHER RESOLVED that the District will mail and file the assessment list and notice as required by law regarding the project hearing for the FM FLOOD RISK MANAGEMENT DISTRICT NO. 1 PROJECT, and the District sets March 31, at 6:00 p.m., at the FargoDome in Fargo, North Dakota, as the date and place for the public hearing regarding the Project and

regarding the FM FLOOD RISK MANAGEMENT DISTRICT NO. 1 assessment district. Affected landowners will have 30 days after the date of the hearing to file written votes in support of or in opposition to the creation of the FM FLOOD RISK MANAGEMENT DISTRICT NO. 1 assessment district. Landowners must file votes within the 30-day time limit at the office of the Secretary-Treasurer of the Cass County Joint Water Resource District.

APPROVED:
Mark Brodshaug, Chair

ATTEST:
Carol Harbeke Lewis
Secretary-Treasurer

Date Approved: January 22, 2015