

RESOLUTION #19-01

**A RESOLUTION OF THE BLACK LAKE SPECIAL DISTRICT GOVERNING BOARD
REQUESTING APPROVAL OF A SPECIAL ASSESSMENT SYSTEM AND SPECIAL
ASSESSMENT BOND BY THE THURSTON COUNTY BOARD OF COUNTY
COMMISSIONERS**

WHEREAS, the Black Lake Special District (BLSD) Governing Board and district parcel owners who have provided input to the board believe a further lake treatment to reduce algae blooms is needed. A treatment is expected to cost \$1,400,000.

WHEREAS, the BLSD does not have sufficient financial reserves to undertake the treatment. Traditional borrowing from financial institutions is not feasible since the district has no assets which might serve as collateral. The district's current revenue stream from "rates and charges" under RCW 85.38.145 cannot be assigned to a lender with long term certainty.

WHEREAS, RCW 85.38.150 thru RCW 85.38.170 permit special districts to establish special assessments with approval of the county legislative authority. Special assessments constitute liens on real property upon which they are imposed. RCW 85.38.230 allows a special district (with county legislative approval) to issue special assessment bonds which are viewed by lenders as secured by the underlying real property. RCW 85.38.240 permits a term of twenty years for a special assessment bond.

WHEREAS, funding the special assessment bond of \$1,400,000 for twenty years will require special assessments of \$103,000 per year assuming a four percent rate. To service the bond and continue current BLSD operations, an increase in "rates and charges" under RCW 85.38.145 is needed amounting to \$23,000 per year. The increase will be applied to the lakefront parcels.

WHEREAS, RCW 85.38.160 requires a public hearing by the BOCC concerning the special assessments. A notice of the hearing must be mailed to each parcel owner impacted by the assessments.

WHEREAS, RCW 85.38.240 (4) specifies "a special assessment bond issued by a special district shall not constitute an indebtedness of the state, either general or special, nor of the county, either general or special".

NOW THEREFORE IT IS HEREBY RESOLVED:

Section 1. The BLSD Governing Board requests the Thurston County Board of County Commissioners (BOCC) approve a special assessment bond issuance of up to \$1,400,000 for a term of 20 years.

Section 2. To fund the bond, the BLSD Governing Board requests the BOCC approve special assessments on 179 lakefront parcels. Upland parcels which benefit less from the lake treatment project will not be affected.

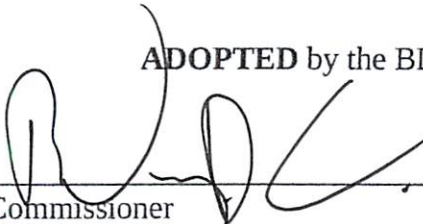
The current "rates and charges" for a parcel is a measure of benefit a parcel receives from the BLSD. For example a parcel with 200' of lakefront pays twice as much as a parcel with 100'. Special assessments to fund the bond issuance will be \$103,000 per year. A lakefront parcel's assessment per year will be made proportionate to the 2019 BLSD parcel "rates and charges". The calculation would be:

Lakefront parcel assessment/yr = (2019 BLSD parcel "rates and charges") times (\$103,000/(\$142,769). (\$142,769 is the total "rates and charges" for all lakefront parcels in 2019.)

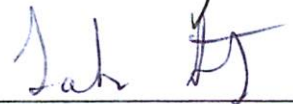
Section 3. The BLSD will increase "rates and charges" under RCW 85.38.145 by \$23,000 per year. The increase will be applied to lakefront parcels amounting to a (16%) increase for those parcels.

Section 4. The public hearing notice mailed to parcel owners must follow the requirements of RCW 85.38.160 and also indicate the amount of the "rates and charges" increase.

ADOPTED by the BLSD Governing Board this 2nd day of Dec., 2019.



Commissioner



Commissioner



Commissioner

ATTEST: 