



Cass County Joint Water Resource District

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To: Landowners within the Proposed FM Flood Risk Management District No. 1

From: Cass County Joint Water Resource District

You are receiving this ballot and packet of information because you own a parcel of land that will benefit from the FM Area Diversion Project. The Cass County Joint Water Resource District ("CCJWRD") is proceeding with the creation of the FM FLOOD RISK MANAGEMENT DISTRICT NO. 1, the proposed assessment district to finance a portion of North Dakota's local share of the FM Area Diversion Project. In light of the benefit the Project will provide to your property, you are entitled to a vote regarding the creation of the FM FLOOD RISK MANAGEMENT DISTRICT NO. 1 assessment district based on the assessment amount listed on the enclosed ballot. The amount of assessment is based on your parcel's value according to County tax records, acreage, flood risk reduction benefits, and other benefit considerations.

The local sponsors of the Project determined creation of an assessment district would provide a more effective financing tool that would provide better financing terms than alternative financing options. While voters in Fargo and Cass County previously voted in favor of two separate sales taxes to provide sufficient funding for the local cost share of the FM Area Diversion Project, the pace of expenditures necessary to construct the Diversion will exceed the pace of revenue generated by the annual sales tax collections.

Some type of financing will be necessary, and the local sponsors determined creation of a special assessment district would provide better borrowing terms (lower interest rates and lower coverage requirements) than the alternative options. As a member of the Flood Diversion Authority, CCJWRD commenced this formal assessment process to create the FM FLOOD RISK MANAGEMENT DISTRICT NO. 1 assessment district. This voting process is not to determine the merits of the Diversion Project itself. Rather, the vote will only determine whether or not CCJWRD should create the FM FLOOD RISK MANAGEMENT DISTRICT NO. 1 assessment district as the financing method of choice.

Please recognize current sales tax proceeds are expected to provide adequate revenue to repay the debt and annual payments on the assessment district. CCJWRD does not intend to levy actual assessments as long as sales tax revenues are sufficient, but the amount will still be considered a liability against your property. With this in mind, local project sponsors are essentially asking landowners to co-sign a loan. That initial liability will then be reduced over time as annual payments are made with sales tax dollars and will eventually disappear completely when the bonds are paid in full. Local project sponsors will provide annual updates regarding the remaining liability that will detail sales tax revenues.

For more information, and to view a copy of the entire assessment list, please visit www.fmdiversion.com/assessment. Copies of the Preliminary Assessment List and other enclosed documents are also available for review at CCJWRD's office located at 1201 Main Avenue West, West Fargo; at the Cass County Auditor's office located at 211 9th Street South, Fargo; and at the Richland County Auditor's Office located at 418 2nd Avenue North, Wahpeton.

Enclosed within this packet:

- Ballot
- Ballot Instructions
- Notice of Hearing
- Benefit Region Map
- Resolution Determining Benefitted Property
- Preliminary Assessment List (on enclosed compact disk)
- Engineer's Report (on enclosed compact disk)