



**TO:** SOUTHERN NEVADA DISTRICT BOARD OF HEALTH      **DATE:** August 27, 2015




**RE:** *Approval of Interlocal Cooperative Agreement between the Public Agency Compensation Trust and the Southern Nevada Health District*

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**PETITION #28-15**

*That the Southern Nevada District Board of Health approves Interlocal Cooperative Agreement between the Public Agency Compensation Trust and the Southern Nevada Health District.*

**PETITIONERS:**

**Sharon McCoy-Huber**, *Financial Services Manager*   
**Andrew J. Glass, FACHE, MS**, *Director of Administration*   
**Joseph P. Iser, MD, DrPH, MSc**, *Chief Health Officer* 

**DISCUSSION:**

The Southern Nevada Health District has decided to change from a self-funded Workers' Compensation plan to a fully funded plan. In doing so, the Health District has canceled the agreement with the current Workers' Compensation carrier. The Health District has made the decision to join the Public Agency Compensation Trust (POOLPACT), which consists of political subdivisions existing under the Constitution and laws of the State of Nevada. These public subdivisions desire to join together for the purpose of providing workers compensation coverage and jointly funding programs of pooled self-insurance, insurance and excess insurance for workers compensation pursuant to NRS 616B.350 and related provisions.

**FUNDING:**

Funding will come be coded to benefits under the Personnel Cost category of the funds that have salaries deducted. There are currently funds available in the general fund. Past workers' compensation losses will continue to be funded from the Liability Risk Pool Fund.

**PUBLIC AGENCY COMPENSATION  
TRUST**

**INTERLOCAL COOPERATION  
AGREEMENT**

Adopted: November 1, 1995  
Revised: May 2, 1997  
Revised: May 1, 2000  
Revised: May 2, 2003  
Revised: May 1, 2004  
Revised: April 29, 2005  
Revised: April 28, 2006  
Revised: May 1, 2009  
Revised: April 26, 2013

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# PUBLIC AGENCY COMPENSATION TRUST

## INTERLOCAL COOPERATION AGREEMENT

THIS AGREEMENT, is made by and between the political subdivisions existing under the Constitution and laws of the State of Nevada and which are signatory to this agreement.

WHEREAS, Nevada Revised Statutes 277.080 to 277.180 permits political subdivisions to make the most efficient use of their powers by enabling them to cooperate with other political subdivisions on a basis of mutual advantage and thereby provide services which will be meet the needs of their citizens; and

WHEREAS, Nevada Revised Statutes 277.055 permits two or more political subdivisions of the State of Nevada to enter into a cooperative agreement for the purchase of insurance or the establishment of a self-insurance reserve or fund for coverage under a plan of workers compensation as defined in NRS 616 and 617 and employer's liability; or insurance for any combination of these kinds of insurance; and

WHEREAS, the political subdivisions executing this agreement desire to join together for the purpose of providing workers compensation coverage and jointly funding programs of pooled self-insurance, insurance and excess insurance for workers compensation pursuant to NRS 616B.350 and related provisions;

NOW THEREFORE, in consideration of the mutual promises and agreements contained herein and subject to the provisions of Nevada Revised Statutes and all other applicable rules and regulations, the parties hereto agree as follows:

### ARTICLE I

#### DEFINITIONS

Section 1. "Agreement" shall mean this agreement entitled "Public Agency Compensation Trust" and as amended in the future.

Section 2. "Board of Trustees" or "Board" shall mean the governing body of PACT.

Section 3. "Claim" shall mean a claim made against a Member arising out of a Loss which is covered by insurance or pooling program of PACT.



Section 4. "Excess or Reinsurance Program" shall mean a program of PACT under which Members or Participating Members are protected against designated Losses .

Section 5. "Executive Committee" shall mean the Executive Committee of the Board of Trustees as described in Article 12 of this Agreement.

Section 6. "Fiscal Year" shall mean that period of twelve months as established by the Board of Trustees as the fiscal year of PACT.

Section 7. "Loss" shall mean a liability or potential liability of a Member including litigation expenses, attorneys' fees and costs covered by an insurance or pooling program of PACT.

Section 8. "Maintenance Deductible" shall mean, as to any one Loss, that portion payable by the Member directly and not PACT or its excess insurers or reinsurers.

Section 9. "Member" shall mean any Public Agency which is a member of PACT and such districts to which the Board has granted voting status. Other district or agencies whether or not the governing body of the City or County is *ex officio* the governing body as described in and subject to Article 3 of this Agreement may be a party to this Agreement but shall not be considered a Member for the purpose of voting or participation as a voting member of the Board or of any Executive or other committee in which voting Member status is required except when granted voting status pursuant to the following criteria. Voting status as a Member may be granted for any Public Agency which meets the following criteria:

1. Pays assessments of at least \$20,000 annually
3. Maintains a payroll of least \$500,000 annually

Such criteria may be changed from time to time by vote of the Board of Trustees which change shall take effect subsequent to the meeting at which the Board approved the changes.

Section 10. "PACT" shall mean the Public Agency Compensation Trust created by this agreement.

Section 11. "Participating Member", as used in reference to an insurance or pooling program of PACT, shall mean a current Member of that program.

Section 12. "Policy Year" shall mean for each insurance or pooling program of PACT that period commencing upon the effective date of the program and each twelve month period thereafter.

Section 13. "Public Agency" shall mean any county, incorporated city and town, unincorporated town, school district, rural hospital as defined in NRS 449.0177 whether non-profit or public, and any special or other district or agency per NRS 277.100, organized and existing under the Constitution and laws of the State of Nevada.

Section 14. "Self-insured Retention" shall mean that portion of a Loss experienced by a Member which is retained as a liability or potential liability of PACT.

## ARTICLE 2

### PURPOSES OF PACT

The Members in entering into this Agreement, desire to establish:

- A. A mechanism whereby each Member may join with other Members to pool their risks and insurance programs and jointly administer said programs in an effort to deliver to each of them a reasonable, cost effective workers compensation program;
- B. Procedures whereby additional qualifying political subdivisions of the State of Nevada may be added to this Agreement;
- C. A mechanism whereby additional and/or alternative insurance programs may be developed for the benefit of the Members; and
- D. Administrative services as necessary to implement this Agreement including, but not be limited to, risk management consulting, Loss prevention, Loss control, centralized Loss reporting, actuarial consulting, claims adjusting and legal services.

## ARTICLE 3

### PARTIES TO AGREEMENT

Section 1. Members. Each Member, as a party to this Agreement, certifies that:

- A. It intends to and does contract with all other Members as parties to this Agreement and with any other Public Agency as may later be added as parties to this Agreement;

- B. The removal of any party from this Agreement shall not affect this Agreement nor such Member's intent to contract as described in subsection A above with the other parties to the agreement then remaining.

Section 2. Other Districts or Agencies. A Member may contract on behalf of, and shall be deemed to include:

- A. Any district in which the city or county is *ex officio* the governing board, from the date that the Member provides PACT written notice of the name and inclusion of such district, upon approval of the Board;
- B. Any other local Public Agency at its request upon approval of the Board and from the date that such entity is accepted into PACT; and
- C. Such district or other local Public Agency shall be considered a separate party to this Agreement but shall not affect any Member's representation on the Board and shall be part of and represented by the Member for all purposes under this Agreement.

Section 3. Membership of Nevada Association of Counties and Nevada League of Cities. The Nevada Association of Counties and the Nevada League of Cities shall become a Member of PACT upon its execution of this Agreement, subject to all obligations and rights of all other Members, except that neither shall be counted for the purposes of determining a quorum or the number votes required for any purpose, and neither shall have an official representative nor be entitled to vote on any matter pursuant to this Agreement.

Section 4. Limitation on Right to Sue. In order to become and to maintain Fund member status, a member shall not sue or maintain any litigation or lawsuit for damages against the fund or its Board and specifically agrees to waive its right to maintain any litigation or lawsuit against the Fund or its Board. However, this Section does not prohibit any declaratory relief action seeking to interpret this Agreement or any Fund coverage agreement.

#### ARTICLE 4

#### NAME OF PACT

The name of PACT established by the Members hereunder shall be "PUBLIC AGENCY COMPENSATION TRUST."

#### ARTICLE 5

## POWERS OF PACT

PACT shall have all of the powers common to any Public Agency and all additional powers set forth in the interlocal cooperation laws of the State of Nevada, and PACT is authorized to do all acts necessary for the exercise of said powers, including but not limited to, the following:

- A. To make and enter into contracts;
- B. To incur debts, liabilities, and obligations;
- C. To acquire, hold, or dispose of property, contributions and donations of property, funds, services, and other forms of assistance from persons, firms, corporations and governmental entities;
- D. To sue and be sued in its own name, but not by its Members;
- E. To settle any claim against PACT or its Members as hereinafter provided;
- F. To receive and use contributions and advances from Members, including contributions or advances of personnel, equipment, or property;
- G. To invest any money in its treasury that is not required for its immediate necessities, pursuant to Nevada Laws applicable to investments by a Public Agency; and
- H. To carry out all provisions of this Agreement.

## ARTICLE 6

### MEMBERSHIP

Section 1. Eligibility. Membership in PACT shall be open to any political subdivision of the State of Nevada that is deemed by the Board to qualify for membership.

Section 2. Conditions. The Board may impose such conditions on membership to protect the interests of PACT and to provide for the benefits of Members as are required by this Agreement, the Bylaws of PACT, and other applicable statutes or regulations.

## ARTICLE 7

### BOARD OF TRUSTEES

Section 1. Appointment and Term of Office. Commencing with the effective date of the Agreement and annually thereafter in January, each Member shall appoint from its governing board, a voting representative and an alternate voting representative to the Board to serve for a term of one year. Such representatives must be officers or employees of the Member and shall be eligible for reappointments for successive one year terms and shall serve until his or her successor is duly appointed.

Section 2. Voting. Each Member shall be entitled to one vote by its representative to the Board or by its alternate voting representative in the absence of the representative. There shall be no voting permitted by proxies or other substitutes. All motions and actions of the Board shall be adopted by a majority of the Board Members unless otherwise provided by the Bylaws of PACT.

Section 3. Compensation of the Board. Members of the Board shall not receive any salary for the services to the Board, but the Board by resolution may allow actual and necessary expenses for attendance at Regular or Special meetings of the Board.

Section 4. Meetings. The Board shall provide for the holding of Regular and Special meetings.

Section 5. Quorum. A simple majority of the members of the Board shall constitute a quorum for the transaction of business at any meeting of the Board. If less than a quorum is present at any meeting, a majority of those Trustees as may be present may adjourn the meeting from time to time without further notice.

Section 6. Manner of Acting. The act of a majority of the Board of Trustees at a meeting at which a quorum is present shall constitute an act of the Board.

Section 7. Legal Counsel. The Board shall be advised in legal matters with respect to PACT operations by its legal counsel.

## ARTICLE 8

### MEETING OF THE BOARD OF TRUSTEES

Section 1. Regular Meetings. The Board shall hold at least one regular meeting each year, scheduling the time, date and place thereof by resolution.

Section 2. Special Meetings. Special meetings of the Board may be called by the Chair of the Board, or in his absence by the Vice Chair, or by any two members of the Board.

Section 3. Minutes. The Executive Director of PACT, described in Article 13 hereof, shall provide for the keeping of minutes of Regular and Special Meetings of the Board, and shall forward a copy of the minutes to each member of the Board.

Section 4. Open Meeting Law. All meetings of the Board shall be called, noticed, held and conducted in accordance with the provisions of the "Open Meeting Law", Nevada Revised Statutes, Chapter 241, and any other laws of the State of Nevada.

## ARTICLE 9

### POWERS OF THE BOARD OF TRUSTEES

The Board shall be the governing body of PACT to oversee, administer and determine its overall policies and shall have the following powers and authority:

- A. To manage the affairs of PACT and to do all things necessary or convenient for the furtherance of the purposes of PACT, including but not limited to: expending and receiving funds; entering into contract and other agreements; renting, leasing, purchasing and otherwise procuring or receiving property, real and personal; employing personnel either as employees or by contract; and employing professional consultants such as attorneys, auditors, accountants, risk managers and actuaries;
- B. To form an Executive committee, as provided in Article 12 hereof, and delegate to that committee such powers as it determines, provided that all such delegated powers to the Executive Committee shall be exercised under the direction of the Board;
- C. To form committees as appropriate to act in an advisory capacity and conduct the business of PACT, and the membership of such committee may consist in whole or in part of non-Board Members;
- D. To elect the officers and appoint staff of PACT as may be necessary for the administration of PACT and as described in Articles 10 and 13 hereof;
- E. To prepare and adopt the annual operating budget of PACT;
- F. To develop and adopt each program of PACT, including all provisions for insurance and reinsurance, and administrative services as necessary to carry out such programs;
- G. To provide for necessary services to PACT and its Members to include, but not be limited to, risk management consulting, Loss prevention and

control, centralized Loss reporting, actuarial consulting, claims adjusting, and legal services;

- H. To provide general supervision and policy direction to its Executive Director, either directly or through the Executive Committee, and adopt policies and procedures to carry out the purposes of PACT;
- I. To receive, review and act upon periodic reports and audits of the funds of PACT as required;
- J. To elect the Executive committee by vote of its members present at the annual meeting;
- K. To amend the Bylaws of PACT by a two-thirds vote of the members present at a meeting, but no amendments shall take effect sooner than thirty days after adoption thereof; and
- L. To remove a member of the Board or of the Executive Committee by a two-thirds vote of the members present at a meeting.

## ARTICLE 10

### OFFICERS

Section 1. Chair and Vice Chair. The Board shall elect from its members a Chair and Vice Chair of the Board, each to hold office for two years effective from the beginning of the fiscal year following each election.

Section 2. Conducting Meetings. The Chair, or if absent, the Vice Chair, shall preside at and conduct all meetings of the Board and the Executive Committee.

Section 3. Powers and Duties of the Chair. The Chair, or together with such other officer or officers as the Board may designate by resolution, may execute any contracts or other instruments as authorized by the Board and shall generally perform all duties incident to the Office of Chair as may be prescribed by the Board.

Section 4. Powers and Duties of the Vice Chair. The Vice Chair shall act as Chair in the latter's absence or inability or refusal to act.

Section 5. Fiscal Officer. The Chair will appoint a Fiscal Officer with duties as described in Articles 15, 16 and 17 hereof to hold office for two years effective from the beginning of the fiscal year contemporaneously with the Chair and Vice Chair.

Section 6. The Fiscal Officer shall chair the Audit Committee.

## ARTICLE 11

### LIABILITY OF BOARD OF TRUSTEES OR OFFICERS

Section 1. Standard of Care. The members of the Board and officers of PACT should use ordinary care and reasonable diligence in the exercise of their powers and duties hereunder.

Section 2. Limitation of Liability. The members of the Board shall not be liable for any mistake of judgment or other action made, taken or omitted by any of their agents, employees or independent contractors selected by them with reasonable care nor for loss incurred through investment of, or failure to invest, PACT funds, and no trustee shall be liable for any action taken or omitted by any other trustee.

Section 3. No Bonds. No trustee shall be required to give a bond or other security to guarantee the faithful performance of duties hereunder.

Section 4. Insurance. PACT shall defend and hold harmless any trustee acting within the scope of his authority for PACT. PACT may purchase insurance providing coverage for acts or omissions taken by the Board or performed by an officer or trustee within the scope of his or her authority for PACT.

## ARTICLE 12

### EXECUTIVE COMMITTEE OF THE BOARD OF TRUSTEES

Section 1. Members. PACT shall be administered by the Executive Committee of the Board of Trustees, composed of persons from among the Members of the Board of Trustees, two of which shall represent Member counties or cities with a population of 35,000 or more, if there exist two such Members, two of which shall represent Member counties or cities with a population of under 35,000, one representative of school districts, one representative of hospitals, one representative of special districts and the Chair and Vice Chair of the Board of Trustees. The Executive Director shall be *ex officio*, non-voting members of the Executive Committee.

Section 2. Business of the Executive Committee. The Executive Committee shall conduct the business of PACT between meetings of the Board, exercising such powers as are delegated by and under the direction of the Board. If, at a duly noticed Board meeting, a quorum of the Board is not present, the Executive Committee hereby is delegated the power to conduct the business of PACT on behalf of the Board pursuant to the Board meeting agenda.



Section 3. Meetings. Meetings of the Executive Committee shall be called at the request of the Chair, or in his absence, the Vice Chair, but any two members may request a meeting, and all such meetings shall be conducted in compliance with the provisions of the Nevada Open Meeting Laws.

Section 4. Quorum. A majority of the Executive Committee constitutes a quorum for the transaction of business at any meeting, but if less than a majority is present at any meeting, a majority of the members present may adjourn the meeting from time to time without further notice. *Ex officio* members shall not be counted in determining a quorum.

Section 5. Manner of Acting. The act of a majority of the members present at the meeting at which a quorum is present shall be the act of the Executive Committee, unless a greater number is required by law or by the Bylaws of PACTPACT. An alternate representative shall not be allowed to act for a member of the Executive Committee.

#### Section 6. Election and Term of Office

The Executive Committee shall be elected by the Members for two-year terms, which shall be staggered as follows:

- a. Two of the four representatives of cities and counties shall be elected for a two year term effective with the fiscal year beginning 2003
- b. Two of the four representatives of cities and counties shall be elected for a two-year term effective with the fiscal year beginning 2004
- c. The representative of school districts shall be elected for a two year term effective with the fiscal year beginning 2004
- d. The representative of special districts shall be elected for a two year term effective with the fiscal year beginning 2003
- e. The representative of hospitals shall be elected for a two year term effective with the fiscal year beginning 2003

Succeeding elections to those noted in a-e shall be for two year terms effective with the fiscal year following the election.

### ARTICLE 13

#### STAFF

Section 1. Executive Director. The Board must employ or contract for an Executive Director to administer the business and activities of PACT, be responsible for all minutes and records of PACT meetings, notices and records of PACT, and such other duties as are assigned by the Board and the Executive Committee, subject to the general supervision and policy direction of the Board of Directors and the Executive Committee.

Section 2. Other Staff. The Board shall provide for the appointment of such other staff as may be necessary for the administration of PACT.

## ARTICLE 14

### DEVELOPMENT, FUNDING AND IMPLEMENTATION OF FUNDING PROGRAMS

Section 1. Program Coverage. Pooling or insurance programs of PACT may provide coverage for:

A. Workers Compensation and Employer's Liability as defined in NRS 681A.020;

Section 2. Minimum Participation. The Board shall determine for each pooling program, described in Section 1 above, a minimum participation for program implementation, which shall be communicated to each Member and shall establish the amount of any Maintenance Deductible upon agreement with the excess insurers involved.

Section 3. Program and PACT Costs. General administrative expenses of PACT shall be allocated to the Members as a whole, whether or not every Member participates in all or part of any program of PACT. The Board shall determine the method of allocation to each Member and the amount of each Member's share.

Section 4. Development Charge. Development costs of a program shall be funded by a development charge, as determined by the Board of Trustees, to be paid by each Member joining in the development of the program and thereby reserving the option to participate in the program following its adoption by the Board. Development charges are those costs incurred by the Public Agency Compensation Trust in developing a program for subsequent review and adoption by the Board, including, but not limited to research, feasibility studies, information and liaison work among Public Agencies, preparation and review of documents, and actuarial and risk management consulting services, and may also include a share of the Pool's general expense as allocated by the Board of Trustees.

Section 5. Billing. The development charge shall be billed to all Members upon authorization of program development by the Board and be payable within thirty (30) days of the billing date.

Section 6. Deficiencies. Upon the conclusion of program development, any deficiency in development funds shall be billed to all Members which have paid the development charge on a pro-rata or other equitable basis as determined by the Board, and any surplus in such funds shall be transferred into the loss reserve for the program, or, if the program is not implemented, PACT's general account.

Section 7. Annual Contributions. All costs of a program, excluding development charges, shall be funded by annual contributions charged to the Members

participating in the program for each Policy Year and also by interest earned on the funds so accumulated. Such contributions shall be determined by the Board upon the basis of a cost allocation plan and rating formula developed by PACT with the assistance of a casualty actuary, risk management consultant or other qualified person. The contributions for each Participating Member shall include its share of expected program losses, program insurance and reinsurance costs, program administrative costs for the year, and its share of PACT's general expense allocated to the program by the Board.

Section 8. Billing. Annual contributions shall be billed by PACT at the beginning of each Policy Year and shall be payable within thirty (30) days of the billing date. At the end of each Policy Year, program costs shall be audited by PACT. Any deficiency or surplus in the contributions paid by the Participating Member, as shown by such audit, may be adjusted by a corresponding increase or decrease in the contribution charge to that Member for succeeding years, unless the Member withdraws or is canceled from the program, in which case the provisions of Articles 21, 22, 23, 24 and 25 hereof shall be applicable and controlling.

Section 9. Program Implementation and Effective Date. Following development of a program and its adoption by the Board, PACT shall give each Member written notice of the program which shall include:

- A. The terms of coverage of the program;
- B. The requirements for program implementation; and
- C. The estimated first year contribution by the Member for program participation.

Section 10. Membership. Each Member or Participating Member may elect to enter the program by giving written notice of such election, in a form prescribed by PACT, accompanied by payment of the initial assessment, to the Executive Director within thirty (30) days of the date of PACT's notice of the establishment of the program.

Section 11. Late Entries. A Member not electing to enter a program upon its implementation or within 120 days thereafter pursuant to Section 10 above, or which becomes a party to the Agreement following implementation of the program, may petition the Executive Committee for late entry into the program.

## ARTICLE 15

### ACCOUNTS AND RECORDS

Section 1. Annual Budget. PACT shall annually adopt an operating budget to include a separate budget for each program under development or adopted and implemented by PACT.

Section 2. Funds and Accounts. The Fiscal Officer shall oversee such funds and accounts as may be required by good accounting practices and by the Board for each program and the books and records of PACT shall be open to inspection at all reasonable times by authorized representatives of Members.

Section 3. Report of the Fiscal Officer. The Fiscal Officer shall file the annual audit of PACT with the regulatory authority as required by statute.

Section 4. Annual Audit. The Board of Trustees shall engage a certified public accountant to make an annual Fiscal Year audit of all accounts and records of PACT, and a report of the audit shall be filed as a public record by PACT and each Member within one hundred eighty (180) days of the end of the Fiscal Year under examination.

## ARTICLE 16

### RESPONSIBILITIES FOR PACT'S FUNDS AND PROPERTY

Section 1. Custody and Disbursements. The Fiscal Officer shall oversee the custody of and disburse PACT's funds, but may delegate that disbursing authority as may be authorized by the Board, subject to the requirements of Section 2 below.

Section 2. Maintenance and Safekeeping. The Fiscal Officer shall assure the following activities are carried out appropriately by the Executive Director who shall:

- A. Receive and acknowledge receipt for all funds of PACT and deposit them in PACT's treasury for the credit of PACT;
- B. Be responsible for the safekeeping and disbursement of all PACT funds;
- C. Pay any sums due from PACT as approved by the Board or by anybody or person to whom the Board has delegated approval authority;
- D. Verify and report in writing to the Executive Committee or the Board, as of the first day of each quarter of the Fiscal Year, the amount of money then held for PACT, the amount of receipts since the last such report, and the amount paid out since that report; and
- E. Invest monies in accordance with applicable laws and regulations governing investments by Public Agencies.

Section 3. Responsibility for Funds and Property. The Executive Director, Fiscal Officer, and such other persons as the Board may designate, shall have charge of, administer, and have access to the funds and property of PACT.

Section 4. Bonds. PACT may provide for fidelity bond or performance bonds in an amount and form specified by the Board or required by law for all of its officers and staff authorized by PACT to hold or disburse funds or have charge or access to property of PACT.

## ARTICLE 17

### TRUST ACCOUNT, CHECKS, DEPOSITS AND REVENUES

Section 1. Establishment of a Trust Account. A Trust Account shall be established, referred to hereafter at the "Trust Account", in which all Member contributions, policy dividends or premiums received by PACT, investments made by PACT and income thereon, and any other money or property which shall come into the possession or control of PACT shall be placed.

Section 2. Use of the Trust Account. The Board may use the Trust Account to pay all expenses of PACT, including, but not limited to, payment of premiums for insurance policies, compensation to employees and staff, legal counsel, auditors, consultants, contracted services and other persons as authorized by the Board.

Section 3. Expenditure from Trust. Expenditures from the Trust Account may be made for payment of Losses, litigation costs, investigation, insurance premiums and deductible amounts, costs of Loss control activities, and any other costs determined by the Board.

Section 4. Excess Funds. Any excess funds in the Trust Account may be used, as determined by the Board, to enhance programs and services, to reduce Member contributions, or to increase the cash surplus of PACT as determined by policies established by the Board.

Section 5. Expenses of Administration. Annually, the Executive Committee or the Board shall approve administrative expenses incurred for administration of the Trust Account and legal services related thereto and shall approve its budget.

Section 6. Checks. All checks, drafts or orders for payment of money, notes or any other evidence of indebtedness issued in the name of PACT shall be signed by the Executive Director, or by such other person and in the manner as the Board may designate, with two signatures required, and in such as shall be prescribed.

Section 7. Deposits. All funds of the Board shall be deposited to the credit of PACT in such banks, trust companies or other depositories as the Board may determine.

Section 8. Other Funds. PACT funds in possession or control of the Board shall be received, disbursed, controlled and accounted for under the supervision of the Fiscal Officer.

## ARTICLE 18

### RISK MANAGEMENT

Section 1. Risk Management Services The Executive Director or other individual or organization shall provide risk management and insurance consulting service to include Loss prevention, review of Loss data, promotion and evaluation of Loss prevention programs, and reports to Members. The responsibilities include:

- A. Liaison with the Member's staff assigned the risk management and safety responsibility;
- B. Assistance to Members in development and implementation of risk management policies;
- C. Identification and evaluation of risk and Loss potentials, aided by a claims service company and legal counsel;
- D. Recommendations as to affirmative steps in order to avoid or reduce risks and Losses;
- E. Development of a system of claims reporting and on the scene investigation by Member's personnel; and
- F. Development and production of risk prevention educational programs for Member's personnel.

Section 2. Treatment of Costs. Costs of the risk management services shall be a general administrative expense of PACT.

## ARTICLE 19

### RESPONSIBILITIES OF MEMBERS

Members shall have the following responsibilities:

- A. To appoint an officer or employee to be responsible for the risk management function within the Member's organization to serve as a liaison between the Member and PACT for all matters relating to risk management and insurance;

- B. To maintain an active safety program and act upon recommendations of PACT to reduce or eliminate unsafe practices;
- C. To pay development charges, annual contributions, insurance premiums, and contributions surcharges to PACT within thirty (30) days of the billing date thereof;
- D. To pay to PACT any additional insurance premiums or contributions due as determined and assessed by the Board within thirty (30) days after the Member's act of withdrawal, cancellation, or termination from PACT;
- E. To provide PACT at its request such other information or assistance as may be reasonably necessary for PACT to develop and implement programs under this Agreement;
- F. To cooperate with and assist PACT, and any insurer of PACT, in all matter relating to this Agreement;
- G. To comply with all Bylaws of PACT and other rules adopted by the Board;  
and
- H. To have such other responsibilities as provided in this Agreement or established by the Board under this Agreement.

## ARTICLE 20

### ADMINISTRATION OF CLAIMS AND LITIGATION

Section 1. PACT Responsibilities. PACT shall be responsible for the investigation, defense and settlement of claims made and suits or proceedings instituted against a Member arising out of a covered Loss.

Section 2. Information From Member. A Member shall furnish to PACT with respect to any claim for Loss or potential Loss:

- A. Prompt written notice of any claim made or suit brought against the Member;
- B. Any other information requested by PACT in order to settle or defend a claim or Loss;
- C. Cooperation in all matters in which PACT is acting on behalf of the Members or any other dispute against PACT or against a Member.

Section 3. Appointment of Claims Committee. The Chair of the Board shall appoint a five member committee as necessary, to be entitled the "Claims Committee", to oversee the claims services. The Executive Director, Risk Manager, Claims Administration Company, and PACT's Broker/Administrator shall be non-voting, ex-officio members of the Claims Committee.

Section 4. Litigation Cooperation. Members shall be kept advised of the progress of litigation. All claims or cases shall be referred immediately to PACT's Claims Administrator by the Member upon which notice is given by a claimant or a complaint served. The Claims Administrator shall review the claim or case, investigate the facts where appropriate, and assign defense counsel from PACT's approved panel of defense counsel. A Member may request assignment of specific panel counsel but such assignment shall be made solely in the discretion of PACT and its Claims Administrator. The assigned counsel shall cooperate with the Member's legal counsel in the defense or settlement of litigation.

Section 5. Litigation Management. Management of litigation shall include evaluation of claims, assignment of qualified attorneys to represent the Member, monitoring of the litigation, providing periodic status and evaluation reports to the Executive Director, aid in promoting and evaluating risk management, and recommending reserves for claims in litigation.

Section 6. Litigation Costs. Litigation Management and fees from general counsel shall be treated as a general expense of PACT and fees of defense counsel shall be treated as a claims expense.

Section 7. Litigation Participation. A Member, exercising its own discretion and at its expense, shall have the right to participate with PACT in the settlement, defense, or appeal of such claim, suit or proceeding where, in the judgment of PACT, may involve liability of PACT.

Section 8. Advice From Members. Members will be given the reasonable opportunity in litigated cases or claims to advise PACT of the Member's preference with regard to settlement of the case or claim.

Section 9. Settlement Consent. A Member shall not enter into any settlement involving liability of PACT without the prior consent of PACT.

Section 10. Claims Handling. PACT shall select a duly licensed claims administration company on the basis of its ability to handle claims in a professional, efficient and economical manner, to be responsible for processing and settling claims filed against PACT.



Section 11. Claim Administration Company Responsibilities. PACT shall engage a Claims Administration Company which shall carry out the duties set forth in NRS 616.301 and:

- A. Investigate all claims against PACT or its Members for which PACT provides indemnification as directed by the Claims Committee;
- B. Make settlements in accordance with the authority delegated in the Claim's Administrator's contract;
- C. In addition to actually paying covered claims, provide periodic claim reports detailing each Member's losses, recommend proper and adequate reserves for outstanding and anticipated claims, file required reports to the State of Nevada, and provide any other related services as approved by the Board; and
- D. Refer cases which may require review by the Claims Committee or the Litigation Strategy Committee and consult with PACT's general counsel with respect to legal issues as necessary.

## ARTICLE 21

### TERMS OF AGREEMENT

This Agreement shall be effective upon execution by the signatory parties and shall remain in effect until:

- A. Terminated upon election of three-fourths of the Members; or
- B. Suspended or superseded by a subsequent agreement between the Members.

## ARTICLE 22

### WITHDRAWAL

Section 1. Member Insolvency. A Member may not withdraw as a Member for a period of two (2) years after its initial entry, except in case of insolvency or change in its legal status as a Public Agency.

Section 2. Notice of Withdrawal. After two years following its initial entry, a Member may withdraw from PACT upon giving one hundred and twenty (120) days in advance of the program renewal date written notice to the Board.

Section 3. Effect of Withdrawal. The withdrawal of a Member shall not affect the continuance of PACT by the remaining Members.

Section 4. Payments Before Withdrawal. In order to withdraw, the Member shall pay any outstanding amounts due and owing to PACT.

Section 5. Release Conditions. Withdrawal does not release the withdrawing Member from liability for further payments or assessments as provided elsewhere in this Agreement.

## ARTICLE 23

### CANCELLATION OR TERMINATION OF MEMBERSHIP

The Board of Trustees may:

- A. Cancel the membership of any Member in PACT on a vote of two-thirds of the Board Members present at a meeting called for that purpose, and such Board action shall result in the cancellation of that Member's participation in all programs of PACT as of the date of the Board cancellation;
- B. Cancel any Member's participation in a program of PACT without canceling its membership in PACT or participation in other programs on a vote of two-thirds of the Board Members present at a meeting called for that purpose;
- C. Cause PACT to give one hundred and twenty (120) days advance written notice to the Member of the effective date of any cancellation under the foregoing provisions, and upon such effective date, the Member shall be considered as having voluntarily withdrawn from PACT, or from the program of PACT, as the case may be.
- D. Cancel the membership of any Member that has not paid any assessments when due upon thirty (30) days notice to the Member. Such notice for non-payment may be issued by the Executive Director without a vote of the Board of Trustees; however, the Executive Committee will be informed of the situation. The Executive Director may reinstate membership upon receipt of payment of the assessments prior to the effective date of the notice of cancellation. If payment is not received prior to the effective date of the notice of cancellation, the Member may apply for reinstatement through the Executive Director, which may be granted only by the Executive Committee."

## ARTICLE 24

### EFFECT OF WITHDRAWAL OR CANCELLATION FROM PACT

Section 1. Unearned Contributions. If a Member's participation in a program of PACT is canceled under Article 23 hereof, with or without cancellation of membership in PACT, and such cancellation is effective before the end of the Policy Year for that program, PACT shall promptly determine and return to the Member the amount of any unearned contributions payment for the Policy year.

Section 2. Entitlement to Return of Contributions. Except as provided in Section 1 above, a Member, which withdraws or has its membership canceled in PACT, or from any program of PACT, shall not be entitled to the return of any contributions or other payments to PACT, or of any property contributed to PACT.

Section 3. Termination of PACT. In the event of termination of this Agreement and concomitantly PACT, a Member having withdrawn or have had its membership canceled prior thereto may share in the distribution of assets of PACT as determined by the Board.

## ARTICLE 25

### TERMINATION AND DISTRIBUTION OF ASSETS

Section 1. PACT Activities After Termination. If this Agreement is terminated at any time, PACT shall continue to exist after such termination for the limited purpose of disposing of all outstanding claims, distributing its assets, and performing all other functions necessary to conclude its affairs and business.

Section 2. Asset Distribution. All assets of PACT utilized in each program shall be distributed among those Members which participated in that program in accordance with a distribution plan developed by the Board. The Board shall determine such distribution within six months after final distribution of all claims pending at the termination of this Agreement and PACT.

Section 3. Final Contributions. Any Member, which was a participant in a program of PACT shall be responsible for any additional amount of contributions as determined by the Board in accordance with a Loss allocation formula as necessary for final disposition of all claims arising from losses under that program during the Member's period of participation.

## ARTICLE 26

### CONTRACTUAL OBLIGATION AND MEMBER'S LIABILITY

Section 1. Member's Additional Obligations. In addition to the obligations and responsibilities of the Members expressly set forth in the Agreement, the Members agree to take no action or engage in any conduct inconsistent with this Agreement and the Bylaws of PACT.

Section 2. Enforcement of this Agreement. Except as limited by the provisions in Article 3, Section 4, the terms of this Agreement may be enforced in a court of law by the Board.

Section 3. Consideration. The consideration for the duties herewith imposed upon the Members to take certain actions and to refrain from certain other actions shall be based upon the mutual promises and agreements of the Members set forth herein.

Section 4. Duplicate Originals. This Agreement and the Bylaws of PACT may be executed in duplicate originals, and their execution and approval by the Members shall be evidenced by a certified copy of a resolution by the Board of Trustees, provided, however, that except to the extent of the financial contributions to PACT agreed to herein, or such additional obligations as may come about through amendments to this Agreement, or the Bylaws of PACT, no Member shall be responsible for any claims in tort or contract asserted against any other Member.

Section 5. Limitation of Members' Relationships. In the creation of PACT, the Members intend only to establish an organization for joint insurance and self-insurance programs in accordance with the terms and within the scope of this Agreement and have not intended to create as between Members any other relationships of surety, indemnification or responsibility for the debts or claims of any other Member.

Section 6. Members' Liability. The liability of each Member for the obligations of PACT shall be joint and several in accordance with the requirements as set forth in Chapters 616 and 617 of the Nevada Revised Statutes and regulations pertaining thereto.

Section 7. Responsibility for Assessments. Members who have withdrawn or have been terminated shall remain subject to the payments of any assessments for the year (s) during which such Member was a participant in the program of PACT.

## ARTICLE 27

### ASSESSMENTS

Section 1. Additional Contribution and Surcharges for Excessive Losses. If PACT experiences such a number of Losses or costs under a program during a Policy Year, so that notwithstanding insurance and reinsurance coverage for individual Losses, the joint pooled funds for the program may be exhausted, the Executive Committee may, upon consultation with a casualty actuary, impose contributions and/or surcharges on all Participating Members, which, in total amount, will assure adequate resources to PACT for the payment of all such Losses, but not to exceed two times the most recent annual contribution without approval of two-thirds of the Board of Trustees.

Section 2. Assessments When Liabilities Exceed Assets. The amount of any liability in excess of assets shall be assessed to the Members that are or were members of PACT within thirty (30) days after a deficiency is identified and shall be payable thereafter by the Members within ninety (90) days.

Section 3. Assessments for Operational Costs Deficiencies. The Board at its discretion may assess the Members for costs incurred in the operation and maintenance of PACT and for its purposes in the form, manner and amount prescribed by the Board for the Policy Year out of which the deficiency arose.

Section 4. Enforcement of Assessments. PACT is empowered to enforce the assessments hereunder and as provided elsewhere in this Agreement by appropriate legal proceedings.

## ARTICLE 28

### BYLAWS AND PROCEDURES MANUAL

Section 1. Bylaws. The Board shall adopt Bylaws to provide for the operation and administration of PACT.

Section 2. Procedures Manual. The Board shall cause the preparation of a Procedures Manual to govern the day-to-day operations of PACT.

## ARTICLE 29

### NOTICES

Section 1. Notices to Members. PACT shall address all notices, billings and other communications to a Member under this Agreement as directed by the Member of PACT.

Section 2. Notices to PACT. Members shall address notices and other communications to PACT to the Executive Director, Public Agency Compensation Trust, 201 S. Roop Street, Suite 102 , Carson City, Nevada, 89701.

## ARTICLE 30

### AMENDMENT

This Agreement may be amended at any time by a vote of two-thirds of the Members.

## ARTICLE 31

### PROHIBITION AGAINST ASSIGNMENT

No Member may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any member shall

have any right, claim or title to any part, share, interest, fund, contribution, premium or asset of PACT.

## ARTICLE 32

### AGREEMENT COMPLETE

The foregoing constitutes the full and complete Agreement of the Members. There are no oral understandings or agreements not set forth in writing herein.

## ARTICLE 33

### GOVERNING LAW AND SEVERABILITY

Section 1. Governing Law. The construction, validity, and affect of this Agreement shall be governed by the laws of the State of Nevada.

Section 2. Severability. Should any covenant, condition, term or provision in this Agreement be deemed by a court of competent jurisdiction to be invalid or unenforceable, all of the remaining covenants, conditions, terms and provisions herein shall remain in full force and effect.

## ARTICLE 34

### FILING WITH ATTORNEY GENERAL

The Executive Director of PACT shall file a notice of this Agreement with the office of the Attorney General within thirty (30) days of its effective date as required by Nevada Revised Statutes.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year below written.

DATED this 7 day of August, 2015

ATTEST:

  
\_\_\_\_\_  
Signature

Andrew J. Glass, FACHE, MS  
\_\_\_\_\_  
Director of Administration

By:

\_\_\_\_\_  
Signature

Bob Beers  
\_\_\_\_\_  
Chairman, SNHD Board of Health

ATTEST:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

PUBLIC AGENCY COMPENSATION  
TRUST

By:

\_\_\_\_\_  
Chairman, PACT Board of Trustees



## JOINT AND SEVERAL LIABILITY INDEMNITY AGREEMENT

THIS INDEMNITY AGREEMENT is entered between the Public Agency Compensation Trust, an Association of Self-Insured Employers, and Southern Nevada Health District, a member of the Association.

**READ THIS AGREEMENT CAREFULLY.**

**THIS IS A LEGAL DOCUMENT THAT BINDS ITS SIGNATORIES TO SPECIFIC DUTIES AND RESPONSIBILITIES REGARDING FINANCIAL ARRANGEMENTS FOR COVERING WORKERS' COMPENSATION AND OCCUPATIONAL DISEASE LIABILITIES IN THE STATE OF NEVADA.**

### RECITALS

1. As a statutory condition for self-insurance, the Legislature, under NRS616B.353(1)(a), requires that the Association and each member be jointly and severally bound to pay the workers' compensation, premiums, contributions, assessments, liabilities, compensation liabilities and benefits of the other members of the Association.
2. The undersigned member is fully informed of the financial status of the Association and of the prior loss experience of each member of the Association.

**The Association and each member of the Association agree as follows:**

1. The Association and the members of the Association agree to be jointly and severally bound to pay and to secure payment of all compensation due to the Association and to any and all employees of each member of the Association under Chapter 616 and 617 of NRS, provided that the compensation liability results from an occurrence with a date of injury during the period of membership in the Association.
2. The Association shall have the authority to enforce this indemnity agreement against each of the members. In the event of a failure to enforce the terms of this indemnity agreement by the Association, the State of Nevada, ex rel. Commissioner of Insurance, in the name of the Association shall have the independent right to enforce this agreement against any and all members of the Association for the payment of all compensation liabilities and all liabilities of the members for delinquent premiums, contributions or assessments. The members agree to pay the attorneys' fees and costs incurred by the Association or by the Commissioner, in enforcing this agreement.

I. The Association, by the signature below, agrees to be bound to the terms and conditions of the above agreement.

Name of Association: Public Agency Compensation Trust

Address of Association: 201 S. Roop St., Suite 102  
Carson City, Nevada 89701

By: \_\_\_\_\_  
Alan Kalt

Title: Chairman

Date: \_\_\_\_\_

II. The following MEMBER has read the above agreement and agrees to be bound to the terms and conditions by signature below:

By: Andrew J. Glass MEMBER SIGNATURE

Andrew J. Glass Print Name and Title

Southern Nevada Health District Company Name

PO Box 3902 Address

Las Vegas, NV 89127 City, State & Zip Code

III. State of ( Nevada )

County of ( Clark )



On this 17th day of August, 2015, personally appeared before me, a notary public, Andrew J. Glass, know to me to be the person mentioned in the above and foregoing document, and acknowledged to me that he/she executed the above instrument freely and voluntarily and for the purposes therein mentioned

(Seal, if Any)

Verallynn Orewyler  
(Signature of Notarial Officer)

\_\_\_\_\_  
(Title and Rank - Optional)

My Commission Expires November 14, 2018

IV. APPROVED BY: \_\_\_\_\_  
STATE OF NEVADA

DATE: \_\_\_\_\_

**PUBLIC AGENCY COMPENSATION TRUST**  
**WORKERS' COMPENSATION PROGRAM APPLICATION**  
**"Addendum "**

**This section to be completed after Member has been approved for membership.**

The following individuals have been appointed to represent our entity (complete information where applicable):

**Liaison**

Name: Andrew J. Glass  
Title: Director of Administration  
Mailing Address: PO Box 3902  
City: Las Vegas NV, Zip: 89127  
Phone: (702) 759-0875 Fax: (702) \_\_\_\_\_  
E-Mail: glass@snhdmail.org

**Cooperative for Human Resource Management Contact:**

Name: Montana Garcia  
Title: HR Analyst  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ NV, Zip: \_\_\_\_\_  
Phone: ( 702 ) 759-1128 Fax: ( \_\_\_\_\_ ) \_\_\_\_\_  
E-Mail: garciam@snhdmail.org

**Accounting / Billing Contact (PACT Billings and questions will be directed to this person):**

Name: Sharon McCoy-Huber  
Title: Financial Services Manager  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ NV, Zip: \_\_\_\_\_  
Phone: ( 702 ) 759-1686 Fax: ( \_\_\_\_\_ ) \_\_\_\_\_  
E-Mail: mccoy-huber@snhdmail.org

**Loss Runs (Claims Reports) should be sent to the attention of:**

Name: Ron Bugardia  
Title: HR Analyst  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ NV, Zip: \_\_\_\_\_  
Phone: ( 702 ) 759-1603 Fax: ( \_\_\_\_\_ ) \_\_\_\_\_  
E-Mail: Brugada@snhdmail.org

**Newsletters should be directed to for distribution:**

Name: Jakki Wells  
Title: Executive Assistant  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ NV, Zip: \_\_\_\_\_  
Phone: ( 702 ) 759-1604 Fax: ( \_\_\_\_\_ ) \_\_\_\_\_  
E-Mail: wellsj@snhdmail.org


**Insurance Agent:**

Name: Lydia Murphy  
Agency: The Leavitt Group  
Title: \_\_\_\_\_  
Mailing Address: 7881 W Charleston Blvd Suite #410  
City: Las Vegas NV, Zip: 89117  
Phone: ( 702 ) 382-4010 Fax: ( \_\_\_\_\_ ) \_\_\_\_\_  
E-Mail: Lydia-murphy@leavitt.com

**Number of Newsletters you would like to receive:**

Board Briefing: 15  
Personnel Perspectives: \_\_\_\_\_  
PACT Press: \_\_\_\_\_

**Number of Full Time Equivalent Employees:** 494

Signed:  Date: 8/2/15

Name/Title: Andrew J. Glass Director of Administration  
(Please Print)

## **PUBLIC AGENCY COMPENSATION TRUST**

### **BYLAWS**

Adopted:	April 1, 1996
Revised:	May 2, 1997
Revised:	May 1, 2000
Revised:	May 2, 2003
Revised:	April 28, 2005
Revised:	May 2, 2007
Revised:	May 1, 2009
Revised	April 26,2013
Revised	May 1, 2015

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**BYLAWS OF THE  
PUBLIC AGENCY COMPENSATION TRUST**

ARTICLE I: PACT PHILOSOPHY AND STRUCTURE

SECTION 1.01. PHILOSOPHY.

The philosophy of PACT is to maintain long term stability in the costs and coverages provided by PACT to its Members through risk management.

SECTION 1.02. GENERAL STRUCTURE.

PACT is governed by its Board of Trustees consisting of representatives of each Member as defined in the Interlocal Cooperation Agreement

SECTION 1.03. DUTIES AND RESPONSIBILITIES.

The responsibilities of PACT to Members shall be:

- (a) To provide a source of workers compensation coverage;
- (b) To provide such risk management services and materials for education purposes as the Members determine are necessary and affordable;
- (c) To provide guidance in organization and operation of a risk management program by each Member;
- (d) To provide risk management advice when needed or necessary;
- (e) To conduct the business of PACT so as to continue to operate as PACT;  
and
- (f) To collect and disburse funds for the sound financial organization and operation of PACT.

SECTION 1.04. DUTIES AND RESPONSIBILITIES OF A MEMBER.

The duties and responsibilities of a Member shall be:

- (a) To comply with the Interlocal Cooperation Agreement, Bylaws, rules, regulations and objectives of PACT;
- (b) To maintain good community relations with the primary objective being reduction of risks;
- (c) To make timely submissions to PACT and its insurers of contributions to PACT's Loss Fund, administrative fees, and insurance premiums;



- (d) To publish for the Member and the files of PACT, guidelines for the operation of the Member's Risk Management Program;
- (e) To appoint a PACT Liaison and to support the purposes of that function in accordance with Article 19 of the Interlocal Cooperation Agreement;
- (f) To comply with the requirements of PACT and to submit claims to the claims servicing organization promptly;
- (g) Maintenance Deductibles - Each Member's maintenance deductible is chargeable to the Member at the time of payment made on a claim by PACT. The maintenance deductible applies once to each loss. Each member shall reimburse PACT promptly and not later than 30 days after billing. Should the Member dispute the applicability of the maintenance deductible, the Member shall pay the amount due with an accompanying request for review by the Executive Committee, whose decision shall be final; and
- (h) Each Member shall establish a fund or account for the purposes stated in the following description entitled "Self-Insurance Fund" which shall be administered by PACT Liaison or such other person as designated by the Member.

#### SELF-INSURANCE FUND

1. This fund has been established to: pay for losses not covered by PACT or which are within PACT Member's maintenance deductible including:
  - a. workers compensation claims,
  - b. other claims or uses deemed appropriate by the governing board.
2. This fund will maintain reserves for catastrophic or uninsured claims.
3. The administrator of the fund is PACT Liaison.
4. Claims that are deemed appropriate according to the risk management policies of the governing board will be paid from the Self-Insurance Fund.
5. Any questions regarding the Self-Insurance Fund (claims to be paid, etc.) should be directed to PACT Liaison.

#### SECTION 1.05. NEW MEMBERS.

The Board shall have sole power to accept new Members when a prospective Member demonstrates:

- (a) A desire to join PACT;

- (b) Willingness to abide by the Interlocal Cooperation Agreement, Bylaws, rules, regulations and objectives of PACT;
- (c) That its risks and loss history are acceptable to the Board; and
- (d) That it agrees to maintain a strong risk management program.

## ARTICLE II: OFFICES

### SECTION 2.01. PRINCIPAL OFFICE.

PACT's principal office shall be fixed and located in such place as the Board shall determine. The Board is granted full power and authority to change said principal office from one location to another.

### SECTION 2.02. OTHER OFFICES.

Branch or subordinate offices may be establish at any time by the Board at any place or places.

## ARTICLE III: MEMBERS MEETINGS

### SECTION 3.01. PLACE OF MEETINGS.

Meetings of the entire Membership shall be held at any place designated by the Board.

### SECTION 3.02. ANNUAL MEETINGS.

The annual meeting of all Members of PACT shall be held prior to the end of each fiscal year. The Executive Committee shall be elected at the annual meeting and any other proper business may be transacted at the annual meeting.

### SECTION 3.03. SPECIAL MEETINGS.

Special meetings of the Membership shall be held as may be determined necessary by the Executive Committee or the Board.

### SECTION 3.04. NOTICE OF ANNUAL OR SPECIAL MEETINGS.

Written notice of each annual or special meeting of Members shall be given in accordance with the Nevada Open Meeting Law NRS Chapter 241. Such notice shall state the place, date and hour of the meeting, and

- (a) in the case of a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or
- (b) in the case of the annual meeting, those matters which the Board, at the time of the mailing of the notice, intends to present for action.

### SECTION 3.05. CONDUCT OF MEMBER MEETINGS.

The Chair of the Board may preside as Chair at all meetings of the Members. The Chair shall conduct each such meeting in a business like and fair manner, but shall not be obligated to follow any technical, formal or parliamentary rules or principles of procedure. The Chair shall have all of the powers usually vested in the Chair of a meeting of Members.

#### SECTION 3.06. ANNUAL MEETING BUSINESS

The Annual Meeting agenda must include the following topics required by the Nevada Administrative Code:

- (a) Review by the Board of Trustees at least annually of the financial condition of each member and prompt notification to the members of any member determined to be operating in a hazardous financial condition;
- (b) Review by the members at least annually of the loss experience of each member of the association; and
- (c) Review for the removal of members with an excessive loss experience or members determined by the Board of Trustees to be operating in a hazardous financial condition.

#### ARTICLE IV: TRUSTEES

#### SECTION 4.01. POWERS.

Subject to any limitations contained in PACT's Interlocal Cooperative Agreement ("Agreement"), these Bylaws or the Law relating to action required to be approved by the Members or by a majority of all the Members, the activities and affairs of PACT shall be conducted and all powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the activities of PACT to any person or persons, management company, or committee however composed, provided that the activities and affairs of PACT shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers in addition to the other powers enumerated in these Bylaws:

- (a) To select and remove all officers, agents, service providers and employees of PACT, prescribe powers and duties for them as may not be inconsistent with law, the Agreement or these Bylaws, fix their compensation and require from them such security, if any, for faithful service as the Board may deem appropriate;
- (b) To conduct, manage and control the affairs and activities of PACT, and to make such rules and regulations therefor not inconsistent with Law, the Agreement or these Bylaws, as they may deem appropriate;
- (c) To authorize memberships in PACT from time to time, upon such terms and for such consideration as may be lawful; and

- (d) To borrow money and incur indebtedness for the purposes of PACT, and to cause to be executed and delivered therefor, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidence of debt and securities therefore.

#### SECTION 4.02. ALTERNATE VOTING REPRESENTATIVE.

The Alternate Voting Representative to the Board of Trustees shall have the full powers of the Representative when attending Board meetings in place of the Representative.

#### SECTION 4.03. RIGHTS OF INSPECTION.

Every trustee shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of PACT.

#### SECTION 4.04. VACANCIES.

- (a) Subject to the provisions of the Agreement, any trustee may resign effective upon giving written notice to the Chair of the Board, the Executive Director, or the Board, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be selected before such time, to take office when the resignation becomes effective.
- (b) Vacancies on the Board may be filled by the Member at its next regular meeting..
- (c) A vacancy in the Board shall be deemed to exist in case of withdrawal of the Member from PACT, the death, resignation or removal of any Trustee, or if the authorized number of Trustees be increased, or if a Member fails, at any regular or special meeting of the Member at which any Trustee is elected, to elect its authorized Trustee.
- (d) The Board may declare vacant the office of a Trustee who has been declared of unsound mind by a final order of court, convicted of a felony, or been found by a final order or judgment of any court to have breached any duty arising under the laws of the State of Nevada or the Agreement. In addition, the Board may remove, and declare vacant, the office of a Trustee who fails to attend any Board meetings within any one fiscal year.
- (e) Vacancies on the Executive Committee that occur between meetings of the Board may be filled by the Chair to serve until the next Annual Meeting of the Board as described in Article III, Section 3.02 of these Bylaws.
- f) Upon withdrawal of a Member from PACT, its board positions shall be eliminated upon the effective date of withdrawal.

#### SECTION 4.05. REMOVAL OF TRUSTEES.

Except as otherwise provided by the Law, any or all Trustees may be removed with or without cause, if approved by the Members.

#### SECTION 4.06. FEES AND COMPENSATION.

Trustees shall not receive any compensation for their services as Trustees or as Members of committees or commissions, but, by resolution of the Board, reimbursement or advancement may be made for any expenses incurred or paid by them for the benefit of PACT.

PACT shall not make any loan of money or property to, or guarantee the obligation of, any Trustee or officer, unless approved by the Nevada Insurance Commissioner.

#### SECTION 4.07. REPRESENTATIVES MUST BE AN OFFICER OR ANY EMPLOYEE OF MEMBER.

The representative or alternate representative of each Member must be an officer or employee of the Member. No other person or organization shall be permitted to serve on the Board of Trustees.

### ARTICLE V: COMMITTEES

#### SECTION 5.01. EXECUTIVE COMMITTEE:

- (a) Appointments to the Executive Committee shall be by a majority vote of the trustees then in office. A majority of all the Members of the Executive Committee may determine its rules of procedure unless the Board shall otherwise provide. The Board shall have the power to change the Members of the Executive Committee at any time, either with or without cause, and to fill vacancies; provided, however, that all appointments to the Executive Committee shall be by a majority vote of the trustees then in office.
- (b) The Board may, at any regular or special meeting, overrule any action or actions of the Executive Committee by a majority vote of all Members of the Board, provided that any such action will not affect the contractual rights of parties outside the Organization.

#### SECTION 5.02. STANDING OR SPECIAL COMMITTEES.

- (a) In the event that the Board determines that the management of PACT would be benefited by the establishment of one or more standing or special committees, in addition to the Executive Committee, the Board may from time to time establish one or more such committees.
- (b) The term "standing committee" or "special committee" shall mean any committee appointed by the Board which is authorized by specific delegation, without further Board action, to make and implement decisions on behalf of the Board, or to implement, with some degree of discretion, decisions of the Board pursuant to guidelines established by the Board.
- (c) The establishment of a standing or special committee shall be effected by a resolution of the Board approved by the vote of the majority of the trustees then in office, which specifically sets forth the powers and duties delegated to such committee and specifically identifies the committee as a "standing" or "special committee." Each such committee shall consist of two or more trustees and shall be presided over by a trustee selected by the Board.

- (d) Notice of, and procedures for, meetings of standing or special committees shall be as prescribed by the Chair of each such standing or special committee, and meetings of standing or special committees may be called by the Board or the Chair of the standing or special committee.

#### SECTION 5.03. LIMITATIONS UPON COMMITTEES OF THE BOARD.

No committee of the Board shall have any of the authority of the Board with respect to:

- (a) The approval of any action for which the Law or Agreement also requires approval of the Members or approval of a majority of all Members;
- (b) The filling of vacancies on the Board or on any committee which has the authority of the Board;
- (c) The amendment or repeal of Bylaws or the adoption of new Bylaws;
- (d) The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable; and
- (e) The appointment of other committees of the Board or the Members thereof if such committee will have the authority of the Board.

### ARTICLE VI: OFFICERS

#### SECTION 6.01. OFFICERS.

The officers of PACT shall be the Chair and the Vice Chair of the Board.

#### SECTION 6.02. ELECTION.

Members shall elect one Trustee, by a majority of the votes cast, to serve a two year term as Chair and one Trustee to serve a two year term as Vice Chair.

#### SECTION 6.03. SUBORDINATE OFFICERS.

The board may elect, and may empower the Chair to appoint, such other officers as the business of PACT may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws or as the Board may from time to time determine.

#### SECTION 6.04. REMOVAL AND RESIGNATION.

The Chair or any other officer may be removed at any time, either with or without cause, by the vote of two-thirds of the entire Board or, in the case of an officer who is chosen under Section 6.03, by any officer upon whom such power of removal may be conferred by the Board.

Any officer may resign at any time by giving written notice to PACT, but without prejudice to the rights, if any, of PACT under any contract to which the officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified herein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

#### SECTION 6.05. VACANCIES.

A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular election or appointment to such office, provided that such vacancies shall be filled as they occur and not on an annual basis.

#### SECTION 6.06. CHAIR OF THE BOARD.

The Chair of the Board shall assume the duties and responsibilities normally associated with the position or those duties assigned by the Board.

#### SECTION 6.07. EXECUTIVE DIRECTOR.

The Executive Director shall be the chief administrative officer of PACT and, subject to the control of the Board, shall:

- (a) Supervise, direct, and control the business and affairs of PACT;
- (b) Provide adequate staff to administer PACT;
- (c) Supervise, direct, and control the collection, deposit, investment, and disbursement of all funds of PACT in accordance with the specific or general instructions of the Executive Committee or the Board;
- (d) Be a nonvoting ex-officio member of the Board, Executive Committee, and all standing committees and, whenever practical, serve as the staff advisor and recording secretary thereof;
- (e) Have the general powers and duties of management usually vested in the office of an Executive Director or general manager of a quasi-governmental organization; and
- (f) Have such other powers and duties as may be prescribed by the Board or these Bylaws.

#### SECTION 6.08. FISCAL OFFICER.

The Chair shall designate a member of the Board to serve as the Fiscal Officer of PACT.

### ARTICLE VIII: MISCELLANEOUS

#### SECTION 7.01. INSPECTION OF AGREEMENT AND BYLAWS.

PACT shall keep in its principal office in the State of Nevada the original or a copy of its Agreement and of these Bylaws as amended to date, which shall be open to inspection by the Members at all reasonable times during office hours. PACT shall upon the written request of any Member furnish a copy of the Agreement or Bylaws as amended to date.

#### SECTION 7.02. ENDORSEMENT OF DOCUMENTS: CONTRACTS.

Subject to the provisions of applicable law, no note, mortgage, evidence of indebtedness, contract, conveyance or other instrument in writing and any assignment or endorsement thereof executed or entered into between PACT and any other person shall be valid and binding on PACT unless the signing officers had the authority to execute the same. Unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind PACT by any contract or engagement or to pledge its credit or to render it liable for any purpose or amount.

#### SECTION 7.03. CONSTRUCTION AND DEFINITIONS.

Unless the context otherwise requires, the general provision, rules of construction and definitions contained in the provisions of Nevada Law shall govern the construction of these Bylaws.

#### SECTION 7.04. MAINTENANCE OF CORPORATE RECORDS.

The accounting books, records, minutes of proceedings of the Board and its Committees shall be kept at such place or places designated by the Board or, in the absence of such designation, at the principal business office of PACT. The minutes shall be kept in written or typed form, and the accounting books and records shall be kept either in written or typed form, or in any other form capable of being converted into written, typed or printed form.

#### SECTION 7.05. ANNUAL REPORT.

The Board shall cause an annual report to be furnished to the trustees and Members not later than one hundred twenty days after the close of PACT fiscal year. The annual report shall be accompanied by any report thereon of independent accountants, or, if there is no such accountant's report, the certificate of an authorized officer of PACT that such statements were prepared without audit from the books and records of PACT. The annual report shall contain in appropriate detail the following:

- (a) The assets and liabilities, including the trust funds, of PACT as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- (c) The revenue or receipts of PACT, both unrestricted and restricted to particular purposes, for the fiscal year; and



- (d) The expenses or disbursements of PACT, for both general and restricted purposes, during the fiscal year.
- (e) The annual financial report shall be prepared in accordance with Generally Accepted Accounting Principles

#### SECTION 7.06. FISCAL YEAR.

The fiscal year of PACT shall commence on July 1 of each year and end on June 30 of the following year.

### ARTICLE IX: AMENDMENTS

#### SECTION 8.01. BYLAWS.

- (a) New Bylaws may be adopted or current Bylaws may be amended or repealed by the vote of two-thirds of the Members.
- (b) In addition to the right of the members as provided in subparagraph (a) to adopt, amend or repeal Bylaws, and except as otherwise provided in the Law, Bylaws may be adopted, amended or repealed by the Board by a two-thirds vote of the Trustees present and voting (but not less than a majority of the entire Board) at a Board meeting unless the action would materially and adversely affect the rights of the Members as to voting.

#### SECTION 8.02. INTERLOCAL COOPERATION AGREEMENT

The Interlocal Cooperation Agreement may be amended if approved by a two-thirds vote of the trustees present and voting (but not less than a majority of the entire Board) at a Board meeting.

#### SECTION 8.03. ADOPTION.

These Bylaws were adopted by the vote of two-thirds of the Members, present in person, at the annual meeting of the Members. These Bylaws shall become effective immediately upon adoption and shall repeal and supersede all previous Bylaws of PACT.

Adopted 5/1/2015