# Black Lake Special District

**Black Lake Special District Meeting**
**Monday, July 18, 2016 • 5:30 pm • 2637 12th Ct SW • Olympia**

**AGENDA**

1. Call to Order

2. Roll Call

3. Approval of Agenda

4. Public Communication
   *(Estimated Time: 0-30 Minutes, Sign-up Sheets are provided)*
   *During this portion of the meeting, citizens may address the Board for up to 3 minutes regarding items related to Special District business. In the event testimony exceeds 30 minutes, the Commission will allow for additional testimony to be taken at the end of the meeting for those who signed up at the beginning of the meeting and did not get an opportunity to speak during the allotted 30-minutes.*

5. Informational Materials (No Action Required)
   *Attachment:* *June 20, 2016 Regular Meeting Minutes*

6. Election Invoice

7. Warrant Requests
   *Attachments:*
   *Herrera Invoice #38675*
   *Thurston GeoData Center Invoice #25-1606-68*
   *Bonfield Reimbursement*
   *Stintzi Reimbursement*
   *Wilmovsky Reimbursement*
   *OrgSupport Invoice #1342*

8. New Business
   a. Septic Program Presentation
   b. Special Assessment Bond
   c. Limited General Obligation Note
   d. Appointment of District Board Roles

9. Old Business
   a. Weed Treatment

10. Reports and Referrals

11. Continued Public Communication
    *(If needed for those who signed up earlier and did not get an opportunity to speak during the allotted 30 minutes.)*

12. Adjournment of Public Meeting

**Next Meetings:**
Work Session, August 1, 5:30pm (OrgSupport Offices)
Regular Meeting, Monday, August 15, 2016, 5:30pm (OrgSupport Offices)

# Black Lake Special District

**BLACK LAKE SPECIAL DISTRICT MEETING**
**Monday, June 20, 2016 • 5:30 pm • 2637 12th Ct SW, Olympia**

**MINUTES**

1. Roll Call – **The meeting was called to order at 5:45 pm.**
   Present: Vernon Bonfield
   Brian Wilmovsky
   Lake Stintzi

2. Approval of Agenda – **Commissioner Stintzi moved approval of the agenda, second by Commissioner Wilmovsky; passed unanimously.**

3. Public Communication – The public expressed delight at the clarity of the lake since the alum treatment.

4. Approval of Consent Agenda – **Commissioner Wilmovsky moved to approve the consent agenda as presented, second by Commissioner Bonfield; passed unanimously.**

   *Attachments:* *May 16, 2016 Regular Meeting Minutes*
   *June 6, 2016 Work Session Meeting Minutes*

5. Warrant Requests – **Commissioner Wilmovsky moved to approve the warrant requests as presented, second by Commissioner Bonfield; passed unanimously.**

   *Attachments:* *Herrera Invoice #38508*
   *Stintzi Reimbursement*
   *Henkle Reimbursement*
   *OrgSupport Invoice #1315*

6. New Business
   a. Commissioners reviewed the proposal from Skyward Services. Commissioner Bonfield noted he can fly the perimeter of the lake at an altitude of approximately 400 feet by helicopter. Survey work would ideally happen before the rains begin in September. *OrgSupport will procure two bids for drone survey work and present to the Commissioners at a future work session.*

7. Old Business
   a. Weed Treatment – Commissioners reviewed the draft business and residential notice. *OrgSupport will reproduce the notice on a postcard and mail to all addresses within an area defined by Commissioner Wilmovsky in cooperation with Kyle Langan. Commissioner Wilmovsky will learn if there are usage restrictions following application.*
   b. *OrgSupport will request a 'paid in full' receipt from the county for election services once the payment is processed.*

8. Reports and Referrals
   a. Chair Stintzi reported the review of the proposed County ordinance scheduled for the Board of County Commissioners agenda the week of June 13 did not happen. The Board of County Commissioner meeting scheduled for the 21st was cancelled. *Chair Stintzi will write to the new County Administrator to inform him of the resolution effort and work with him to get the item on the agenda.*

b. Commissioner Bonfield reported the County Commissioners are meeting June 27 to discuss possible legislation to ban consumer fireworks in unincorporated Thurston County.
c. Chair Stintzi reported the County is exploring changes to septic system management. *OrgSupport will invite the septic program manager from Thurston County to attend a future BLSD meeting to discuss the septic program.*
d. *OrgSupport will create a BLSD account with Nextdoor.com to facilitate posting information to neighbors.*
e. *OrgSupport will send a copy of the meeting reimbursement resolution along with the language from the enabling RCW.*

9. Continued Public Communication – None.

10. Adjournment of Public Meeting – **Chair Stintzi adjourned the meeting at 7:00 pm.**

**Next Meetings:**
Work Session, Monday, July 11, 5:30 pm
Regular Meeting, Monday, July 18, 5:30pm

HERRERA

June 23, 2016
Invoice No: 38675

Lake Stintzi
Black Lake Special District
120 State Avenue NE, #303
Olympia, WA 98501

Project 15-06161-000 Black Lake Management and Oversight of an Alum Treatment
Attn: Lake Stintzi
info@blacklakespecialdistrict.org

**Professional Services from April 30, 2016 to May 27, 2016**

Task 3.0 Technical Specifications and Contractor Procurement

**Professional Personnel**

| | | **Hours** | **Rate** | **Amount** | |
|---|---|---|---|---|---|
| Engineer IV | | | | | |
| Avolio, Christina | | 3.00 | 152.36 | 457.08 | |
| Totals | | 3.00 | | 457.08 | |
| **Total Labor** | | | | | **457.08** |
| | | | | **Task Total** | **$457.08** |

Task 5.0 Water Quality Monitoring

**Professional Personnel**

| | | **Hours** | **Rate** | **Amount** | |
|---|---|---|---|---|---|
| Scientist VI | | | | | |
| Zisette, Reginald | | 8.50 | 205.47 | 1,746.50 | |
| Totals | | 8.50 | | 1,746.50 | |
| **Total Labor** | | | | | **1,746.50** |

**Reimbursable Expenses**

| | | | | |
|---|---|---|---|---|
| Laboratories | | | | |
| 6/6/2016 | IEH - Aquatic Research | 133113 | 588.00 | |
| 6/6/2016 | IEH - Aquatic Research | 133116 | 588.00 | |
| **Total Reimbursables** | | | **1,176.00** | **1,176.00** |
| | | | **Task Total** | **$2,922.50** |

Task 7.0 Project Management and Contract Administration

| Project | 15-06161-000 | Black Lake Mgmt/Oversight Alum Treatment | Invoice | 38675 |
|---|---|---|---|---|

**Professional Personnel**

| | Hours | Rate | Amount | |
|---|---|---|---|---|
| Scientist VI | | | | |
| Zisette, Reginald | 3.50 | 205.47 | 719.15 | |
| Totals | 3.50 | | 719.15 | |
| **Total Labor** | | | | **719.15** |

**Task Total** **$719.15**

**Total Due this Invoice** **$4,098.73**

| | Current | Prior | Total |
|---|---|---|---|
| **Billed to Date** | **4,098.73** | **63,638.35** | **67,737.08** |

**Outstanding Invoices**

| Number | Date | Balance |
|---|---|---|
| 38508 | 5/19/2016 | 28,307.02 |
| **Total** | | **28,307.02** |

**Total Compensation** **80,812.00**

**IEH - Aquatic Research**
3927 Aurora Ave. N
Seattle, WA 98103

206-632-2715 Phone
206-632-2417 Fax

**REMIT TO:**
15300 Bothell Way NE
Attn: Accounts Receivable
Lake Forest Park, WA 98155

206-522-5432 Accounting Dept

# Invoice

| Date | Invoice # |
|---|---|
| 5/22/2016 | 133113 |

| Sold To |
|---|
| Herrera Environmental Inc.<br>2200 Sixth Avenue Suite 1100<br>Seattle, WA 98121-1820 |

| Notes |
|---|
| |

| Customer PO | Payment Terms | Due Date | Sales Rep ID | VTSR | CASE FILE # |
|---|---|---|---|---|---|
| 15-06161-000 | Net 30 | 6/21/2016 | | 4/12/2016 | HER08024 |

| Quantity | Item Code | Description | Price Each | Amount |
|---|---|---|---|---|
| 4 | W365.1 | Total - P | 15.00 | 60.00 |
| 4 | WFILT | Water Filtration | 5.00 | 20.00 |
| 4 | W365.1 | Total - P | 15.00 | 60.00 |
| 4 | W310.1 | Total Alkalinity | 15.00 | 60.00 |
| 4 | W375.4 | Sulfate - Turbidimetric | 15.00 | 60.00 |
| 4 | W10200H | Chla - Spectrophotometric | 30.00 | 120.00 |
| 4 | WMDIG | Total Metals Digest - Water | 12.00 | 48.00 |
| 4 | MFILT | Metals Filtration | 10.00 | 40.00 |
| 4 | ICP | ICP / Element | 10.00 | 40.00 |
| 4 | ICPMS | ICPMS / ELEMENT | 20.00 | 80.00 |

**Total** $588.00

**IEH - Aquatic Research**
3927 Aurora Ave. N
Seattle, WA 98103

206-632-2715 Phone
206-632-2417 Fax

**REMIT TO:**
15300 Bothell Way NE
Attn: Accounts Receivable
Lake Forest Park, WA 98155

206-522-5432 Accounting Dept

# Invoice

| Date | Invoice # |
|---|---|
| 5/22/2016 | 133116 |

| Sold To |
|---|
| Herrera Environmental Inc.<br>2200 Sixth Avenue Suite 1100<br>Seattle, WA 98121-1820 |

| Notes |
|---|
| |

| Customer PO | Payment Terms | Due Date | Sales Rep ID | VTSR | CASE FILE # |
|---|---|---|---|---|---|
| 15-06161-000 | Net 30 | 6/21/2016 | | 4/20/2016 | HER08026 |

| Quantity | Item Code | Description | Price Each | Amount |
|---|---|---|---|---|
| 4 | W365.1 | Total - P | 15.00 | 60.00 |
| 4 | WFILT | Water Filtration | 5.00 | 20.00 |
| 4 | W365.1D | Soluble Reactive Phosphate | 15.00 | 60.00 |
| 4 | W310.1 | Total Alkalinity | 15.00 | 60.00 |
| 4 | W375.4 | Sulfate - Turbidimetric | 15.00 | 60.00 |
| 4 | W10200H | Chla - Spectrophotometric | 30.00 | 120.00 |
| 4 | WMDIG | Total Metals Digest - Water | 12.00 | 48.00 |
| 4 | MFILT | Metals Filtration | 10.00 | 40.00 |
| 4 | ICP | ICP / Element | 10.00 | 40.00 |
| 4 | ICPMS | ICPMS / ELEMENT | 20.00 | 80.00 |

VOICE
INVOICE DATE
ROJECT
SK
ACTIVITY

**Total** $588.00

# Black Lake Project Progress Report for Herrera Environmental Consultants

## Herrera Environmental Consultants
## Progress Report: Management and Oversight of the Black Lake Alum Treatment
## Invoice Period: April 30 through May 27, 2016

| Task | Project Budget | Previously Invoiced | Amount this Period | Billed to Date | Budget Remaining | Percent Spent | Percent Complete | Work Performed |
|---|---|---|---|---|---|---|---|---|
| 1-Final Design | $20,541 | $15,718.69 | $0.00 | $15,718.69 | $4,822.31 | 77% | 100% | |
| 2-Permitting | $2,926 | $4,208.12 | $0.00 | $4,208.12 | -$1,282.12 | 144% | 100% | |
| 3-Specifications | $5,984 | $9,018.64 | $457.08 | $9,475.72 | -$3,491.72 | 158% | 100% | Reviewed final contractor invoice |
| 4-Oversight | $10,637 | $11,498.10 | $0.00 | $11,498.10 | -$861.10 | 108% | 100% | |
| 5-Monitoring | $19,544 | $19,861.93 | $2,922.50 | $22,784.43 | -$3,240.43 | 117% | 95% | Conducted water quality monitoring and bucket alum dose test; Reviewed data |
| 6-Report | $15,450 | $0.00 | $0.00 | $0.00 | $15,450.00 | 0% | 0% | |
| 7-Management | $5,730 | $3,332.87 | $719.15 | $4,052.02 | $1,677.98 | 71% | 80% | Prepared invoice, updated progress, coordinated contractor invoice and fish kill report |
| Total | $80,812 | $63,638.35 | $4,098.73 | $67,737.08 | $13,074.92 | 84% | 80% | |

THURSTON COUNTY
WASHINGTON
SINCE 1852

COUNTY COMMISSIONERS
Cathy Wolfe
District One
Sandra Romero
District Two
Bud Blake
District Three

CENTRAL SERVICES DEPARTMENT

*Creating Solutions for Our Future*

Martin D. Casey, Director

# *Thurston GeoData Center - Billing Invoice*

| | | | |
|---|---|---|---|
| ***Company:*** | Black Lake Special District | ***Invoice No:*** | 25 - 1606 - 68 |
| ***Attn:*** | Lydia | ***Order Date:*** | 6/23/2016 |
| ***Address:*** | 120 State Ave NE, #303 | ***Ship Date:*** | 6/23/2016 |
| | Olympia , WA 98501- | ***Method:*** | E-mail |
| ***Phone No:*** | (360) 867-8814 ***ext:*** | | |

***Notes:*** Map & Spreadsheet for all parcels with-in 1/4 mile of Black Lake Shoreline.

***You are hearby requested to pay the total shown below to the County of Thurston:***

| *Product Name* | *Unit Price* | *Quantity* | *Net Amount* | *Discount* | *Item Total* |
|---|---|---|---|---|---|
| Custom Map 11x17, 15 minute minimum | $24.00 | 1 | $24.00 | 50.00% | $12.00 |
| | | | ***Sub-Total:*** | | $12.00 |
| | | | ***Freight Charge:*** | | $0.00 |
| | | | ***Tax:*** | | $1.06 |
| | | | ***Total:*** | | $13.06 |

A convenience fee of 2.35%, based on the total, or a minimum of $2.00, is charged on Credit Card payments.

***For Questions Regarding this Order please contact GeoData at (360) 754-4594***

***Make Check Payments to:***

Thurston County Central Services
Attn: Central Services Accountant
2000 Lakeridge Drive. SW
Olympia, WA 98502

***Make Credit Card Payments to:***

Thurston GeoData Center
(360) 754-4594

***Print Date:*** ***Thursday, June 23, 2016***

# BLACK LAKE SPECIAL DISTRICT

## BLACK LAKE SPECIAL DISTRICT

Reimbursement & Expenditure Request

Today's Date 6/20/16

Itemize Expenditures Below

| **Description** (Meeting Attended, Mileage, Food, Lodging, etc.) | **Miles Traveled*** | **Date** | **Amount** |
|---|---|---|---|
| | | | |
| Meetings attended @ Org Support | | | |
| Agent to present | | 5 x | $90 |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

*Administrative office will calculate amount for mileage reimbursement.

Total $450

Receipts are required for reimbursement. Please attach to form.

Make check payable to: Vernon Bonfield

Mailing address: PO Box 7905 Olym WA 98507

Sgnature:

Please return this form to the administrative office by the 1st of each month.

# BLACK LAKE SPECIAL DISTRICT

## BLACK LAKE SPECIAL DISTRICT

Reimbursement & Expenditure Request

Today's Date 6/20/2016

Itemize Expenditures Below

| **Description** (Meeting Attended, Mileage, Food, Lodging, etc.) | **Miles Traveled*** | **Date** | **Amount** |
|---|---|---|---|
| 6/20/2016 Board Meeting | | 6/20/16 | 90.00 |
| | | | |
| 6/6/2016 " " | | 6/6/2016 | 90.00 |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

*Administrative office will calculate amount for mileage reimbursement.

Total 180.00

Receipts are required for reimbursement. Please attach to form.

Make check payable to: Lake Stintzi

Mailing address: 7514 Cattail LN SW

Sgnature: U. Lake Stintzi

Please return this form to the administrative office by the 1st of each month.

# BLACK LAKE SPECIAL DISTRICT

## BLACK LAKE SPECIAL DISTRICT

Reimbursement & Expenditure Request

Today's Date 6/20/20

Itemize Expenditures Below

| **Description** (Meeting Attended, Mileage, Food, Lodging, etc.) | **Miles Traveled*** | **Date** | **Amount** |
|---|---|---|---|
| April to present | = 6 X | | 90 |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

*Administrative office will calculate amount for mileage reimbursement.

Total ~~180.00~~ 510.00

Receipts are required for reimbursement. Please attach to form.

Make check payable to: Brian Wilowski

Mailing address: 2627 Capitol Mall Dr SW B-31

Sgnature:

Please return this form to the administrative office by the 1st of each month.

*OrgSupport*

120 State Avenue NE, #303
Olympia, WA 98501

# Invoice

| Date | Invoice # |
|---|---|
| 8/1/2016 | 1342 |

**Bill To**

Black Lake Special District
120 State Avenue NE, #303
Olympia, WA 98501

| Description | Qty | Rate | Amount |
|---|---|---|---|
| Contract Services - July | 1 | 2,500.00 | 2,500.00 |
| Printing B&W | 284 | 0.10 | 28.40 |
| Printing Color | 1 | 0.25 | 0.25 |
| Office Supplies - Directional Signs | 1 | 40.99 | 40.99 |
| Postage - Notification Postcards | 1 | 374.18 | 374.18 |

**Total** $2,943.82

BLACK LAKE SPECIAL DISTRICT,
THURSTON COUNTY, WASHINGTON

LIMITED GENERAL OBLIGATION NOTE, 2016

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RESOLUTION NO. _____

A RESOLUTION of the Governing Board of the Black Lake Special District, Washington, providing for the issuance of a limited general obligation note of the District in the principal amount of $_____ for the purpose evidencing a loan from Thurston First Bank to finance the treatment of alum in Black Lake; providing the date, form, terms, and maturity of the note; and approving the sale of such note.

APPROVED ON _____, 2016

PREPARED BY:

PACIFICA LAW GROUP LLP
SEATTLE, WASHINGTON

RESOLUTION NO. _____

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Exhibit A – Copy of Lender's Proposal
Exhibit B – Form of Note


* This Table of Contents and the cover page are not a part of the following resolution and are included only for the convenience of the reader.

RESOLUTION NO. _____

A RESOLUTION of the Governing Board of the Black Lake Special District, Washington, providing for the issuance of a limited general obligation note of the District in the principal amount of $_____ for the purpose evidencing a loan from Thurston First Bank to finance the treatment of alum in Black Lake; providing the date, form, terms, and maturity of the note; and approving the sale of such note.

WHEREAS, the Black Lake Special District, Washington (the "District"), is a "special district" formed pursuant to chapter 85.38 RCW for the purpose of engaging in the restoration, aquatic plant control, and water quality enhancement activities at Black Lake located in Thurston County, Washington (the "Lake"); and

WHEREAS, the Governing Board (the "Board") of the District now desires to improve, treat, and restore the Lake, including but not limited to the treatment of alum (the "Project"); and

WHEREAS, special districts are authorized by RCW 85.38.145 to fix rates and charges payable by owners or occupiers of real estate within the special district to pay costs related to lake or river restoration, aquatic plant control, and water quality enhancement activities; and

WHEREAS, pursuant to Resolution No. 16-03 adopted by the Governing Board of the District (the "Board") on April 18, 2016, the Board has imposed such rates and charges ("Rates and Charges"); and

WHEREAS, special districts are further authorized by RCW 85.38.180(7) to accept funds and property by loan, grant, gift, or otherwise from the United States, the state of Washington, or any other public or private source; and

WHEREAS, the District deems it necessary and advisable to accept funds by loan (the "Loan") from Thurston First Bank (the "Lender") in the amount of $_____, pursuant to

the terms of the Lender's proposal in the form attached hereto as Exhibit A, in order to finance costs of the Project; and

WHEREAS, the principal of and interest on the Loan shall be paid from legally available funds of the District, including Rates and Charges collected under RCW 85.38.145; and

WHEREAS, the Loan shall be evidenced by a limited general obligation note of the District authorized herein;

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE BLACK LAKE SPECIAL DISTRICT, WASHINGTON as follows:

Section 1. Definitions. As used in this resolution, the following words shall have the following meanings:

[***Adjusted Interest Rate*** has the meaning set forth in Section 3 of this resolution.]

***Board*** means the duly constituted Governing Board as the general legislative authority of the District.

***Designated Representative*** means the _____ of the District, and his or her designee.

***District*** means the Black Lake Special District, Washington, duly organized and existing under and by virtue of the laws of the State of Washington.

***Event of Default*** means the declaration by the Lender of an event of default as a result of a determination by the Lender that there has been: (i) a failure to pay principal or interest on the Note when due, (ii) a failure by the District to comply with any of its obligations, or to perform any of its duties, under the this resolution, or the Note, which failure continues, and is not cured, for a period of more than 30 days after the Lender has made written demand on the District to cure such failure, or (iii) a material misrepresentation to the Lender by the District in the

purchase of the Note, as reasonably concluded by the Lender after investigation and discussion with the District.

***[FHLBD Rate*** has the meaning set forth in Section 3 of this resolution.]

***General Fund*** means the special fund of the District of that name created in the office of the Treasurer.

***Index Rate*** has the meaning set forth in Section 3 of this resolution.

[***Interest Adjustment Date*** has the meaning set forth in Section 3 of this resolution.]

***Interest Rate*** means the rate of interest as described in Section 3 of this resolution[, including any Adjusted Interest Rates and any other adjustments, including a rate increase upon the occurrence of an Event of Default, pursuant to this resolution and the Proposal.]

***Lake*** means Black Lake located in Thurston County, Washington.

***Lender*** means Thurston First Bank.

***Loan*** means the loan from the Lender to the District for the purpose of financing the Project.

***Maturity Date*** means _____.

***Note*** means the $_____ Black Lake Special District, Washington, Limited General Obligation Note, 2016, dated as of the date of its initial delivery to the Lender, issued pursuant to this resolution for the purpose of evidencing the Loan from the Lender.

***Note Register*** means the registration records for the Note maintained by the Note Registrar.

***Note Registrar*** means the Treasurer, whose duties include registering and authenticating the Note, maintaining the Note Register, transferring ownership of the Note, and paying the principal of and interest on the Note.

***Project*** means improving, treating, and restoring the Lake, including but not limited to the treatment of alum.

***Proposal*** means the proposal letter submitted by the Lender substantially in the form attached hereto as Exhibit A.

***Rates and Charges*** mean rates and charges collected by the District pursuant to RCW 85.38.145.

***Registered Owner*** means the person in whose name the Note is registered on the Note Register.

***Treasurer*** means the Thurston County Treasurer, as *ex officio* treasurer of the District, or any successor to the functions of the Treasurer.

In this resolution, unless the context otherwise requires:

(a) The terms "hereby," "hereof," "hereto," "herein, "hereunder" and any similar terms, as used in this resolution, refer to this resolution as a whole and not to any particular article, section, subdivision or clause hereof, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of this resolution;

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(d) Any headings preceding the text of the several articles and Sections of this resolution, and any table of contents or marginal notes appended to copies hereof, shall be solely

for convenience of reference and shall not constitute a part of this resolution, nor shall they affect its meaning, construction or effect; and

(e) All references herein to "articles," "sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

Section 2. Project. The proceeds of the Loan will be used to finance the Project and to pay associated costs of issuance. If remaining Loan proceeds are sufficient, the District may utilize remaining Loan proceeds for other legally authorized purposes, and such purposes shall be considered to be part of the "Project." The cost of all necessary appraisals, negotiation, closing, architectural, engineering, financial, legal and other consulting services, inspection and testing, administrative and relocation expenses and other costs incurred in connection with the Project shall be deemed a part of the Project.

Section 3. Authorization of Note. For the purpose of evidencing the Loan from the Lender, the District shall now issue and sell a note in the principal amount of $_____. The note shall be designated the "Black Lake Special District, Washington, Limited General Obligation Note, 2016" (the "Note"), shall be dated as of the date of its initial delivery, shall be fully registered as to both principal and interest, shall be in one denomination and shall mature on _____.

The Note shall bear interest at the Interest Rate (calculated as described below) from its dated date or the most recent date to which interest has been paid. Interest on the principal amount of the Note shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

[TERMS TO BE REVISED TO REFLECT TERMS OF THE LOAN]

[Interest on the Note shall be payable _____ on _____ 1 and _____ 1, beginning _____. Principal payments will be due _____ on _____ 1 and November 1, beginning _____ through and including _____, in amounts as described in the principal payment schedule attached to the Note.]

[The Interest Rate shall initially be a fixed rate of _____ percent (____%) per annum for the period from the dated date of the Note through _____. ]

[TO COME]

Section 4. Registration, Exchange and Payments.

(a) *Registrar/Note Registrar*. The Treasurer shall act as Note Registrar. The Note Registrar is authorized, on behalf of the District, to authenticate and deliver the Note if transferred or exchanged in accordance with the provisions of the Note and this resolution and to carry out all of the Note Registrar's powers and duties under this resolution.

(b) *Registered Ownership*. The District and the Note Registrar may deem and treat the Registered Owner of the Note as the absolute owner for all purposes, and neither the District nor the Note Registrar shall be affected by any notice to the contrary. Payment of the Note shall be made only as described in subsection (e) below. All such payments made as described in subsection (e) below shall be valid and shall satisfy the liability of the District upon the Note to the extent of the amount so paid.

(c) *No Transfer or Exchange of Registered Ownership*. The Note shall not be transferrable without the prior written consent of the District unless (i) the Lender's corporate name is changed and the transfer is necessary to reflect such change; (ii) the transferee is a successor in interest of the Lender by means of a corporate merger, an exchange of stock, or a sale of assets, or (iii) as otherwise provided in the Note.

(d) *Registration Covenant*. The District covenants that, until the Note has been surrendered and canceled, it will maintain a system for recording the ownership of the Note that complies with the provisions of Section 149 of the Code.

(e) *Place and Medium of Payment*. Both principal of and interest on the Note shall be payable in lawful money of the United States of America. Principal on the Note shall be payable by check or warrant or by other means mutually acceptable to the Lender and the District. Interest shall be payable as provided in this resolution. Upon final payment of principal and interest of the Note, the Registered Owner shall surrender such Note for cancellation at the office of the Note Registrar.

Section 5. Form of Note. The Note shall be in substantially the form attached hereto as Exhibit B.

Section 6. Execution of Note. The Note shall be executed on behalf of the District with the facsimile or manual signatures of the ____ and ____ of its Board. In case either or both of the officers who have signed or attested the Note cease to be such officer before the Note has been actually issued and delivered, the Note shall be valid nevertheless and may be issued by the District with the same effect as though the persons who had signed or attested the Note had not ceased to be such officers, and the Note may be signed or attested on behalf of the District by officers who at the date of actual execution of the Note are the proper officers, although at the nominal date of execution of the Note such officer was not an officer of the District.

Only the Note that bears a Certificate of Authentication in the form hereinbefore recited manually executed by the Note Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this resolution. Such Certificate of Authentication shall be conclusive evidence

that the Note so authenticated have been duly executed, authenticated and delivered and are entitled to the benefits of this resolution.

Section 7. Pledge of Funds and Credit. The District's General Fund shall be drawn upon for the purpose of paying the principal of and interest on the Note.

To pay installments of principal of and interest on the Note as the same shall become due, the District hereby irrevocably covenants that it will budget for and use all funds legally available therefore. Available resources of the District shall include Rates and Charges collected pursuant to RCW 85.38.145. The full faith, credit and resources of the District are hereby irrevocably pledged for the prompt payment of such principal and interest. Deposits of money sufficient to pay the principal of and interest on the Note as the same comes due shall be made to the General Fund on or before each date on which a payment is due.

If the District shall fail to make any payment under the Note when due, Registered Owner shall have all of the rights and remedies available to it at law or in equity. All such rights and remedies are cumulative.

If legal action is taken by either the District or the Registered Owner to enforce the provisions of this resolution or the Note, the prevailing party shall be entitled to its reasonable attorneys' fees and costs, including fees and costs at trial, on appeal, in any bankruptcy or insolvency proceeding, in any arbitration proceeding, or otherwise, including any allocated costs of in-house counsel.

Section 8. Lost or Destroyed Note. If the Note is lost, stolen or destroyed, the Note Registrar may authenticate and deliver a new Note of like amount, maturity and tenor to the Registered Owner upon the owner's paying the expenses and charges of the Note Registrar and the District in connection with preparation and authentication of the replacement Note and upon

his or her filing with the Note Registrar and the District evidence satisfactory to both that the Note was actually lost, stolen or destroyed and of his or her ownership, and upon furnishing the District and the Note Registrar with indemnity satisfactory to both.

Section 9. Covenants. So long as the Note is outstanding, the District hereby covenants and agrees as follows:

(a) It will establish, maintain and collect Rates and Charges and will adjust such Rates and Charges from time to time so that revenue from such Rates and Charges will be sufficient, together with other available funds of the District, to pay when due all amounts that the District is obligated to pay the principal of and interest on the Note as the same shall become due and payable.

(b) If not publicly available, to provide the Registered Owner copies of the District's annual financial reports within _____ days of the end of each fiscal year; and

(c) To provide the Registered Owner financial or other information as may be reasonably requested from time to time.

Section 10. Sale of the Note. The Note shall be sold to the Lender pursuant to the terms of the Proposal and in this resolution. The Proposal is hereby in all respects accepted and approved, and by reference is incorporated herein. The Designated Representative is authorized and directed to execute the Proposal on behalf of the District.

Upon a successful closing of the Note, the District shall pay costs of the Lender's legal counsel in the amount of $_____. If the District elects not to close the sale of the Note notwithstanding the Lender's willingness to purchase, the District shall be responsible for payment of Lender's legal counsel fees actually incurred, but not exceeding $_____.

The District acknowledges that the Lender will make the Loan to the District by

purchasing the Note under the following additional conditions: (a) the Note is not being registered under the Securities Act of 1933 and is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state; (b) the Lender will hold the Note as one single debt instrument; (c) no CUSIP numbers will be obtained for the Note; (d) no official statement has been or will be prepared in connection with the private placement of the Note with the Lender; (e) the Note will not close through The Depository Trust Company or any similar repository and will not be in book entry form; and (f) the is not listed on any stock or other securities exchange.

Section 11. Right of Prepayment. The Note may be prepaid in whole or in part, at any time upon _____ days' prior written notice to the Lender, without prepayment penalty or fee.

Section 12. Further Authority. The District officials, their agents, and representatives are hereby authorized and directed to do everything necessary for the prompt issuance and delivery of the Note and for the proper use and application of the proceeds of such sale.

Section 13. Application of Note Proceeds. The net proceeds derived from the Note shall be deposited into the General Fund and shall be expended solely to pay the cost of the Project and of issuing and selling the Note, or any other purpose related to the Project. Proceeds of the Note may be invested by the Treasurer at the direction of the District in any legal investment for public funds in the State of Washington.

Section 14. General Authorization and Ratification. The appropriate District officials, including but not limited to the Designated Representative and the Treasurer, are hereby authorized to take any actions and to execute documents as in his or her judgment may be necessary or desirable in order to carry out the terms of, and complete the transactions contemplated by, this resolution. All acts taken pursuant to the authority of this resolution but

prior to its effective date are hereby ratified.

Section 15 Severability. If any provision in this resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provision of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Note.

Section 16. Effective Date. This resolution shall become effective immediately upon its adoption.

ADOPTED by the Governing Board of Black Lake Special District, Washington, at a regular open public meeting thereof, held this _____ day of _____, 2016.

BLACK LAKE SPECIAL DISTRICT,
WASHINGTON

_____
Member

_____
Member

_____
Member

ATTEST:

_____

Exhibit A
Copy of Lender's Proposal

Exhibit B

Form of Note

UNITED STATES OF AMERICA

NO. R-1 $_____

STATE OF WASHINGTON
BLACK LAKE SPECIAL DISTRICT, THURSTON COUNTY, WASHINGTON

LIMITED GENERAL OBLIGATION NOTE, 2016

INTEREST RATE: _____
DATED DATE: _____, 2016
MATURITY DATE: _____
REGISTERED OWNER: THURSTON FIRST BANK
TAX IDENTIFICATION: _____
PRINCIPAL AMOUNT: _____ AND NO/100 DOLLARS

BLACK LAKE SPECIAL DISTRICT, WASHINGTON (the "District"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount indicated above and interest thereon. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months. Interest on this note shall be payable _____ on _____ 1 and _____ 1, beginning _____, 2016, calculated as described below. Principal payments will be due on _____ 1 and _____ 1, beginning _____, 2016 through and including _____, in amounts as described in the principal payment schedule attached hereto, and by this reference incorporated herein.

The Interest Rate shall initially be a fixed rate of _____ percent (___%) per annum for the period from the Dated Date indicated above through _____. [TERMS TO BE ADDED]

Both principal of and interest on this note are payable in lawful money of the United States of America. Principal and interest on this note shall be payable by check or warrant or by other means mutually acceptable to the Registered Owner and the District. Upon final payment of principal and interest of this note, the Registered Owner shall surrender this note for cancellation at the office of the Note Registrar in accordance with Resolution No. _____ of the District (the "Note Resolution").

This note is issued pursuant to the Note Resolution, to provide the funds necessary for the treatment of alum at Black Lake and to pay costs of issuance for this note.

The District may prepay this note as provided in the Note Resolution.

The note is issued as a single, fully registered note under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and resolutions duly adopted by the Governing Board.

To pay installments of principal of and interest on this note as the same shall become due, the District hereby irrevocably covenants that it will use all funds legally available thereof, including Rates and Charges collected by the District pursuant to RCW 85.38.145, and observe its covenants set forth in the Note Resolution. This note does not require approval by a vote of the electors of the District. The full faith, credit and resources of the District are hereby irrevocably pledged for the prompt payment of such principal and interest.

This note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Note Resolution until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Note Registrar.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this note have happened, been done and performed and that the issuance of this note does not violate any constitutional, statutory or other limitation upon the amount of indebtedness that the District may incur.

IN WITNESS WHEREOF, Black Lake Special District, Washington, has caused this note to be executed by the manual or facsimile signatures of the President and Secretary of its Board and as of this [__th] day of _____, 2016.

BLACK LAKE SPECIAL DISTRICT,
WASHINGTON

By _____/s/ facsimile_____
_____, Governing Board

ATTEST:

_____/s/ facsimile_____
_____, Governing Board

The Note Registrar's Certificate of Authentication on the Note shall be in substantially the following form:

**REGISTRATION CERTIFICATE**

This note is registered in the name of the Registered Owner on the books of the District, in the office of the Treasurer (the "Note Registrar"), as to both principal and interest, as Note

Registrar in the registration blank below. All payments of principal of and interest on this note shall be made by the District from the District's General Fund.

| Date of Registration | Name and Address of Registered Owner | Signature of Note Registrar |
|---|---|---|
| _____, 2016 | | |
| | | District Treasurer |

The principal payment schedule on the Note shall be in the following form with final amounts and totals subject to change as requested by the Lender or District:

**PAYMENT SCHEDULE**

Principal on this note shall be payable as set forth in the following schedule:

| Date | Principal |
|---|---|
| | $ |

CERTIFICATE

I, the undersigned, Secretary of the Governing Board of Black Lake Special District, Washington (the "District"), and keeper of the records of the Governing Board (the "Board"), DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. _____ of the Board (the "Resolution"), duly adopted at a [regular] meeting thereof held on the _____ day of _____, 2016.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Board voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 2016.

_____
Secretary, Governing Board