



DIRECTOR INFORMATION for
GENERAL BOARD MEETING
February 8, 2022

Redmond Area Park and Recreation District
465 SW Rimrock Dr
PO BOX 843
Redmond, OR 97756
Administrative office phone – 541-548-7275

BOARD OF DIRECTORS

Mercedes Bostick-Cook, Director
Ed Danielson, Director
Matt Gilman, Director
Zack Harmon, Director
Kevin Scoggin, Director

RAPRD STAFF LEADERSHIP TEAM

Katie Hammer, Executive Director
Mike Elam, Recreation Manager
Jessica Rowan, Aquatic Director
Vicki Osbon, Administrative Services Manager
Margaret Maffai, Development Director

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Redmond Area Park and Recreation District
465 SW Rimrock Way
Redmond Oregon 97756
541-548-7275
www.raprd.org

GENERAL BOARD MEETING AGENDA

February 8, 2022

7:30AM

This meeting will take place in person at the Cascade Swim Center, 465 SW Rimrock Way, Redmond. Virtual access is available using the following link:

<https://global.gotomeeting.com/join/250615877>

You can also dial in using your phone.

Toll Free: 1-877-309-2073

Access Code: 250-615-877

AGENDA

1. Call to Order

Adjustments to the Agenda

2. Communications (Comments by Citizens are Limited to 3 Minutes)

3. Consent Agenda

Approval of the General Board Meeting Minutes from January 11, 2022

Acknowledgement of Receipt of January 2022 Financial Summary

4. Action Agenda Items

Approval of Centennial Park Spay Pad Operation Agreement

Approval of Municipal Services Agreement

Actions resulting from January Executive Session

5. Discussion Items

Recreation Facility Planning Discussion & Update

Preliminary Design Status

Sustainability Goal

6. Public Comments

7. Board/Staff Comments

8. Adjournment

Public Comments will be taken during the meeting. Those wishing to speak should sign up on the sheet provided. Comments by citizens are limited to five minutes. **Speakers will be called in order of sign up. Our meetings are recorded.** Accessibility requests must be made to Administrative Services Manager, Vicki Osbon at 541-548-7275 or by email at vicki.osbon@raprd.org at least 72 hours prior to any public meeting. **This is a no-smoking facility.**



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Redmond Oregon 97756
541-548-7275
www.raprd.org

**REDMOND AREA PARK AND RECREATION DISTRICT
BOARD OF DIRECTORS
Minutes of General Meeting**

A general meeting of the Board of Directors of the Redmond Area Park and Recreation District convened at 465 SW Rimrock Way in Redmond, Oregon, January 11, 2022, at 7:30am.

Attendance:

Directors Present: Matt Gilman
Ed Danielson
Mercedes Bostick-Cook (virtual)
Kevin Scoggin (virtual)

Directors Absent: Zack Harmon

Staff: Katie Hammer, Executive Director
Vicki Osbon, Administrative Services Manager
Mike Elam, Recreation Manager (virtual)

Staff Absent: Jessica Rowan, Aquatic Director

Media: None

Public: Cat Zwicker, Redmond City Council Liaison

GENERAL MEETING:

1. Call to Order:

Matt Gilman called the meeting to order at 7:31am

Adjustments to the Agenda: None

2. Communications: None

3. Consent Agenda:

Approval of the General Board Meeting Minutes from December 14, 2021;

Acknowledgment of Receipt of December 2021 Financial Summary:

Ed Danielson made a motion to approve the consent agenda as presented. Kevin Scoggin seconded the motion. The motion passed unanimously.

4. Action Agenda Items:

Approval of Letter Addressing Deficiencies Noted in F/Y 2021 Audit:

Katie Hammer, Executive Director, explained the letter to the board. Ed Danielson made a motion to approve the letter addressing deficiencies noted in the f/y 2021 audit. Kevin Scoggin seconded the motion. The motion passed unanimously.

Approval of Resolution #2 – 2021/2022 Appoint Budget Officer

Ed Danielson made a motion to approve resolution #2 – 2021/2022 appointing Katie Hammer, Executive Director, as budget officer. Kevin Scoggin seconded the motion. The motion passed unanimously.

5. Discussion Items:

Activity Center Closure Update:

Matt Gilman said they are continuing to Katie Hammer, Executive Director, said that the Activity Center closed on December 31, 2021. She said we received some negative feedback from the community just prior to closing due to misinformation. Katie met with Senior Center staff on January 10, 2022 to discuss our current MOU with them, marketing strategies and possible incentives to help grow participation numbers.

Katie mentioned fitness equipment at the Activity Center. She confirmed that the board had consensus to not store the equipment. Katie said we are planning to sell the equipment in February.

Katie also mentioned that our bike give away was a success. In addition to bikes that were on hand, Hayes and Lori McCoy donated 10-15 bikes as well. Jason Plant did the maintenance to ready them to give away and Trinity Bikes gave the district a discount on parts needed to repair the bikes. The event was planned for two days, but they were all given away within several hours. Matt Gilman commented that this would be a great event to have every year.

Facility Planning Update:

Matt Gilman said that they are continuing to have great meetings. He said that the meetings with Barker, Rinker and Seacat architects are going well with planned community and stakeholder meetings on the calendar for January.

6. Public Comments: None

7. Board Staff Comments: Mercedes Bostick-Cook, Director, asked for clarification on the facilities admission fee. Katie Hammer responded that when we re-opened from being closed due to COVID in June 2020, we opted to align our facility with other aquatic

facilities and charge a facility admission fee. She said that has been some inconsistencies with communication from staff, but Vicki Osbon, Administrative Services Manager, has spoken to front-line staff about the importance of being consistent.

Mike Elam, Recreation Manager, said that the Activity Center is very quiet now. He said that 3rd-6th grade basketball is running currently. He mentioned that there was only one team that registered for the Adult Basketball league, so the program was cancelled. They will continue to run adult drop-in basketball through spring break. He also said he and the coordinators are working on moving out of the activity center.

Kevin Scoggin, Director, asked if there were any signage posted at the 35th street property. Katie Hammer responded that there are plans to post signage about a proposed recreation center but is waiting to speak with the city regarding annexation before posting any signage.

Ed Danielson, Director, asked Katie about the HR/Payroll Specialist position. Katie responded that she would wait until the salary study is finished so we are able to recruit a good candidate. Ed also mentioned that the 35th street property from Lava Street was an acre of land the district sold. He thought it important for the new board members to be aware of this. Katie said it was sold and when it was developed the developer stubbed in the utilities for us.

Matt Gilman, Director, said that swimming is going well. He said the pool feels more balanced now versus during the time when we first reopened.

Katie Hammer, Executive Director, said we received a grant to put together kits for aging adults in our community. Margaret Maffai put the kits together which included a fitness ball, resistance bands, instructions on fitness activities, a word find book, hand sanitizer, and a magnifier. Katie and Vicki delivered 140 kits yesterday to the senior center. The kits will be distributed by Meals on Wheels delivery volunteers to deliver to homebound aging adults when they deliver their meals.

8. Executive Session:

The RAPRD Board of Directors entered executive session under ORS192.660 (2) (i) to discuss the Executive Director Evaluation at 8:11am. The Board of Directors returned to general meeting at 8:51am.

9. Actions as a Result of Executive Session: None

10. Adjournment: Matt Gilman adjourned the meeting at 8:51am

Board Chair, Matt Gilman

Recording Secretary, Vicki Osbon

Redmond Area Park and Recreation District
Financial Summary
January 31, 2022

Summary

January 31, 2021 is 58% of the 2021/2022 budget year.

Financial Performance By Fund

General			
Resources (% of 21/22 Budget)	101%	Resources change from FY 20/21	10%
Expenditures (% of 21/22 Budget)	58%	Expenses change from FY 20/21	20%

	YTD FY Jan 20/21	YTD FY Jan 21/22	2021/2022 YE Budget	% Current Budget	Target %
Resources (Income)	\$ 1,567,448	\$ 1,718,387	\$ 1,705,000	101%	97.0%
Personnel Services	\$ 199,653	\$ 197,566	\$ 401,750	49%	54.0%
Materials & Services	\$ 52,765	\$ 114,222	\$ 192,200	59%	32.0%
Debt Service	\$ 82,384	\$ 90,940	\$ 96,000	95%	87.0%
Capital Outlay	\$ -	\$ -	\$ -	0%	0.0%
Transfers & Contingency	\$ -	\$ -	\$ 1,095,000	0%	0.0%

Aquatic			
Resources(% of 21/22 Budget)	86%	Resources change from FY 20/21	294%
Expenditures (% of 21/22 Budget)	45%	Expenses change from FY 20/21	38%

	YTD FY Jan 20/21	YTD FY Jan 21/22	2021/2022 YE Budget	% Current Budget	Target %
Resources (Income)	\$ 40,248	\$ 158,566	\$ 184,500	86%	6000.0%
Personnel Services	\$ 213,034	\$ 279,214	\$ 668,250	42%	36.0%
Materials & Services	\$ 56,434	\$ 91,758	\$ 186,000	49%	36.0%
Debt Service	\$ 35,797	\$ 35,797	\$ 35,800	100%	99.0%
Capital Outlay	\$ 10,850	\$ 3,972	\$ 30,000	13%	14.0%

Redmond Aquatic Club Eels (RACE)			
Resources (% of 21/22 Budget)	27%	Resources change from FY 20/21	23%
Expenditures(% of 21/22 Budget)	30%	Expenses change from FY 20/21	30%

	YTD FY Jan 20/21	YTD FY Jan 21/22	2021/2022 YE Budget	% Current Budget	Target %
Resources (Income)	\$ 13,247	\$ 16,303	\$ 60,700	27%	46.0%
Personnel Services	\$ 14,179	\$ 15,728	\$ 37,700	42%	45.0%
Materials & Services	\$ 2,928	\$ 6,465	\$ 36,200	18%	50.0%

Financial Performance By Fund

Programs			
Resources (% of 21/22 Budget)	83%	Resources change from FY 20/21	670%
Expenditures (% of 21/22 Budget)	164%	Expenses change from FY 20/21	101%

	YTD FY Jan 20/21	YTD FY Jan 21/22	2021/2022 YE Budget	% Current Budget	Target %
Resources (Income)	\$ 20,709	\$ 159,390	\$ 190,950	83%	45.0%
Personnel Services	\$ 77,076	\$ 135,993	1[#VALUE!	33.0%
Materials & Services	\$ 21,904	\$ 63,155	\$ 121,750	52%	16.0%
Capital Outlay	\$ -	\$ -	\$ -	0%	0.0%

Activity Center			
Resources (% of 21/22 Budget)	63%	Resources change from FY 20/21	96%
Expenditures (% of 21/22 Budget)	40%	Expenses change from FY 20/21	-5%

	YTD FY Jan 20/21	YTD FY Jan 21/22	2021/2022 YE Budget	% Current Budget	Target %
Resources (Income)	\$ 8,349	\$ 16,399	\$ 25,950	63%	100.0%
Personnel Services	\$ 36,684	\$ 29,803	\$ 68,000	44%	95.0%
Materials & Services	\$ 13,750	\$ 18,289	\$ 51,500	36%	75.0%
Capital Outlay	\$ -		\$ -	0%	0.0%

Parks			
Resources (% of 21/22 Budget)	35%	Resources change from FY 20/21	-12%
Expenditures (% of 21/22 Budget)	36%	Expenses change from FY 20/21	14%

	YTD FY Jan 20/21	YTD FY Jan 21/22	2021/2022 YE Budget	% Current Budget	Target %
Resources (Income)	\$ 519	\$ 457	\$ 1,300	35%	45.0%
Personnel Services	\$ 53,827	\$ 62,146	\$ 135,500	46%	50.0%
Materials & Services	\$ 16,756	\$ 18,538	\$ 47,700	39%	45.0%
Capital Outlay	\$ -	\$ -	\$ 41,400	0%	0.0%

Year to Date Comparison by Program Category

YTD Detail

Property Tax Collections

FY 21/22 (Current)	1,632,306
FY 21/22 (Budget, current yr)	1,615,000
FY 20/21	1,504,981
FY 19/20	1,398,168
FY 18/19	1,281,441

Resources/Expense Detail

Pool Activities

Pool Activities Resources

FY 21/22 (Current)	77,977
FY 21/22 (Budget, current yr)	65,000
FY 20/21	20,606
FY 19/20	45,706
FY 18/19	43,186

Pool Activities Expenses

FY 21/22 (Current)	7,007
FY 21/22 (Budget, current yr)	14,000
FY 20/21	4,060
FY 19/20	8,561
FY 18/19	9,823

Youth Sport Leagues

Youth Sports League Resources

FY 21/22 (Current)	97,358
FY 21/22 (Budget, current yr)	88,000
FY 20/21	9,423
FY 19/20	48,692
FY 18/19	58,095

Youth Sports League Expenses

FY 21/22 (Current)	28,322
FY 21/22 (Budget, current yr)	59,000
FY 20/21	2,882
FY 19/20	23,498
FY 18/19	29,527

Note: Youth Sports League include: Youth Soccer, Youth Basketball and LaCrosse

Enrichment Resources

Enrichment Resources

FY 21/22 (Current)	16,153
FY 21/22 (Budget, current yr)	18,750
FY 20/21	8,403
FY 19/20	18,457
FY 18/19	18,535

Enrichment Expenses

FY 21/22 (Current)	15,477
FY 21/22 (Budget, current yr)	14,350
FY 20/21	11,281
FY 19/20	24,660
FY 18/19	20,921

Fitness

Fitness Resources	
FY 21/22 (Current)	4,949
FY 21/22 (Budget, current yr)	35,000
FY 20/21	6,666
FY 19/20	32,141
FY 18/19	26,104

Fitness Expenses	
FY 21/22 (Current)	4,194
FY 21/22 (Budget, current yr)	7,000
FY 20/21	737
FY 19/20	65
FY 18/19	4,218

Note: Fitness includes: Fitness classes held at the Activity Center and Redmond Senior Center

Adult Sport Leagues

Adult Sport League Resources	
FY 21/22 (Current)	84
FY 21/22 (Budget, current yr)	14,500
FY 20/21	0
FY 19/20	5,120
FY 18/19	4,580

Adult Sport League Expenses	
FY 21/22 (Current)	896
FY 21/22 (Budget, current yr)	9,450
FY 20/21	210
FY 19/20	1,341
FY 18/19	2,797

Note: Adult Sport Leagues include, Adult Softball and Adult Basketball.

Updated 2/1/2022

RAPRD BOARD AGENDA COMMUNICATION

MEETING DATE: February 8, 2022

SUBJECT: Intergovernmental Agreement for the Operation of the Spray Pad at Centennial Park

STAFF RESOURCE: Jessica Rowan/Katie Hammer

ACTION PROPOSED: Approval of IGA for the Operation of the Spray Pad at Centennial Park for the 2022 season

BACKGROUND:

The City of Redmond Public Works department has been exploring an efficient and cost-effective solution to the operation of the spray pad at Centennial Park. The City parks department does not currently have Certified Pool Operators (CPOs) on staff while RAPRD currently has three CPOs on staff. The spray pad operation rules from the state are similar to a public pool and RAPRD staff has the knowledge and experience to provide assistance to the City related the startup, daily maintenance and inspections and end of the season shut down.

District and City staff have been in discussions regarding partnering with the operations of the spray pad, by utilizing district aquatic staff to handle a variety of tasks that require a CPO. The city would be responsible for all chemical costs and contracting any large repairs.

BUDGETARY IMPACT: The city will reimburse the District for the costs associated with payroll to provide staff for the spray pad.

RECOMMENDED MOTION: Motion to Approve the IGA for Operation of the Spray Pad at Centennial Park for the 2022 season.

INTERGOVERNMENTAL AGREEMENT
BETWEEN THE CITY OF REDMOND
AND THE REDMOND AREA PARK AND RECREATION DISTRICT
FOR OPERATION OF THE CENTENNIAL PARK SPRAY PAD

This Intergovernmental Agreement ("Agreement"), dated effective May 23, 2022, is entered into by and between the City of Redmond, an Oregon municipal corporation ("City"), and the Redmond Area Park and Recreation District, a special taxing district ("RAPRD").

WHEREAS, City and RAPRD are authorized pursuant to ORS 190.003 through 190.110 to enter into an intergovernmental Agreement for the performance of any or all functions which a party to the Agreement has the authority to perform; and

WHEREAS, the City owns the Centennial Park Spray Pad ("Spray Pad") located at 725 SW Evergreen Avenue in Redmond; and

WHEREAS, the City's core services include operating and maintaining park amenities; and

WHEREAS, RAPRD manages programs at other City park facilities, including operating the Centennial Park Kiosk next to the Spray Pad; and

WHEREAS, RAPRD has staff with the required certifications and training to perform specialized services necessary for daily operations of the Spray Pad; and

WHEREAS, the City is interested in contracting with RAPRD to perform specialized services at the Spray Pad.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, it is mutually agreed as follows:

1. EFFECTIVE DATE/DURATION

- 1.1 This Agreement is effective May 23, 2022.
- 1.2 The Agreement shall commence upon signature of all parties and shall continue in full force and effect until terminated on or before September 9, 2022.

2. TERMINATION

- 2.1 This Agreement may be terminated by either party upon 30-days written notice to the other party.
- 2.2 Termination under this section shall not affect any obligations or liabilities accrued prior to the effective date of the termination.

3. PURPOSE

- 3.1 This Agreement provides the basis for a cooperative working relationship for the purpose of operating the Spray Pad.

4. SCOPE OF SERVICES

4.1 City of Redmond:

- 4.1.1 Provide expertise, historical data, experience, judgement, and personal attention necessary for RAPRD staff to perform services or troubleshooting.
- 4.1.2 Furnish all equipment, chemicals, materials, supplies and facilities necessary to perform services unless otherwise agreed in writing.
- 4.1.3 Shall be responsible for all costs and subcontractor arrangements for repairs to equipment, surfaces, and structures of the Spray Pad during the term of this agreement.
- 4.1.4 Insure the property including the equipment, name RAPRD as additional insured.
- 4.1.5 Perform the seasonal start-up, winterization, or significant troubleshooting of the Spray Pad jointly with RAPRD staff.

4.2 RAPRD:

- 4.2.1 Provide a Certified Operator as defined in Oregon Administrative Rules Chapter 333 – Division 60, Public Swimming Pools, to perform daily services.
- 4.2.2 Perform and document daily safety checks and complete the daily safety inspection record (ATTACHMENT A) for the Spray Pad.
- 4.2.3 Perform and document Oxidation Reduction Potential (ORP) chlorine and sanitation readings (ATTACHMENT B) every two (2) hours during operation of the Spray Pad.
- 4.2.4 Perform and document daily testing and complete the Oregon Health Authority (OHA) Public Swimming Pool Daily Record Sheet (ATTACHMENT C) for the Spray Pad.
- 4.2.5 Perform the backwashing of filters and rinsing of Spray Pad equipment as needed. Notify the City if excessive debris is observed and additional cleaning of Spray Pad area is required.
- 4.2.6 Perform the seasonal start-up, winterization, or significant troubleshooting of the Spray Pad jointly with City staff.

5. COMPENSATION

- 5.1 The maximum cost to the City shall not exceed \$10,000.00 over the term of this Agreement.
- 5.2 RAPRD will invoice the City monthly for costs of providing specialized services as completed by Certified Operator.
- 5.3 Any additional services requested by the City, but not included in the Scope of Services, shall be invoiced on a time-and-materials basis, and not included as part of this Agreement.

6. SPECIAL REQUIREMENTS

- 6.1 Legal Compliance: Each party agrees to comply with all applicable federal, state, and local ordinances, statutes, laws, and regulations.
- 6.2 Assignment: Neither this Agreement nor any of the rights granted by this Agreement may be assigned or transferred by either party.
- 6.3 Record and Fiscal Control System: All payroll and financial records pertaining in whole or in part to this Agreement shall be clearly identified and readily accessible.
- 6.4 Access to Records: Both parties and their duly authorized representatives, shall have access to all books, documents, papers, and records of the parties which are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts, and transcripts.
- 6.5 Attorney Fees: In the event of an action, lawsuit or proceeding, including appeal there from, is brought for failure to fulfill or comply with any of the terms of this Agreement, each party shall be responsible for their own attorney fees, expenses, costs, and disbursements for said action, lawsuit, proceeding or appeal.
- 6.6 No Waiver of Claims: The failure by any party to enforce any provision of this Agreement shall not constitute a waiver by that party of that provision or of any other provision of this Agreement.
- 6.7 Severability: Should any provision or provisions of this Agreement be construed by a court of competent jurisdiction to be void, invalid or unenforceable, such construction shall affect only the provision or provisions so construed, and shall not affect, impair, or invalidate any of the other provisions of this Agreement which shall remain in full force and effect.
- 6.8 Applicable Law: This Agreement shall be governed by and interpreted in accordance with the laws of the State of Oregon.
- 6.9 Each party shall be solely responsible for its own acts and those of its employees and officers under this Agreement. 10.1. To the extent permitted by Article XI, Section 10, of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300, the parties will hold harmless, indemnify, and defend the other party, its officers, agents, volunteers, and employees from all claims arising solely by reason of any act or failure to act by each party.
- 6.10 Entire Agreement: This Agreement constitutes the entire Agreement between the parties concerning the subject matter hereof, and supersedes any and all prior or contemporaneous agreements or understandings between the parties, if any, whether written or oral, concerning the subject matter of this Agreement which are not fully expressed herein.

7. AMENDMENTS TO AGREEMENT

- 7.1 This Agreement may be amended at any time with the concurrence of both parties. Amendments become part of this Agreement only after the written amendment has been signed by both parties.

In agreement whereof, the parties have executed this Agreement on the dates specified next to their respective signature.

**REDMOND AREA PARKS AND
RECREATION DISTRICT**

CITY OF REDMOND

Name: _____ Date _____
Title: _____

Bill Duerden _____ Date _____
Director of Public Works

Katie Hammer _____ Date _____
Executive Director

Dusty Hood _____
Date _____
Parks & Facilities Operations Manager



CITY OF REDMOND
Public Works Department

243 E Antler Ave
Redmond, OR 97756-0100
(541) 504-2000

Water Division On-Call: (541) 419-1011

Centennial Park Spray Pad
Daily Safety Inspection Record

Month: _____

	Bathrooms & Drinking Fountains	AED & First Aid Kit	Emergency Phone	Control Vaults Secure	Signs & Pool Rules	Water Feature Deck	Water Qualit y ORP Value	Park Grounds	8 AM	10 AM	12 PM	2 PM	4 PM	6 PM	8 PM
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Note:
Bathrooms and Drinking fountains are clean and operational. AED and First Aid kits are functional and available. The emergency phone is available and operational. Vault lids are secure. Signs are in place and pool rules are in compliance. Spray deck is clear of debris (trash, food, diapers, etc.). Water quality does not appear to be compromised. The park grounds are in acceptable condition.

Comments: _____



Centennial Park Spray Pad Daily ORP Reading

Month: _____

	Inspector	8:00 am	10:00 am	12:00 pm	2:00 pm	4:00 pm	6:00 pm	8:00 pm
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Comments: _____

POOL

Public Swimming Pool Daily Record Sheet

Month / Year	Name of Pool:	Location – City
--------------	---------------	-----------------

Operator's Initials	DATE	Daily Pre-Opening Tests					Total Alkalinity (1x / week)	Calcium Hardness (1x / wk)	Cyanuric Acid (1 x month)	TDS (Monthly)	Free Cl / Br Readings (1 or 4 hrs)						Number of Bathers - Total	Backwashed – Clean Filters	Recirculation Rate - GPM	Comments – Chemical Added / Amount Pool Problems Mechanical Breakdowns Swimmer Emergencies > (File Accident Report)
		Clarity	Pool Temp	Free Chlorine/Bromine	Combined Cl	pH					Insert the Time the Test is Done (below)									
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Comments: _____

Swimming Pool Water Quality Parameters

	Min.	Ideal	Max.
Free Chlorine	0.8 ppm	1.5-3.0 ppm	5.0 ppm
Combined Chlorine	0	0	0.5 ppm
Bromine	3.0 ppm	3.0-5.0 ppm	8.0 ppm
pH	7.2	7.3-7.5	7.6
Total Alkalinity	70 ppm	80-120 ppm	180 ppm
Calcium Hardness	175 ppm	250-350 ppm	-
Cyanuric Acid	0	0	150 ppm

Month / Year	License Number
Name of Facility	
Street Address	
City, State Zip	
Name of Operator	Phone

Monthly Safety Self-Inspection

Item Checked

Maintenance Comments

Pool & Enclosure

- ☐ Fences – Openings < 4", Good Repair
- ☐ Doors & Gates – Self-Closes, Completely Latches, Good Condition
- ☐ Window / Sliding Glass Door – Open < 4"
- ☐ Deck Equipment – Good Condition,
Fasteners and Fittings not corroded
Ladders – Handrail tight, Rungs tight
Starting Blocks - Removed / Disabled
Installed in >5' water depth
- ☐ Deck – Clean, Disinfected, Good Repair, No Puddles,
No Carpet/Matting/Wood
- ☐ Skimmers / Gutters / Tile Line – Clean, Good Repair
- ☐ Lighting – Maintained, Adequate
- ☐ Safety Equipment – Provided, Good Repair
First Aid Kit Stocked, Phone Working
Rescue Tubes Provided and Used
- ☐ Test Kit – Clean, Stocked w/ Fresh Reagents,
Stored in Cool, Dry Location

Recirculation Equipment

- ☐ Pumps / Filter / Disinfectant Feeders
Maintained, Good Repair
- ☐ Gauges – Working, Accurate
Readings within Parameters
- ☐ Piping – Good Repair, Marked, No Leaks

Lifeguard Supervision

Use the space below to note any items of interest noted during routine lifeguard supervision. Items such as rescue tube use, scanning technique, alertness, use of sun protection, distractions, rescue incidents, people skills, etc. These notes can be used later for individual coaching or in-service training. Documentation can show behaviors noted and modified for liability and supervision purposes. More complete documentation should be included, as needed, in each employee's personnel files.

Date	Comment

Date	Comment

MEETING DATE: February 8, 2022

SUBJECT: Municipal Securities Advisory Services

STAFF RESOURCE: Katie Hammer

ACTION PROPOSED: Approval of Continuation of 2018 Agreement

BACKGROUND:

In October 2018, RAPRD signed an engagement letter with SDAO Advisory Services to provide support and Debt Issuance planning for the May 2019 election. This agreement is still in effect since neither party has terminated it in writing.

SDAO Advisory Services (SDAOAS), provides SDAO members with funding options, structures, and alternatives that are best suited to accomplish funding requirements. SDAOAS also provides advice regarding debt management, debt policy, and financial policy assistance as well as assistance with issuance of general obligation bonds, revenue bonds, refinancing, tax anticipation notes, and any other debt financing allowed under Oregon law.

SDAOAS SERVICES

Debt Issuance Planning

- Market analysis
- Debt structuring options
- Credit rating consultation
- Document and disclosure guidance

Bond Assistance

- Review and guidance of ballot titles
- Manage the issuance process, working with bond counsel and other financing team members
- Evaluation of the merits of a competitive or negotiated bond sale
- Assist in the solicitation of other financing professional service providers
- Review and evaluate bond pricing
- Guidance and monitoring of continuing disclosure compliance

SDAO Advisory Services would provide an estimate bond rate and levy rate if we decide to have a companion levy on the ballot. The work closely with bond counsel to develop the ballot title language. We used Sherman Hawkins Attorneys for Bond counsel in 2019 and are in discussions with them for the 2022 election as well.

SDAO doesn't provide underwriting services, so we would need contract with a different firm for this, most likely in the summer.

BUDGETARY IMPACT: None, Payment would come out of bond proceeds

RECOMMENDED MOTION: Motion to continue with the 2018 Municipal Securities Agreement for the 2022 election.

September 6, 2018

Mr. Hayes McCoy, Chair
Ms. Katie Hammer, Executive Director
Redmond Area Park & Recreation District
465 SW Rimrock Way
Redmond, Oregon 97756

Via Email: katie.hammer@raprd.org

**Re: Redmond Area Park & Recreation District
General Obligation Bonds - Municipal Advisory Services Agreement**

Dear Chair McCoy and Ms. Hammer:

This letter sets forth the terms of the Municipal Advisory Services Agreement (this "Agreement") pursuant to which Special Districts Association of Oregon Advisory Services, LLC ("Advisor") will serve as municipal advisor to the Redmond Area Park & Recreation District (Deschutes County, Oregon) ("Client") on specific matters, as requested, relative to municipal finance related matters (each a "Project Request"). This Agreement is made and entered into between Client and the Advisor.

1. **Municipal Advisory Services.** Client hereby engages Advisor as a municipal advisor to provide certain services to Client on general matters and on an on-going basis with respect to the issuance of municipal securities, municipal financial products, direct bank loans, conduit borrowings or other financing alternatives and matters related thereto with respect to the funding the various capital needs of Client, and in such capacity Advisor agrees to provide advice as to the structure, timing, terms and other matters (the "Municipal Advisory Services"). Upon receipt of a Project Request for Municipal Advisory Services, Client and Advisor will determine a mutually agreed upon scope of Advisor's engagement to provide such services, in a form of Exhibit A attached hereto (each, a "Statement of Work"). Each Statement of Work will contain a description of the subject matter of the project, a list of Municipal Advisor Services to be provided by Advisor in connection with such project and the terms of compensation. Client agrees and acknowledges that in no event will this Agreement be construed as having authorized Advisor to commence Municipal Advisory Services absent the parties' acknowledgement of a corresponding Statement of Work.

2. **Fees and Expenses.** As compensation for Advisor's provision of Municipal Advisory Services, Advisor will receive a fee, as specified in **Exhibit A** of this Agreement (the "Advisory Fee"), to be paid by Client or on behalf of Client. Advisor will submit to Client an invoice for the Municipal Advisory Services provided. Any invoice received by Client will be due and payable within thirty (30) days of the invoice date. Any balance that remains outstanding in excess of ninety (90) days, will be subject to a financing charge to be computed at a rate of 18% per annum, or the maximum rate allowable under Oregon law.

3. **Conflicts of Interest.** Client acknowledges that it has received the disclosures set forth on **Exhibit B** attached hereto. Client further acknowledges that it has been given the opportunity to raise questions and discuss such disclosures with Advisor and independent counsel and that it fully appreciates the nature of such disclosures and any and all conflicts noted therein. Client hereby waives all such conflicts and authorizes Advisor to provide the Municipal Advisory Services pursuant to the terms of this Agreement. From time to time, Advisor may provide additional disclosures to Client.

4. **Disclosures by Advisor.** Advisor is a registered municipal advisor with the Securities and Exchange Commission pursuant to Section 15B(a)(2) of the Securities Exchange Act of 1934 (the "Act") and the Municipal Securities Rulemaking Board. Neither Advisor nor any of its employees are subject to any legal or disciplinary event.

Municipal Securities Rulemaking Board Rule G-17 requires a municipal advisor to deal fairly at all times with municipal issuers and with all persons and will not engage in any deceptive, dishonest or unfair practice. As a municipal advisor, Advisor may provide advice concerning the structure, timing, terms, and other similar matters concerning an issuance of municipal securities Client is considering. As a municipal advisor, Advisor has a fiduciary duty to Client under the federal securities law and is therefore is required by federal law to act in the best interests of Client without regard to its own financial or other interests.

Under MSRB Rule G-23, Advisor will not be able to serve as underwriter, lender or placement agent for any loans, notes, bonds or other securities to be issued and sold as part of any sale or offering of municipal securities or other indebtedness of Client.

Additional disclosures are attached herewith as **Exhibit C**.

5. **Term and Termination.** The term of this engagement will be effective from the date of this Agreement and will remain in effect until terminated by either party upon written notice to the other party. If this Agreement or a Statement of Work is terminated by Client, as a result of a failure of an election, no compensation will be owed from Client to Advisor. Notwithstanding anything to the contrary contained herein, termination of this Agreement will automatically terminate any Statement of Work then in effect.

6. Confidentiality and Use of Information. Client acknowledges that all opinions and advice (written or oral) given by Advisor to Client in connection with a Statement of Work are intended solely for the benefit and use of Client and are confidential, subject to applicable public records laws. Client will make available to Advisor in connection with the performance of services under this Agreement and each Statement of Work, at reasonable times as requested by Advisor, any information and material pertaining to the Project as may be appropriate to enable Advisor to perform its services hereunder. Client agrees that Advisor, in performing the Municipal Advisory Services contemplated by this Agreement and any Statement of Work (i) will use and rely primarily upon information supplied by Client and upon information available from generally recognized public sources without having independently verified the same, (ii) does not assume responsibility for the accuracy and completeness of such information. Client also agrees that it will solely be responsible for the accuracy and completeness of all descriptive material prepared during this engagement concerning Client and any project.

7. Indemnification; Limitation of Liability. Client agrees that neither Advisor nor its employees, officers, agents or affiliates will have any liability to Client for the services provided hereunder except to the extent it is judicially determined that Advisor engaged in negligence or willful misconduct. In addition, to the extent permitted by applicable law, Client will indemnify, defend and hold Advisor and its employees, officers, agents and affiliates harmless from and against any losses claims, damages and liabilities that arise from or otherwise relate to an untrue statement of a material fact contained in any documents provided by Client or its authorized representatives for the use of investors, lenders or financial institutions, purchasers in connection with Client financing or an omission to state a material fact necessary by Client or its authorized representatives in order to make the statements therein not misleading.

8. Miscellaneous. This Agreement constitutes and expresses the entire agreement of the parties with respect to the subject matter hereof, and all promises, undertakings, representations, agreements, understandings and arrangements, whether oral or written, with reference thereto are merged herein. This Agreement may not be amended or modified except by means of a written instrument executed by both parties hereto. This Agreement may not be assigned by either party without the prior written consent of the other party. This Agreement may be executed in any number of counterparts via facsimile or other electronic transmission, each of which will be deemed an original, and all of which together will constitute one and the same instrument. Client acknowledges that Advisor may, at its option and expense and after announcement of the offering, place announcements and advertisements or otherwise publicize a description of the offering and Advisor's role in it on Advisor's website or other marketing material and in such financial and other newspapers and journals as it may choose, stating that Advisor has acted as a municipal advisor to Client. Client also agrees that Advisor may use Client's name and logo for these purposes.

9. Governing Law. This Agreement will be governed and construed in accordance with the laws of the State of Oregon without regard to choice of law provisions. Any suit or legal proceeding brought pursuant to or otherwise arising out of this Agreement or the performance thereof will be brought solely in the County of Marion, Oregon.

If there is any aspect of this Agreement that you believe requires further clarification, please do not hesitate to contact me at (503) 371-8667. If the foregoing is consistent with your understanding of our engagement, please sign and return a copy of this letter to me via email to dulbricht@sdao.com or hardcopy to Special Districts Association of Oregon Advisory Services LLC, PO Box 12613, Salem, Oregon 97309-0613.

Again, we thank you for the opportunity to assist you with your municipal finance related matters and the confidence you have placed in us. We look forward to building a long-term relationship with you.

Very truly yours,

SPECIAL DISTRICTS ASSOCIATION OF OREGON ADVISORY SERVICES, LLC



By: _____
David Ulbricht, Director of Advisory Services

Accepted this 10 day of October, 2018

Redmond Area Park & Recreation District

By:  _____
Katie Hammer, Executive Director

EXHIBIT A**Project Request - Statement of Work**

This Statement of Work, dated as of September 6, 2018, is between Special Districts Association of Oregon Advisory Services, LLC (the "Advisor"), and the Redmond Area Park & Recreation District (the "Client"). This Statement of Work is incorporated into, forms a part of, and is in all respects subject to the terms of, the Municipal Advisory Services Agreement between Advisor and Client dated September 6, 2018 (the "Agreement"). Capitalized terms not otherwise defined herein have those meanings given in the Agreement.

Description of Project

The Client anticipates calling the question and seeking voter approval for the issuance of General Obligation Bonds (the "Bonds") and to mature no later than a date to be determined from the date of issuance, to finance the capital costs including, but not limited to (the "Project"):

- The purchase of real property, if any, and any related improvements thereto;
- Renovation, improvement and upgrade to existing public facilities;
- The purchase of equipment, furnishings and fixtures; and,
- Any other capital construction and improvements identified and permitted under State of Oregon law or prescribed pursuant to Oregon Revised Statutes and to pay the costs of bond issuance.

Scope of Services

The Advisor agrees to provide the following services in connection with the project ("Municipal Advisory Services"):

- a. Assist Client with indebtedness sizing requirements and, structure(s) and tax rate impacts of different funding options;
- b. Review Ballot Title documentation, Explanatory Statements;
- c. Assist Client in determining best election and sale timing;
- d. Advise the Client as to the Bond sale method, reasonableness of the terms, interest rates, yield, spread, and other covenants and conditions of the Bond Sale
- e. Attend Board of Director meetings or public meetings, as requested; and,
- f. Assist the Client in developing and designing the terms and features of the plan of financing including, but not limited to, the terms of maturity, interest payment dates, dated date, principal amount, optional prepayment provisions, interest rates, draw down provisions, amortization schedules, and fees, determine if the issuance of indebtedness will be issued on a tax-exempt basis and/or taxable basis;

- g. Advise the Client as to funding strategies for indebtedness;
- h. Evaluate the merits of a negotiated or competitive sale of the Bonds;
- i. Determine the principal amount of the indebtedness, whether the indebtedness will be issued pursuant to a competitive or negotiated sale, assist in the selection of an underwriter or bank (lender) to purchase the indebtedness.
- j. Manage the Bond Sale process, coordinating the financing timeline, information, document and process workflow with the financing team;
- k. Review financial and other information regarding the Client, the indebtedness and the Project;
- l. Review documents pertaining to the indebtedness, including, if applicable, the official statement and/or bid package for the indebtedness;
- m. Participate in working group calls and meetings and provide the Client with feedback on the process of the financing, including issues that should be addressed by the Client;
- n. Review and comment on all financing documents and authorizing resolutions;
- o. Respond to inquiries from potential purchasers or lenders and, if requested, coordinate their due diligence calls and meetings;
- p. If the indebtedness is to be rated, assist in the preparation of information and materials to be provided to credit rating agencies and in the development of strategies for meetings with the rating agencies;
- q. If the indebtedness is to be insured, assist in the preparation of information and materials to be provided to Bond insurance agencies and in the development of strategies for meetings with the rating agencies;
- r. Consult with bond counsel, bond underwriter, lender, underwriter's or lender's counsel and other service providers about the offering and the terms of the indebtedness;
- s. Assist with the submission of information, documents and other data about the Refunding and Refunded Bonds to the Municipal Securities Rulemaking Board ("MSRB") EMMA website;
- t. Plan and arrange for the closing and settlement of the issuance and the delivery of the indebtedness;
- u. Such other usual and customary municipal advisory services as may be requested by the Client;

Fees

For its municipal advisory services, Advisor shall be entitled to a fee (the "Advisory Fee") to be paid by the Client as provided below. The Advisory Fee shall be earned and payable from Bond proceeds or other sources, in the following time frames:

- If the Bonds are all sold in one series, upon closing of the Bond sale, a minimum fee of \$25,000;
- If the Bonds are sold in more than one series, upon closing of the Bond sale of the first series, a minimum fee of \$20,000; subsequent series of Bonds, a minimum fee of \$15,000 per series until the aggregate of the Bonds are sold
- For financial advisory services outside the scope of this Agreement, Advisor will provide such services on an hourly basis with a not to exceed fee. Such fee will be negotiated between Advisor and the Client, at the time such services are requested by the Client, and that are outside the scope of this Agreement.

The Client shall also be responsible for paying (or reimbursing Advisor for its payment of) all costs of issuance, including without limitation CUSIP, DTC, IPREO (electronic book-running/sales order system) (if applicable), printing and mailing/distribution charges (if applicable), fees of outside counsel (bond counsel, bank counsel, Client counsel and disclosure counsel, if any), ratings agency fees and expenses (if applicable), and all other expenses incident to the performance of the Client's obligations under the proposed Bonds.

Acknowledgement of Statement of Work (Exhibit A)

Redmond Area Park & Recreation District

By: 
Katie Hammer, Executive Director

Special Districts Association of Oregon Advisory Services, LLC



By: _____
David Ulbricht
Director of Advisory Services

EXHIBIT B**Conflicts of Interest Disclosure**

1. Advisor is a municipal advisory firm, registered with the Securities and Exchange Commission pursuant to Section 15(a)(2) of the securities and Exchange Act of 1934 (the "act") and the Municipal Securities Rulemaking Board. Advisor may from time to time provide advisory, consulting and other services to municipalities, other institutions, associations and individuals including Client, certain directors, officers, officials or employees of Client, or other persons or entities that are involved with Client, for which Advisor may receive customary compensation; however, such services are not related to any Client financings. Advisor may also be engaged from time to time to provide advice on investments for Client through a separate contract that sets forth the fees to be paid to Advisor. Additionally, clients of Advisor may from time to time purchase, hold and sell bonds and other securities issued by Client.
2. The MSRB requires that a municipal advisor provide written disclosure regarding actual or potential conflicts of interest presented by various forms of compensation. The forms of compensation for municipal advisors vary according to the nature of the engagement and requirements of the Client, among other factors. Various forms of compensation present actual or potential conflicts of interest because they may create an incentive for an advisor to recommend one course of action over another if it is more beneficial to the advisor to do so. The following discusses various forms of compensation and the timing of payments to the advisor:
 - a. **Fixed Fee.** Under a fixed fee form of compensation, the municipal advisor is paid a fixed amount established at the outset of the transaction. The amount is usually based upon an analysis by the Client and the advisor of, among other things, the expected duration and complexity of the transaction and the agreed-upon scope of work that the advisor will perform. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the adviser may suffer a loss. Thus, the advisor may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. There may be additional conflicts of interest if the municipal advisor's fee is contingent upon the successful completion of a financing as described below.
 - b. **Hourly Fee.** Under an hourly fee form of compensation, the municipal advisor is paid an amount equal to the number of hours worked by the advisor times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if the Client and the advisor do not agree on a reasonable maximum amount at the outset of the engagement, because the advisor does not have a financial incentive to recommend alternatives that would result in fewer hours worked.

In some cases, an hourly fee may be applied against a retainer, in which case it is payable whether or not a financing closes. Alternatively, it may be contingent upon the successful completion of a financing, in which case there may be additional conflicts of interest as described below.

- c. **Contingent Fee.** Under a contingent fee form of compensation, payment of an advisor's fee is dependent upon the successful completion of a financing or other transaction. Although this form of compensation may be customary for Client, it presents a conflict of interest because the advisor may have an incentive to recommend unnecessary financings or financings that are disadvantageous to Client.
- d. **Retainer Fees.** Under a retainer agreement, fees are paid to a municipal advisor periodically and are not contingent upon the completion of a financing or other transaction. Fees paid under a retainer agreement may be calculated on a fixed fee basis or an hourly basis. A retainer agreement does not present the conflicts associated with a contingent fee arrangement.
- e. **Transaction Fee.** Under this form of compensation, the fee is based upon a percentage of the principal amount of an issuer of securities. This form of compensation presents a conflict of interest because the advisor may have an incentive to advise Client to increase the size of the securities issue for the purpose of increasing the advisor's compensation.

3. **Other Material Conflicts of Interest.** The MSRB requires us, as your municipal advisor, to provide written disclosure to you about material conflicts of interest. The following represent Advisor material conflicts of interest known to Advisor as of the date of this Agreement:

As of the date of this Agreement, Advisor is unaware of any potential or actual material conflicts of interest with Client.

EXHIBIT C - MUNICIPAL ADVISOR DISCLOSURE STATEMENT

This Disclosure Statement will serve as written documentation required by the Municipal Securities Rulemaking Board ("MSRB").

Along with certain information contained herein, additional information and resources can be accessed at www.msrb.org relating to the MSRB, municipal advisors, the issuance of municipal securities and educational resources.

Special Districts Association of Oregon Advisory Services LLC ("SDAOAS") is a registered municipal advisor with the Securities and Exchange Commission pursuant to Section 15B(a)(2) of the Securities Exchange Act of 1934 (the "Act") and the Municipal Securities Rulemaking Board. Neither SDAOAS nor any of its employees are subject to any legal or disciplinary event.

MSRB Rule G-10 "Investor and Municipal Advisory Client Education and Protection", effective October 13, 2017, requires municipal advisors to notify clients promptly, after the establishment of a municipal advisory relationship and once each calendar year thereafter (which may include electronic transmissions) about the availability of a client brochure on the MSRB's website that provides information on the process for filing a client complaint. Attached herewith is a copy of the client brochure which can also be accessed at <http://www.msrb.org/~media/files/resources/msrb-ma-clients-brochure.ashx?la=en>. The client brochure provided by the MSRB describes (1) the protections that may be provided by the Municipal Securities Rulemaking Board rules and (2) describes how to file a complaint with an appropriate regulatory authority.

MSRB Rule G-17 "Conduct of Municipal Securities and Advisory Activities" requires a municipal advisor to deal fairly at all times with municipal issuers and with all persons and will not engage in any deceptive, dishonest or unfair practice. As a municipal advisor, SDAOAS may provide advice concerning the structure, timing, terms, and other similar matters concerning an issuance of municipal securities a client may be considering. As a municipal advisor, SDAOAS has a fiduciary duty to the client under the federal securities law and is therefore is required by federal law to act in the best interests of client without regard to its own financial or other interests.

MSRB Rule G-23(d) "Activities of Financial Advisors" stipulates that a municipal advisor, such as SDAOAS, will not be able to serve as underwriter, lender or placement agent for any loans, notes, bonds or other securities to be issued and sold as part of any sale or offering of municipal securities or other indebtedness of the client.

MSRB Rule G-42 "Duties of Non-Solicitor Municipal Advisors" establishes standards of conduct for municipal advisors engaging in municipal advisory activities.

REQUIRED DISCLOSURES. MSRB Rule G-42 requires that SDAOAS make a reasonable inquiry as to the facts that are relevant to client's determination whether to proceed with a course of action or that form the basis for and advice provided by SDAOAS to a client. The rule also requires that SDAOAS undertake a reasonable investigation to determine that it is not basing any recommendation on materially inaccurate or incomplete information. SDAOAS is also required under the rule to use reasonable diligence to know the essential facts about a client and the authority of each person acting on a client's behalf.

In carrying out these regulatory duties, SDAOAS will request the cooperation and assistance of the client, including providing to SDAOAS accurate and complete information and reasonable access to relevant documents, other information and personnel needed to fulfill such duties. In addition, the client agrees that, to the extent a client seeks to have SDAOAS provide advice with regard to any recommendation made by a third party, the client will provide to SDAOAS written direction to do so as well as any information it has received from such third party relating to its recommendation.

In addition, MSRB Rule G-42 requires that SDAOAS provide you with the following disclosures of material conflicts of interest and of information regarding certain legal events and disciplinary history.

Disclosures of Conflicts of Interest. MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable. If no such material conflicts of interest are known to exist based on the exercise of reasonable diligence by the municipal advisor, municipal advisors are required to provide a written statement to that effect.

Accordingly, SDAOAS will make the following disclosures with respect to material conflicts of interest in connection with municipal advisory services, together with explanations of how SDAOAS addresses or intends to manage or mitigate each conflict, if any. To that end, with respect to all of the conflicts disclosed herein, SDAOAS mitigates such conflicts through its adherence to its fiduciary duty to the client, which includes a duty of loyalty to the client in performing all municipal advisory activities for the client. This duty of loyalty obligates SDAOAS to deal honestly and with the utmost good faith with the client and to act in the client's best interests without regard to SDAOAS' financial or other interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed herein.

SDAOAS is a municipal advisory firm, registered with the Securities and Exchange Commission pursuant to Section 15(a)(2) of the securities and Exchange Act of 1934 (the "act") and the Municipal Securities Rulemaking Board. SDAOAS may from time to time provide advisory, consulting and other services to municipalities, other institutions, associations and individuals including certain directors, officers, officials or employees of the client, or other persons or entities that are involved with the client, for which Advisor may receive customary compensation; however, such services are not related to any client financings. Advisor may also be engaged from time to time to provide advice on investments for a client through a separate contract that sets forth the fees to be paid to SDAOAS. Additionally, clients of SDAOAS may from time to time purchase, hold and sell bonds and other securities issued by our clients.

SDAOAS serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of the client. For example, SDAOAS serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to any client under a municipal advisory agreement. These other clients may, from time to time and depending on the specific circumstances, have competing interests, such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering. In acting in the interests of its various clients, SDAOAS could potentially face a conflict of interest arising from these competing client interests. None of these other engagements or relationships would impair SDAOAS' ability to fulfill its regulatory duties to the client.

While we do not believe that the following creates a conflict of interest on SDAOAS' part, we note that spouses or other relatives of SDAOAS associates may serve as an officer, employee or official of a client. The client may wish to consider any impact such circumstances may have on how it conducts its activities with SDAOAS.

The MSRB requires that a municipal advisor provide written disclosure regarding actual or potential conflicts of interest presented by various forms of compensation. The forms of compensation for municipal advisors vary according to the nature of the engagement and requirements of the Client, among other factors. Various forms of compensation present actual or potential conflicts of interest because they may create an incentive for an advisor to recommend one course of action over another if it is more beneficial to the advisor to do so. The following discusses various forms of compensation and the timing of payments to the advisor:

- a. **Fixed Fee.** Under a fixed fee form of compensation, the municipal advisor is paid a fixed amount established at the outset of the transaction. The amount is usually based upon an analysis by the Client and the advisor of, among other things, the expected duration and complexity of the transaction and the agreed-upon scope of work that the advisor will perform. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the adviser may suffer a loss. Thus, the advisor may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. There may be additional conflicts of interest if the municipal advisor's fee is contingent upon the successful completion of a financing as described below.

- b. **Hourly Fee.** Under an hourly fee form of compensation, the municipal advisor is paid an amount equal to the number of hours worked by the advisor times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if the Client and the advisor do not agree on a reasonable maximum amount at the outset of the engagement, because the advisor does not have a financial incentive to recommend alternatives that would result in fewer hours worked.

In some cases, an hourly fee may be applied against a retainer, in which case it is payable whether or not a financing closes. Alternatively, it may be contingent upon the successful completion of a financing, in which case there may be additional conflicts of interest as described below.

- c. **Contingent Fee.** Under a contingent fee form of compensation, payment of an advisor's fee is dependent upon the successful completion of a financing or other transaction. Although this form of compensation may be customary for Client, it presents a conflict of interest because the advisor may have an incentive to recommend unnecessary financings or financings that are disadvantageous to Client.
- d. **Retainer Fees.** Under a retainer agreement, fees are paid to a municipal advisor periodically and are not contingent upon the completion of a financing or other transaction. Fees paid under a retainer agreement may be calculated on a fixed fee basis or an hourly basis. A retainer agreement does not present the conflicts associated with a contingent fee arrangement.
- e. **Transaction Fee.** Under this form of compensation, the fee is based upon a percentage of the principal amount of an issuer of securities. This form of compensation presents a conflict of interest because the advisor may have an incentive to advise Client to increase the size of the securities issue for the purpose of increasing the advisor's compensation.

Other Material Conflicts of Interest. The MSRB requires SDAOAS, as a municipal advisor, to provide written disclosure to you about material conflicts of interest. The following represent SDAOAS' material conflicts of interest known to SDAOAS as of the date of this Annual Disclosure:

As of the date of this Agreement, Advisor is unaware of any potential or actual material conflicts of interest with Client.

How to Access Form MA and Form MA-I Filings. SDAOAS's most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system at <https://www.sec.gov/cgi-bin/browse-edgar?CIK=1646786>.

Future Supplemental Disclosures. SDAOAS has not identified any additional potential or actual conflicts of interest or legal and disciplinary events that require disclosure. If material events arise in the future, we will provide you with supplemental disclosures about them.

If there is any aspect of the foregoing disclosures that requires further clarification, please do not hesitate to contact us. In addition, please consult your own financial and/or municipal, legal, accounting, tax and other advisors as you deem appropriate.