Black Lake Special District

Black Lake Special District Special Meeting
Monday, February 2 • 6:15 pm
1 (669) 333-8889
Conference ID: 6487127

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. Approval of Consent Agenda

   Attachments:

   January 26, 2021 Minutes
   01_29_2021 Payment Voucher Transmittal
   Herrera Invoice #48104
   Vern Bonfield Reimbursement
   OrgSupport Invoice #3958

6. Herrera Quality Assurance Proposal
   a. Discussion
   b. Approval

7. Resolution 21-01 Special Assessment Bond
   a. Discussion
   b. Approval

8. Mailing of Alum Treatment Notice

9. Items from the Floor

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

11. Adjournment of Public Meeting

Next Meeting: February 15, 2021 Regular Meeting

Black Lake Special District

Black Lake Special District Special Meeting
Tuesday, January 26 • 6:15 pm

MINUTES:

1. Call to Order – **Chair Stintzi called the meeting to order at 6:21pm**

2. Roll Call
    a. Present
        i. Lake Stintzi
        ii. Vernon Bonfield
        iii. Brian Wilmovsky
    b. Guests
        i. Rob Zisette from Herrera
        ii. Deanna Gregory, attorney from Pacific Law Group

3. Approval of Agenda – **It was moved, seconded, and passed unanimously to approve the agenda with the removal of Item 8 and the addition of 7a, 7b and 9a.**

4. Public Communication – None.

5. Approval of Consent Agenda **– It was moved, seconded, and passed unanimously to approve the documents as presented.**

    Attachments:
    January 19, 2021 Minutes

6. Herrera Quality Assurance Proposal
    a. Discussion with Rob Zisette – Will handle all the signage, all the reporting to the Department of Ecology, on-site inspections, and short term impact monitoring. On-site inspections will be random and unannounced to HAB Aquatics, or in response to abnormal daily reports.
    b. Approval – At the next meeting, 2/1, the commissioners will discuss Herrera's updated proposal with terms and conditions.

7. Review of draft Bond Resolution
    a. Conference Call with Kitsap Bank and Deanna Gregory review – Bank would like the closing day to be 2/19.
    b. Discussion with Deanna Gregory – Deanna Gregory explained the changes between drafts, noting the most significant change being the default rate. She also discussed the guarantee fund requested by Kitsap Bank; at the end of the first five years, a $100,000 will be accumulated to make up the guarantee fund.

~~8. Approval of Resolution confirming the Chair, Vice Chair, and Secretary of BLSD Governing Board~~

9. Items from the Floor
    a. Ditch ownership – The commissioners discussed the email response from the City of Olympia. The commissioners projected next steps could include submitting a request to Thurston County Title, and opening a dialogue with Stormwater to look at reasons for flooding.

10. Adjournment of Public Meeting – **With no further business, Chair Stintzi adjourned the meeting at 7:30pm.**

Next Meeting: February 1, 2021 Regular Meeting

Payment Voucher Transmittal
Drainage Dist #12 Black Lake

1.	Herrera 2200 Sixth Avenue Suite 1100 Seattle, WA 98121	48104	Watershed Pollutant Monitoring	$1,972.06
2.	Vernon T Bonfield 222 Lee St SW STE 116 Tumwater, WA 98501	0106198383	Reimbursement for Traveler's	$100.00
3.	OrgSupport 120 State Avenue NE #303 Olympia, WA 98501	3958	January Services	$2,512.70
	Total for document:			$4,584.76

I, the undersigned do hereby certify under penalty of perjury, that the materials have been furnished, the services rendered or the labor performed as described herein and that the claim is a just, due and unpaid obligation against Drainage Dist #12 Black Lake ,
and that I am authorized to authenticate and certify to said claim.

Examined and Allowed

Secretary

Date

Commissioner

Commissioner

Commissioner

Date

January 25, 2021
Invoice No: 48104

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

Project 15-06161-002 Black Lake Watershed Pollutant Monitoring Phase 2
Email invoices to: Lake Stintzi:
lake@blacklakespecialdistrict.org, info@blacklakespecialdistrict.org

Professional Services from November 28, 2020 to December 31, 2020

Task 003 Data Analysis and Reporting

Professional Personnel

	Hours	Rate	Amount	
Scientist VI				
Zisette, Rob	2.50	260.27	650.68	
Engineer I				
Stang, Andrew	.25	95.63	23.91	
Administrative Coordinator IV				
Jackowich, Pam	8.00	122.88	983.04	
Totals	10.75		1,657.63	
Total Labor				**1,657.63**
			Task Total	**$1,657.63**

Task 004 Project Management

Professional Personnel

	Hours	Rate	Amount	
Scientist VI				
Zisette, Rob	1.00	260.27	260.27	
Project Accountant III				
Saavedra, Robin	.50	108.32	54.16	
Totals	1.50		314.43	
Total Labor				**314.43**
			Task Total	**$314.43**
			Total Due this Invoice	**$1,972.06**

Project	15-06161-002	Black Lake Watershed Monitor-Phs 2	Invoice	48104

	Current	Prior	Total
Billed to Date	**1,972.06**	**30,153.73**	**32,125.79**

Outstanding Invoices

Number	Date	Balance
47870	12/16/2020	2,492.22
Total		**2,492.22**

Total Compensation **33,345.00**

2200 Sixth Avenue | Suite 1100 | Seattle, Washington | 98121 | p 206 441 9080 | f 206 441 9108
PORTLAND, OR | MISSOULA, MT | OLYMPIA, WA | BELLINGHAM, WA

Herrera Environmental Consultants
Progress Report: Black Lake Watershed Monitoring - Phase 2 (Project #15-06161-002)
Invoice Period: November 28 through December 31, 2020

Task	Project Budget	Previously Invoiced	Amount this Period	Billed to Date	Budget Remaining	Percent Spent	Percent Complete	Work Performed
1-Drainage Sampling/Analysis	$5,601	$5,666.83	$0.00	$5,666.83	-$65.83	101%	100%	None, task complete
2-Lake Sampling/Analysis	$11,374	$10,438.11	$0.00	$10,438.11	$935.89	92%	100%	None, task complete
3-Data Analysis/Reporting	$13,850	$12,426.45	$1,657.63	$14,084.08	-$234.08	102%	95%	Prepared draft report (submitted 12/11/20)
4-Project Management	$2,520	$1,622.35	$314.43	$1,936.78	$583.23	77%	95%	Prepared invoice/progress report
Total	$33,345	$30,153.73	$1,972.06	$32,125.79	$1,219.21	96%	95%	

Problems/Corrective Actions: None.

Planned Future Work: Complete final study report (Task 3), and perform ongoing project management (Task 4).

OrgSupport
120 State Avenue NE, #303
Olympia, WA 98501

Invoice

Date	Invoice #
2/1/2021	3958

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

Description	Qty	Rate	Amount
Contract Services	1	2,500.00	2,500.00
Printing B&W	9	0.10	0.90
Envelopes	4	0.15	0.60
Tax Forms/Envelopes	5	1.00	5.00
Postage	1	6.20	6.20
		Total	$2,512.70

BLACK LAKE 2021 ALUM TREATMENT MONITORING

Black Lake Special District (District) authorized Herrera Environmental Consultants (Herrera) to prepare a scope of work and cost estimate to perform oversight and monitoring during an alum treatment of Black Lake in March 2021. Herrera will provide permit-required notifications about the treatment and conduct contractor oversight and water quality monitoring during the treatment for the Black Lake Special District.

This scope of work includes a discussion of the activities, assumptions, deliverables, and schedule associated with five tasks for this project.

TASK 1.0 – PUBLIC AND ECOLOGY NOTIFICATIONS

The alum treatment will be conducted in accordance with Ecology's Aquatic Plant and Algae Management General Permit (the Permit) (Ecology 2019). Ecology issued the District authorization of the 2016 alum treatment that is effective through March 2021 and will serve as authorization of the 2021 treatment. Herrera and the District will notify Ecology and the public according to Section S5 of the Permit, as summarized below.

Herrera will email pre- and post-treatment information to Ecology as required by the permit. Herrera will coordinate and schedule inspections by Ecology, and will immediately call Ecology if the following conditions occur during or after the treatment:

- Any person(s) exhibiting or indicating any toxic and/or allergic response as a result of the treatment
- Any fish or fauna exhibiting stress or dying inside or outside of the treatment area
- Any spill of chemicals covered under this permit that occurs into the water or onto land with a potential for entry into waters of the state.

The District will notify residents, businesses, and shoreline recreational facilities at least 10 days in advance and at most 42 days before the first day of treatment in accordance with permit requirements, and will provide Ecology and the Washington Department of Natural Resources a copy of the notice.

Herrera will install all required shoreline public access notification signs per the posting requirements of the Ecology permit. General signage requirements will include the following:

SCOPE OF WORK

- Use the template provided in the permit.
- Post signs no more than 48 hours prior to treatment.
- Post signs so that they are secure from the normal effects of weather and water currents, but cause minimal damage to property.
- Make best efforts to ensure that the signs remain in place and are legible until removed.
- Remove all signs between 2 and 10 days after the treatment ends.

Posting shoreline public access areas with 2- by 3-foot signs will include:

- Herrera will post 2- by 3-foot signs at all public access areas that include a total of 10 locations shown in the Alum Treatment Plan.
- Herrera will post the signs to face both the water and the shore and site them where they are visible to lake users.
- Signs will be a minimum size of 2- by 3-foot and constructed of durable weather-resistant material.
- Herrera will attach an 8.5- by 11-inch weather resistant map of the lake to each sign designating the following:
    - "Treatment area includes the entire lake area below a depth of 5 feet for both chemicals" (located within the lake area)
    - Mark and label the "Start and Stop Address: WDFW Boat Launch, Latitude 46.9830314, Longitude -122.9731335
    - Mark and label the "Reader's Location"
- Signs must include the word "CAUTION" in bold black type at least 2 inches high, and use a font at least 0.5 inches high for all other words.

Posting privately-owned and publicly-owned shoreline properties (excluding public access areas) with 8.5- by 11-inch signs will include:

- Herrera will post approximately 150, 8.5- by 11-inch signs at every waterfront residence or business.
- Herrera will post the signs to face both the water and the shore and site them within approximately 10 feet of the shoreline where they are most visible to residents.

- Signs will consist of 8.5- by 11-inch paper inserted in a plastic sleeve stapled to a 4-foot wood stake.

Assumptions

- The District will notify residents, businesses, and shoreline recreational facilities in accordance with permit requirements, and will provide Ecology and the Washington Department of Natural Resources a copy of the notice.
- Herrera will be responsible all other agency notifications. The District and HAB will be informed first before notifications to agencies. .
- HAB will provide Herrera will sign templates used for the 2016 alum treatment for Herrera to modify and post for the 2021 alum treatment.
- Herrera will post and remove approximately 10 large signs and 150 small signs that will each require two Herrera staff and a boat in one day.

Deliverables

- Large (2- by 3-foot) and small (8.5- by 11-inch) signs to be posted and removed from shoreline residences and businesses as per the Permit.

TASK 2.0 – TREATMENT OVERSIGHT AND MONITORING

Treatment Oversight

Herrera will provide engineering services to include technical oversight of HAB during each day of treatment. For planning purposes, it is assumed that Herrera will conduct on-site inspection of the treatment for 4 days of the 20-day treatment that is expected to occur from March 1 through 31, 2021. The oversight schedule is expected to include on-site inspections on a weekly or as needed basis for up to a total 4 days during the treatment. The oversight inspections will occur on random, unannounced days or may occur in response to unforeseen problems such as low pH or fish kill observations by others. Herrera will regularly consult and obtain material quantities and pH data from HAB for each of the remaining the 16 days when Herrera is not present on the site.

An engineer from Herrera will record material quantities, observe application procedures, and modify application procedures if needed for correct implementation of HAB's Workplan and Herrera's Treatment Monitoring Plan to maximize the alum treatment effectiveness and environmental safety. Construction inspection forms with a summary of treatment observations and corrective actions will be prepared for each inspection/monitoring day. The forms will

include material quantities and water quality data collected by HAB and Herrera. These forms will be submitted to the District with additional documentation provided by the contractor (HAB).

Herrera's engineer will report material quantities and water quality data on a daily basis to Ecology as required by the Permit. If treatment monitoring data do not comply with the permit conditions, Ecology's Southwest Regional Office will be notified immediately by the Water Quality Monitor. In addition, observations of fish or wildlife impacts must be immediately reported by the Water Quality Monitor to the Region 6 (Coastal) office of the Washington Department of Fish and Wildlife.

Water Quality Monitoring

The Permit requires one surface water pH measurement in the morning prior to any alum addition and one surface water pH measurement one hour after alum addition has stopped for that day and again at 24 hours following treatment completion. The monitoring location must be representative of waterbody-wide conditions. If the pH decreases to less than 6.2, the treatment must stop, samples must be collected and analyzed for alkalinity, and steps must be taken immediately to increase the pH.

Treatment water quality monitoring will be conducted by HAB and Herrera to meet the Permit requirements and to document additional effects of the treatment on additional important water quality parameters. Treatment water quality monitoring will include the following three elements:

- **Hourly pH Monitoring** by HAB during each day of treatment at the application location.
- **Weekly Water Quality Monitoring** of field parameters during up to 4 days of treatment by Herrera to monitor field parameters at two monitoring stations, to verify that the lake pH is between 6.0 and 8.5 and there is sufficient alkalinity at the monitoring stations, and to inspect the lake for distressed fish or wildlife.
- **Short-Term Impact Monitoring** of field and laboratory parameters on three occasions by Herrera to evaluate short-term impacts of the treatment on various water quality parameters at two monitoring stations.

Hourly pH Monitoring

Hourly pH monitoring will be conducted below the lake surface at hourly intervals by HAB on the treatment boat. Herrera will compile and review the pH data for every treatment day, verify that it meets permit requirements for the pH to be between 6.0 and 8.5, and report the results to the District with the daily construction inspection form. If the pH is outside this range, additional monitoring will be conducted by HAB and reported to Herrera as necessary to determine when the lake pH and alkalinity have adequately recovered. Treatment may resume if

the pH is greater than 6.2 and the alkalinity is greater than 5 mg/L at all monitoring locations and may require adjustment of the alum-buffer ratio.

Weekly Water Quality Monitoring

The Herrera engineer will conduct additional water quality monitoring during the alum treatment each on-site inspection day, which is assumed to occur weekly for a total of 4 days in March 2021. Monitoring will consist of measuring field parameters at the south and north basin stations on one occasion during each monitoring day. The field parameters will include Secchi depth and vertical profiles of temperature, dissolved oxygen, pH, and conductivity at 1-meter intervals. In addition, total alkalinity will be tested in the field on water samples collected from 1 meter below the water surface and 1 meter above the lake bottom at each station. If the pH is consistently less than 6.0 at a monitoring station, then the samples collected from that station will be analyzed for dissolved aluminum and dissolved organic carbon (DOC) for calculating aluminum toxicity according to EPA criteria. For budgeting purposes, it is assumed that four samples will be analyzed for dissolved aluminum and DOC due to low pH.

Herrera will instruct HAB to suspend the alum treatment if the pH is consistently less than 6.2 at the treatment site or at the monitoring stations. Additional monitoring may be conducted by HAB and reported to Herrera as necessary to determine when the lake pH and alkalinity have adequately recovered. Treatment may resume if the pH is greater than 6.2 and the alkalinity is greater than 5 mg/L at all monitoring locations and may require adjustment of the alum-buffer ratio.

Observations of the alum treatment activities, floc formation, and potential fish and wildlife impacts will be made throughout each day of on-site inspection and monitoring. Field data and observations will be recorded on water quality monitoring forms, and all data reported in the treatment report (see below). Laboratory analyses of dissolved aluminum and DOC, if necessary, will be conducted by IEH Aquatic Research, which is an Ecology-approved lab located in Seattle.

Short-Term Impact Monitoring

Short-term impact monitoring will consist of measuring field parameters, and collecting water samples from 1 meter below the water surface and 1 meter above the lake bottom at the south and north basin monitoring stations. A total of four water samples will be collected from the lake on three occasions: 1) the day before the first day of treatment, 2) two days following the last day of treatment, and 3) two weeks following the last day of treatment. The collected samples will be analyzed for the following field measurements and laboratory parameters:

- Secchi depth (field measurement)
- Temperature (field measurement at 1-meter intervals)
- Dissolved oxygen (field measurement at 1-meter intervals)
- pH (field measurement at 1-meter intervals)

- Conductivity (field measurement at 1-meter intervals)
- Total alkalinity
- Dissolved aluminum
- Total hardness
- Dissolved organic carbon
- Sulfate
- Soluble reactive phosphorus
- Total phosphorus
- Chlorophyll-a

Assumptions

- The alum treatment will occur for a total of 20 days in March 2021.
- Herrera will provide one engineer to inspect and monitor the site for a total of 4 days and report material quantities and water quality data on a daily basis to the District.
- Herrera will provide one boat and all equipment for a total of 7 days (4 days for weekly monitoring and 3 days for short-term impact monitoring).
- One Herrera engineer will conduct weekly monitoring on 4 days and short-term impact monitoring on 3 days.
- A total of 12 water samples will be analyzed for all short-term impact monitoring parameters and up to 4 water samples will be collected and analyzed for dissolved aluminum and DOC if the lake pH is below 6.2 during the treatment.
- Any additional monitoring required will only be conducted as requested by the District under Task 5.0 – Monitoring Contingency.
- Herrera will be responsible all agency notifications, and will first inform the District and the contractor (HAB) of the required notifications.

Deliverables

- Daily construction inspection forms (PDF files) with material quantities, application observations, water quality data, and verification of permit compliance submitted on the day following each application date.
- Short-term impact monitoring results will be submitted with the Treatment Report (Task 3).

TASK 3.0 – TREATMENT REPORT

Herrera will prepare a Treatment Report presenting and summarizing all observations and data collected for treatment oversight and water quality monitoring conducted for Task 3. The Treatment Report will describe the engineering oversight and water quality monitoring methods, and present the data and findings. Treatment oversight results will be presented and summarized, and any deviations from the HAB Workplan will be identified. Water quality monitoring results will be compared to the permit requirements and historical data, and the short-term water quality impacts of the alum treatment will be discussed.

Assumptions

- The District will provide one set of comments on the draft report within one week of receiving the draft report.

Deliverables

- Draft Treatment Monitoring Report by May 14, 2021.
- Final Treatment Monitoring Report by May 31, 2021.

TASK 4.0 – PROJECT MANAGEMENT/ CONTRACT ADMINISTRATION

Herrera's project manager will be responsible for ongoing administration of the project, including preparing invoices and progress reports, as well as coordination of work efforts with the designated client point of contact (Lake Stintzi) and all laboratories. Herrera's project manager will have phone and e-mail contact with the District on an as-needed basis.

Deliverables

- Progress reports and invoices on a monthly basis.

TASK 5.0 – MONITORING CONTINGENCY

At the request of the District, Herrera will provide additional engineering and monitoring services if unforeseen issues arise during the treatment that need attention by Herrera, such as low pH or fish kill observations. For planning purposes, it is assumed that the Herrera engineer will conduct additional on-site inspections and monitoring of the treatment on 4 days as described in Task 2.0 for weekly monitoring.

Assumptions

- Herrera will provide one engineer to inspect and monitor the site for a total of 4 days as described for weekly monitoring in Task 2.0, or as directed otherwise by the District.
- Herrera will provide one boat and all equipment for a total of 4 days.
- A total of 4 water samples will be collected and analyzed for dissolved aluminum and DOC if the lake pH is below 6.2 during the treatment.

Deliverables

- Daily construction inspection forms (PDF files) with material quantities, application observations, water quality data, and verification of permit compliance submitted on the day following each application date.

HERRERA ENVIRONMENTAL CONSULTANTS

Cost Estimate for Black lake 2021 Alum Treatment Monitoring
Herrera Project No. 15-06161-003

Black Lake 2021 Alum Treatment Monitoring *Number of Tasks : **5***			**Task 1.0** *Notifications*		**Task 2.0** *Treatment Monitoring*		**Task 3.0** *Treatment Report*		**Task 4.0** *Project/Contract Management*		**Task 5.0** *Monitoring Contingency*		**TOTAL**	
Schedule (start and end dates)			***2/14/21-4/10/21***		***2/26/21-4/15/21***		***4/15/21-5/31/21***		***2/14/21-5/31/22***		***2/26/21-4/15/21***			
COST SUMMARY														
Labor				$5,670		$9,032		$7,803		$1,712		$5,442		$29,658
Travel and per diem				$162		$568		$0		$0		$325		$1,056
Other direct costs (ODCs)				$250		$1,995		$0		$0		$900		$3,145
Analytical laboratory				$0		$2,808		$0		$0		$312		$3,120
GRAND TOTAL				**$6,082**		**$14,403**		**$7,803**		**$1,712**		**$6,979**		**$36,979**
COST ITEMIZATION														
Labor		(2021 rates)												
Personnel		Rate/Hour	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
Zisette, Rob	Scientist VI	$257.04	4	$1,028	5	$1,285	10	$2,570	5	$1,285	5	$1,285	29	$7,454
Michaud, Joy	Scientist VI	$248.52	0	$0	0	$0	2	$497	0	$0	0	$0	2	$497
Maas, Nina	Scientist II	$117.75	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0
Geigel, Joseph	GIS Analyst II	$114.44	0	$0	0	$0	2	$229	0	$0	0	$0	2	$229
Stang, Andrew	Engineer I	$94.47	32	$3,023	82	$7,747	40	$3,779	0	$0	44	$4,157	198	$18,705
Watson, James	Scientist I	$67.43	24	$1,618	0	$0	0	$0	0	$0	0	$0	24	$1,618
Maloof, Charlie	Project Accountant I	$106.70	0	$0	0	$0	0	$0	4	$427	0	$0	4	$427
Jackowich, Pam	Admin. Coord. IV	$121.34	0	$0	0	$0	6	$728	0	$0	0	$0	6	$728
SUBTOTAL LABOR (Burdened Labor)			**60**	**$5,670**	**87**	**$9,032**	**60**	**$7,803**	**9**	**$1,712**	**49**	**$5,442**	**265**	**$29,658**
TRAVEL AND PER DIEM	Unit	Cost	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Units	Cost
Auto Use	Mile	$0.56	290	$162.40	1,015	$568.40	0	$0.00	0	$0.00	580	$324.80	1885	$1,056
SUBTOTAL TRAVEL AND PER DIEM				**$162**		**$568**		**$0**		**$0**		**$325**		**$1,056**
OTHER DIRECT COSTS	Unit	Cost	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Units	Cost
Field Equipment and Supplies														
GPS unit (Garmin)	Day	$20	0	$0.00	1	$20.00	0	$0.00	0	$0.00	0	$0.00	1	$20
Hydrolab HL4 Multimeter	Day	$100	0	$0.00	7	$700.00	0	$0.00	0	$0.00	4	$400.00	11	$1,100
Inflatable boat/motor	Day	$125	2	$250.00	7	$875.00	0	$0.00	0	$0.00	4	$500.00	13	$1,625
Alkalinity field test kit	Each	$100	0	$0.00	1	$100.00	0	$0.00	0	$0.00	0	$0.00	1	$100
Sign Materials	Lump	$300	0	$0.00	1	$300.00	0	$0.00	0	$0.00	0	$0.00	1	$300
SUBTOTAL ODCs				**$250**		**$1,995**		**$0**		**$0**		**$900**		**$3,145**
ANALYTICAL LABORATORY	Unit	Cost	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Units	Cost	Units	Cost
IEH (short-term samples)	Sample	$200	0	$0.00	12	$2,400.00	0	$0.00	0	$0.00	0	$0.00	12	$2,400
IEH (Diss. Al and DOC)	Sample	$75	0	$0.00	4	$300.00	0	$0.00	0	$0.00	4	$300.00	8	$600
Fee on Laboratories @ 4%		4%		$0		$108		$0		$0		$12		$120
SUBTOTAL LABORATORY				**$0**		**$2,808**		**$0**		**$0**		**$312**		**$3,120**

January 15th 2021

Commissioners
Black Lake Special District
Black Lake, WA 98052

Thank you for the opportunity to propose terms on the District's borrowing request. Kitsap Bank (the "Bank") proposes the following terms for the borrowing facility outlined in this letter:

1. Borrower: Black Lake Special District (the "District")

2. Amount: Up to $1,400,000.00 as needed and determined by the District to finance its algae treatment project

3. Form: Fully registered, taxable assessment bond (the "Bond") issued by the District and purchased by the Bank at private sale.

4. Purpose: Provide financing for algae treatment of the Lake's waters.

5. Draw Period: Through the period ending May 31, 2021 (the "Draw Period") the following terms will apply:

   a. Draw term: The Draw Period will last from the date of closing for a period of up through May 31, 2021 or less as determined necessary by the District to fund the project, during which time the District may request Draws. The District will provide reasonable notice to the Bank of the District's desire to end the Draw Period and enter into the Repayment Period, at which time Draws will no longer be authorized.

   b. Draws: Draws may be made on the Bond on any business day in an amount of not less than $50,000. Draw requests need to be received by 11 AM for same day funding. Draws may be requested up to the full amount of the Bond until expiration of the Draw Period

   c. Payments: Principal and interest will be due semi-annually each June 1st and December 1st commencing June 1, 2021.

   d. Interest rate: Interest during the Draw period will be 4.00% per annum calculated on an actual/360 basis.

6. Repayment Period: The Repayment Period will begin at the earlier of 6 months from the date of closing or upon notice from the District to the Bank. The amount of the Bond then outstanding, including unpaid interest, will be repaid according to the following terms:

a. Terms: The Bonds will mature 20 years from the date of issuance with interest and principal payments due on June 1 and December 1 of each year commencing June 1, 2021 to the maturity or earlier prepayment of the Bonds.

b. Interest Rate: Interest will be at a fixed rate of 4.00% per annum on a 30/360 basis

c. Security The Bond will be a special assessment obligation of the District. The District will establish a guarantee fund of $100,000 to be fully funded within 5 years of the date of closing. Any subsequent deficiencies in the guarantee fund will be replenished within 12 months.

7. Transferability: The Bank will hold the Bond with no intent to sell or transfer. However, the Bond will include provisions allowing transfer to another qualified purchaser.

8. Prepayment: The District may prepay the Bond, in whole or in part, at any time. The Bank will not charge a prepayment fee on any amounts prepaid by the Port.

9. Fees: The Bank will charge a fee of $750, due at closing. All legal costs incurred by the District for purposes of issuing the Bond will be the responsibility of the District. Fees and legal costs may be paid from Bond proceeds.

10. Additional Terms: The Bond documents will be in the standard forms customarily required by the Bank for municipal funding and may include additional terms and conditions not discussed above. At the date of closing the Bond, the financial condition and credit of the District and all other features of this transaction would be as represented to the Bank without material adverse change. In the event of adverse material changes in the credit worthiness of the District, including litigation involving or claims filed against the District, any offers or commitments would terminate upon notice by the Bank. The District will provide the Bank with annual financial statements during the period the Bond is outstanding.

Oral agreements or oral commitments to loan money, extend credit, or to forbear from enforcing repayment of a debt are not enforceable under Washington law.

BLACK LAKE SPECIAL DISTRICT,
THURSTON COUNTY, WASHINGTON

SPECIAL ASSESSMENT BOND, 2021 (TAXABLE)

RESOLUTION NO. 21-01

A RESOLUTION of the Governing Board of Black Lake Special District, Thurston County, Washington, providing for the issuance and sale of a special assessment bond of the District in the principal amount of not to exceed $1,400,000 to finance costs of improving, treating and restoring Black Lake; providing the form of the bond; and approving the sale of the bond to Kitsap Bank.

APPROVED ON FEBRUARY 1, 2021

PREPARED BY:

PACIFICA LAW GROUP LLP
SEATTLE, WASHINGTON

RESOLUTION NO. 21-01

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Exhibit A – Copy of Lender's Proposal
Exhibit B – Form of Request for Draw
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* 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. 21-01

A RESOLUTION of the Governing Board of Black Lake Special District, Thurston County, Washington, providing for the issuance and sale of a special assessment bond of the District in the principal amount of not to exceed $1,400,000 to finance costs of improving, treating and restoring Black Lake; providing the form of the bond; and approving the sale of the bond to Kitsap Bank.

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

WHEREAS, pursuant to RCW 85.38.230, a special district may issue special assessment bonds or notes to finance costs related to providing, improving, expanding or enlarging improvements and facilities if the county legislative authority within which all or the major part of the special district is located authorizes the issuance of such bonds or notes; and

WHEREAS, the decision of a county legislative authority authorizing an issue of special assessment bonds or notes constitutes a discretionary function, and does not give rise to a cause of action against the county, county legislative authority, or any member of the county legislative authority; and

WHEREAS, pursuant to RCW 85.38.160 and Ordinance No. 15930 adopted by the Board of County Commissioners (the "County Commissioners") on September 29, 2020 (the "Assessment Ordinance"), the County approved and adopted a system of special assessments for the District, to remain in effect until December 31, 2040, for the purpose of paying for the construction, repair and maintenance of District facilities and for District operations; and

WHEREAS, pursuant to RCW 85.38.230 and Ordinance No. 15941 adopted by the County Commissioners on November 10, 2020 (the "Authorizing Ordinance"), the County Commissioners authorized the District to issue a special assessment bond in an original principal amount of $1,400,000, to be paid from special assessments imposed by the District for a 20-year period; and

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

WHEREAS, RCW 39.46.050 provides that a local government authorized to issue bonds may establish a line of credit with any qualified depository to be drawn upon in exchange for its bonds; and

WHEREAS, after due consideration the Board has determined that it is in the best interest of the District to authorize the issuance and sale of a special assessment bond (the "Bond") in the principal amount of not to exceed $1,400,000 to evidence a non-revolving line of credit in order to provide funds necessary to pay or reimburse the District for all or a portion of the costs of the Project, and to pay costs of issuance, as set forth herein; and

WHEREAS, the District has received a proposal from Kitsap Bank (the "Lender") to purchase the Bond in the amount of not to exceed $1,400,000, in the form attached hereto as Exhibit A; and

WHEREAS, it is deemed necessary and advisable that the District accept the Lender's offer as set forth herein;

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

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

Assessment Ordinance means Ordinance No. 15930 adopted by the County Commissioners on September 29, 2020.

Assessments mean the special assessments imposed by the District pursuant to the System of Assessment.

Authorizing Ordinance means Ordinance No. 15941 adopted by the County Commissioners on November 10, 2020.

Banking Day means any business day on which the Lender is open and accepting banking transactions.

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

Bond means the Special Assessment Bond, 2021 (Taxable) of the District, authorized to be issued by the District pursuant to this resolution and the Authorizing Ordinance.

Bond Fund means the special fund of the District designated as the "Black Lake Special District Bond Redemption Fund" and authorized to be created pursuant to this resolution.

Bond Register means the registration records for the Bond maintained by the Bond Registrar.

Bond Registrar means the fiscal agency of the state of Washington, currently U.S. Bank National Association, whose duties include registering and authenticating the Bond, maintaining the Bond Register, transferring ownership of the Bond, and paying the principal of and interest on the Bond.

Closing means the date of delivery of the Bond to the Lender.

County means Thurston County, Washington.

County Commissioners means the Board of County Commissioners of the County, as the legislative authority of the County.

Designated Representative means the Chair of the Board, and his or her designee, and such other person as may be designated by the Board to act for the District for the purposes of this resolution, including for the submission of a Request for Draw. The signature of one Designated Representative shall be sufficient to bind the District.

Draw Period means the time period beginning on the Closing and continuing to and including May 31, 2021, or on such earlier date as the District may determine as provided herein.

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

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

Guaranty Fund means the special fund of the District designated as the "Black Lake Special District Guaranty Fund" created and maintained pursuant to RCW 85.38.250 and this resolution.

Guaranty Fund Requirement means an amount equal to $100,000.

Interest Rate means a fixed rate of interest of 4.00% per annum.

Lake means Black Lake located in the County.

Lender means Kitsap Bank, as the initial Registered Owner of the Bond, and the permitted assigns thereof.

Maturity Date means the date that is approximately 20 years from the Closing, as set forth in the Bond.

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

Permitted Investment means any investment permissible for the investment of public funds of a special district under State law.

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

Repayment Period means the time period beginning on the date immediately following the final day of the Draw Period and ending on the date when the Bond is paid (or prepaid) in full. In all cases the Repayment Period shall begin no later than six months after the Closing.

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

Request for Draw means a written request signed by a Designated Representative for a draw on the Bond, in substantially the form set forth in Exhibit B attached hereto.

State means the State of Washington.

System of Assessment means the system of assessment set forth in the Assessment Ordinance, as the County may from time to time modify or finalize such system of assessment pursuant to RCW 85.38.160.

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

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 any gender shall mean and include correlative words of all 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, limited liability companies and other legal entities, including public bodies, as well as natural persons;

(d) Any headings preceding the text of the several 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. Authorization of the Project. The Board hereby authorizes the District to improve, treat and restore the Lake, including but not limited to alum treatment (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 Bond.

(a) *Authorization of the Bond*. For the purpose of financing costs of the Project and paying costs of issuing the Bond, the District shall establish a non-revolving line of credit. To evidence such non-revolving line of credit, the District shall issue and sell its special assessment bond in the principal amount of not to exceed $1,400,000 (the "Bond"). The Bond shall be designated the "Black Lake Special District, Thurston County, Washington, Special Assessment Bond, 2021 (Taxable)," with such additional designation as may be approved by the Designated Representative. The Bond shall be dated as of its date of delivery to the Lender, shall be fully registered as to both principal and interest, shall be in one denomination, and shall mature on the Maturity Date.

(b) *Draws on the Bond*. The District may make draws on the Bond during the Draw Period pursuant to the terms of this resolution. Each draw must be made on a Banking Day pursuant to a Request for Draw and in a minimum amount of $50,000. The aggregate principal amount of all draws made on the Bond shall not exceed $1,400,000. After the Draw Period, no further Requests for Draw may be submitted. The District shall maintain, or caused to be maintained, records of amounts drawn on the Bond. The Board hereby delegates to the Designated Representative the authority to make written Requests for Draw pursuant to the terms of this resolution.

(c) *Interest Rate during Draw Period*. During the Draw Period, and except as provided herein, the outstanding principal amount of all draws made on the Bond pursuant to Requests for Draw shall bear interest at the Interest Rate. Interest shall accrue from the date the draw is made and shall be calculated on the basis of the actual number of days elapsed and a 360-day year. No payments of interest or principal shall be due during the Draw Period.

(d) *Interest Rate during Repayment Period; Payment Dates*. During the Repayment Period, the outstanding principal amount of all draws made on the Bond shall bear interest at the Interest Rate. Interest shall be calculated from the first day of the Repayment Period on the basis of a 360-day year consisting of twelve 30-day months.

Principal of and interest on the Bond shall be payable semi-annually during the Repayment Period on each June 1 and December 1, commencing June 1, 2021, until maturity or early prepayment of the Bond, in accordance with the hereinafter described amortization schedule.

No later than the seventh (7th) Banking Day after the conclusion of the Draw Period, the Lender shall provide to the District an amortization schedule showing the principal and interest payments due on the Bond during the Repayment Period. The amortization schedule shall be established to fully amortize during the Repayment Period the aggregate principal amount of all draws made on the Bond during the Draw Period in accordance with the terms of the Bond and this resolution. All unpaid interest and outstanding principal shall be due and payable on the Maturity Date.

(e) *No Acceleration*. The Bond shall not be subject to acceleration prior to maturity.

(f) *Special Limited Obligation*. The Bond shall not constitute a general obligation of the District, but shall be a special, limited obligation of the District payable only from Assessments deposited into the Bond Fund and amounts deposited into the Guaranty Fund. The Lender shall not have any claim for the payment of the principal of or interest on the Bond against the District, except for payment from the Bond Fund, the Assessments covenanted to be placed into the Bond Fund, and the Guaranty Fund. The District shall not be liable to the Lender for any loss occurring in the lawful operation of the Guaranty Fund.

The Bond shall not constitute an indebtedness of the State, either general or special, nor of the County, either general or special. The Lender shall not have any claim against the State or the County arising from the Bond.

The full faith and credit of the District is not pledged to the repayment of the Bond.

Section 4. Registration, Exchange and Payments.

(a) *Registrar/Bond Registrar*. U.S. Bank National Association, as fiscal agency of the state of Washington, is hereby appointed to act as transfer agent, paying agent and registrar for the Bond (the "Bond Registrar"). The Bond Registrar shall keep, or cause to be kept, sufficient records for the registration and transfer of the Bond. The Bond Registrar is authorized, on behalf of the District, to authenticate and deliver the Bond in accordance with the provisions of the Bond and this resolution, to serve as the District's paying agent for the Bond, if requested by the District, and to carry out all of the Bond Registrar's powers and duties under this resolution.

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

(c) *Transfer or Exchange of Registered Ownership*. The Bond 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) the transferee is a "qualified institutional buyer" as defined under Rule 144A promulgated under the Securities Act of 1933, and such transferee executes a purchaser's letter in the form acceptable to Bond Counsel of the District. Any Bond presented or surrendered for transfer or exchange shall contain, or be accompanied by, all necessary endorsements for transfer. Any transfer of the Bond which fails to comply with this provision shall be null and void.

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

Section 5. Form of Bond. The Bond shall be in substantially the form set forth in Exhibit C, which is incorporated herein by this reference.

Section 6. Execution of Bond. The Bond shall be executed on behalf of the District with the facsimile or manual signatures of the Chair and Secretary of the Board.

In case either or both of the officers who have executed the Bond shall cease to be an officer or officers of the District before the Bond so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the District, such Bond may nevertheless be authenticated, delivered and issued, and upon such authorization, delivery and issuance, shall be as binding upon the District as though those who signed the same had continued to be such officers of the District. The Bond may also be signed and attested on behalf of the District by such persons who at the date

of actual execution of the Bond are proper officers of the District, although at the original date of such Bond any such person shall not have been officer of the District.

Only such Bond as shall bear thereon a Certificate of Authentication in the form set forth in Exhibit C, manually executed by the Bond 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 Bond so authenticated have been duly executed, authenticated and delivered and are entitled to the benefits of this resolution.

Section 7. Establishment of Bond Fund and Guaranty Fund; Security for the Bond.

(a) *Bond Fund*. The Treasurer is hereby authorized and directed to establish a special fund of the District to be known and designated as the "Black Lake Special District Bond Redemption Fund" (the "Bond Fund"). The Bond Fund shall be a trust fund and shall be drawn upon only for the payment of the principal of and interest on the Bond. The District may invest funds in the Bond Fund in any Permitted Investment, and the investment earnings shall be retained therein and applied to the purposes of the Bond Fund.

(b) *Guaranty Fund*. The Treasurer is hereby authorized and directed to establish a special fund of the District to be known and designated as the "Black Lake Special District Special Assessment Guaranty Fund" (the "Guaranty Fund") for the purpose of guaranteeing, to the extent of such fund, the payment of the principal of and interest on the Bond. The Guaranty Fund shall be funded and maintained as provided in Section 8 of this resolution. The District may invest funds in the Guaranty Fund in any Permitted Investment, and the investment earnings shall be retained therein and applied to the purposes of the Guaranty Fund.

(c) *Security and Source of Repayment*. The Bond is a special, limited obligation of the District payable solely from and secured by Assessments deposited into the Bond Fund and amounts deposited into the Guaranty Fund. The District represents and covenants that it will collect Assessments and apply such Assessments to the repayment of the Bond as provided in Section 8 hereof.

The Lender shall not have any claim for the payment of the principal of or interest on the Bond against the District, except for payment from the Bond Fund, the Assessments covenanted to be placed into the Bond Fund, and the Guaranty Fund. The Bond shall not constitute an indebtedness of the State, either general or special, nor of the County, either general or special. The Lender shall not have any claim against the State or the County arising from the Bond. The full faith and credit of the District is not pledged to the repayment of the Bond. The District has no taxing power.

Section 8. Representations and Covenants. So long as the Bond is outstanding, the District hereby covenants and agrees as follows:

(a) To impose, maintain, budget for and cause to be collected the Assessments and to adjust such Assessments from time to time in accordance with the System of Assessment and the Assessment Ordinance, so that in each year the revenue from the Assessments (net of any collection fees that will be imposed by the County) will be sufficient, together with other funds available in the Bond Fund, to pay when due the principal of and interest on the Bond;

(b) To apply Assessment revenues (net of any collection fees) in the following order of priority:

(1) First, the District shall deposit all Assessment revenues into the Bond Fund, until the amount so deposited during a calendar year equals the sum of the principal of and interest on the Bond coming due in such calendar year; and

(2) Second, the District shall deposit any remaining Assessment revenues received during such calendar year into the Bond Fund or Guaranty Fund to pay or guarantee, respectively, the payment of debt service on the Bond, or into the General Fund to pay costs of the Project or for other lawful purposes of the District, as the Board shall by resolution designate;

(c) To maintain in the Guaranty Fund, from and after the fifth anniversary of the Closing, a balance that is at least equal to the Guaranty Fund Requirement; provided, that the District may draw from the Guaranty Fund to pay debt service on the Bond, in which event the District shall replenish the balance of the Guaranty Fund to the Guaranty Fund Requirement within 12 months of such draw;

(d) To pay all installments of principal of and interest on the Bond when due from amounts available on deposit in the Bond Fund or the Guaranty Fund;

(e) To take, or cause to be taken, all actions necessary to foreclose on any delinquent Assessments at the earliest opportunity available under State law and County ordinances, to pursue such foreclosure actions diligently, and to deposit promptly into the Bond Fund or the Guaranty Fund, as applicable, the sale proceeds and all other payments received as a result of such foreclosure actions;

(f) To provide the Registered Owner a copy of its annual statement of financial condition; and

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

Section 9. Sale of the Bond. The Bond shall be sold to the Lender pursuant to the terms of the Proposal and 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.

In connection with the issuance of the Bond, the District shall pay a fee to the Lender of $750, costs of the Lender's legal counsel (if any), costs of bond counsel to the District, and other costs of issuance.

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

Section 10. Right of Prepayment. The District may prepay the Bond, in whole or in part, and without premium or fee, on any Banking Day. In the event of a partial prepayment of

the Bond, the Lender shall promptly provide to the District a new amortization schedule setting forth the amounts of each remaining debt service payment on the Bond to its maturity.

Section 11. Application of Bond Proceeds. Amounts drawn on the Bond shall be deposited into the General Fund and shall be expended solely to finance, refinance, and/or reimburse the District for costs of the Project, to fund the Guaranty Fund, and to pay costs of issuance of the Bond. Proceeds of the Bond may be invested by the Treasurer at the direction of the District in any Permitted Investments.

Section 12. Lost or Destroyed Bond. If the Bond is lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new Bond of like amount, maturity and tenor to the Registered Owner upon the Registered Owner's paying the expenses and charges of the Bond Registrar and the District in connection with preparation and authentication of the replacement Bond and upon his or her filing with the Bond Registrar and the District evidence satisfactory to both that the Bond was actually lost, stolen or destroyed and of his or her ownership, and upon furnishing the District and the Bond Registrar with indemnity satisfactory to both.

Section 13. General Authorization and Ratification. The appropriate District officials, including but not limited to the Designated Representative, the Board Vice-Chair, the Board Secretary 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 14. 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 Bond.

Section 15. Effective Date. This resolution shall become effective immediately upon its adoption.

ADOPTED by the Governing Board of Black Lake Special District, Washington, at an open public meeting thereof, held this 1st day of February, 2021.

BLACK LAKE SPECIAL DISTRICT,
THURSTON COUNTY, WASHINGTON

_____
Member

_____
Member

_____
Member

Exhibit A

Copy of Lender's Proposal

(Attached)

Exhibit B

Form of Request for Draw

DRAW CERTIFICATE NO. ___

TO: Kitsap Bank
619 Bay Street
Port Orchard, WA 98366
KB-Finance@kitsapbank.com
Fax: 360-876-7801

On behalf of Black Lake Special District, Thurston County, Washington (the "District"), I hereby certify that:

1. I am the Designated Representative of the District, and I am authorized to execute and deliver this Request for Draw on the District's Special Assessment Bond, 2021 (Taxable) (the "Bond") and to make the representations on behalf of the District set forth herein.

2. The amount of this draw is $_____ (minimum draw of $50,000) (this "Draw"). Proceeds of this Draw shall be deposited into the General Fund of the District on _____, 20___, account number _____.

3. Proceeds of this Draw shall be used to pay costs of the Project or to pay costs of issuance for the Bond.

4. The aggregate amount of all draws on the Bond, including this Draw, does not exceed $1,400,000.00.

5. The District is not in breach of any promise or covenant in the Bond or Resolution No. 21-01 authorizing the issuance of the Bond.

Dated this ___ day of _____, 20___.

BLACK LAKE SPECIAL DISTRICT,
THURSTON COUNTY, WASHINGTON

By: _____
Designated Representative

Exhibit C

Form of Bond

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE OR JURISDICTION. THIS BOND IS SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AS PROVIDED IN THE BOND RESOLUTION DESCRIBED BELOW AND MAY NOT BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO THE TERMS THEREOF.

UNITED STATES OF AMERICA

NO. R-1 Not to exceed $1,400,000.00

STATE OF WASHINGTON
BLACK LAKE SPECIAL DISTRICT, THURSTON COUNTY, WASHINGTON
SPECIAL ASSESSMENT BOND, 2021 (TAXABLE)

INTEREST RATE:	4.00%
DATED DATE:	FEBRUARY 19, 2021
MATURITY DATE:	_____, 2041
REGISTERED OWNER:	KITSAP BANK
PRINCIPAL AMOUNT:	NOT TO EXCEED ONE MILLION FOUR HUNDRED THOUSAND AND NO/100 DOLLARS

BLACK LAKE SPECIAL DISTRICT, THURSTON COUNTY, 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 sum of all Requests for Draw, together with interest thereon at the Interest Rate specified above, on or before the Maturity Date set forth above, in accordance with the terms of this bond and Resolution No. 21-01 adopted by the Governing Board of the District on February 1, 2021 (the "Bond Resolution"). Capitalized terms used but not defined herein shall have the meanings set forth in the Bond Resolution.

Interest on the outstanding principal amount of this bond shall be payable semiannually on each June 1 and December 1, commencing June 1, 2021, calculated on the basis set forth in the Bond Resolution. Principal payments will be due semiannually on each June 1 and December 1, commencing June 1, 2021, in amounts as described in the principal amortization schedule provided by the Lender in accordance with the Bond Resolution and by this reference incorporated herein.

Both principal of and interest on this bond are payable in lawful money of the United States of America. Principal of and interest on this bond 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 bond, the Registered Owner shall surrender this bond for cancellation at the office of the Bond Registrar in accordance with the Bond Resolution.

This bond is issued pursuant to the Bond Resolution and Ordinance No. 15941 adopted by the Board of County Commissioners of Thurston County, Washington on November 10, 2020, to provide the funds necessary for the improvement, treatment and restoration of Black Lake, including but not limited to alum treatment, and to pay costs of issuance for this bond.

The District may prepay this bond as provided in the Bond Resolution.

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

In accordance with RCW 85.38.240, the District provides the following notice: This bond does not constitute a general obligation of the District, but is a special obligation of the District payable only from Assessments deposited into the Bond Fund and amounts, if any, available on deposit in the Guaranty Fund. The owner of this bond does not have any claim for the payment of the principal of or interest on the bond against the District, except for payment from the Bond Fund, the Assessments covenanted to be placed into the Bond Fund, and the Guaranty Fund. The District will not be liable to the owner of this bond for any loss occurring in the lawful operation of the Guaranty Fund. This bond does not constitute an indebtedness of the State, either general or special, nor of Thurston County, Washington (the "County"), either general or special. The owner of this bond will not have any claim against the State or the County arising from this bond. This bond is not subject to acceleration prior to its maturity. The District has no taxing power.

The District hereby covenants to impose, maintain, budget for and cause to be collected the Assessments and to adjust such Assessments from time to time in accordance with the System of Assessment, so that in each year the revenue from the Assessments (net of any collection fees that will be imposed by the County) will be sufficient, together with other funds available in the Bond Fund, to pay when due the principal of and interest on the Bond. The District hereby covenants and agrees with the Registered Owner that it will keep and perform all the covenants of this bond and the Bond Resolution. The provisions of the Bond Resolution are incorporated herein by this reference.

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

This bond is issued as a single, fully registered bond under and in accordance with the Constitution and laws of the State, the duly adopted ordinance of the County, and the duly adopted resolution of the District. The principal of this bond shall be paid only to the Registered Owner and to no other person or entity. This bond is transferable only upon compliance with the conditions set forth in the Bond Resolution.

It is hereby certified that all acts, conditions, and things required by the Constitution and statutes of the State to exist, to have happened, been done, and performed precedent to and in the issuance of this bond have happened, been done, and performed.

IN WITNESS WHEREOF, Black Lake Special District, Thurston County, Washington, has caused this bond to be executed by the manual or facsimile signatures of the Chair and Secretary of its Board and as of this 19th day of February, 2021.

BLACK LAKE SPECIAL DISTRICT,
THURSTON COUNTY, WASHINGTON

By /s/ facsimile
Chair, Governing Board

ATTEST:

/s/ facsimile
Secretary, Governing Board

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

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____, 2021

This bond is the Special Assessment Bond, 2021 (Taxable) described in the within-mentioned Bond Resolution of the Black Lake Special District, Thurston County, Washington.

WASHINGTON STATE FISCAL
AGENCY, as Bond Registrar

By _____

REGISTRATION CERTIFICATE

This bond is registered in the name of the Registered Owner on the books of the District, in the office of U.S. Bank National Association, as bond registrar (the "Bond Registrar"), as to both principal and interest, as noted in the registration blank below. All payments of principal of and interest on this bond shall be made from the Bond Fund or the Guaranty Fund, made payable to the last Registered Owner as shown hereon and on the registration books of the Bond Registrar at his/her/its address noted hereon and on the registration books of the Bond Registrar..

Date of Registration	Name and Address of Registered Owner	Signature of Bond Registrar
_____, 2021	Kitsap Bank 619 Bay Street Port Orchard, WA 98366	_____ Bond Registrar

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. 21-01 of the Board (the "Resolution"), duly adopted at a meeting thereof held on the 1st day of February, 2021.

2. That said meeting was duly convened and held in all respects in accordance with law, including but not limited to Washington State Governor Inslee's emergency proclamation No. 20-28 issued on March 24, 2020, as amended and supplemented, temporarily suspending portions of the Open Public Meetings Act (chapter 42.30 RCW), 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 1st day of February, 2021.

_____

Secretary, Governing Board