

CITY OF HOMER
HOMER, ALASKA

City Manager/
Finance Director

RESOLUTION 25-065

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
APPROVING ENTERING INTO A COOPERATIVE PARTICIPATION
AGREEMENT WITH ALASKA PUBLIC RISK ALLIANCE AND
AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE
THE APPROPRIATE DOCUMENTS.

WHEREAS, The Alaska Municipal League Joint Insurance Association (AMLJIA) and the
Alaska Public Entity Insurance (APEI) were "Joint Insurance Arrangements" of public entities
who agreed to join together to self-insure one another and buy additional insurance coverage
as a group; and

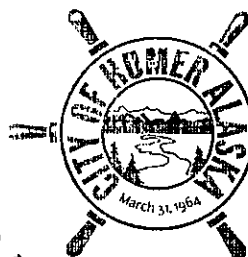
WHEREAS, These two entities have merged and become the Alaska Public Risk Alliance
(APRA); and

WHEREAS, The City's three-year participant membership agreement with AMLJIA runs
through the end of FY26; and

WHEREAS, APRA provides property, general liability and automobile insurance
coverages needed for the City.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska hereby
authorizes a cooperative participation agreement with APRA for a term that continues in effect
unless coverage is canceled, non-renewed, or otherwise terminated in accordance with this
Agreement and the Alliance Bylaws and authorizes the City Manager to negotiate and execute
the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 23rd day of June, 2025.



CITY OF HOMER

RACHEL LORD, MAYOR

ATTEST:

Renee Krause
RENEE KRAUSE, MMC, CITY CLERK

Fiscal Note: FY26 preliminary estimate \$875,451.30



MEMORANDUM

Resolution 25-065, A Resolution of the City Council of Homer, Alaska Approving Entering into a Cooperative Participation Agreement with the Alaska Public Risk Alliance and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Finance Director.

Item Type: Backup Memorandum
Prepared For: Mayor Lord and Homer City Council
Date: June 18, 2025
From: Melissa Jacobsen, City Manager

The City has been a long time member of the Alaska Municipal League Joint Insurance Association (AMLJIA), who has provided our insurance services for many years. In December 2022 AMLJIA and the Alaska Public Entity Insurance (APEI) Boards began investigating consolidation in an effort to work together to provide insurance services to municipalities and school boards. The consolidation was approved by members of both providers and is now the Alaska Public Risk Alliance (APRA).

Part of the transition from AMLJIA to APRA is for current members of AMLJIA and APEI to sign APRA Cooperative Participation Agreement, and upon adoption of Resolution 25-065, we will proceed with the agreement and transitioning coverage to APRA.

RECOMMENDATION: Adopt Resolution 25-065

ATTACHMENTS:

- APRA Cooperative Participation Agreement
- APRA Bylaws



COOPERATIVE PARTICIPATION AGREEMENT

July 1, 2025

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COOPERATIVE PARTICIPATION AGREEMENT

Preamble

THIS AGREEMENT is made and entered into in the State of Alaska by and among those municipalities and their public corporations, city and borough school districts, and regional education attendance areas organized and existing under the Constitution or laws of the State of Alaska, which have signed this Agreement. Parties signing this Agreement are collectively referred to in this Agreement as "Members" and individually as "Member."

WHEREAS, AS 21.76.010 provides that two or more local governmental entities may enter into Cooperative Agreements for the purpose of establishing joint insurance arrangements; and

WHEREAS, each of the parties to this Agreement desires to join with the other parties to form a Joint Insurance Arrangement (JIA) for the purpose of pooling self-insured losses and administrative services, and jointly purchasing excess insurance, reinsurance, or other loss funding mechanisms; and

WHEREAS, it appears economically feasible and practical for the parties to this Agreement to do so;

NOW, THEREFORE, the parties hereto agree as follows:

1. Definitions

The following definitions will apply to the provisions of the Agreement:

- **"Administrator"** means the person appointed by the Board of Directors, or as otherwise provided in the Bylaws, to serve as chief executive officer of the Alliance.
- **"Alliance"** means Alaska Public Risk Alliance, a joint insurance arrangement and a nonprofit corporation organized under the laws of the State of Alaska.
- **"Board of Directors"** or "Board" means the governing body of the Alliance.
- **"Bylaws"** means those bylaws of the Alliance that are adopted by the Alliance's Board of Directors, and as duly amended thereafter. The bylaws, including without limitation all definitions they contain, are incorporated into this Agreement by this reference.

- **"Claim"** means a demand made against the Alliance arising out of an occurrence that is within the scope of coverage of the Alliance's joint insurance arrangement as developed by the Board.
- **"Claim Reserves"** means the total funds set aside for the purpose of adjusting and paying members' claims, which have been certified as adequate by a Casualty Actuary who is a member of the American Academy of Actuaries.
- **"Economic Capital"** means the amount of funds required to support pool operations and protect the Alliance from such events as unexpectedly high losses or poor investment performance.
- **"Fiscal Year"** means that period of twelve months that is established as the fiscal year of the Alliance.
- **"Insurance"** means and includes self-insurance through a funded program and/or any commercial insurance contract. This joint insurance arrangement will not be considered insurance for any other purpose, pursuant to AS 21.76.020(a).
- **"Joint Insurance Fund"** has the meaning ascribed to that term in AS 21.76.900.
- **"Reinsurance" or "Excess Insurance"** means insurance coverage purchased by the Alliance to protect the funds of the Alliance against catastrophes or an unusual frequency of losses during a single year.
- **"Unallocated Capital"** means funds held by the Alliance in amounts greater than the amounts required for Claim Reserves and Economic Capital.

2. Purposes

This Agreement is entered into by the Members to provide comprehensive and effective coverage and risk management services, as authorized by AS 21.76, with the objective of reducing the amount and frequency of Members' losses and decreasing the cost of claims incurred by Members.

As provided by Section 21.76 of the Alaska Statutes, pooling of losses in this program is not considered insurance.

3. Parties to Agreement

Each party to this Agreement certifies that it intends to, and does, contract with all other parties who are signatories to this Agreement as well as other parties that may later be added to and become signatories of this Agreement. Each party to this Agreement also certifies that the deletion of any party from this Agreement will not affect this Agreement or such party's intent as described above with the other parties to the Agreement then remaining. A roster of parties to the Agreement is available on request.

4. Term of Agreement

This Agreement will become effective on the date coverage commences for the Members. The Agreement will continue in effect unless coverage is canceled, non-renewed, or otherwise terminated in accordance with this Agreement and the Alliance Bylaws.

5. Powers of the Alliance

The Alliance will have the powers necessary to administer this joint insurance arrangement pursuant to AS 21.76.030(2) and AS 21.76.900(2) as amended, replaced or updated. The Alliance, and to the extent delegated by the Board of Directors the Administrator, are authorized to perform all acts necessary for the exercise of said powers pursuant to the terms hereof and in the manner provided by law, including, but not limited to, any or all the following:

- to make and enter into contracts;
- to incur debts, liabilities, or obligations;
- to acquire, hold and dispose of property, funds, services, and other forms of assistance from persons, firms, corporations, and governmental entities in the name of the Alliance;
- to sue and be sued in the name of the Alliance;
- to exercise all powers necessary and proper to carry out the terms and provisions of this Agreement, or otherwise authorized by law; and
- all other and further powers that may be authorized by the Articles of Incorporation Bylaws, and any other corporate governance documents of the Alliance, and as permitted or not otherwise prohibited by law.

6. Establishment and Administration of the Joint Insurance Fund

The Alliance establishes a Joint Insurance Fund as described in AS Sec. 21.76.080 and will administer it as provided by law.

7. Board of Directors

The Alliance will be governed by the Board of Directors, which is hereby established, and which will be composed of 12 Directors according to the Bylaws. Each member of the Board will have one vote. A list of the names of the Board of Directors of the Alliance is available on request.

8. Powers of the Board of Directors

The Board of Directors of the Alliance will have the powers and duties set out in the Bylaws and other powers and functions as are provided for in this Agreement or in law including, but not limited to, the power to authorize contracts in accordance with AS 21.76 upon such terms and conditions as the Board deems appropriate, and to adopt rules for the fair and equitable administration of the Alliance and the Joint Insurance Fund.

9. Coverage Provided

The Alliance may provide any kind of coverage for Members required by law or regulation or as the Board will determine, and not otherwise prohibited under AS 21.76.010(b). All applicable coverage memoranda or policy forms, as they may be adopted and amended from time to time by action of the Board, are incorporated herein by this reference.

10. Claim Reserves and Capital

The Alliance will set aside funds in sufficient amounts to (1) pay all incurred claims, and (2) provide the capital necessary to support pool operations and protect the Alliance against unexpected events. These Claim Reserves and Economic Capital amounts will be determined by a Casualty Actuary who is a member of the American Academy of Actuaries. The Economic Capital will be based on a target funding level determined by the Board and is intended to protect the Alliance at a high level of confidence.

Funds that exceed the Claim Reserves and Economic Capital amount are Unallocated Capital and may be allotted by the Board to purposes that further the objectives of the Alliance. Such purposes include, but are not limited to, increasing the funds held as Economic Capital, adjusting Member contributions, and refunding amounts to eligible Members.

Any contribution adjustments or refunds will be based upon a formula that considers, but is not limited to, a Member's participation in the Alliance; its loss and risk factors; and the financial needs of the Alliance.

11. Accounts and Records

Annual Budget. The Board will annually adopt an operating budget.

Funds and Accounts. The Administrator will establish and maintain such funds and accounts as may be required by applicable law or regulation or generally accepted accounting practices. Financial books and records of the joint insurance arrangement will be in the hands of the Administrator and will be open to inspection at all reasonable times by representatives of the Members.

Alliance Report. The Board will provide for an annual independent audit of the accounts and records of the joint insurance arrangement. This audit will conform to generally accepted auditing standards, and will include a determination, by a casualty actuary who is a member of the American Academy of Actuaries, that methodologies for establishing reserves for losses are actuarially sound, and that the reserve level is adequate. By October 1 of each year, a report of the financial condition of the Joint Insurance Arrangement, certified by a certified public accountant, will be filed as a public record with the Legislative Budget and Audit Committee and the Director of the Division of Insurance, as required by AS 21.76.020(b), and made available to each Member.

12. Responsibility for Funds

The Administrator of the Alliance will have the custody of and disburse the joint insurance arrangement's funds in accordance with this Agreement and Board policy. The Administrator may periodically approve other authorized signatories.

The Alliance will provide all officers and employees authorized to disburse Alliance funds with a fidelity bond or comparable instrument in an amount set by the Board, but not less than \$1,000,000.

13. Method of Apportioning Costs

The revenue required by the Alliance to carry out its functions on behalf of Members is established annually by the Board and apportioned among Members through determination of each Member's contributions.

Each Member's contributions will be determined by the Administrator, taking into consideration factors including but not limited to:

- The Member's exposures to risk, such as property location and values, employee classifications and payroll, vehicles, and services provided.
- The Member's loss history, including claim frequency and severity.
- The Member's efforts to identify and mitigate risk through loss control activities.
- The amount of the Member's self-insured retention or deductibles.
- The cost of insurance, reinsurance, excess insurance, or other coverages purchased for or on behalf of Members.
- Any adjustments based on exposure audit provisions in insurance policies or coverage obtained pursuant to this Agreement.

14. Additional Contributions

In the unlikely event that the Board determines that the combined amount of Economic Capital and Unallocated Capital is or is expected to become insufficient to effectively carry out the provisions of this Agreement, the Board may vote to assess additional contributions relating to one or more fiscal years that may apply to Members that are currently, or were formerly, parties to this Agreement

A decision by the Board to assess additional contributions will not take effect unless and until it is ratified at an annual or special meeting by two-thirds of the current Members. At least 30 days prior to that Member meeting, the Administrator will provide to each Member a document describing (1) the Board's rationale for levying the additional contributions, (2) the formula it will use to allocate the additional contributions among Members, and (3) when Members must pay the additional contributions levied.

15. Establishing and Promoting an Aggressive Risk Management Program

The Administrator will:

- Assist each Member in identifying and reducing risks.
- Provide loss prevention services to Members as needed, including, as appropriate and available, training, inspections, and consulting services.
- Provide loss information to assist each Member in carrying out its claims management and loss control program.
- Provide to Members, as needed and feasible, a review of their contracts to determine sufficiency of indemnity and insurance provisions.
- Undertake all other responsibilities deemed necessary by the Board to carry out the purposes of this Agreement.

16. Members' Responsibilities

Each Member of the Alliance has responsibilities to its fellow Members, and to the Alliance as a whole. Members will in all ways cooperate with and assist the Alliance, and any insurer providing coverage to the Alliance, in all matters relating to this Agreement, and will comply with all Bylaws, rules, regulations, and policies adopted by the Board.

Each Member further agrees to:

- Appoint a representative to the Alliance as provided in the Bylaws.

- Comply with recommendations of the Alliance concerning the development and implementation of a loss control program.
- Undertake efforts to mitigate losses, including the prompt reporting of claims or potential claims to the Alliance, and to fully cooperate with the Alliance and any insurer providing coverage to the Alliance or its Members in the adjustment of claims.

17. Member Payments

Each Member will pay its contribution promptly when due. The contribution constitutes the Member's financial obligation to the joint insurance arrangement for the coverage period, which may be adjusted by subsequent audit of the Member's exposures or risks, and any additional contributions levied as provided in Section 14 or Section 25 of this Agreement.

The Administrator may impose a finance charge on any account balances that are more than 30 days past due and may, following 30 days' written notice to the Member, cancel a Member's coverage pursuant to applicable law if a contribution for coverage or any insurance policy obtained through this Agreement for that Member remains unpaid.

Cancellation of coverage under this section will not relieve a Member of its financial obligations to the Alliance.

18. New Members

Additional Members may be permitted, at the discretion of the Administrator and after completing an application process established by the Board, to become signatories of this Agreement or a similar agreement.

19. Member Withdrawal

A Member may withdraw as a party to this Agreement pursuant to the requirements of this Section:

- Withdrawing Members must give written notice of intent to withdraw at least 180 days prior to the expiration of coverage.
- A Member that fails to renew its coverage without giving the required 180 days' written notice to the Administrator will be responsible for a penalty equal to 20 percent of its total annual contribution for the most recent coverage year.
- A Member that withdraws during a coverage period, or has its coverage canceled by the Administrator for failure to pay the required contribution, will be responsible for a penalty equal to 20 percent of the total annual contribution for the Member for the current coverage year.

- A member may request a waiver of the penalty imposed under this section by submitting the request in writing to the Administrator. The Board must approve any penalty waivers.

Withdrawal from this Agreement under this section will not relieve a Member of any other financial obligations to the Alliance. The withdrawal of any Member from this Agreement will not terminate the Agreement.

20. Claims Administration and Payment of Losses

- Each Member will give prompt notice of any claims to the Alliance. The Member will communicate directly with the Alliance and not through third parties unless agreed to by the Administrator. Failure to give prompt notice of claims will result in a limitation of coverage and penalties as provided in the relevant coverage memorandum.
- Except in circumstances where coverage is provided by an insurance carrier, the Administrator will investigate all claims against the Member and will attempt to adjust or settle such claims. The Member agrees to provide and make available to the Administrator all information and all personnel as may be reasonably required to fully investigate and defend each claim.
- Subject to the provisions of this Agreement and all applicable coverage agreements or policies, legal counsel selected by the Alliance will defend claims against the Member. A Member will have the right to hire, at its own expense, its own co-counsel to work with defense counsel employed by the Alliance.
- The Administrator will pay adjudicated claims according to the provisions of this Agreement and all applicable coverage memoranda or policies.
- In the event the Administrator determines it is advisable to settle a claim, the Member, except as provided in the applicable coverage memorandum, will accept the Administrator's recommendation and judgment and enter into such settlements as the Administrator determines to be appropriate.
- With the express written permission of the Alliance, a Member with a self-insured retention may be permitted to administer, defend and adjust claims within its own self-insured retention, in a manner consistent with the Member's coverage memoranda and Alliance-approved policies and procedures. Such written permission does not relieve the Member from notice requirements as defined in this Agreement or in the applicable coverage memorandum. Once the self-insured retention is reached, all outstanding defense and adjustment of the claim will be handled by the Alliance pursuant to the paragraphs above.

Written permission notwithstanding, the Alliance, in its sole judgment and discretion, retains the right to take over handling of claims below the Member's self-insured retention.

21. Coverage Determination and Appeal

It will be the duty and responsibility of the Administrator to make the initial determination regarding rights to coverage protections provided under the joint insurance arrangement. This responsibility is limited to amounts of coverage provided by or retained by the Alliance, including amounts within self-insured retentions or deductibles, and amounts where the Alliance is designated as the "Company" or "Insurer" under the applicable policy or coverage memorandum.

The Administrator or designee will timely notify the Member of the determination in writing, advising the Member whether or to what extent the Alliance:

- Is accepting or denying coverage;
- Will defend the claim and/or indemnify the Member; and
- Is reserving any rights to make any subsequent determinations regarding coverage.

A Member that disagrees with a decision by the Administrator to deny coverage may appeal the decision to the Board. The Board will promulgate rules and procedures for the appeal process.

Notwithstanding the foregoing, a Member has the right to petition the Administrator and pursue an appeal with the Board to request the Alliance's assistance in pursuing coverage placed by the Alliance with an insurance carrier.

22. Exhaustion of Policy Limits

It is understood and agreed that in the event of a covered loss or accumulation of covered losses affecting multiple Members whereby the amount of loss exceeds the limits of the coverage memorandum or policy, the payments to individual Members will be made on a proportional basis. This proportion will be determined as the ratio of the total limits available divided by the total amount of the loss.

This provision applies to exhaustion of limits on a per occurrence or an annual aggregate basis as appropriate.

23. Liabilities of the Alliance

Pursuant to Alaska law, the debts, liabilities, and obligations of the Alliance will not constitute debts, liabilities, or obligations of any Members, except as expressly set forth in this Agreement. The debts, liabilities and obligations of the Alliance will not constitute debts, liabilities or obligations of its officers, directors, employees, agents, Board of Directors, committees or Administrator.

24. Member Liability

Members will not be assessed for costs or expenses in excess of their contribution payment, except as provided in Section 14 or in Section 25 of this Agreement.

25. Termination and Dissolution

This Agreement may be terminated if the Board of Directors, by a two-thirds vote of the Directors, adopts a resolution recommending the Alliance be dissolved and this Agreement be terminated.

- The question of the dissolution and termination will be submitted to a vote at a meeting of Members entitled to vote, which may be either an annual or special meeting. A resolution to dissolve the Alliance and to terminate this Agreement will be adopted upon receiving at least two-thirds of the votes which Members present at the meeting are entitled to cast.
 - If there are no Members, or no Members entitled to vote present, the adopted resolution of the Board to dissolve the Alliance and terminate this Agreement will take effect.
- In the event dissolution and termination is approved, this Agreement and the Alliance will continue to exist solely for the purpose of disposing of all liabilities, distribution of assets, and all other functions necessary to close out the affairs of the Alliance. The Board is vested with all powers of the Alliance for the purpose of dissolving affairs of the Alliance.
- Upon dissolution and termination, and following the payment of, or provision for, all debts, claims, and liabilities, all remaining assets and liabilities of the Alliance will be distributed among the Members based on a formula and timing approved by the Board.

26. Merger or Consolidation

After completion of an analysis of the Alliance's liabilities and assets by a casualty actuary who is a member of the American Academy of Actuaries, and any other analysis that the Board considers appropriate, the Board may elect to merge or consolidate assets and liabilities of the Alliance with those of another substantially similar organization for the purposes of providing ongoing coverage and risk management for the Members. The Board may, but is not obligated to, approve a distribution of assets among Members as part of the merger or consolidation. Such a merger or consolidation will be made consistent with the requirements in AS 10.20 and will not constitute a termination of the Agreement as described herein.

27. Notices

Notices to Members hereunder will be sufficient if mailed to the address listed on the most recent application form of the respective Members. A Member may change such address or other contact information by providing written notice (which will include notice by fax or email) of such change to the Alliance.

28. Amendment

This Agreement may be amended at any time by the written approval of a majority of the Members signatory to it, or by the Board of Directors of the Alliance following 30 days' written notice to the Members of the proposed change(s). Any amendment to this Agreement will be effective on the subsequent July 1 unless another effective date is otherwise stated therein.

29. Prohibition Against Assignment

No Members may assign any right, claim, or interest it may have under this Agreement and no creditor, assignee, or third-party beneficiary of any Member will have any right, claim or title to any part, share, interest, fund, premium, contribution, or asset of the Alliance.

30. Agreement Complete

This Agreement, along with any exhibits hereto and documents incorporated by reference herein, constitute the full and complete Agreement of the parties. There are no oral understandings or agreements not set forth in writing herein.

31. Governing Law

This Agreement will be interpreted according to the laws of the State of Alaska. A suit brought relating to any dispute hereunder or related hereto will be filed in the Superior Court of Alaska in Anchorage or Juneau, and in no other place.

32. Construction of Contract

Separate agreements will be executed by each Member and all such agreements will be construed as a single collective contract.

33. Severability

If a provision of this Agreement is or becomes illegal, invalid, or unenforceable, the remainder of this Agreement will remain valid and enforceable.

34. Conformity to Statute

In the event any term or provision of this Agreement is found to be in conflict with the laws, regulation, or applicable statutes of the State of Alaska, such term or provision will be construed so as to conform to such statutes or laws.

35. Signatures

The parties hereto, acting through properly authorized officials, hereby execute this Agreement, effective July 1, 2025.

Member:

Member Name: _____

Signature: _____

Printed Name: _____

Title: _____

Date signed: _____

Alaska Public Risk Alliance, as Administrator for the Joint Insurance Arrangement

Signature: _____

Printed Name: _____

Title: _____

Date signed: _____

EXHIBIT 1: List of Members

EXHIBIT 2: Board of Directors of APRA

Exhibit 1

APRA MEMBER ROSTER

The following public entities are considered to be Members of the Alaska Public Risk Alliance:

1. City of Adak Water & Sewer Project
2. City of Adak
3. City of Akhiok
4. City of Akutan
5. City of Alakanuk VSW Project
6. City of Alakanuk
7. Alaska Gateway School District
8. City of Aleknagik
9. Aleutians East Borough
10. Aleutians East Borough School District
11. City of Ambler Public Health Facilities Project
12. City of Ambler Infrastructure Improvement Project
13. City of Anaktuvuk Pass
14. Anchorage Community Development Authority, Easy Park and 716 W 4th Ave, LLC
15. City of Anderson
16. City of Angoon
17. City of Anvik
18. City of Atka
19. City of Atkasuk
20. City of Bettles
21. City of Buckland
22. Bristol Bay Borough School District
23. City of Chefnak Water Sewer Project
24. City of Chefnak
25. City of Chevak
26. City of Chignik
27. City of Kasaan
28. City of Thorne Bay
29. City of Clark's Point
30. City of Coffman Cove
31. City of Cold Bay
32. Denali Borough
33. Dillingham City School District
34. City of Diomed CDP
35. Diomed Joint Utility
36. City of Diomed
37. City of Eagle
38. City of Eek
39. City of Egegik
40. City of Ekwok
41. City of Emmonak Water Sewer Project
42. City of Emmonak
43. City of Fairbanks
44. City of False Pass
45. City of Fort Yukon
46. Frontier Charter School
47. Galena City School District
48. City of Galena
49. City of Gambell
50. City of Golovin CDP
51. City of Golovin
52. Goodnews Bay Water & Sewer Project
53. City of Grayling Public Health Facilities Project
54. Haines Borough School District
55. City of Holy Cross
56. City of Homer

57. Hoonah City School District
58. City of Hoonah
59. City of Hooper Bay Water & Sewer Project
60. City of Hooper Bay
61. City of Houston
62. City of Hughes
63. City of Huslia
64. Ilisagvik College and Ilisagvik College Foundation
65. Ipnatchiaq Electric Company
66. City of Kachemak
67. City of Kake
68. City of Kaktovik
69. City of Kaltag
70. City of Kaltag Public Health Facilities Project
71. Kenai Peninsula Borough
72. Kenai Peninsula Borough School District
73. City of Kenai
74. City of Kiana Public Health Facility Project
75. City of Kiana
76. City of King Cove
77. Kodiak Island Borough
78. Kodiak Island Borough School District
79. City of Kodiak
80. City of Kotlik Public Health Facilities Project
81. City of Kotlik
82. City of Kotzebue
83. City of Koyuk Public Health Facilities Project
84. City of Koyuk
85. City of Koyukuk
86. Lake and Peninsula Borough
87. City of Larsen Bay
88. City of Manokotak VSW Project
89. City of Manokotak
90. City of McGrath VSW Project
91. City of McGrath
92. City of Mekoryuk
93. City of Mountain Village Water Sewer Project
94. City of Mountain Village
95. Napakiak Managed Retreat Project
96. City of Napakiak Water Sewer Project
97. City of Napakiak
98. City of Napaskiak
99. Nenana City Public Schools
100. City of Nenana
101. City of New Stuyahok Public Health Facilities Project
102. City of New Stuyahok
103. City of Newhalen
104. City of Nightmute VSW Project
105. City of Nightmute
106. City of Nikolai
107. Nome Public Schools
108. City of Nome
109. City of Noorvik
110. City of North Pole
111. North Slope Borough School District
112. Northwest Arctic Borough
113. City of Nuiqsut
114. City of Nulato
115. City of Nunam Iqua
116. City of Nunapitchuk Water Sewer Project
117. City of Nunapitchuk
118. City of Old Harbor Tank Farm
119. City of Old Harbor
120. City of Ouzinkie Public Health Facilities Project
121. City of Ouzinkie
122. Pelican City School District
123. City of Pelican Water Sewer Project

124. City of Pelican
125. Pilot Point Electrical
126. City of Pilot Point
127. City of Pilot Station
128. City of Platinum
129. City of Point Hope
130. City of Port Alexander
131. City of Port Heiden
132. City of Port Lions
133. Pribilof Montessori School
134. Pribilof School District
135. City of Quinhagak VSW Project
136. City of Quinhagak
137. City of Ruby and Ruby Electric
138. City of Russian Mission Gaming
139. City of Russian Mission
140. City of Saint George
141. City of Saint Mary's
142. City of Sand Point
143. City of Savoonga CDP
144. City of Savoonga
145. City of Saxman
146. City of Scammon Bay
147. City of Seldovia Water Sewer Project
148. City of Seldovia
149. City of Seward
150. City of Shaktoolik CDP
151. City of Shaktoolik Wind Energy Recovery Project
152. City of Shaktoolik VSW Project
153. City of Shaktoolik
154. City of Shishmaref CDP
155. City of Shishmaref Public Health Facilities Project
156. City of Shishmaref
157. City of Shungnak
158. City of Soldotna
159. Southeast Island School District
160. City of Tanana
161. City of Teller VSW Project
162. City of Teller
163. City of Tenakee Springs
164. City of Thorne Bay VSW Project
165. City of Togiak
166. City of Toksook Bay
167. City of Unalakleet VSW Project
168. City of Unalakleet
169. City of Upper Kalskag
170. City of Utqiagvik
171. Valdez City School District
172. City of Valdez
173. City of Wainwright
174. City of Wales Water Sewer Project
175. City of Wales
176. City of White Mountain
177. City of Yakutat Public Health Facilities Project
178. Yakutat School District
179. City and Borough of Yakutat
180. Yukon Flats School District
181. Yukon-Koyukuk School District
182. Alaska Association of Conservation Districts
183. Alaska Native Cultural Charter School
184. Aleutian Region School District
185. Anchorage Stream Academy Charter School
186. City of Aniak
187. Annette Island School District
188. Aquarian Charter School
189. Bering Strait School District
190. City of Bethel

191. Boreal Sun Charter School
192. Bristol Bay Borough
193. Chatham School District
194. Chinook Montessori Charter School
195. Chugach School District
196. Chugiak Volunteer Fire and Rescue Company, Inc.
197. Copper River School District
198. Cordova Community Medical Center
199. Cordova School District
200. City of Cordova
201. Craig City School District
202. City of Craig
203. City of Delta Junction
204. Delta/Greely School District
205. Denali Borough School District
206. City of Dillingham
207. Discovery Peak Charter School
208. Eagle Academy Charter School
209. City of Edna Bay
210. Effie Kokrine Charter School
211. Girdwood Fire & Rescue, Inc.
212. City of Gustavus
213. Haines Borough
214. Highland Academy Charter School
215. Hydaburg City School District
216. City of Hydaburg
217. Iditarod Area School District
218. Kake City School District
219. Kashunamiut School District
220. Ketchikan Gateway Borough
221. Ketchikan Gateway Borough School District
222. City of Ketchikan
223. Klawock City School District
224. City of Klawock
225. Knik Cultural School
226. City of Kupreanof
227. Kuspuk School District
228. Lake & Peninsula School District
229. Lower Kuskokwim School District
230. Lower Yukon School District
231. Northwest Arctic Borough School District
232. City of Palmer
233. Petersburg Borough
234. Petersburg Medical Center
235. Petersburg School District
236. Rilke Schule German School of Arts & Sciences
237. Sitka School District
238. City and Borough of Sitka
239. Skagway School District
240. Municipality of Skagway
241. Southwest Region School District
242. City of Saint Paul
243. St. Mary's School District
244. Unalaska City School District
245. City of Unalaska
246. City of Wasilla
247. Watershed Charter School
248. City of Whale Pass
249. City of Whittier
250. Winterberry Charter School
251. Wrangell Public Schools
252. City & Borough of Wrangell
253. Yupiit School District

Exhibit 2

MEMBERS OF THE APRA BOARD OF DIRECTORS

The following are the members of the board of directors of the Alaska Public Risk Alliance

Branzon Anania	Kuspuk School District
Kristin Erchinger	City of Whittier
Dennis Gray, Jr.	City of Hoonah
Melissa Haley	City and Borough of Sitka
Bryant Hammond	City of Nome
Brandi Harbaugh	Kenai Peninsula Borough
Alex Russin	Cordova School District
Mark Vink	Bering Strait School District
Joe Evans	At Large
Brad Thompson	At Large
Nils Andreassen	Alaska Municipal League
Lon Garrison	Alaska Association of School Boards

BYLAWS

Alaska Public Risk Alliance

ARTICLE I: Name

The name of this Alaska nonprofit corporation is Alaska Public Risk Alliance.

ARTICLE II: Definitions

The following definitions will apply to the provisions of these Bylaws:

- (a) “Administrator” means the person appointed by the Board of Directors as defined in AS 21.76.900 to administer the Joint Insurance Arrangement.
- (b) “APRA” or the “Alliance” means Alaska Public Risk Alliance, a nonprofit corporation organized for the purpose of establishing a Joint Insurance Arrangement.
- (c) “Board” means the Board of Directors of the Alliance.
- (d) “Cooperative Participation Agreement” or “CPA” means the Cooperative Participation Agreement drafted and approved by the Incorporators of the Alliance on October 24, 2024, or as subsequently amended, and which may be entered into and agreed upon by two or more public entities for the purpose of establishing, operating, or participating in a joint insurance arrangement.
- (e) “Fund” and “Joint Insurance Fund” will have the meanings ascribed to those terms in AS 21.76.900.
- (f) “Joint Insurance Arrangement” or “JIA” means a joint insurance arrangement established by APRA, authorized under AS 21.76.010 to enable the participants to pool contributions of public monies, grants, loans, and income from investment of the same in joint insurance funds as are authorized by AS 21.76.010, in order to either assume such risks from losses to the participants as it may determine will be assumed, or purchase insurance coverage for the participants on a group basis, as authorized by statute.
- (g) “Member” means a public entity that has joined the Alliance pursuant to Article IV, Section 1 of the Bylaws.
- (h) “Member Official” means a person who is an elected official, an appointed official, or an employee of a Member.
- (i) “Member Representative” means a Member Official who is designated by a Member to act on its behalf with respect to the Alliance.

- (j) "Public entity" means any political subdivision of the state, including any municipality, school district or regional education attendance area, and all agencies or political subdivisions thereof, including without limitation, municipally-owned hospitals, utilities, service areas, port authorities or facilities, airports, and similar entities, agencies or services, or any other public entity as may be permitted to enter into a joint insurance arrangement under AS 21.76.
- (k) "Public liability" means any liability to which a public entity may be subject pursuant to the Cooperative Participation Agreement.

ARTICLE III: Purpose and Objectives of the Organization

Section 1 - General Nature and Purpose. The Alliance is a nonprofit corporation established pursuant to AS 10.20, the Alaska Nonprofit Corporation Act, whose Members are public entities of the State of Alaska. The duration of the Alliance shall be perpetual. The Alliance exists for the purpose of establishing and operating a Joint Insurance Arrangement as permitted by the Alaska Statutes, and as an essential governmental service to its Members.

Section 2 - General Objectives. The general objectives of the Alliance are to: 1) formulate, develop, and administer a Joint Insurance Arrangement for the Members; 2) facilitate the availability of adequate coverage for property, liability, automobile, workers' compensation, and other such lines of coverage for the Members as are authorized by statute and the Board; 3) manage costs and assure availability of such coverage for the Members; 4) provide a program of loss control services; and 5) provide claims administration and defense of covered claims. Any Joint Insurance Arrangement entered into by the Members pursuant to these Bylaws will not encompass any kind of insurance prohibited by AS 21.76.010(b).

Section 3 - Use of Funds. Funds paid to the Alliance by the Members may be used to pay claims, cover administrative expenses incurred by the Alliance, purchase insurance or reinsurance, provide for risk management activities, establish reserves, support capitalization goals established by the Board, and for any other purpose set forth in Article VI. Reserves include claim reserves that have been determined to be adequate by an actuary meeting the Qualification Standards of the American Academy of Actuaries, reserves for contingencies, reserves required by excess insurers, reinsurers, or other reserves as required by law.

Section 4 - Activities of the Alliance; Ownership of Assets. It is intended that the Alliance will perform risk management activities with the assistance and cooperation of its Members, including pooling of risks, self-insurance management, joint purchase of insurance, claims administration, defense, loss control, and all other related activities of the Members. All income and assets of the Alliance will be dedicated to the benefit of the Members as provided by the CPA.

Section 5 - Unallocated Capital. The Board will determine the disposition of any capital that exceeds reserves and capitalization as described in Article III, Section 3 and is not

otherwise allocated. Unallocated Capital may be used: 1) to strengthen the financial condition of the Alliance; 2), to reduce the cost of insurance or increase risk protection for the Members; 3), to be distributed to the Members; or 4) used in another manner as determined by the Board.

ARTICLE IV: Membership and Participation

Section 1 - Composition. The Members of the Alliance are the public entities that: 1) have completed an application process specified by the Board; 2) have been accepted by the Board in its discretion; and 3) have entered into the Cooperative Participation Agreement. Membership and participation in the Alliance shall commence upon the effective date of any risk coverage provided by the Alliance to a public entity pursuant to the terms of the CPA. Members shall comply with these Bylaws and the terms of the CPA at all times.

Section 2 - Membership Classification, Representation, and Voting. There is one class of Members of the Alliance. Each Member will be represented at any Member meeting by its Member Representative who will be entitled to vote on behalf of the Member on any matter for which a vote of Members is required or permitted. Each Member shall have one vote.

Section 3 - Annual Meeting. An Annual Meeting of the Members will be held at such time as the Board may determine. The purpose of the Annual Meeting is for the Board to present an annual report to the Members concerning the year most recently ended and to vote on matters on which Members are entitled to vote. The Annual Meeting will include discussion and review of the Joint Insurance Arrangement and will be open to all Members.

At least 10 days before each Annual Meeting, Members will be provided with a meeting agenda, a copy of the unapproved minutes of the previous Annual Meeting, a copy of the most recent Annual Financial Report, and other materials as determined by the Board in consultation with the Administrator.

Section 4 - Special Meetings. Special Meetings of the Members may be called at any time by the Board or its Chair, or may be called by the Chair or Secretary upon the written request of one-third or the Members.

Section 5 - Notice. Written notice of each meeting of Members, whether Annual or Special, stating the time and place where it is to be held, will be provided to each Member's designated representative, either personally or by mail, fax, email, or other form of electronic written communication, not less than 10 nor more than 50 days before the meeting. The notice of a Special Meeting will indicate that it is being issued by or at the direction of the person or persons calling the Special Meeting.

Section 6 - Quorum. Eleven (11) Member Representatives present at a meeting of the Members constitute a quorum. All actions by Members on issues will be determined by a majority of the votes cast at a meeting of the Members where a quorum is present. No quorum will be required to conduct a meeting of Members at which no vote is taken.

Section 7 - Place of Meetings. All meetings of the Members will be held at such place in the State of Alaska or by electronic means as designated in the notices of such meetings, as determined by the Board.

Section 8 - Termination of Membership. Membership and participation in the Alliance may be voluntarily terminated by a Member's withdrawal, pursuant to the terms of the CPA. A Member's status as a Member may be involuntarily terminated, or the Member may be designated ineligible for renewal of membership, upon the Board's determination that any of the following circumstances exist:

- (a) Failure to pay any amounts due the Alliance by stated due dates. Such amounts may be, but are not limited to, the premium contribution, audit premiums, deductibles, the Member's share of legal expenses, additional contributions, or any other sums levied.
- (b) Failure to comply with any condition or agreement under the Cooperative Participation Agreement, these Bylaws, any Memorandum of Coverage, or any resolution of the Board or Executive Committee, including but not limited to risk management or loss reporting procedures.
- (c) Failure to complete the actions specified in a performance improvement plan developed for the Member following the implementation of a remediation plan.
- (d) A Member's excessive losses as determined by the Board.
- (e) Any condition of, or action by, the Member that the Board believes violates the goals and objectives of the Alliance or jeopardizes the financial viability of the Alliance.

Following the Board's decision to terminate or not renew the membership of a Member for failure to pay amounts due to the Alliance pursuant to Article IV, Section 8(a), the Member will be provided with written notice of such decision at least 30 days before the effective date of the termination or non-renewal. The Board shall have the sole discretion to reconsider termination or non-renewal of the Member's membership upon the Board's satisfaction that payment of any amount due is received prior to the effective date of termination or non-renewal, or if other arrangements for payment are approved by the Board.

At any time, the Board may consider termination or non-renewal of a Member's membership due to any reason listed in Article IV, Section 8(b) – (e) upon a majority vote. Following the Board's decision to consider termination or non-renewal, the Member will be notified in writing that its membership status will be reviewed by the Board at an upcoming Board Meeting, the date of which shall be determined by the Board.

A Member facing potential involuntary termination or non-renewal of membership may request the opportunity to be heard before the Board by submitting a written request within 15 days of receiving notice. If such a request is made, the Member may present evidence to the Board to oppose the proposed action at, or prior to the meeting as may be

determined by the Board. The Board will not take any final action on the matter prior to the meeting scheduled for this purpose.

A three-fourths vote of the full Board is required to involuntarily terminate or not renew the Membership of a Member under Article IV, Section 8(b) – (e). If the Alliance involuntarily terminates or does not renew a Member, then the Board will give the Member 60 days' notice in writing of its decision and the effective date of the termination, or other such notice as may be required by the CPA or applicable law.

ARTICLE V: Board of Directors

Section 1 - Function. The Alliance will be governed by a Board of Directors. The Board shall be responsible for the management and operation of the Alliance and shall administer the Joint Insurance Arrangement on behalf of the Members pursuant to these Bylaws and the Cooperative Participation Agreement. Powers and duties of the Board are enumerated in Article VI.

Section 2 -Directors and Term of Office.

- (a) The Board of Directors will consist of 12 Directors, as follows:
 - (1) Eight (8) Directors will be elected by the Members and will be Member Officials, with the goal that four (4) will be Member Officials of municipalities, and four (4) will be Member Officials of school districts.
 - (2) Two (2) “at-large” Directors (“At-Large Directors”) will be elected by the Members and need not be Member Officials.
 - (3) The Executive Directors of the Association of Alaska School Boards (AASB) and the Alaska Municipal League (AML) or their designees shall be Directors (“AASB/AML Directors”).
- (b) AML and AASB will recruit and nominate Member Officials to be candidates for the Board. The Board may solicit nominations for candidates for the At-Large Director positions. Member Officials may also present themselves as candidates.
- (c) Except for the At-Large Director positions, each candidate for the Board shall have the consent of the Member they represent and will provide information as to the size of their community or school district and their geographic location so as to actively promote and maintain a more diverse composition of the Board.
- (d) Member Official Directors may serve as Directors only with the continued consent of the Member they represent. If such consent is revoked, the Board shall declare a vacancy pursuant to Article V, Section 11.
- (e) The term of a Member Official Director will immediately end if the Director no longer meets the definition of a Member Official, unless the Board and the

Member they represent consent to their continued service for the remainder of their current term.

- (f) APRA staff will refrain from promoting any candidate for appointment or election to the Board, but may solicit candidates from Members.
- (g) The election of Directors will take place at the Annual Meeting or pursuant to an annual schedule to be determined by the Board. The term of office for Directors will be three (3) years and will commence immediately following the Director's election. The terms will be staggered in such a manner that, as nearly as practicable, one-third of the Board is elected each year.
- (h) The Incorporators shall appoint the Directors of the Initial Board of Directors pursuant to Article IV, Section 2 (a), and shall designate the term of office for each Initial Director consistent with the staggered term provisions of Article V, Section 2(g). In the event the Incorporators appoint fewer than the 12 Directors identified in Article V, Section 2(a), the Initial Directors shall appoint the remaining Directors consistent with the Board composition and staggered terms provisions of this Article V, Section 2(g).

Section 4 - Quorum and Manner of Acting. At all meetings of the Board, the presence of a majority of the Directors, either in-person or by electronic means, will constitute a quorum. The act of the majority of Directors present at a meeting at which a quorum is present is the act of the Board, except as to those matters for which a greater majority is specified in these Bylaws, or required by law or contract

Section 5 - Meetings. The Board will meet at least three times annually and at such other times as determined by the Board. Additional Board Meetings will be held whenever called by the Chair or at the request of four Directors. Meetings will be conducted in accordance with the then-current version of Robert's Rules of Order.

The Board will keep minutes of all meetings and will provide, as soon as possible after each meeting, a copy of the minutes to each Director. Copies of the minutes will be made available to each Member upon request.

Section 6 - Notice. Written or electronic notice of a meeting will be sent to each Director at least 10 working days prior to any meeting, unless waived. Notice will be deemed given on the day the notice is sent. Telephonic notice will be confirmed by letter, fax, email, or other comparable electronic or written communication. Any Director may waive notice in writing either before or after the date of the meeting, and if such waivers are received from all Directors not present, any action taken at the meeting will be valid as though due notice had been given.

Section 7 - Open Meetings. Meetings of the Board are not subject to the Alaska Open Meetings Act.

Section 8 - Meetings via Electronic Communication. Any meeting that has been duly noticed and could properly be held by Directors attending in person may be conducted

via conference telephone, videoconference, or similar means of simultaneous electronic communication.

Section 9 - Resignation. Any Director may resign at any time by giving written notice to the Board. Unless otherwise specified in such written notice, such resignation will take effect upon receipt thereof by the Board, and the acceptance of such resignation will not be necessary to make it effective.

Section 10 - Removal. Any Director may be removed with or without cause at any time by the vote of two-thirds of the Board made at a Board Meeting. Repeated, unexcused absence from meetings will constitute grounds for removal. Any vacancy caused by the removal of a Director shall be filled pursuant to Article V, Section 11.

Section 11 - Vacancy. The Board may remove a Director pursuant to Article V, Section 10 and declare a vacancy to exist if a Director has multiple absences from regular or special meetings. A vacancy on the Board may be filled by the affirmative vote of a majority of the remaining Directors at any Board Meeting. A Director so appointed may hold that Board seat until the next Annual Meeting and may be presented for election to the Board by the Members at the next Annual Meeting.

Section 12 - Compensation. The Directors will serve without compensation, but will be entitled to reimbursement of actual and reasonable expenses incurred in the performance of their official duties upon approval of the Board. The Board may establish policies regarding travel expenses.

ARTICLE VI: Powers and Duties of the Board of Directors

Section 1 - General Responsibilities. The Board is responsible for establishing the Alliance's goals and objectives, for making policy decisions on behalf of the Members with respect to the operation of the Alliance, and for managing any Joint Insurance Arrangements or Cooperative Participation Agreements the Members enter into.

Section 2 - Budget. The Board shall approve an Annual Operating Budget (the "Budget") for the Alliance on or before July 31 of each year.

- (a) The Budget will show anticipated revenues and expenses, and will be balanced.
- (b) The Budget will be broken into categories by major corporate functions.
- (c) Following approval of the Budget, the budgeted funds may be spent pursuant to the Budget.
- (d) The Administrator will present a report to the Board at each regular Board meeting on the performance and status of the Budget, and at other times as may be requested by the Board.

- (e) Total Budgeted expenditures cannot be exceeded without approval of the Board.
- (f) Between the beginning of the fiscal year and the date the Budget is approved by the Board, the Alliance may spend funds as necessary, and any money so spent will be itemized and included in the new Budget.

Section 3 - Powers. The Board shall have the power to:

- (a) Establish and manage any joint insurance funds, policies, and other services contemplated in these Bylaws;
- (b) Enter into any contract for the purpose of administering or providing any services to the Alliance or its Members, and for any policies or services contemplated in these Bylaws;
- (c) Incur expenses, acquire and hold property, and enter into agreements necessary to accomplish the purposes of these Bylaws;
- (d) Require that an annual audit of the books of the Alliance be performed by a certified public accountant and provide a copy of such audit to each Member, to the Legislative Budget and Audit Committee, and to the Alaska Division of Insurance;
- (e) Require a claims audit to be conducted and provided to the board; and
- (f) Exercise all of the powers necessary or desirable to carry out the purposes of the Alliance or the specific powers enumerated in this article.

ARTICLE VII: Officers

Section 1 - Chair/President and Vice Chair/Vice President. The Board shall elect one Director to serve as the Chair/President ("Chair") and one Director to serve as the Vice Chair/Vice President ("Vice Chair") of the Alliance at its first regular Board meeting following the Annual Meeting. In the event the Chair or Vice Chair so elected ceases to be a Director, the resulting vacancy in the office will be filled at the next regular or special meeting of the Board held after such vacancy occurs. In the absence or inability of the Chair to act, the Vice Chair will act as Chair. The Chair, or in their absence the Vice Chair, will preside at and conduct all meetings of the Board and the Members, and will be a member and the Chair of the Executive Committee.

Section 2 - Treasurer. The Treasurer of the Alliance shall be elected by the Board and shall not be a Director. The Treasurer will have the custody of and disburse the Alliance's funds in accordance with Board policies. The Board will grant authority to the Treasurer to delegate the signatory function.

Section 3 - Secretary. The Secretary of the Alliance shall be elected by the Board, shall be a person other than the Chair or Vice Chair, and may also be a Director. The Secretary

will be responsible for keeping and maintaining meeting minutes for the Annual and Special Meetings of the Members and all Board Meetings, and other records, contracts, and documents pertaining to the Alliance. The office of Secretary and Treasurer may be combined and held by one person.

Section 4 - Removal. Any officer may be removed from their position by the Board of Directors whenever in its judgment the best interests of the Alliance would be served thereby.

Section 5 - Resignation and Vacancies. Any Officer of the Alliance may resign at any time by giving written notice to the Board of Directors. Such resignation shall take effect at the time specified therein; and unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

ARTICLE VIII: Administration

Section 1 - Executive Director. An Executive Director of the Alliance shall be appointed by the Board and serve at the pleasure of the Board. The Executive Director will: 1) serve as the Administrator of the Joint Insurance Arrangement; 2) have the general administrative responsibilities for the activities of the Alliance and Joint Insurance Arrangement as such powers may be delegated by the Board; and 3) will have the general supervisory control over the day-to-day decisions and administrative activities of the Alliance, in accordance with a governance policy adopted by the Board. The Executive Director shall not be a Director.

Section 2 - Employees & Contracts for Services. The Executive Director will have the power to hire and fire such persons for the administration of the Alliance in keeping with the policies and budget set by the Board. The Executive Director may employ or contract with persons or entities for such administrative, planning, research, or other services upon such terms as may be necessary or in the Executive Director's judgment, desirable to carry out the purposes of these Bylaws and of the CPA. The Alliance will establish personnel policies to guide staff and provide appropriate and lawful procedures for personnel actions.

ARTICLE IX: Committees

Section 1 - Executive Committee. The Board may appoint an Executive Committee of the Board which will consist of an odd number of not less than three nor more than five Directors and/or Officers, as determined by the Board. Two of the members of the Executive Committee, if established, will be the Chair of the Board and the Vice-Chair; the remainder of the Executive Committee members will be elected by the Board at the same time the officers of the Board are elected at the Annual Meeting. The Chair will serve as the Chair of the Executive Committee. The Board may delegate powers of the Board to the Executive Committee as it deems appropriate.

The Executive Committee may not take any action contrary to previous action of the full Board, nor make any decisions that would require an amendment of, or be inconsistent with, the Articles of Incorporation of the Alliance, these Bylaws, or the Cooperative Participation Agreement. The Board shall review and ratify all acts of the Executive Committee and will have the power to modify or override any decision or action of the Executive Committee upon a majority vote of the Board.

Section 2 - Finance Committee. The Board may appoint a Finance Committee of the Board. If established, the Finance Committee will meet periodically to review financial information regarding the Alliance, including financial statements, investment reports, audits, the Budget and any amendments thereto, and will make reports and recommendations for action to the Board based upon such review.

Section 3 - Other Committees. The Board Chair may appoint such other committees from time to time as appropriate to assist the Board in its business. Such committees may consist of Directors and non-Directors and will meet for the purposes identified by the Chair.

ARTICLE X: Limitation of Liability and Indemnification of Directors, Officers, and Employees

Section 1 - Statutory Limitation of Liability. The personal liability of the members of the Board to the Alliance for monetary damages is limited or eliminated to the fullest extent permitted by law. This provision does not eliminate the liability of a Director for:

- (a) Breach of the duty of loyalty to the Alliance;
- (b) Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; or
- (c) Transactions from which the Director derives an improper personal benefit.

Section 2 - Indemnity. The Directors, Officers, and employees of the Alliance will use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties for the Alliance. No Director, Officer, or employee will be liable for any action taken or omitted by any other Director, Officer, or employee. The Alliance will defend, indemnify, and hold harmless each Director, Officer, and employee for expenses, including attorney's fees the amount of any judgment, money decree, fine, penalty, or settlement for which they may become liable by reason of their being, or having been, a Director, Officer, or employee of the Alliance who exercises powers or performs duties for the Alliance, except in relation to matters as to which said Director, Officer, or employee is finally adjudged in any action, suit, or proceeding to be liable for failure to act in good faith in the performance of their duties as such Director, Officer, or employee.

Section 3 - Payment in Advance. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Alliance in advance of the final disposition of such action, suit or proceeding as authorized by the Board in the specific case upon receipt of an undertaking by or on behalf of the Director, officer, employee, or agent to repay such

amount if it will ultimately be determined that they are not entitled to be indemnified by the Alliance.

Section 4 - Non-Exclusivity. The indemnification provided by Article X will not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any agreement, vote of Members, or disinterested Directors, or otherwise, both as to action in their official capacity and as to action in another capacity while holding such office, and will continue as to a person who has ceased to be a Director, Officer, employee, or agent and will inure to the benefit of the heirs, executors, and administrators of such person.

Section 5 - Insurance. The Alliance will have the power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee, or agent of the Alliance against any liability asserted against such person and incurred by such person in any such capacity, or arising out of the person's status as such, whether or not the Alliance would have the power to indemnify that person against liability under the provisions of this Article, including such fidelity bonding or employee or directors' errors and omissions, malfeasance or misfeasance insurance coverage as is deemed appropriate.

ARTICLE XI: Conflict of Interest

Section 1 - General Policy. All matters of procurement, personnel administration and outside contracting will be administered on the basis of merit so that fairness and impartiality govern all governance and management decisions.

Section 2 - No Solicitation of Gifts. No Director, Officer, or APRA employee will solicit a personal gift of any value from any third party performing work on behalf of, or in any way associated with APRA. No service provider will be expected to provide gifts, perks, or other benefits to Board Members or staff as a condition of doing business with the Alliance.

Section 3 - Conflicts of Interest Avoided. Directors, Officers, and staff members shall act in the best interests of APRA at all times. Conflicts of interest, whether actual or perceived, shall be avoided. In the event of any potential or actual conflict of interest, including situations where a Director's, Officer's, or APRA employee's personal interests, or those of an immediate family or household member, may conflict with the interests of APRA, such conflicts must be fully and promptly disclosed.

Each Director, Officer, and APRA employee has a duty to promptly disclose any situation that may reasonably be seen as a conflict of interest, including but not limited to financial interests, business relationships, or personal associations that could affect their objectivity or decision-making on behalf of the Alliance. The Board shall review and address such disclosures in a manner consistent with APRA's values and mission, and in compliance with applicable laws and regulations.

Any Director, Officer, or APRA employee with a disclosed actual conflict of interest shall recuse themselves from participation in any decision-making process related to the matter in question, and the Board may take additional steps as necessary to protect the integrity of the Alliance.

ARTICLE XII: Fiscal Year

The fiscal year of the Alliance will commence July 1 of each year and end on June 30 of the following year, or as otherwise determined by the Board.

ARTICLE XIII: Dissolution

In the event of dissolution of the Alliance, payment, or provision for payment, of all debts, claims, and liabilities, and distribution of the assets of the Alliance, will be carried out in accordance with the terms of the Cooperative Participation Agreement and all applicable law, including dissolution provisions of the Alaska Nonprofit Corporation Act, AS 10.20.290 *et seq.*

ARTICLE XIV: Amendments

These Bylaws may be altered, amended, or repealed by a majority vote of the Board at any Board Meeting. The Board will also have the right from time to time to adopt new bylaws provided that the new bylaws are not inconsistent with the Alliance's Articles of Incorporation or any amendments thereto.

ARTICLE XV: Office

The principal office of the Alliance will be within the State of Alaska, as determined by the Board. The Alliance may also maintain offices at such other places within or outside of Alaska as the Board may from time to time determine.

The undersigned certifies the foregoing Bylaws have been adopted as the Bylaws of the Alliance effective as of February 21, 2025.

Dated this [21th] day of [February], 2025.

Chair

Attest:

Secretary