

§501-c-9 Post-Retirement Medical Plan & Trust

*A single employer plan sponsored by
Truckee Meadows Water Authority*

AGENDA

**§501-c-9 Post-Retirement Medical Plan & Trust
Tuesday, August 15, 2017 at 1:00 p.m.
Truckee Meadows Water Authority
Independence Room
1355 Capital Boulevard, Reno, NV 89502**

1. Roll call*
2. Public comment — limited to no more than three minutes per speaker*
3. Approval of the agenda **(For Possible Action)**
4. Approval of the May 16, 2017 minutes **(For Possible Action)**
5. Approval of the June 21, 2017 special session minutes **(For Possible Action)**
6. Review and approval of Post-Retirement Medical Trust benefit calculations for TMWA Retiree, Paul Miller — Jessica Atkinson **(For Possible Action)**
7. Review and approval of Post-Retirement Medical Trust benefit calculations for TMWA Retiree, Janyce Schlesener — Jessica Atkinson **(For Possible Action)**
8. Review and consideration for approval of request for reimbursement of premiums for Medicare paid through Social Security.—Jessica Atkinson **(For Possible Action)**
9. Review and consideration for approval of request for reimbursement of premiums for Medicare paid through Social Security.—Jessica Atkinson **(For Possible Action)**
10. Review and consideration for approval of request for reimbursement of premiums for plan offered through AARP|Supplemental and Personal Health Plans insured by UnitedHealthcare Insurance Company.—Jessica Atkinson **(For Possible Action)**
11. Update on draft of plan document revision regarding coverages — Gus Rossi **(For Possible Action)**
12. Required communication from external trust auditors EideBailly—Michele Sullivan
13. Presentation of Truckee Meadows Water Authority Post-Retirement Medical Plan and Trust's audited financial statements for the years ended December 31, 2016 and 2015—Michele Sullivan **(For Possible Action)**
14. Presentation of GASB 74 Update —Michele Sullivan
15. Review of Retirement Benefits Investment Fund (RBIF) performance review—Michele Sullivan **(For Possible Action)**
16. Recommendation to close and transfer the Money Market Funds account with US Bank, to RBIF for investment.—Michele Sullivan **(For Possible Action)**
17. Trustee comments and requests for future agenda items*

§501-c-9 Post-Retirement Medical Plan & Trust

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18. Public comment — limited to no more than three minutes per speaker*
19. Adjournment (**For Possible Action**)

NOTES:

1. The announcement of this meeting has been posted at the following locations: Truckee Meadows Water Authority (1355 Capital Blvd., Reno), Reno City Hall (1 E. First St., Reno), Sparks City Hall (431 Prater Way, Sparks), Sparks Justice Court (1675 E. Prater Way, Sparks), Washoe County Courthouse (75 Court St., Reno), Washoe County Central Library (301 South Center St., Reno), Washoe County Administration (1001 East Ninth St., Reno), and at <http://www.tmtwa.com>.
2. In accordance with NRS 241.020, this agenda closes three working days prior to the meeting. We are pleased to make reasonable accommodations for persons who are disabled and wish to attend meetings. If you require special arrangements for the meeting, please call 834-8002 before the meeting date.
3. The Board may elect to combine agenda items, consider agenda items out of order, remove agenda items, or delay discussion on agenda items. Arrive at the meeting at the posted time to hear item(s) of interest.
4. Asterisks (*) denote non-action items.
5. Public comment is limited to three minutes and is allowed during the public comment periods. The public may sign-up to speak during the public comment period or on a specific agenda item by completing a "Request to Speak" card and submitting it to the clerk. In addition to the public comment periods, the Chairman has the discretion to allow public comment on any agenda item, including any item on which action is to be taken.

Post-Retirement Medical Plan & Trust

*A single employer plan sponsored by
Truckee Meadows Water Authority*



DRAFT May 16, 2017 MINUTES

The meeting of the TMWA Post-Retirement Medical Plan and Trust (Trust) Trustees was held on Tuesday, May 16, 2017 in the Truckee Meadows Water Authority Independence Room, 1355 Capital Blvd., Reno, Nevada.

Michele Sullivan, Chairman, called the meeting to order at 1:00 p.m.

1. ROLL CALL AND DETERMINATION OF PRESENCE OF A QUORUM.

A quorum was present.

Voting Members Present:

Michele Sullivan
Michael Nevarez
Juan Esparza

Voting Members Absent

Steve Enos

Members Present

Rosalinda Rodriguez
Gus Rossi *(arrived at 1:03pm)
Pat Waite
Sandra Tozi

Members Absent:

Jessica Atkinson

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL OF THE AGENDA

Chairperson Michele Sullivan moved to move Agenda item # 5 until Gus Rossi arrived.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the agenda and move item # 5.

4. APPROVAL OF THE FEBRUARY 21, 2017 MINUTES

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the February 21, 2017 minutes.

6. DISCUSSION AND ACTION ON SIGNING §501-C-9 POST-RETIREMENT MEDICAL TRUST BOARD OF TRUSTEES ANNUAL PLEDGE OF PERSONAL COMMITMENT/DISCLOSURE FORM

These forms need to be signed annually, the Trustee's each received a copy of the disclosure form for review, and an acknowledgement form was distributed to the Trustee's for signatures.

5. UPDATE ON DRAFT OF PLAN DOCUMENT REVISION REGARDING COVERAGES

Mr. Rossi pointed out the primary changes made were the definitions in the redline version of the VEBA document. Mr. Rossi reviewed some of the changes such as Section 2.5 which defines a health plan, and 2.15 and Post-Retirement benefits. The true intent of the plan was for premium reimbursement not for any other incurred medical costs. Also clarifying the definition of a Health plan, which can include plans through TMWA/City of Reno, individual policies which may be broken out by medical, dental, and vision, also group plans offered by other employers. Spouse's employer plan which is paid on a pre-tax payment is treated as an employer contribution by tax codes. Mr. Rossi, requested the Trustee's review the changes, and please direct any questions or comments to Rosalinda Rodriguez or Jessica Atkinson so they may be forwarded to Mr. Rossi to have prepared for review at the next meeting. Ms. Atkinson would assist Mr. Rossi, with Medicare related material that would need to be made.

Ms. Rodriguez posed suggestions Ms. Atkinson had to the Trustees, which would be referring to pg. 4 of the final document, section 2.9 (c) "Other MPAT employees" perhaps be changed to "benefits eligible" or other language that is suggested. Benefit's eligible could include full time or part time employee's that may be coded and receiving close to full time employee benefits that are hired by TMWA. Changing the language would include both full time and part time employees instead of just saying full time employees. Discussion ensued regarding what the distinctions could be and referencing the Administrative Instructions for the definition. Mr. Nevarez, suggested including the language covered in the CBA which excludes non-temporary and provisional employees and how they get reclassified as regular employees with the start date of their provisional employment.

Mr. Rossi requested that Ms. Atkinson follow up with him in regard to defining the language that would be most appropriate.

Mr. Nevarez also brought up section 2.18 C 2nd paragraph and suggested that there be clarification on a probation or provisional employee, and distinctions between provisional and repeat employee's not continuous vs someone continuous original date of hire. Mr. Nevarez, also pointed out a grammatical error on pg. 3 which Mr. Rossi noted and advised he would update.

7. PRESENTATION OF THE REVISED BUDGET FOR CALENDAR YEAR 2017

Ms. Sullivan advised that the plan member contribution amount has been reduced to \$91,000, which is a reduction of \$14,000 of the original budget. Originally members were pre-paying, and now TMWA is collecting payment from members at the end of the month. TMWA will reimburse one month for those plan members, and bring our accounting records current to match our practice of taking the PERS or RHS deduction for the premium at the end of the month and brings everyone into the same schedule of when they pay premiums.

Mr. Nevarez asked what would happen to the overpayment for individuals who have been prepaying. Ms. Sullivan advised they would be given a reimbursement.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the revised Budget for calendar year 2017.

8. REVIEW OF RBIF FEES

Ms. Sullivan advised that for 2016, the fees were an average of about \$2,100. The budget is for \$2,300 for 2017. So far fees incurred from January – March have been about \$500.

9. TRUSTEE COMMENTS AND REQUEST FOR FUTURE AGENDA ITEMS

Request to add the RBIF report.

Mr. Nevarez brought up that employees can only be on one of the post-retirement medical plans. Mr. Rossi advised he has notated it in the redline versions, but if it was missed he would make sure to add it into the redline for review.

Vote on final VEBA document

Audit report for review.

GASB 74

10. PUBLIC COMMENT

There was no public comment.

11. ADJOURNMENT

With no further business to discuss, Chairman Sullivan adjourned the meeting at 1:24 p.m.

Minutes were approved by the Trustees in session on _____.

Respectfully Submitted,

Rosalinda Rodriguez, Recording Secretary

Post-Retirement Medical Plan & Trust

*A single employer plan sponsored by
Truckee Meadows Water Authority*



DRAFT June 21, 2017 MINUTES

The meeting of the TMWA Post-Retirement Medical Plan and Trust (Trust) Trustees was held on Wednesday, June 21, 2017 in the Truckee Meadows Water Authority Independence Room, 1355 Capital Blvd., Reno, Nevada.

Michele Sullivan, Chairman, called the meeting to order at 2:03 p.m.

1. ROLL CALL AND DETERMINATION OF PRESENCE OF A QUORUM.

A quorum was present.

Voting Members Present:

Michele Sullivan
Michael Nevarez
Juan Esparza
Steve Enos

Voting Members Absent

Members Present

Jessica Atkinson
Rosalinda Rodriguez
Gus Rossi

Members Absent:

Pat Waite

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL OF THE AGENDA

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the agenda.

4. DISCUSSION REGARDING TRUSTEE ACTION RELATING TO THE REVIEW AND APPROVAL/DENIAL OF REQUESTS FOR REIMBURSEMENT.

Ms. Atkinson advised that currently the process for retiree's to request reimbursement from the trust requires them to submit a form and provide copies of proof of payment for premiums and proof of the coverage to Human Resources to be reviewed by Ms. Atkinson, HR Manager, which then is processed for payment from Finance. Ms. Tozi, Senior Accountant verifies there is credit available to process payments. In recent review of the VEBA document, it is Ms. Atkinson's understanding of the document that it does not substantiate that she approves the requests. Ms. Atkinson wanted to bring this to the Trustee's attention that the analysis and requests be brought to the trustees going forward. This item is more informational and to advise that going forward approval and denials will be made at the meetings, and then forwarded to the finance department.

5. REVIEW AND CONSIDERATION FOR APPROVAL OF REQUEST FOR REIMBURSEMENT OF PREMIUMS FOR PLAN OFFERED BY EMPLOYER OF A PARTICIPANT.

Ms. Atkinson reviewed a request submitted from a retiree along with back up documentation for justification of the request. This retiree enrolled in his spouse's medical plan and the retiree's medical premiums were paid by the retiree's spouse on a pre-tax basis through a cafeteria plan or 125 plan maintained by the spouse's employer. This specifically relates to recent questions related to allowable reimbursements, and that are being clarified in the TMWA VEBA document. Per the interpretation of Mr. Rossi, who has done research on this matter, while not specified in the TMWA VEBA document, the IRS' interpretation of the code and regulations states that these deductions should not be approved because they are paid with pre-tax income. Ms. Atkinson is looking for a formal action regarding the request, whether it should be approved based on previous action, or denied due to it jeopardizing the tax status of the trust.

Discussion ensued regarding approving or denying. Based on the information presented to the trustees at the meeting that the reimbursement of claims for premiums paid on a pre-tax basis could jeopardize the plan, that perhaps it would be best not to approve it. It was suggested that perhaps for this specific instance because the retiree has been receiving reimbursement since retiring, that the reimbursement be paid by TMWA instead of the Trust. That way the Trust isn't in jeopardy and the retiree isn't penalized as the document had not been clear in that he could not have submitted reimbursement for premiums paid through the spouse's plan on a pre-tax basis. Ms.

Atkinson advised that this situation has been reviewed with the General Manager, and TMWA is willing to provide reimbursement during the period of time until the retiree is eligible to be on medicare. This individual is the only retiree with this situation and Ms. Tozi has verified this information through an audit.

Upon motion made and approved unanimously, the trustees agreed to deny the request for reimbursement based on the insurance premium having been paid on a pre-tax basis.

8. DISCUSSION REGARDING COMMUNICATION PLAN TO NOTIFY CURRENT RETIREES OF POTENTIAL CHANGES TO THE VEBA DOCUMENT

Per the Trustee's request this item was moved up.

Ms. Atkinson advised that the redline has been updated to include clarification for what is or isn't reimbursable under the plan. She recommends that a redline version be sent to all current retirees to have the opportunity to give feedback before the August meeting and can have sufficient time to give input before it is reviewed and voted on by Trustee's. A letter would also be sent explaining the situation.

There are less than 10 retiree's submitting reimbursement forms, and about 30 retirees on a TMWA health plan through the City of Reno.

Mr. Rossi advised that a VEBA is considered a contract, and you cannot contract around code or law. Mr. Rossi suggested that language be included that covers the situation where the code or other applicable law supersedes the VEBA document, and authorizes amendments to the VEBA to comply with any provisions of the Code or applicable law that supersedes the VEBA, if need be. Ms. Atkinson advised before sending out communication to retiree's she would have legal counsel review the letter and redline version.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the changes recommended so far, and to continue with the revisions discussed for the VEBA document.

6. REVIEW AND CONSIDERATION FOR APPROVAL OF REQUESTS FOR REIMBURSEMENT OF PREMIUMS FOR PLAN OFFERED THROUGH UNITED HEALTH CARE INSURANCE COMPANY

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the reimbursement request.

7. REVIEW AND CONSIDERATION FOR APPROVAL OF REQUESTS FOR REIMBURSEMENT OF PREMIUMS FOR PLAN OFFERED THROUGH AAARP | MEDICARE PLANS FROM UNITED HEALTH CARE INSURANCE COMPANY

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the reimbursement request.

9. DISCUSSION REGARDING PENDING VEBA CHANGES AND RECOVERY OF PAYMENTS MADE IN ERROR.

Ms. Atkinson advised that this relates to Agenda item # 5, per the retiree's request that it be put on record based on changes being made going forward, that Trustees will not be going back to the retiree to retrieve payments made in error to the individual. Motion was discussed that the Trust will not seek reimbursement from retiree based on the fact that reimbursements were processed from the plan before the Trustees were aware that it was not reimbursable insurance premium, but going forward Trustees will not approve reimbursement requests for premiums that were paid on a pre-tax basis.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved not to seek reimbursement from the retiree for premiums that had been reimbursed in the past based on the Trustees knowledge at that time.

10. TRUSTEE COMMENTS AND REQUEST FOR FUTURE AGENDA ITEMS*

Redline document for the next meeting

11. PUBLIC COMMENT

There was no public comment.

12. ADJOURNMENT

With no further business to discuss, Chairman Sullivan adjourned the meeting at 1:36 p.m.

Minutes were approved by the Trustees in session on _____.

Respectfully Submitted,

Rosalinda Rodriguez, Recording Secretary

DRAFT



STAFF REPORT

TO: Board of Trustees of the Post-Retirement Medical Plan & Trust
THRU: Jessica Atkinson, TMWA Human Resources Manager
DATE: August 1, 2017
SUBJECT: **Review and approval of Post-Retirement Medical Trust benefit calculations for TMWA Retiree(s)**

Recommendation

TMWA staff recommends the Post-Retirement Medical Plan and Trust (PRMPT) approve the retirement health insurance benefit calculation for the following TMWA retiree:

CY2017: Paul Miller

Summary

The PRMP Trustees move to approve the benefit calculations, as presented, for retirees.

Background

Based on the PRMPT plan document, TMWA Human Resources has completed the benefit calculation for the declared retiree. Please refer to the enclosed benefit calculation worksheet for specific details.

TMWA Human Resources has met to discuss calculation(s) with retiree(s) and provided each a copy of the PRMPT Plan Document and applicable PRMPT Policies. Retiree(s) are aware that these calculations are based off of current plan year (CY16) medical costs. These costs are subject to change (increase or decrease) in accordance with annual open enrollment periods.

Retiree(s) have been made aware that in order to qualify for the Post-Retirement Medical Benefits, they must enroll in and pay the cost of Medicare A and Medicare Part “B” or Medicare Part “C.”



STAFF REPORT

TO: Board of Trustees of the Post-Retirement Medical Plan & Trust
THRU: Jessica Atkinson, TMWA Human Resources Manager
DATE: August 1, 2017
SUBJECT: **Review and approval of Post-Retirement Medical Trust benefit calculations for TMWA Retiree(s)**

Recommendation

TMWA staff recommends the Post-Retirement Medical Plan and Trust (PRMPT) approve the retirement health insurance benefit calculation for the following TMWA retiree:

CY2017: Janyce Schlesener

Summary

The PRMP Trustees move to approve the benefit calculations, as presented, for retirees.

Background

Based on the PRMPT plan document, TMWA Human Resources has completed the benefit calculation for the declared retiree. Please refer to the enclosed benefit calculation worksheet for specific details.

TMWA Human Resources has met to discuss calculation(s) with retiree(s) and provided each a copy of the PRMPT Plan Document and applicable PRMPT Policies. Retiree(s) are aware that these calculations are based off of current plan year (CY16) medical costs. These costs are subject to change (increase or decrease) in accordance with annual open enrollment periods.

Retiree(s) have been made aware that in order to qualify for the Post-Retirement Medical Benefits, they must enroll in and pay the cost of Medicare A and Medicare Part “B” or Medicare Part “C.”

08/15/2017 PRMT Agenda Item 8

Post Retirement Medical Plan & Trust Medical Premium Expense Reimbursement Request

DATE RANGE From 10-1-17
To 12-31-17

RETRIEE INFORMATION:

Name: _____
Address: _____

Social Security #: _____
Phone #: _____

Expenses

Date Paid	Description (example: Monthly Premium)	Name of Provider (example: Anthem Blue Cross)	Cost	Total
10-15-17	Medicare	Medicare		\$ 110 -
11-15-17	"	"		\$ 110 -
12-15-17	"	"		\$ 110 -
				\$ -
				\$ -
				\$ -
			\$0.00	
	Medicare Eligible? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			Total \$ 330 -

**Attach copies of Proof of Insurance and Payment of Premium.
See back of form for examples of acceptable documentation.**

I certify that the above information is correct. I understand that I will not be reimbursed for medical insurance premiums for any period during which I was not eligible for participation or failed to maintain coverage. I further understand that if I receive reimbursement for premiums for which I was not eligible or did not meet eligibility criteria, the Trust may recover these payments from my future benefit award(s). I also authorize the Post Retirement Medical Plan & Trust, and its designees to contact the insurance company I have listed above to verify coverage and amount of premium paid.

Retiree Signature: _____
TMWA Approval: [Signature]
PRMPT Approval: _____

Date: 2-23-17
Date: 2/24/17
Date: _____

Return completed form to: PRMPT c/o TMWA Human Resources, PO Box 30013, Reno, NV 89520



Social Security Administration

Date: January 10, 2017
Claim Number: XXX-XX-7319A



You asked us for information from your record. The information that you requested is shown below. If you want anyone else to have this information, you may send them this letter.

Information About Current Social Security Benefits

Beginning December 2016, the full monthly Social Security benefit before any deductions is



We deduct \$140.00 for medical insurance premiums each month.

The regular monthly Social Security payment is [REDACTED]
(We must round down to the whole dollar.)

Social Security benefits for a given month are paid the following month. (For example, Social Security benefits for March are paid in April.)

Your Social Security benefits are paid on or about the second Wednesday of each month.

Information About Past Social Security Benefits

From April 2015 to November 2016, the full monthly Social Security benefit before any deductions was [REDACTED]

We deducted \$104.90 for medical insurance premiums each month.

The regular monthly Social Security payment was [REDACTED]
(We must round down to the whole dollar.)

Type of Social Security Benefit Information

You are entitled to monthly retirement benefits.

Date of Birth Information

The date of birth shown on our records is [REDACTED]

Medicare Information

You are entitled to hospital insurance under Medicare beginning May 2015.

You are entitled to medical insurance under Medicare beginning May 2015.

Suspect Social Security Fraud?

Please visit <http://oig.ssa.gov/r> or call the Inspector General's Fraud Hotline at 1-800-269-0271 (TTY 1-866-501-2101).

If You Have Questions

We invite you to visit our web site at www.socialsecurity.gov on the Internet to find general information about Social Security. If you have any specific questions, you may call us toll-free at 1-800-772-1213, or call your local office at 888-808-5481. We can answer most questions over the phone. If you are deaf or hard of hearing, you may call our TTY number, 1-800-325-0778. You can also write or visit any Social Security office. The office that serves your area is located at:

SOCIAL SECURITY
1170 HARVARD WAY
RENO, NV 89502

If you do call or visit an office, please have this letter with you. It will help us answer your questions. Also, if you plan to visit an office, you may call ahead to make an appointment. This will help us serve you more quickly when you arrive at the office.

Social Security Administration

Post Retirement Medical Plan & Trust Medical Premium Expense Reimbursement Request

DATE RANGE From 7-1-17
To 9-30-17

RETRIEE INFORMATION:

Name: _____
Address: _____

Social Security #: _____
Phone #: _____

Expenses

Date Paid	Description (example: Monthly Premium)	Name of Provider (example: Anthem Blue Cross)	Cost	Total
7-15-17	Medicare	Medicare		\$ 110 -
8-15-17	"	"		\$ 110 -
9-15-17	"	"		\$ 110 -
				\$ -
				\$ -
				\$ -
				\$ -
			50.00	\$ -
				Total \$ 330 -

Medicare Eligible? Yes
 No

**Attach copies of Proof of Insurance and Payment of Premium.
See back of form for examples of acceptable documentation.**

I certify that the above information is correct. I understand that I will not be reimbursed for medical insurance premiums for any period during which I was not eligible for participation or failed to maintain coverage. I further understand that if I receive reimbursement for premiums for which I was not eligible or did not meet eligibility criteria, the Trust may recover these payments from my future benefit award(s). I also authorize the Post Retirement Medical Plan & Trust, and its designees to contact the insurance company I have listed above to verify coverage and amount of premium paid.

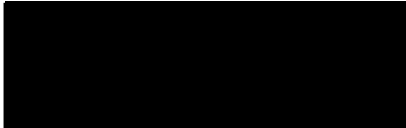
Retiree Signature: _____
TMWA Approval: Judith Kirkwood
PRMPT Approval: _____

Date: 2-23-17
Date: 2/24/17
Date: _____

Return completed form to: PRMPT c/o TMWA Human Resources, PO Box 30013, Reno, NV 89520



Social Security Administration



Date: January 10, 2017
Claim Number: XXX-XX-7319A

You asked us for information from your record. The information that you requested is shown below. If you want anyone else to have this information, you may send them this letter.

Information About Current Social Security Benefits

Beginning December 2016, the full monthly Social Security benefit before any deductions is



We deduct \$140.00 for medical insurance premiums each month.

The regular monthly Social Security payment is [REDACTED]
(We must round down to the whole dollar.)

Social Security benefits for a given month are paid the following month. (For example, Social Security benefits for March are paid in April.)

Your Social Security benefits are paid on or about the second Wednesday of each month.

Information About Past Social Security Benefits

From April 2015 to November 2016, the full monthly Social Security benefit before any deductions was [REDACTED]

We deducted \$104.90 for medical insurance premiums each month.

The regular monthly Social Security payment was [REDACTED]
(We must round down to the whole dollar.)

Type of Social Security Benefit Information

You are entitled to monthly retirement benefits.

Date of Birth Information

The date of birth shown on our records is 

Medicare Information

You are entitled to hospital insurance under Medicare beginning May 2015.

You are entitled to medical insurance under Medicare beginning May 2015.

Suspect Social Security Fraud?

Please visit <http://oig.ssa.gov/r> or call the Inspector General's Fraud Hotline at 1-800-269-0271 (TTY 1-866-501-2101).

If You Have Questions

We invite you to visit our web site at www.socialsecurity.gov on the Internet to find general information about Social Security. If you have any specific questions, you may call us toll-free at 1-800-772-1213, or call your local office at 888-808-5481. We can answer most questions over the phone. If you are deaf or hard of hearing, you may call our TTY number, 1-800-325-0778. You can also write or visit any Social Security office. The office that serves your area is located at:

SOCIAL SECURITY
1170 HARVARD WAY
RENO, NV 89502

If you do call or visit an office, please have this letter with you. It will help us answer your questions. Also, if you plan to visit an office, you may call ahead to make an appointment. This will help us serve you more quickly when you arrive at the office.

Social Security Administration

Post Retirement Medical Plan & Trust Medical Premium Expense Reimbursement Request

DATE RANGE From 4/2017
To 2/2017

RETRIEE INFORMATION:

Name: [REDACTED]
Address: [REDACTED]

Social Security #: [REDACTED]
Phone #: [REDACTED]

Expenses

Date Paid	Description (example: Monthly Premium)	Name of Provider (example: Anthem Blue Cross)	Cost	Total
1/17-3/17	MEDICAL MONTHLY	AARP	108.01 x 5	\$ 540.05
4/17-7/17	"	"	112.35 x 2	\$ 224.70
				\$ -
				\$ -
				\$ -
				\$ -
			\$0.00	\$ -
Medicare Eligible? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				Total \$ <u>764.75</u>

**Attach copies of Proof of Insurance and Payment of Premium.
See back of form for examples of acceptable documentation.**

I certify that the above information is correct. I understand that I will not be reimbursed for medical insurance premiums for any period during which I was not eligible for participation or failed to maintain coverage. I further understand that if I receive reimbursement for premiums for which I was not eligible or did not meet eligibility criteria, the Trust may recover these payments from my future benefit award(s). I also authorize the Post Retirement Medical Plan & Trust, and its designees to contact the insurance company I have listed above to verify coverage and amount of premium paid.

Retiree Signature: [REDACTED]
TMWA Approval: _____
PRMPT Approval: _____

Date: 2/21/2017
Date: _____
Date: _____

Return completed form to: PRMPT c/o TMWA Human Resources, PO Box 30013, Reno, NV 89520



PO Box 30607
Salt Lake City, UT 84130-0607

Toll-Free # 1-800-523-5800

July 12, 2017

AARP Membership Number 3345317351

Insured Member: Mr Kenneth Briscoe



Dear 

We have received your recent inquiry regarding the status of your account.

The following chart summarizes your coverage through AARP Health.

Coverage Period	Plan(s)	Monthly Rate	Number of Months	Total Paid
1/1/17 – 5/31/17	AARP Medicare Supplement Plan N	\$108.01	5	\$540.05
6/1/17 – 7/31/17	AARP Medicare Supplement Plan N	\$112.35	2	\$224.70

If you have any questions or concerns, please call the toll-free number 1-800-523-5800. AARP Member Advantages Customer Service Representatives are available to help you weekdays from 7 a.m. to 11 p.m. and Saturdays from 9 a.m. to 5 p.m., Eastern Time. You may also visit us at www.aarpadvantages.com.

Sincerely,

Member Services Department

**TRUCKEE MEADOWS WATER AUTHORITY
POST-RETIREMENT MEDICAL AND LIFE INSURANCE PLAN & TRUST
(AS RESTATED ON ~~AUGUST 23, 2011~~, 2017)**

ARTICLE 1. INTRODUCTION

1.1 Purpose of Plan.

The Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust was originally established effective January 1, 2006. The Plan was subsequently amended and restated in its entirety ~~in accordance with the resolution of the TMWA Board of Trustees (Resolution No. 141) adopted on January 21, 2009, to incorporate the provisions of NRS 287.017, added to the Nevada Revised Statutes in 2007, and August 23, 2011.~~ The Plan is now being amended and restated to ~~incorporate the payment of group life insurance premiums as a benefit offered under the Plan and to make~~ such other certain changes to clarify the Plan ~~which are deemed necessary by the Trustees.~~ The purpose of this Plan is to provide Participants ~~a benefit and their Dependents with benefits~~ to assist with the payment of premiums for post-retirement ~~medical~~health coverage and post-retirement group life insurance coverage. The Plan, as amended and restated, hereafter reads as follows.

1.2 Plan Status.

The benefits offered under this Plan are intended to qualify as (i) accident and health plan benefits under ~~section~~Code Sections 105 and 106 ~~of the Code~~ and the corresponding Treasury ~~regulations~~Regulations, and (ii) ~~as~~ group term life insurance benefits under ~~section 79 of the Code~~ Section 79 and the corresponding Treasury ~~regulations~~Regulations. The benefits provided under this Plan ~~shall be~~ funded through the Plan which qualifies as a voluntary employees' beneficiary association under Code ~~section~~Section 501(c)(9). Pursuant to a determination letter from the Internal Revenue Service dated May 25, 2007, the Plan is exempt from Federal income tax under Code ~~section~~Section 501(c)(9). The Plan may be amended or terminated as provided in Article 9.1. ~~Capitalized~~ Unless the context indicates otherwise, capitalized terms used in this Plan are ~~defined~~to have the meanings set forth in Article 2.

ARTICLE 2. DEFINITIONS

2.1 Code.

"Code" means the Internal Revenue Code of 1986, as amended. ~~Reference to any section~~Section or ~~subsection~~Subsection of the Code includes reference to any comparable or succeeding provisions of any legislation that amends, supplements or replaces such ~~section~~Section or ~~subsection~~Subsection.

2.2 CBA.

"CBA" means a collective bargaining agreement entered into between TMWA and IBEW from time to time, together with any amendments thereto, which among other things, establishes the amount of the Post-Retirement Benefits for those employees of TMWA who are covered by the CBA.

2.3 Dependent.

"Dependent" shall have the same meaning as set forth in the ~~Group~~-Health ~~Plan~~Plans and/or the Group Life Insurance ~~Plan~~Plans, ~~such as the case may be a spouse or child of the Participant; provided, however, that any such Dependent must also qualify as a dependent of the Participant under the applicable provisions of Code Section 152 and the corresponding Treasury Regulations.~~

2.34 Eligible Retiree.

"Eligible Retiree" means any MPAT Employee or IBEW 1245 Employee who has separated from service ~~from TMWA~~ after attaining age 55 and has completed at least ten (10) Years of Service as defined in Section 2.18; ~~provided, however, the term "Eligible Retiree" shall not include any retiree or former employee of TMWA that is entitled to receive benefits under "The Truckee Meadows Water Authority OPEB Trust Fund," a separate plan that is currently maintained by TMWA.~~

~~2.4~~ Employer.

~~"Employer" means Truckee Meadows Water Authority.~~

2.5 ~~Group Health Plan~~Plans and Group ~~Life~~Life Insurance ~~Plan~~Plans.

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~~"Group Health Plan"~~(s)" means (i) the ~~current~~group policies ~~and/or~~ plans ~~maintained by TMWA from time to time that provide group health~~may be offered by TMWA from time to time ~~that provide medical, dental, and/or vision~~ coverage to ~~the~~Participants and ~~Dependents, and/or their Dependents,~~ (ii) ~~individual policies or plans that are procured by a Participant that provide~~ medical, dental, and/or vision coverage to Participants and/or their Dependents, (iii) Medicare Plans Part B and Part D, Medicare Supplemental Plans, and Medicare Advantage Plans that provide medical, dental, and/or vision coverage for Participants and/or their Dependents, ~~together with any current and future plans available to individuals eligible for Medicare coverage that are approved and authorized by the United States Department of Health and Human Services or its successor, and (iv) the group policies or plans offered by an employer of a Participant or an employer of a spouse of a Participant (other than TMWA) that provide medical, dental, and/or vision coverage to Participants and/or their Dependents.~~

"Group Life Insurance Plan"~~(s)~~" means the ~~current~~group policies ~~and/or~~ plans ~~maintained that may be offered~~ by TMWA, from time to time, that provide group life insurance coverage to the Participants and ~~or their~~ Dependents.

~~Notwithstanding anything contained in this Section 2.5 to the contrary, the terms "Health Plan(s)" and "Group Life Insurance Plans(s)" shall not include a policy or plan offered by the employer of a Participant or an employer of a Participant's spouse to the extent that the premiums are paid by the employer on a "pre-tax" basis, including, without limitation, a policy or plan offered by an employer under a Code Section 125 plan (commonly referred to as a "Cafeteria Plan").~~

2.6 Highly Compensated Employee.

"Highly Compensated Employee" means, for purposes of determining discrimination, a Participant who is described in ~~section 414(q) of the~~ applicable provisions of Code Sections 414(q) and 105(h) and the ~~corresponding Treasury regulations under section 414(q) of the Code~~Regulations thereto.

~~(a)~~ (a) "MPAT Transfer Employees" ~~means~~mean each former management, professional, administrative and technical ~~employees~~employee of Sierra who ~~were~~was hired by ~~the Employer~~TMWA pursuant to the Purchase Agreement between TMWA and Sierra (the "Purchase Agreement") and transferred to TMWA from Sierra on June 11, 2001. MPAT Transfer Employees shall also include the three MPAT Employees listed on Appendix "B" attached hereto who did not transfer to TMWA from Sierra on June 11, 2001, but who received offers of employment from TMWA entitling them to receive credit for their Years of Service accrued under the Sierra Plan for all relevant purposes under this Plan;

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~~(a)(b)~~ (b) "MPAT Transfer Employees Receiving Sierra Plan Benefits" ~~means~~mean each former management, professional, administrative and technical ~~employees~~employee of Sierra who ~~were~~was hired by ~~the Employer~~TMWA pursuant to the Purchase Agreement, transferred to TMWA from Sierra on June 11, 2001, and who elected to retire under the Sierra Plan;

~~(b)(c)~~ (c) "Other MPAT Employees" ~~means full-time~~mean each (i) regular (non-temporary) management, professional, administrative and technical ~~employees hired by~~employee of TMWA who ~~are~~is not listed in clauses (a) or (b) ~~above~~of this Section 2.9, other than an employee who is entitled to receive benefits under "The Truckee Meadows Water Authority OPEB Trust Fund."

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~~2.10~~ ~~(RESERVED)~~

~~2.11~~ NRS and NAC.

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"NRS" means the Nevada Revised Statutes, as amended from time to time, and "NAC" means the Nevada Administrative Code, as amended from time to time.

~~2.12~~ 11 Participant.

"Participant" means an Eligible Retiree who has elected to participate in the Plan pursuant to ~~section~~Section 3.1.

Plan that are not treated as qualified medical expenses under Code Section 213.

2.16- Purchase Agreement.

"Purchase Agreement" means the "Asset Purchase Agreement between Sierra Pacific Power Company, as Seller, and ~~Truckee Meadows Water Authority~~ TMWA, as Purchaser."

2.17- Retirement Date.

"Retirement Date" means the date elected by an ~~employee, who is eligible to participate in this Plan, as~~ Eligible Employee, on or after his or her retirement date from TMWA, to participate in the Plan in accordance with the procedures established by the Trustees from time to time.

2.18- Service or Years of Service.

"Service" or "Years of Service" means:

- (a) "For IBEW Transfer Employees and MPAT Transfer Employees."

"Service" or "Years of Service" ~~includes~~ include all years of service earned and accumulated ~~as by a Participant during the time he or she was~~ an employee of TMWA and all years of service earned and accumulated by a Participant under the Sierra Plan in accordance with the terms of the Sierra Plan.

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(b) "For IBEW Transfer Employees Receiving Sierra Plan Benefits," "Other IBEW Employees," "MPAT Transfer Employees Receiving Sierra Plan Benefits" and "Other MPAT Employees." "Service" or "Years of Service" ~~includes~~ include all years of service ~~as earned and accumulated by a Participant during the time her or she was~~ an employee of TMWA.

(c) "For MPAT and IBEW Employees hired by TMWA." "Service or Years of Service" include all years of service earned and accumulated by a Participant during the time that he or she was an employee of TMWA.

For purposes of clauses (a) ~~and~~, (b), and (c) above, a "Year of Service" will be earned and accumulated by ~~an employee~~ a Participant, classified by TMWA as a regular (non-temporary and non-~~"provisional"~~) full or part-time employee, who works continuously without a break in service. However, if a Participant was classified as a "provisional" employee of TMWA and

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subsequently became classified as a regular employee of TMWA, then for purposes of this Section the Participant is to be classified as a regular employee of TMWA retroactively to the date that he or she was classified as a "provisional" employee of TMWA. The Years of Service will be calculated at the time of separation from service from TMWA retroactively for all periods of continuous regular employment. No period where an employee is classified by TMWA as a temporary, non-benefited employee will qualify towards periods of ~~Year~~Years of Service. Years of Service shall be recognized only for periods of paid employment. Therefore, the only periods of unpaid leave of absence that shall be ~~recognized~~credited towards Years of Service are those required by current or future State and Federal ~~law~~laws, such as The Uniformed Services Employment and Reemployment Rights Act (USERRA). Furthermore, breaks in service shall not be included in Years of Service; however, Years of Service earned prior to a break in service shall be aggregated with Years of Service worked after the break in service. All references in this paragraph to a "provisional" employee of TMWA means an IBEW 1245 Employee whose employment, at the time of hire, was intended to last more than six (6) months, but less than two (2) calendar years, and whose work or duties are linked to specific projects, or are in anticipation of future events, with a specific date at which the position will be eliminated.

2.19 Adjusted PRMPT Years of Service, ~~Adjusted PRMPT,~~

~~The~~ "Adjusted PRMPT Years of Service" shall be calculated by adding each "Year of Service." Years of Service will then be prorated for periods in which ~~an employee a Participant~~ worked less than full time (as defined by the ~~Collective Bargaining Agreement~~CBA or TMWA policy). Refer to ~~Article~~Section 4.17 of this document 1.7 for further information.

2.20- Sierra.

"Sierra" means the Sierra Pacific Power Company, now known as NV Energy.

2.21 Sierra Plan.

"Sierra Plan" means the Sierra Pacific Resources Post-Retirement Medical Plan.

Health Plan at a time other than during the open enrollment period.-

3.2 Termination of Participation.

A Participant shall cease to be ~~covered under eligible to participate in~~ this Plan on the occurrence of earliest of the following ~~dates:-events:~~ (i) the date of the Participant's death; (ii) the date the Participant's ~~post-retirement health coverage and life insurance coverage is~~Post-Retirement Benefits are cancelled due to the execution of a Permanent Waiver by the Participant; (iii) ~~due to the Participant's non-payment of~~the date the Participant fails to pay his or her share of the premiums ~~or costs;for coverage under a Health Plan and/or Group Life Insurance Plan in~~ accordance with the policies established by the Trustees from time to time; (iv) the date that a Participant is no longer covered under a Health Plan and a Group Life Insurance Plan, or (iv) the date this Plan is terminated. If a Participant's participation in the Plan is terminated by reason of failing to pay his or her share of premiums, the Participant may reenroll in the Plan during any subsequent open enrollment period, but only if the Participant has remitted to the Plan all delinquent premiums prior to the first day of the commencement of coverage.

ARTICLE 4. ~~_____~~ POST-RETIRMENT BENEFITS

4.1 ~~Health-Post-Retirement Benefits~~ Pertaining to Health Plans-In General.

~~A Participant shall be eligible to participate in the health~~If permitted by this Plan and the terms of the applicable Health Plan, a Participant may elect coverage ~~options offered by TMWA~~under a particular Health Plan, and a Participant may enroll his or her Dependents in ~~the health coverage options offered by TMWA, if permitted by the applicable Group Health Plan.~~ Monetary benefits~~such Health Plan.~~ Post-Retirement Benefits earned by a Participant under this Plan shall be used to either reimburse the Participant or pay directly ~~all or a portion of~~the Health Plan the Plan's share of the total premiums ~~or costs~~assessed for health coverage such coverage under the Health Plan, as specified by the terms of this Plan (See Sections 4.1.1 through 4.1.4 for the calculation of the amount of the Post-Retirement Benefits to which a Participant and his or her Dependents, as specified by the terms of this Plan. Portions of health coverage are entitled to receive for coverage under a Health Plan). Those portions of the premiums ~~or costs~~ that

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are not ~~required to be~~ paid by this Plan shall be the sole responsibility of, and paid by, the Participant. A Participant who does not pay his or her portion of the premiums ~~or costs~~ for ~~health~~ coverage under a Health Plan in the time and manner specified by the Trustees shall forfeit all rights ~~for~~ to his or her coverage under the ~~Group~~ Health Plan. The Trustees shall from time to time adopt policies pertaining to the timing and the manner in which Participants and their Dependents ~~of Participants~~ are to pay their share of the health coverage premiums ~~and costs~~. ~~In accordance with~~ for the current policy of coverage elected. If the Trustees, ~~the entire health care~~ adopt a policy in which all premiums ~~and costs attributable for coverage under a Health Plan are~~ to ~~the health care coverage chosen by the Participant will~~ be paid by the Plan, ~~and the the~~ Participant and Dependents of a Participant ~~is required to shall~~ reimburse the Plan for ~~his or her~~ share of the premiums ~~and costs attributable to the health care coverage chosen by the~~ Participant. ~~To the extent that the Trustees require the Participants and Dependents to pay their~~ share of the health care premiums ~~and costs directly to the Plan, rather than to the Group Health~~ Plan, ~~then such~~ their share of the total premiums that are required to be paid by them, and the Plan's policies and procedures shall specify the due dates in which the Participant ~~and/or the~~ Participant's Dependents are required to remit their share of such ~~health care~~ premiums ~~and costs~~ to the Plan. Copies of the policies and procedures adopted by the Trustees from time to time are to be provided to each Participant and each Dependent of a Participant.

4.1.1 Transfer of Employees between IBEW and MPAT.

If ~~an employee transfers~~ during the time a Participant was employed by TMWA and/or Sierra, he or she transferred from employment as an IBEW 1245 Employee to employment as an MPAT Employee (or vice versa), the ~~employee's health care benefits at retirement~~ Participant's Post-Retirement Benefits under this Plan at his or her Retirement Date shall be calculated as if ~~the employee~~ Participant was employed in his or her most recent employment classification for his or her entire period of service with TMWA and/or Sierra. Notwithstanding the above, if the ~~employee~~ Participant was an IBEW Transferred Employee or an MPAT Transferred Employee, such ~~employee~~ Participant shall continue to be treated as either an IBEW Transfer Employee or an MPAT Transferred Employee at his or her ~~retirement~~ Retirement Date for purposes of

calculating his or her Years of Service ~~(as defined in under Section 2.18 herein) under this Plan,~~
and if applicable Section 2.19.

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4.1.2 Specific ~~Health-Post Retirement~~ Benefits for Health Plan Coverage for MPAT Employees.

~~An Employee-A Participant~~ who was an MPAT Employee ~~and is an Eligible Retiree~~ at his or her Retirement Date may ~~participate in the health-elect~~ coverage ~~options~~ under the Health Plans that are made available to TMWA's active employees who are entitled to receive health and life benefits (hereafter referred to as "Benefited Employees of the Employer or any"), or alternatively, elect coverage under other health insurance plan-Health Plans described in Section 2.5. A Participant who is an MPAT Employee shall receive Post-Retirement Benefits based upon an annual credit ~~toward the~~ that is to be applied towards the total annual ~~premium~~ premiums charged for his or her chosen ~~health~~ Health Plan coverage ~~option~~ which is to be based upon the Participant's Years of Service as described below. The annual credit shall be calculated as follows:

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Participant's Age (Each Month) on Birthday during the Relevant Plan Year for the Applicable Monthly Request for Coverage	Annual Credit Calculation
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Age 55 through 64	\$235 x "Adjusted PRMPT Years of Service" (up to 30 years)
Age 65 and above	\$105 x "Adjusted PRMPT Years of Service" (up to 35 years)

The total annual credit shall be reduced by 5% for each full year (with proration for fractional months) that the ~~Eligible Retiree~~ Participant is under age 62 as of the

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After the ~~participant~~Participant reaches age 65, repeat the steps above by substituting \$105 for \$235 in step 1. Result = \$1,575 (step 1) - \$551.25 (step 3) = \$1,023.75 annual credit.

4.1.3 Specific ~~Health-Post Retirement~~ Benefits for Health Plan Coverage for all IBEW 1245 Employees ~~Hired~~hired on or after January 1, 1998 and for “IBEW Transfer Employees Receiving Sierra Plan Benefits” hired before January 1, 1998.

All IBEW 1245 Employees hired on or after January 1, 1998, and “IBEW Transfer Employees Receiving Sierra Plan Benefits” hired before January 1, 1998, ~~may participate in the health—are entitled to receive Post-Retirement Benefits for coverage options under the Health Plans~~ made available to ~~active~~Benefited Employees of ~~the Employer~~TMWA or ~~any private health insurance plan as allowed by the NRS. In addition, such Participant~~other Health Plans described in Section 2.5. For those Participants described in this Section, he or she will receive Post-Retirement Benefits in an amount equal to the following lifetime lump-sum credit which will be applied toward the annual ~~premium~~premiums charged for his or her ~~chosen health—coverage option under a Health Plan:~~ \$1,250 for each “Adjusted PRMPT Year of Service.” The ~~Participant~~Plan shall ~~be entitled to use the entire premium cost~~amount of ~~health coverage~~the above referenced lifetime lump-sum credit to pay the entire premiums for the coverage elected under a Health Plan for the Participant and his or her Dependents until the lifetime lump-sum credit is exhausted. At that point, the Participant may elect to continue health—coverage throughunder the Health Plan and this Plan; provided, however, that the Participant is to be responsible for ~~such~~the total premiums for his or her coverage under the Health Plan at the ~~rates~~rates and terms established ~~for under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (hereafter, referred to as “COBRA coverage and eligible duration under the Group Health Plan in which the Participant has elected health coverage.”)~~. Unless otherwise specified by the Trustees, the Plan ~~shall~~may pay the entire ~~premium or costs charged~~premiums for a Participant’s chosen ~~health—coverage option under a Health Plan,~~ provided that the Participant ~~reimburses~~shall reimburse the Plan for the Participant’s share of such premiums ~~and costs until such time that the lifetime lump sum credit is exhausted~~ in accordance with the policies and procedures adopted from time to time by the Trustees.

-4.1.4 Specific Post Retirement Benefits for Health Plan Coverage for IBEW

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Transfer Employees Hired by Sierra before January 1, 1998.

(a) At Least Age 55 and Under Age 65.

A Participant who was an IBEW Transfer Employee, was hired by Sierra before January 1, 1998 and is at least age 55 and under age 65 on ~~the date that he~~his or ~~she requests her~~her Retirement Date, is entitled to receive Post-Retirement Benefits only for coverage under ~~this~~a Health Plan, is eligible to participate in the same health coverage plans as active employees of the Employer that is offered by TMWA to its Benefited Employees until the Plan Year in which the Participant attains age 65. During the Plan Year in which the Participant attains age 65 and later Plan Years, the Participant is eligible to ~~participate in the health plans~~receive Post-Retirement Benefits for coverage under Health Plans offered by ~~the Employer~~TMWA to ~~active employees of the Employer~~its Benefited Employees, a Medicare Supplement Plan or a Medicare Risk Contract. However, during the Plan Year in which the Participant attains age 65 and later Plan Years, the Participant must enroll in and pay the total cost of Medicare Part "B" or Medicare Part "C" coverage, in accordance with Medicare enrollment criteria, in order to be eligible for the ~~benefits~~Post-Retirement Benefits under this ~~paragraph. In addition, such Participant will~~Section. For those Participants described in this Section, they are entitled to receive Post-Retirement Benefits equal to an annual credit (as described below) which is to be used toward the annual ~~premium or costs~~premiums charged for ~~his or her chosen health~~the Participant's coverage ~~option~~chosen under a particular Health Plan (including the coverage ~~cost~~ for his or her Dependents~~);~~). The annual credit referenced herein is to be determined as follows:

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(1) 80% of the total annual premium ~~or for~~ coverage ~~costs~~under a Health Plan, less

(2) 4% of the total annual premium ~~or for such~~ coverage ~~costs~~, multiplied by the difference between:

(A) 20, minus

(B) the Participant's number of Years of Service (not to exceed 20).

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Unless otherwise specified by the Trustees, the Plan ~~shall~~may pay the entire annual

premium ~~or costs~~ charged for a Participant's ~~chosen health~~ coverage ~~option~~ under a Health Plan, provided that the Participant ~~reimburses~~ must reimburse the Plan for the Participant's share of such premiums ~~and costs~~ (i.e., those premiums in excess of the annual credit available to the Participant) in accordance with the policies and procedures adopted from time to time by the Trustees. ~~Each~~ In this regard, each Participant shall be responsible for reimbursing the Plan for the difference between (i) the amount determined under ~~(4.1) 4(a)(1) and 4.1.4(a)(2)~~, and ~~(2) above and ii)~~ 100% of the total premium ~~or charged for~~ coverage ~~costs attributable to the health coverage option~~ chosen by the Participant ~~under a Health Plan~~.

(b) Age 65 and over.

A Participant who was an IBEW Transfer Employee, was hired by Sierra before January 1, 1998, and is age 65 or over on ~~the date that he or she requests coverage under this Plan,~~ his Retirement Date is eligible to ~~participate in the health plans~~ receive Post-Retirement Benefits for coverage under Health Plans offered by ~~the Employer~~ TMWA to ~~active employees of the Employer~~ its Benefited Employees, a Medicare Supplement Plan, or a Medicare Risk Contract. ~~In addition, such Participant~~ For those Participants described in this Section, they will receive Post-Retirement Benefits equal to an annual credit that shall be applied toward the annual ~~premium or costs~~ premiums charged for ~~his or her chosen health~~ the coverage ~~option~~ elected under the Health Plan (including the premiums for coverage ~~cost~~ elected for his or her Dependents). The annual credit referenced in the preceding sentence is to be determined as follows:

- (1) 85% of the total annual ~~premium or premiums for~~ coverage ~~costs~~ under a Health Plan, less
- (2) 4% of the total annual premium ~~or for such~~ coverage ~~costs~~, multiplied by ~~the difference between:~~

(A) 20, minus

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(B) the Participant's number of Years of Service (not to exceed 20).

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The 85% in clause (1) above shall be 100% for a Participant who elects to participate in ~~the~~ Medicare Risk Contract. In order to be eligible for the benefits under this ~~paragraph~~Section, the Participant must enroll in and pay the entire cost of Medicare Part "B" or Medicare Part "C" coverage. Unless otherwise specified by the Trustees, the Plan ~~shall~~may pay the entire annual premium ~~or costs~~ charged for a Participant's ~~chosen health~~ coverage ~~option~~under a Health Plan, provided that the Participant ~~reimburses~~must reimburse the Plan for the Participant's share of such premiums ~~and costs~~(i.e., those premiums in excess of the annual credit available to the Participant) in accordance with the policies and procedures adopted from time to time by the Trustees. ~~Each~~In this regard, each Participant described in this Section shall be responsible for reimbursing the Plan for the difference between (i) the amount determined ~~above~~under 4.1.4(b)(1) and 4.1.4(b)(2), and (ii) 100% of the total premium ~~or charged for~~ coverage ~~costs~~chosen by the Participant under a Health Plan.

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4.1.5 Surviving ~~Spouse~~Spouse's Death Benefits.

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The surviving spouse of ~~any Participant, either individually or together with the Participant's other Dependents~~a deceased Participant who ~~was~~was covered by ~~the~~a Health Plan on the Participant's date of death, may continue receiving ~~health~~ coverage under the Health Plan for three years after the death of the Participant, ~~beginning~~if permitted by the Health Plan and applicable law. Such coverage is to begin on the first day of the month following the month of the Participant's death. The ~~Trust~~Plan will pay a portion of the premiums ~~or costs~~ for ~~the health~~ coverage ~~plan~~under the Health Plan for the first year after the Participant's death by computing ~~benefits~~Post-Retirement Benefits under this Plan as if the surviving spouse was the Participant. All terms applicable to the Participant in the year of his or her death shall apply to the surviving spouse during the first year following the Participant's death. For the final two years of the three year period following the death of a Participant, the surviving spouse shall be eligible for coverage under ~~health care option~~Health Plans that ~~covered~~ the ~~deceased~~ Participant. ~~If the surviving spouse elects to continue to receive health coverage under a Group Health, was eligible~~

~~to participate in under the terms of this Plan. If~~ during the final two years of the three year period following the death of a Participant, ~~the surviving spouse elects to continue to receive coverage under a Health Plan,~~ then the surviving spouse will be obligated to pay for the ~~total~~ premiums ~~or costs offor~~ such coverage ~~and eligible duration~~ at the rate established for COBRA coverage ~~underby~~ the ~~Group~~ Health Plan ~~providingthat provides~~ coverage to the surviving spouse and eligible Dependents.

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4.1.6 Procedures for Payment of Benefits.

In the event that a Participant and/or his or her Dependents is entitled to receive ~~benefits~~ Post-Retirement Benefits under the terms of the Plan for ~~health care~~ coverage under a Health Plan, in order to receive such benefits from the Plan, the Participant and/or his or her Dependents must submit proof of ~~health insurance~~ coverage under a Health Plan and proof of the payment of premiums in the time and manner specified by the Trustees. Participants who are age 65 or older during the relevant Plan Year must also submit proof of enrollment in and proof of payment of premiums for Medicare Part "B" or Medicare Part "C" coverage. Post-Retirement Benefits shall be made in a time and manner specified by the Trustees upon receipt of proof of coverage and payment of premiums. However, if a Participant who receives an annual credit towards the payment of premiums for a particular Plan Year fails to request reimbursement for the premiums incurred in such Plan Year on a timely manner as determined by the Trustees, then the Participant will forfeit any unused credits for that particular Plan Year and such credits will not carry forward to future Plan Years.

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4.1.7 Reduction in Annual and Lump Sum Credits.

Notwithstanding anything contained in this Plan to the contrary, the annual and lifetime lump sum credits available to Participants shall be computed as indicated ~~in~~ under the applicable ~~sections~~ Sections of this Article 4.

The ~~credit~~ credits (\$235, \$105 or \$1,250) shall be multiplied by the Adjusted PRMPT Years of Service. The Adjusted PRMPT Years of Service shall be calculated by adding each

Year of Service. Years of Service will be prorated for periods in which an employee worked less than full time (as defined by the Collective Bargaining Agreement or TMWA policy).

Examples of the Reduced Credits are below:

Example #1: Assume that at the time an employee separates from TMWA service at the age of 65 ~~after, he or she~~ has ~~attaining~~attained 10 Years of Service as an MPAT employee, meets all other requirements to participate in this Plan, and elects to participate in the Plan. Assume further, that during the initial five years of ~~thei~~his or her 10 Years of Service the employee ~~was~~worked full time while during the last five years of employment ~~they~~he or she worked part time. ~~They~~Under these facts, such employee would be eligible to receive Post-Retirement Benefits equal to an annual credit of $\$105 \times 7.5$ Adjusted PRMPT Years of Service [5 years of full time service plus five years at part time (50%)] = \$787.50 Annual Credit

Example #2: Assume that at the time an employee separates from TMWA service at the age of 59 ~~after, he or she~~ has ~~attaining~~attained 18 Years of Service as a post January 1998 IBEW employee, meets all other requirements to participate in this Plan, and elects to participate in the Plan. Assume further, that during the initial eight years of ~~thei~~his or her 18 Years of Service the employee ~~was~~worked part time while during the last 10 years of employment ~~they~~he or she worked full time. ~~They~~Such employee would be eligible to receive Post-Retirement Benefits equal to a lifetime lump sum credit of $\$1,250 \times 14$ Adjusted PRMPT Years of Service [8 years of part time service (50%) plus 10 years of full time service] = \$17,500 Lifetime Lump sum Credit.

Example #3: Assume that at the time an employee separates from TMWA service at the age of 65 ~~after, he or she~~ has ~~attaining~~attained 10 Years of Service as an MPAT employee, meets all other requirements to participate in this Plan, and elects to participate in the Plan. Assume further, that during the initial five years of ~~thei~~his or her 10 Years of Service the employee ~~was~~worked full time while during the last five years of employment ~~they~~he or she worked three-quarters time (75%). ~~They~~Such employee would be eligible to receive Post-Retirement Benefits

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equal to an annual credit of \$105 x 8.75 Adjusted PRMPT Years of Service [5 years of full time service plus five years at three-quarters (75%)] = \$918.75 Annual Credit.

4.2 Life Insurance Post-Retirement Benefits for Group Life Insurance Plan Coverage.

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A Participant, who is covered under ~~a Collective Bargaining Agreement with TMWA~~ (the “CBA”), shall be eligible to participate in elect coverage for the group life insurance options required to be offered to such Participant under and/or the Participant’s Dependents under the Group Life Insurance Plans maintained by TMWA for its Benefited Employees in accordance with the terms and conditions of the CBA and the Group Life Insurance Plans, as amended from time to time. A Participant, who is not covered by a CBA, shall be eligible to participate in the group life insurance options offered by TMWA to elect coverage for the Participant as set forth in and/or the Participant’s Dependents under the Group Life Insurance Plans maintained by TMWA for its Benefited Employees in accordance with the terms and conditions of the Group Life Insurance Plans and the policies and resolutions adopted by TMWA from time to time. ~~A Participant may elect group life insurance coverage for his or her Dependents under the Group Life Insurance Plans offered by TMWA if such coverage is permitted by the applicable plan.~~ If a Participant elects group life insurance coverage under a Group Life Insurance Plan, then this Plan shall pay ~~for all or a portion of the premiums for Post-Retirement Benefits towards the premium cost of~~ such coverage in ~~accordance with the terms and conditions of~~ those amounts set forth in the CBA (for Participants covered by the CBA) or TMWA’s policies and resolutions (for Participants not covered by a CBA). ~~Portions~~ The amount of life insurance coverage that a Participant may currently elect under a Group Life Insurance Plan is set forth in Appendix “C” attached to this Plan. Those portions of premiums ~~or costs~~ for coverage under a Group Life Insurance Plan that are not paid by this Plan shall be paid by the Participant. A Participant who does not pay his or her share of the premiums or costs for life insurance coverage under a Group Life Insurance Plan in the time and manner specified by the Trustees shall forfeit all rights to the life insurance coverage elected by the Participant. The Trustees shall from time to time adopt policies pertaining to the timing and the manner in which Participants and Dependents of Participants are to pay their share of the life insurance

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~~premiums and costs. Until such time as the Trustees adopt a different policy, the entire life insurance premiums and costs attributable to the life insurance premiums for coverage chosen by the Participant will be paid by the~~under a Group Life Insurance Plan, ~~and the Participant will be required to reimburse the Plan for his or her share of the premiums and costs attributable to the life insurance coverage chosen by the Participant.~~ To the extent that the Trustees require the Participants and/or ~~their~~ Dependents to pay their share of the ~~life insurance coverage and costs directly to the Plan, rather than to the insurance carrier providing such coverage~~premiums for coverage elected under a Group Life Insurance Plan, then such policies and procedures shall specify the due dates in which the Participant and/or Dependents are required ~~to remit~~pay their share of such life insurance premiums ~~and costs~~ to the Plan. Copies of the policies and procedures adopted by the Trustees from time to time are to be provided to each Participant and each Dependent of a Participant.

ARTICLE 5. COBRA CONTINUATION OF COVERAGE

To the extent required by COBRA, a Participant and his or her ~~Spouse and/or~~ Dependents, as applicable, whose coverage terminates under ~~the Group~~this Plan and/or a Health Plan because of a qualifying event described in COBRA (and ~~who~~such person is a qualified beneficiary as defined under COBRA), ~~then such person~~ shall be given the opportunity to continue on a self-pay basis the same coverage that he or she had under ~~this Plan and the Group Medical~~Health Plan ~~on~~ the day before the qualifying event for the periods prescribed by COBRA. ~~Such continuation coverage shall be subject to all conditions and limitations under COBRA. Notwithstanding anything contained in this paragraph~~Article to the contrary, if this Plan, the CBA covering a Participant, or the policies and resolutions adopted by TMWA, provide for benefits in excess of those offered under COBRA, then the provisions of this Plan, the CBA, or TMWA's policies and resolutions shall govern. ~~Contributions~~Premiums for COBRA coverage, not otherwise required to be paid ~~from~~by this Plan shall be paid to the ~~Plan and/or the Health~~ Plan by the individual entitled to receive COBRA continuation coverage in accordance with the policies and procedures adopted by the Trustees of the Plan from time to time.

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ARTICLE 6. HIPAA COMPLIANCE

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inconsistent with 45 CFR § 164.504(f).

6.4 Restriction on Plan Disclosure to ~~the Employer~~TMWA.

Neither the Plan nor any of its business associates will disclose PHI to ~~the Employer~~TMWA or the Trustees except upon the Plan's receipt of ~~the Employer's~~TMWA's certification that the Plan has been amended to incorporate the provisions under Section 6.5, except as otherwise permitted or required by law. Execution of the Plan document by ~~the Employer~~TMWA will serve as the required certification.

6.5 Privacy Agreements of ~~the Employer~~TMWA/Trustees.

As a condition for obtaining PHI from the Plan and its business associates, ~~the Employer~~TMWA or the Trustees agree it will:

(a) Not use or further disclose such PHI other than as permitted by this Section ~~6.5~~, as permitted by 45 C.F.R. § 164.508, 45 C.F.R. § 164.512, and other ~~sections~~Sections of the HIPAA ~~regulations~~Regulations, or as required by law;

(b) Ensure that any of its agents, including a subcontractor, to whom it provides PHI received from the Plan agree to the same restrictions and conditions that apply to ~~the Employer~~TMWA or the Trustees with respect to such information;

(c) Not use or disclose the PHI for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of ~~the Employer~~TMWA;

(d) Report to the Plan any use or disclosure of the PHI that is inconsistent with permitted disclosures that ~~the Employer~~TMWA or the Trustees becomes aware;

(e) Make the PHI of a particular Participant available for purposes of the Participant's requests for inspection, copying, and amendment, and carry out such requests in accordance with HIPAA ~~regulation~~Regulation 45 C.F.R. §§ 164.524 and 164.526;

(f) Make the PHI of a particular Participant available for purposes of a required accounting of disclosures by ~~the Employer~~TMWA or the Trustees pursuant to the Participant's request for such an accounting in accordance with HIPAA ~~regulation~~Regulation 45 C.F.R. § 164.528;

(g) Make ~~the Employer's~~TMWA's and Trustees' internal practices, books, and records relating to the use and disclosure of PHI received from the Plan available to the Secretary of the U.S. Department of Health and Human Services for purposes of determining compliance by the Plan with HIPAA;

(h) If feasible, return or destroy all PHI received from the Plan that ~~the Employer~~TMWA or the Trustees still maintain in any form and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, ~~the Employer~~TMWA or the Trustees agree to limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible; and

(i) ~~(i)~~ Ensure that there is adequate separation between the Plan and ~~the Employer~~TMWA or the Trustees by implementing the terms of Section 6.6.

~~The Employer~~TMWA and Trustees further agree that if they create, receive, maintain, or transmit any electronic PHI (other than enrollment/disrollment information and Summary Health Information, which are not subject to these restrictions) on behalf of the Plan, they will implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the electronic PHI, and they will ensure that any agents (including subcontractors) to whom they provide such electronic PHI agree to implement reasonable and appropriate security measures to protect the information. ~~The Employer~~TMWA and Trustees will report to the General Manager of TMWA any security incident of which they become aware.

6.6 Separation between Plan and ~~the Employer~~TMWA or the Trustees.

6.6.1 Employees with Access to PHI.

The following employees or other individuals under the control of ~~the~~

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~~Employer~~TMWA or the Trustees are the only individuals that may access PHI received from the Plan: chief financial officer, general manager, IBEW business representatives, Trustees, human resources representatives, accounting staff, payroll staff, and information systems staff.

6.6.2 Use Limited to Plan Administration.

The access to and use of PHI by the individuals described in Section 6.6(a), ~~above, 1~~, is limited to Plan Administration functions as defined in HIPAA ~~regulation~~Regulation 45 C.F.R. § 164.504(a) that are performed by ~~the Employer~~TMWA or the Trustees for the Plan.

6.6.3 Mechanism for Resolving Noncompliance.

If ~~the Employer~~TMWA or the Trustees, or person(s) responsible for monitoring compliance, determines that any person described in Section 6.6(a), ~~above, 1~~ has violated any of the restrictions of this Section ~~6.6~~, then such individual shall be disciplined in accordance with the policies of ~~the Employer~~TMWA or the Trustees established for purposes of privacy compliance, up to and including permanent dismissal from the Board of Trustees. ~~The Employer~~TMWA or the Trustees shall arrange to maintain records of such violations along with the persons involved, as well as disciplinary and corrective measures taken with respect to each incident.

ARTICLE 7. ADMINISTRATION OF PLAN

7.1 Administration.

The Trustees shall administer the Plan subject to applicable requirements of law, including without limitation, the provisions contained in NRS ~~Sections~~287.015 and 287.017 and the corresponding administrative ~~regulations~~Regulations of the NAC adopted from time to time. For this purpose, the Trustees' power and sole discretion shall include, but shall not be limited to, the following authority, in addition to all other powers provided by this Plan:

- (a) To make and enforce such rules and regulations as it deems necessary or proper for the efficient administration of the Plan;
- (b) To interpret the Plan in good faith with such interpretation to be final and conclusive on all persons claiming benefits under the Plan;

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(c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan;

(d) To appoint such attorneys, actuaries, accountants, consultants and other persons as may be required to assist in administering the Plan;

(e) To allocate and delegate its responsibilities under the Plan and to designate other persons to carry out any of its responsibilities under the Plan; ~~and~~

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(f) To approve the amount of Post-Retirement Benefits that shall be payable to any Participant in accordance with the provisions of the Plan; to inform the Participant of the amount of such Post-Retirement Benefits; and to provide a full and fair review to any Participant whose claim for Post-Retirement Benefits has been denied in whole or in part; and

~~(f)(g)~~ To hold meetings in compliance with ~~chapter~~Chapter 241 of NRS.

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7.2 Indemnification.

To the extent permitted by applicable law, ~~the Employer~~TMWA shall indemnify the Trustees and each other person acting in connection with the administration of its members~~the Plan~~, individually against any and all claims, losses, damages and expenses, including legal fees and amounts paid in settlement with ~~the Employer's~~TMWA's approval, resulting from any action or failure to act in connection with the administration of the Plan if such action or inaction is not covered by the statutory immunity given to public employees under ~~Nevada Revised Statutes section 41, Chapter 41 of the NRS,~~ except when the same is determined to be attributable to the gross negligence or willful misconduct of such person.

ARTICLE 8. TRUST PROVISIONS

8.1 Appointment, Qualification and Terms of Trustees.

The Trust shall be administered by the Trustees. ~~The Employer~~TMWA and ~~the~~ Trustees will comply with the provisions of NRS 287.015 and 287.017, together with the corresponding provisions of the NAC, concerning the selection of the Trustees and the administration of the

Plan. ~~The Employer~~TMWA shall appoint four individuals who shall serve as Trustees: (i) two members of TMWA management, one whom shall be the Chief Financial Officer, and ~~two IBEW representatives. The two Trustees who are~~the other appointed from TMWA management are to be appointed by the Employer at the ~~direction~~discretion of theTMWA's General Manager of the Employer. —, and (ii) two IBEW representatives. The two Trustees who are appointed from IBEW are to be appointed by ~~the Employer~~TMWA at the direction of IBEW Local 1245. At all times, equal numbers of TMWA management and IBEW representatives shall serve as Trustees of the Plan. In appointing the Trustees, ~~the Employer~~TMWA shall insure that the Trustees satisfy the requirements of NRS 287.017 and the corresponding provisions of the NAC. Notwithstanding anything contained in this Plan to the contrary, no person is to serve as a Trustee if the person has a substantial financial interest in the ownership or negotiation of the securities or other financial instruments in which the assets of the trust are invested, or if the person is a member of the governing body of ~~the Employer~~TMWA. The term of each person serving as a Trustee shall be for a period of two years. However, a person who has served as a Trustee for a term of two years may be reappointed to serve additional two year terms.

8.2 Meetings of the Trustees.

The Trustees shall meet quarterly or at the call of the ~~Chairman~~Chairperson of the Board of the Trustees when business is presented. The Trustees shall not take action without a quorum. In order to have a quorum, at least three of the four members of the Board of Trustees must be present. The Trustees may take action by a majority decision of the quorum. The Trustees shall appoint a ~~chairperson~~Chairperson and a ~~vice chairperson~~Vice Chairperson to serve two-year terms. One of these positions shall be held by a member of TMWA management and the other shall be held by an IBEW representative. The Trustees intend for the ~~chairperson~~Chairperson position to rotate between the two groups every two years so that if a member of TMWA management was the ~~chairperson~~Chairperson during one term, an IBEW representative will be the ~~chairperson~~Chairperson during the next term. However, if the group that is entitled to select a ~~chairperson~~Chairperson for the next term chooses to relinquish this right, then the Trustees may appoint the same ~~chairperson~~Chairperson to retain his or her position for the next term, or

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alternatively select a ~~chairperson~~Chairperson who is recommended by the group that has selected the current ~~chairperson~~Chairperson. The Trustees shall negotiate in good faith to reach a majority decision on matters that comes to a vote before the Trustees. If the Trustees are unable to reach a majority decision on an issue, the following rules apply:

(a) Within ten (10) calendar days, the Trustees will agree upon a neutral arbitrator to resolve the dispute. The Trustees shall choose an arbitrator by majority decision and consent to an arbitrator shall not be unreasonably withheld. If the Trustees cannot choose an arbitrator by majority decision with a reasonable period of time, the Trustees shall retain the American Arbitration Association to appoint an arbitrator;

(b) If all of the Trustees agree, the dispute may be submitted to a Board of Arbitration. The Board of Arbitration shall consist of the neutral arbitrator, one Trustee who is a member of TMWA management (appointed by the General Manager of TMWA)) and one Trustee who is a representative of IBEW (appointed by IBEW). The decision of the Board of Arbitration is final and binding;

(c) If all of the Trustees do not agree to submit the dispute to a Board of Arbitration, the neutral arbitrator shall make final and binding decision regarding the resolution of the dispute;

(d) A statement of the matter in dispute shall be presented in writing to the Board of Arbitration or neutral arbitrator. If the Trustees cannot agree upon a joint statement of the matter in dispute, each group of Trustees shall prepare its own statement of the matter in dispute within (5) days after it is determined that the Trustees cannot agree upon a joint statement of the matter in dispute.

(e) The Board of Arbitration and neutral arbitrator are bound by the provisions of this Plan and Trust, any applicable collective bargaining agreement and applicable law in making a decision on the matter in dispute.

(f) The decision of the Board of Arbitration or neutral arbitrator shall be rendered in writing within ten (10) days after submission of the dispute for decision. The ten (10) day period may be extended by agreement of all of the Trustees. All other matters of procedure shall be decided by the neutral arbitrator. If the Board of Arbitration or the neutral arbitrator does not render a written decision within ten (10) days or the additional time granted by the Trustees,

Retirement Benefits. The funding policy may be amended pursuant to the discretion of the Trustees. If the Trustees elect to deposit a portion or all of the assets of the Trust Fund with the Retirement Benefits Investment Fund established pursuant to NRS 355.220, the funding and investment policy adopted by the Trustees with respect to these assets may be the same policy as that of the Retirement Benefits Investment Board of the Public Employees' Retirement System of Nevada.

(b) Investment by the Trustees.

The Trustees' discretion in investing and reinvesting the principal and income of the Trust Fund shall be subject to the funding and investment policy adopted by the Trustees in writing. The Trustees shall have the duty to act strictly in accordance with such funding and investment policy as amended. The Trustees may invest all or any portion of the Trust Fund in those investments authorized under NRS 287.017, including without limitation, the Retirement Benefits Investment Fund established pursuant to NRS 355.220 and any investment authorized under NRS 287.017(g)(2) or NRS 287.017(g)(3). If the Trust invests in any assets that are not permitted under applicable law, the assets shall be disposed of as promptly as is prudent under the circumstances.

8.7 ~~Trustees'~~ Trustees' Responsibilities.

The responsibilities of the Trustees shall be:

(a) To hold, invest and reinvest the assets in the Trust Fund, subject to the terms and conditions of the Plan and the funding policy;

(b) To revalue the assets held in the Trust Fund at fair market value annually and more often as necessary,

(c) To report the value of the Trust Fund as of each Plan Year to ~~the Employer~~ TMWA; and

(d) To pay monies from the Trust Fund in accordance with the provisions in this Plan and at the discretion of the Trustees.

8.8 Administration of the Trust Fund.

The Trustees shall have discretion in the administration of the assets held in the Trust Fund. This discretion includes the power of the Trustees to liquidate assets held in the Trust Fund to enable the Trustees to pay ~~benefits~~Post-Retirement Benefits in accordance with the terms of the Plan and to collect administrative fees from the assets held in the Trust Fund in accordance with ~~section~~Section 8.11.

8.9 ~~Power~~Powers of the Trustees.

Unless applicable law provides otherwise, the Trustees are expressly authorized, in carrying out its duties under this Plan, to:

- (a) Purchase, or subscribe for, any securities or other property and to retain the same in the Trust;
- (b) Sell, alter, improve, lease or otherwise dispose of any asset of the Trust Fund;
- ~~(c)~~ —Vote upon any stocks, bonds, or other securities; give general or special proxies or powers of attorney with or without power of substitution; exercise any conversion privileges, subscription

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(c) rights, or other options, and to make any payments incidental thereto; oppose, consent to, or otherwise participate in, corporate reorganizations or other changes affecting corporate securities, delegate discretionary powers, pay any assessments or charges in connections therewith, and generally exercise any of the powers of an owner with respect to stock, bonds, securities or other property held as part of the Trust Fund;

(d) Cause any securities or other property held as part of the Trust Fund to be registered in the Trustees' own name or in the name of one or more of the Trustees' nominees, and to hold any investments in bearer form, but the books and records of the Trustees shall at all times show that all such investments are part of the Trust Fund;

~~(e) — {Intentionally Omitted}~~

~~(f)(e)~~ Accept and retain for such time as the Trustees may deem advisable any securities or other property received or acquired by them as Trustees hereunder, whether or not such securities or other property would normally be purchased as investments hereunder;

~~(e)(f)~~ Make, execute, acknowledge and deliver documents of transfer and conveyance and other instruments that may be necessary or appropriate to carry out the powers granted in this ~~section~~Section;

~~(h)(g)~~ Invest funds of the Trust Fund in overnight deposits or savings accounts bearing a reasonable rate of interest in a bank selected by the Trustees;

~~(i)(h)~~ Invest in Treasury Bills and other forms of United States government obligations;

~~(i)(i)~~ Except as expressly authorized herein, the Trustees are prohibited from selling or purchasing stock options. The Trustees are expressly authorized to write and sell call options under which the holder of the option has the right to purchase shares of stock held by the Trustees as part of the assets of this Trust, if such options are traded on and sold through a national securities exchange registered under the Securities Exchange Act of 1934, as amended, which exchange has been authorized to provide a market for option contracts pursuant to rules promulgated under such Act so long as the Trustees hold sufficient stock in the assets of this Trust to meet the obligations under such option if exercised. In addition, the Trustees are expressly authorized to purchase and acquire call options for the purchase of shares of stock covered by such options if the options are traded on and purchased through a national

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securities exchange as described in the immediately preceding sentence, and so long as any such option is purchased solely in a closing purchase transaction, meaning the purchase of an exchange traded call option the effect of which is to reduce or eliminate the obligations of the Trustees with respect to a stock option contract or contracts which it has previously written and sold in a transaction authorized under the immediately preceding sentence;

~~(k)~~ Deposit monies in federally insured savings accounts or certificates of deposit in banks or savings and loan associations;

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~~(l)~~ Deposit stocks or other securities held in the Trust Fund in any voting trust, with any protective or like committee, or with a trustee or depositories designated by any protective or like committee;

~~(m)~~(l) Retain part interests in real property or in mortgages on real property, wherever situated, with the right to transfer title in their name as Trustee or in the name of a nominee, either alone or jointly with the holder or holders of other part interests in the property or their nominees;

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~~(n)~~(m) Delegate the management and operation of any part interest in any real property or mortgage to a manager or the holders of a majority interest in such real property or mortgage on such real property;

~~(o)~~(n) Sell real property or sell any mortgages on real property that it may retain in the Trust Fund;

~~(p)~~(o) Carry out the decisions of a manager or holder(s) of a majority interest in real property with respect to the sale or mortgage of such real property or otherwise;

~~(q)~~(p) Settle, compromise or submit to arbitration any claims, debts or damages due or owing to or from the Trust or the Trust Fund;

~~(r)~~(q) Commence or defend legal proceedings for or against the Trust;

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~~(s)~~(r) Retain cash temporarily awaiting the payment of benefits or expenses, without liability for interest on the amount retained;

~~(s)~~ Establish custodial arrangements as deemed necessary;

~~(t)~~ Delegate all or some of these powers to an Investment Manager if (i) the Investment Manager is qualified as an investment manager under applicable law, and (ii) the Investment Manager acknowledges in writing that it is acting as a fiduciary with respect to the Plan and Trust, or to the Retirement Benefits Investment Fund of the Public Employees' Retirement System of Nevada by contract with the Retirement Benefits Investment Board.

~~(u)~~ Employ suitable agents and counsel;

~~(v)~~ Generally exercise any of the powers of an owner with respect to stock, other securities or property comprising the Trust Fund;

~~(w)~~ Notwithstanding the above, the Trustees may not change the benefits provided to Participants and Dependents under the terms of the Plan, unless (1) the benefits of Participants and Dependents covered by a CBA are amended by the CBA, or (2) the benefits of Participants and Dependents not covered by a CBA are amended pursuant to the policies and resolutions of TMWA ; and

~~(x)~~ Take all actions that the Trustees deem necessary to administer the Trust Fund and carry out the purposes of this Plan.

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8.10 Administrative Expenses.

All costs and expenses incurred in connection with administration of the Plan and Trust that may properly be paid by the Trust shall be paid by the Trust.

8.11 Trustee Compensation.

The Trustees shall not receive any compensation for the performance of their duties under this Plan.

8.12 Records ~~and~~ Reports ~~and~~ Budgets.

The Trustees shall keep, or hire a third party to keep, accurate and detailed accounts with respect to the Trust Fund, covering all investments, receipts, disbursements and other transactions under this Trust. The Trust Fund is to be administered in accordance with generally accepted accounting principles and actuarial studies applicable to the future provision of ~~retirement benefits~~ Post-Retirement Benefits to the Eligible Retirees, Participants and Dependents of

Participants. All accounts, books and records shall be open to inspection by any person designated by ~~the Employer~~TMWA at all reasonable times. Within 120 days following the close of each Plan Year (and at other dates requested by ~~the Employer~~TMWA), the Trustees, or third party if directed by the Trustees, shall file with ~~the Employer~~TMWA a written report setting forth all investments, receipts, disbursements and other transactions involving the Trust Fund during the Plan Year or the part thereof for which the report is filed. The report shall contain a description of all securities sold, the net proceeds of sale (excluding accrued interest paid or received), and showing the securities and investments held at the end of such period and the cost of each item as carried on the books of the Trust. The Trustees, or third party if directed by the Trustees, also shall render such additional statements or reports to ~~the Employer~~TMWA as ~~the Employer~~TMWA may reasonably request. If the Trustees have elected to invest Trust assets in the Retirement Benefits Investment Fund of the Public Employees' Retirement System of Nevada, investment reporting requirements shall coincide with the reporting periods of the Public Employees' Retirement System of Nevada.

The Trustees shall annually submit a tentative budget to the governing board of TMWA for its consideration, approval and inclusion in the tentative and final budgets of TMWA. The tentative budget submitted by the Trustees to the governing board of TMWA must incorporate the amount of contributions that TMWA expects to make to the Trust Fund. The governing board of TMWA may modify the tentative budget submitted by the Trustees at its discretion. The Trustees shall cause the Trust Fund to be audited annually. The governing board of TMWA shall incorporate the results of the audit into the annual audit report of TMWA.

8.13 Removal and Resignation of Trustees.

Any or both of the two Trustees representing TMWA management may be removed by written notice from ~~the Employer~~TMWA, except that the Chief Financial Officer must remain as a Trustee. Removal shall be effective 60 days after the individual Trustee receives such notice or certified copies of the resolutions, as appropriate. The Trustee may resign upon 60 days written notice to ~~the Employer~~TMWA. Upon the removal or resignation of a Trustee, ~~the Employer~~TMWA shall appoint a successor trustee or trustees. Each successor trustee shall agree

in writing to be bound by this Trust Agreement as amended.

Any or both of the two Trustees representing the IBEW may be removed by written notice from ~~the EmployerTMWA~~, but only if the officers of IBEW have directed ~~the EmployerTMWA~~ to remove one or both of the two Trustees representing the IBEW. Removal shall be effective 60 days after the individual Trustee receives such notice. The Trustee may resign upon 60 days written notice to IBEW. Upon the removal or resignation of a Trustee, ~~the EmployerTMWA~~, at the direction of the IBEW officers, shall appoint a successor trustee or trustees. Each successor trustee shall agree in writing to be bound by this Trust Agreement as amended.

Notwithstanding the above, ~~the EmployerTMWA~~ shall immediately remove any Trustee who has breached his or her fiduciary duty to the Plan or Trust, effective upon notification to the Trustee. ~~The EmployerTMWA~~ shall appoint a new Trustee as soon as administratively possible, in accordance with the procedure for appointing Trustees set forth in Section 8.1.

8.14 Actions by ~~the EmployerTMWA~~.

Any action taken by ~~the EmployerTMWA~~ may be evidenced by a written instrument signed by an authorized agent of ~~the EmployerTMWA~~ or the Trustees. ~~The Employer TMWA~~ shall furnish the Trustees with instructions as to the agents who are authorized to sign such written instruments.

8.15 Acceptance by Trustees.

Upon execution of this Plan, the Trustees hereby accept being named as Trustees under the terms of this Trust Agreement and agree to hold all property constituting the Trust Fund subject to all of the terms and conditions contained herein.

8.16 Source of Funds.

The Trust shall constitute the ~~sole~~primary source of funds that may be used to pay the ~~welfare benefits~~Post-Retirement Benefits awarded under the Plan. Except as otherwise required

by applicable law, ~~the Employer~~TMWA shall not be liable in any way or in any manner for any such benefits or payments beyond those monies held by the Trust.

8.17 Trust Exemption.

The Trust has been issued a determination letter by the Internal Revenue Service, effective May 25, 2007, treating it as exempt from federal income taxes under ~~section~~Section 501(c)(9) of the Code.

8.18 Standards of Interpretation.

This Plan and Trust are designed and intended to comply with applicable law. The Trustees are vested with the power to interpret the Plan and Trust, and their interpretation, if not in conflict with plain meaning of the Plan and Trust or any applicable law or government regulation, shall be final and conclusive. The Trustees, and any entity or person approved by the Trustees, shall have the full discretionary authority to determine eligibility for ~~benefits~~Post-Retirement Benefits awarded under the Plan and to construe the terms of the Plan and Trust.

8.19 Certain Prohibitions pertaining to the Trust.

Notwithstanding anything contained in this Plan to the contrary, the Trustees are precluded from exercising the following powers:

- (a) The power to borrow money;
- (b) The power to finance any debt of ~~the Employer~~TMWA or any other local government and the power to loan funds to ~~the Employer~~TMWA or to funds maintained by ~~the Employer~~TMWA.

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ARTICLE 9. AMENDMENT AND TERMINATION OF PLAN

9.1 Amendment and Termination.

~~The Employer reserves~~TMWA and the Trustees reserve the right to amend or terminate the Plan and associated Trust, ~~as to (i) comply with the requirements of Code Section 501(c)(9) or other provisions of the Code that are applicable to the Plan and Trust, or to conform the Plan and Trust with any group of Eligible Retirees, or other laws applicable to the Plan and Trust, (ii)~~

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~~conform the Plan and Trust with any time amendments, changes, or modifications to the Post-Retirement Benefits for IBEW 1245 Employees that are approved under a CBA between TMWA and IBEW, and (iii) conform the Plan and Trust with any amendments, changes, or modifications to the Post-Retirement Benefits for MPAT Employees that are approved under a policy or resolution of the governing board of TMWA. TMWA and the Trustees also reserve the right to terminate the Plan and Trust by a duly adopted resolution by the Employer. Upon of the governing board of TMWA, and upon~~ termination of the Plan, the Trustees shall apply all the assets remaining in the Trust in a uniform and non-discriminatory manner toward the provision of benefits for Participants ~~in accordance with applicable law.~~ Notwithstanding anything contained in the Plan to the contrary, ~~TMWA and the Employer is~~ Trustees are precluded from amending, ~~modifying or terminating~~ the Plan in any ~~form or~~ manner that would allow the assets of the Plan to inure ~~to or revert to the Employer~~ TMWA, or which would violate any law applicable to the Plan.

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ARTICLE 10. MISCELLANEOUS PROVISIONS

10.1 Non-Discrimination.

~~The Employer~~ TMWA intends that this Plan will not discriminate in favor of Highly Compensated Employees ~~and/or Key Employees~~ as required by ~~section~~ Code Sections 505(b) ~~of the Code~~), 105(h), and 79(d), in both coverage and benefits provided.

10.2 Right to Payment.

The ~~benefits~~ Post-Retirement Benefits paid to Participants and Dependents under Article 4 shall be paid out of the Trust pursuant to the terms of this Plan. Except ~~with respect to~~ for the right ~~of Participants and covered Dependents~~ to receive ~~post-retirement medical benefits and life insurance benefits~~ Post-Retirement Benefits under this Plan, no employee ~~of TMWA~~ or any other person shall have any right, title or interest in or to the assets of the Trust, or in or to any ~~Employer~~ contributions made ~~by TMWA~~ to the Trust, such contributions being made to and held in the Trust for the exclusive purpose of providing ~~post-retirement medical and life insurance benefits~~ Post-Retirement Benefits under the Plan and defraying administrative expenses under the

Plan.

10.3 Information to Be Furnished.

Participants and Dependents shall provide the Trustees with information and evidence and shall sign documents as may reasonably be requested for the purpose of administration of the Plan.

10.4 Limitation of Rights.

Neither the establishment of the Plan, any amendment thereof, nor the payment of any benefits, shall be construed as giving to any Eligible Retiree, Participant, Dependent or other person any legal or equitable right against the Trustees or ~~the Employer~~TMWA, except as provided herein.

10.5 Prohibition of Discrimination.

Any discretionary acts to be taken under the terms and provisions of this Plan by the Trustees shall be uniform in their nature and in their application to all those similarly situated, and no discretionary acts shall be taken that would be discriminatory under the provisions of the Code relating to accident and health plans and/or group life insurance plans. In applying the discrimination provisions of Code Sections 105(h), Code Section 79(d), and the corresponding Treasury Regulations thereto, to the extent permitted by applicable law, the Post-Retirement Benefits described herein for the benefit of the MPAT Employees and the IBEW 1245 Employees are to be treated as a separate plans.

10.6 No Contract of Employment.

This Plan shall not be deemed to be a contract between ~~the Employer~~TMWA and any ~~Eligible Retiree~~employee or former employee of TMWA, or other individual, or to be a consideration or an inducement for the employment of any ~~Eligible Retiree~~employee or former employee of TMWA or other individual. Nothing contained in this Plan shall give any ~~Eligible Retiree~~employee or former employee of TMWA or other individual the right to be retained in the service of ~~the Employer~~TMWA.

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10.7 Incapacity.

If, in the opinion of the Trustees, any ~~person~~Participant or Dependent becomes unable to handle properly any amounts payable to such person under the Plan, the Trustees may make any arrangement for payment on such person's behalf that it determines will be beneficial to such person, including payment to such person's guardian, conservator, spouse or other dependent.

10.8 Governing Law.

This Plan shall be construed, administered and enforced according to the laws of Nevada and all applicable federal laws. ~~If any provision of the Plan is inconsistent with the provisions of applicable federal, state or local law, then the provisions of federal, state or local law (as applicable) will prevail.~~ TMWA and the Trustees recognize that this Plan shall be subject to amendments of such laws and regulations, to new legislation, or to new interpretations of existing laws or regulations. Any provision of law that invalidates or is otherwise inconsistent with the terms of this Plan or would cause the Plan to be in violation of law shall be deemed to have superseded the terms of this Plan; provided, however, that TMWA and the Trustees shall exercise their best efforts to accommodate the terms and intent of this Plan to the greatest extent possible consistent with the intent of Plan.

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10.9 Coverage Options

The terms of the ~~health~~Health Plans and ~~life insurance coverage option(s)~~Group Life Insurance Plans chosen by the Participant shall govern the Participant's coverage and receipt of benefits under ~~the health and life insurance coverage option(s); those plans.~~ Should any term of this Plan conflict with any term of the ~~Participant's chosen health~~Health Plans and/or life insurance coverage option(s); Group Life Insurance Plans which provide coverage to the ~~Participants and their covered Dependents,~~ the ~~term~~terms of the ~~health and life insurance coverage option(s)~~Health Plans and Group Life Insurance Plans shall ~~prevail~~govern, except that such terms shall not apply to expand or reduce the amount of any ~~benefit~~Post-Retirement Benefits offered or provided under this Plan.

10.10 Costs

The costs of administering the Plan shall be paid by the Trust Fund to the extent permitted by law. Any remaining administration costs, if any, shall be paid by ~~the Employer~~TMWA.

¶10.11 Tax Effects

Neither TMWA nor the Trustees makes any warranty or other representation as to whether any Post-Retirement Benefits paid to or on behalf of any Participant will be treated as excludable from gross income for state or federal income tax purposes.

(Dates and Signatures to Follow)

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Dated this ~~23rd~~ day of ~~August, 2014~~, 2017.

Board of Trustees

Accepted and Approved By:

Truckee Meadows Water Authority

By: _____

Its: Chairman, Board of Directors

**TRUCKEE MEADOWS WATER AUTHORITY
POST-RETIREMENT MEDICAL AND LIFE INSURANCE PLAN & TRUST
(AS RESTATED ON _____, 2017)**

ARTICLE 1. INTRODUCTION

1.1 Purpose of Plan.

The Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust was originally established effective January 1, 2006. The Plan was subsequently amended and restated in its entirety on January 21, 2009, and August 23, 2011. The Plan is now being amended and restated to make certain changes to clarify the Plan. The purpose of this Plan is to provide Participants and their Dependents with benefits to assist with the payment of premiums for post-retirement health coverage and post-retirement group life insurance coverage. The Plan, as amended and restated, hereafter reads as follows.

1.2 Plan Status.

The benefits offered under this Plan are intended to qualify as (i) accident and health plan benefits under Code Sections 105 and 106 and the corresponding Treasury Regulations, and (ii) group term life insurance benefits under Code Section 79 and the corresponding Treasury Regulations. The benefits provided under this Plan are funded through the Plan which qualifies as a voluntary employees' beneficiary association under Code Section 501(c)(9). Pursuant to a determination letter from the Internal Revenue Service dated May 25, 2007, the Plan is exempt from Federal income tax under Code Section 501(c)(9). The Plan may be amended or terminated as provided in Article 9.1. Unless the context indicates otherwise, capitalized terms used in this Plan are to have the meanings set forth in Article 2.

ARTICLE 2. DEFINITIONS

2.1 Code.

"Code" means the Internal Revenue Code of 1986, as amended. Reference to any Section or Subsection of the Code includes reference to any comparable or succeeding provisions of any legislation that amends, supplements or replaces such Section or Subsection.

2.2 CBA.

“CBA” means a collective bargaining agreement entered into between TMWA and IBEW from time to time, together with any amendments thereto, which among other things, establishes the amount of the Post-Retirement Benefits for those employees of TMWA who are covered by the CBA.

2.3 Dependent.

"Dependent" shall have the same meaning as set forth in the Health Plans and/or the Group Life Insurance Plans, such as a spouse or child of the Participant; provided, however, that any such Dependent must also qualify as a dependent of the Participant under the applicable provisions of Code Section 152 and the corresponding Treasury Regulations.

2.4 Eligible Retiree.

"Eligible Retiree" means any MPAT Employee or IBEW 1245 Employee who has separated from service from TMWA after attaining age 55 and has completed at least ten (10) Years of Service as defined in Section 2.18; provided, however, the term “Eligible Retiree” shall not include any retiree or former employee of TMWA that is entitled to receive benefits under “The Truckee Meadows Water Authority OPEB Trust Fund,” a separate plan that is currently maintained by TMWA.

2.5 Health Plans and Group Life Insurance Plans.

“Health Plan(s)” means (i) the group policies and/or plans that may be offered by TMWA from time to time that provide medical, dental, and/or vision coverage to Participants and/or their Dependents, (ii) individual policies or plans that are procured by a Participant that provide medical, dental, and/or vision coverage to Participants and/or their Dependents, (iii) Medicare Plans Part B and Part D, Medicare Supplemental Plans, and Medicare Advantage Plans that provide medical, dental, and/or vision coverage for Participants and/or their Dependents, together with any current and future plans available to individuals eligible for Medicare coverage that are approved and authorized by the United States Department of Health and Human Services or its successor, and (iv) the group policies or plans offered by an employer of a Participant or an

employer of a spouse of a Participant (other than TMWA) that provide medical, dental, and/or vision coverage to Participants and/or their Dependents.

“Group Life Insurance Plan(s)” means the group policies and/or plans that may be offered by TMWA, from time to time, that provide group life insurance coverage to the Participants and/or their Dependents.

Notwithstanding anything contained in this Section 2.5 to the contrary, the terms “Health Plan(s)” and “Group Life Insurance Plans(s)” shall not include a policy or plan offered by the employer of a Participant or an employer of a Participant’s spouse to the extent that the premiums are paid by the employer on a “pre-tax” basis, including, without limitation, a policy or plan offered by an employer under a Code Section 125 plan (commonly referred to as a “Cafeteria Plan”).

2.6 Highly Compensated Employee.

"Highly Compensated Employee" means, for purposes of determining discrimination, a Participant who is described in the applicable provisions of Code Sections 414(q) and 105(h) and the corresponding Treasury Regulations thereto.

2.7 IBEW.

"IBEW" means the Local Union 1245 of the International Brotherhood of Electrical Workers.

2.8 IBEW 1245 Employees.

"IBEW 1245 Employees" mean all of the following classes of employees:

(a) "IBEW Transfer Employees" mean each former employee of Sierra who transferred to TMWA from Sierra on June 11, 2001, who is covered by the “Agreement Concerning Compliance with Letter of Understanding” between TMWA and Local Union 1245 of the International Brotherhood of Electrical Workers, together with the attachments thereto. A true and correct copy of the above referenced Agreement Concerning Compliance with Letter of Understanding, together with the attachments thereto, is attached to this Plan as Appendix “A;”

(b) "IBEW Transfer Employees Receiving Sierra Plan Benefits" mean each former employee of Sierra who transferred to TMWA from Sierra on June 11, 2001, who is covered by the "Agreement Concerning Compliance with Letter of Understanding" between TMWA and Local Union 1245 of the International Brotherhood of Electrical Workers, who elected to retire under the Sierra Plan;

(c) "Other IBEW Employees" mean each employee of TMWA, other than those described in clauses (a) and (b) above, who was hired by TMWA and is covered by a CBA that provides for Post-Retirement Benefits under this Plan.

2.9 MPAT Employees.

"MPAT Employees" mean all of the following classes of employees:

(a) "MPAT Transfer Employees" mean each former management, professional, administrative and technical employee of Sierra who was hired by TMWA pursuant to the Purchase Agreement between TMWA and Sierra (the "Purchase Agreement") and transferred to TMWA from Sierra on June 11, 2001. MPAT Transfer Employees shall also include the three MPAT Employees listed on Appendix "B" attached hereto who did not transfer to TMWA from Sierra on June 11, 2001, but who received offers of employment from TMWA entitling them to receive credit for their Years of Service accrued under the Sierra Plan for all relevant purposes under this Plan;

(b) "MPAT Transfer Employees Receiving Sierra Plan Benefits" mean each former management, professional, administrative and technical employee of Sierra who was hired by TMWA pursuant to the Purchase Agreement, transferred to TMWA from Sierra on June 11, 2001, and who elected to retire under the Sierra Plan;

(c) "Other MPAT Employees" mean each (i) regular (non-temporary) management, professional, administrative and technical employee of TMWA who is not listed in clauses (a) or (b) of this Section 2.9, other than an employee who is entitled to receive benefits under "The Truckee Meadows Water Authority OPEB Trust Fund."

2.10 NRS and NAC.

“NRS” means the Nevada Revised Statutes, as amended from time to time, and “NAC” means the Nevada Administrative Code, as amended from time to time.

2.11 Participant.

"Participant" means an Eligible Retiree who has elected to participate in the Plan pursuant to Section 3.1.

2.12 Permanent Waiver.

“Permanent Waiver” means the execution by a Participant or Eligible Retiree of a written instrument, in a form approved by the Trustees, delivered to the Trustees, whereby a Participant or Eligible Retiree elects to waive his or her right to receive Post-Retirement Benefits under the terms of this Plan. If a Participant or Eligible Retiree executes and delivers a Permanent Waiver to the Trustees, such waiver shall be irrevocable, and the Participant or Eligible Retiree shall be precluded from participating in this Plan as of the effective date of the Permanent Waiver and such waiver shall apply to all future Plan Years following the effective date of the Permanent Waiver.

2.13 Plan.

"Plan" means the Truckee Meadows Water Authority Post-Retirement Medical and Life Insurance Plan & Trust, which is set forth in this document.

2.14 Plan Year.

"Plan Year" means the calendar year.

2.15 Post-Retirement Benefits.

“Post-Retirement Benefits” mean and are limited to the premiums required to be paid by this Plan, either directly to a Health Plan and/or Group Life Insurance Plan, or by reimbursement to the Participant for coverage of a Participant and/or his or her Dependents under (i) a Health Plan and/or (ii) Group Life Insurance Plan. The actual amount of Post-Retirement Benefits payable by this Plan on behalf of a particular Participant and his or her Dependents are described

in further detail in Sections 4.1.1 through 4.1.5 and Article 5. Post-Retirement Benefits are not to include (i) the reimbursement of any co-payments, deductibles, out of pocket, or other similar charges incurred by a Participant and/or his or her Dependents under a Health Plan, (ii) any premiums paid by a Participant and/or his or her Dependents for coverage under a Health Plan that are reimbursed to the Participant or the Dependents by a person or entity other than this Plan, or (iii) any premiums paid by a Participant and/or his or her Dependents under a Health Plan that are not treated as qualified medical expenses under Code Section 213.

2.16 Purchase Agreement.

"Purchase Agreement" means the "Asset Purchase Agreement between Sierra Pacific Power Company, as Seller, and TMWA, as Purchaser."

2.17 Retirement Date.

"Retirement Date" means the date elected by an Eligible Employee, on or after his or her retirement date from TMWA, to participate in the Plan in accordance with the procedures established by the Trustees from time to time.

2.18 Service or Years of Service.

"Service" or "Years of Service" means:

- (a) "For IBEW Transfer Employees and MPAT Transfer Employees."

"Service" or "Years of Service" include all years of service earned and accumulated by a Participant during the time he or she was an employee of TMWA and all years of service earned and accumulated by a Participant under the Sierra Plan in accordance with the terms of the Sierra Plan.

(b) "For IBEW Transfer Employees Receiving Sierra Plan Benefits," "Other IBEW Employees," "MPAT Transfer Employees Receiving Sierra Plan Benefits" and "Other MPAT Employees." "Service" or "Years of Service" include all years of service earned and accumulated by a Participant during the time her or she was an employee of TMWA.

- (c) "For MPAT and IBEW Employees hired by TMWA." "Service or Years

of Service” include all years of service earned and accumulated by a Participant during the time that he or she was an employee of TMWA.

For purposes of clauses (a), (b), and (c) above, a “Year of Service” will be earned and accumulated by a Participant, classified by TMWA as a regular (non-temporary and non-“provisional”) full or part-time employee, who works continuously without a break in service. However, if a Participant was classified as a “provisional” employee of TMWA and subsequently became classified as a regular employee of TMWA, then for purposes of this Section the Participant is to be classified as a regular employee of TMWA retroactively to the date that he or she was classified as a “provisional” employee of TMWA. The Years of Service will be calculated at the time of separation from service from TMWA retroactively for all periods of continuous regular employment. No period where an employee is classified by TMWA as a temporary non-benefited employee will qualify towards periods of Years of Service. Years of Service shall be recognized only for periods of paid employment. Therefore, the only periods of unpaid leave of absence that shall be credited towards Years of Service are those required by current or future State and Federal laws, such as The Uniformed Services Employment and Reemployment Rights Act (USERRA). Furthermore, breaks in service shall not be included in Years of Service; however, Years of Service earned prior to a break in service shall be aggregated with Years of Service worked after the break in service. All references in this paragraph to a “provisional” employee of TMWA means an IBEW 1245 Employee whose employment, at the time of hire, was intended to last more than six (6) months, but less than two (2) calendar years, and whose work or duties are linked to specific projects, or are in anticipation of future events, with a specific date at which the position will be eliminated.

2.19 Adjusted PRMPT Years of Service,.

“Adjusted PRMPT Years of Service” shall be calculated by adding each “Year of Service.” Years of Service will then be prorated for periods in which a Participant worked less than full time (as defined by the CBA or TMWA policy). Refer to Section 4.1.7 for further information.

2.20 Sierra.

"Sierra" means the Sierra Pacific Power Company, now known as NV Energy.

2.21 Sierra Plan.

"Sierra Plan" means the Sierra Pacific Resources Post-Retirement Medical Plan.

2.22 Trust.

"Trust" means the Trust established and set forth in this document.

2.23 Trustees and Trustee.

"Trustees" mean the trustees appointed pursuant to Article 8 whose duties include the administration of the Plan and Trust, and "Trustee" means any one (1) of the Trustees.

2.24 TMWA.

"TMWA" means the Truckee Meadows Water Authority, a local government agency within the meaning of NRS 354.474.

ARTICLE 3. ELIGIBILITY AND PARTICIPATION

3.1 Eligibility and Commencement of Coverage.

Each Eligible Retiree shall be eligible to become a Participant in the Plan upon the later of (i) the date the Eligible Retiree separates from service from TMWA, or (ii) the date the Eligible Retiree applies for Post-Retirement Benefits under this Plan, either individually or together with his or her Dependents, in the time and manner specified by the Trustees. Notwithstanding the preceding sentence, if an Eligible Retiree either retired from Sierra or terminated employment from Sierra prior to being hired by TMWA (e.g., the Eligible Retiree did not transfer employment from Sierra to TMWA pursuant to the Purchase Agreement) and elected to receive post-retirement health benefits from the Sierra Plan, the Eligible Retiree will not be eligible to become a Participant unless at the time of separation from service from TMWA, the Eligible Retiree (i) earned ten years of service as an employee with TMWA; (ii) attained age 55; and (iii) applies for Post-Retirement Benefits under this Plan in the time and manner specified by

the Trustees. If an Eligible Retiree defers, but does not permanently waive coverage under this Plan at the time of separation of service from TMWA, the Eligible Retiree may apply for benefits under this Plan (i) during any subsequent open enrollment period under a Health Plan, or (ii) following an event defined in a Health Plan that allows an Eligible Retiree to elect coverage under the Health Plan at a time other than during the open enrollment period.

3.2 Termination of Participation.

A Participant shall cease to be eligible to participate in this Plan on the occurrence of earliest of the following events: (i) the date of the Participant's death; (ii) the date the Participant's Post-Retirement Benefits are cancelled due to the execution of a Permanent Waiver by the Participant; (iii) the date the Participant fails to pay his or her share of the premiums for coverage under a Health Plan and/or Group Life Insurance Plan in accordance with the policies established by the Trustees from time to time; (iv) the date that a Participant is no longer covered under a Health Plan and a Group Life Insurance Plan, or (iv) the date this Plan is terminated. If a Participant's participation in the Plan is terminated by reason of failing to pay his or her share of premiums, the Participant may reenroll in the Plan during any subsequent open enrollment period, but only if the Participant has remitted to the Plan all delinquent premiums prior to the first day of the commencement of coverage.

ARTICLE 4. POST-RETIRMENT BENEFITS

4.1 Post-Retirement Benefits Pertaining to Health Plans-In General.

If permitted by this Plan and the terms of the applicable Health Plan, a Participant may elect coverage under a particular Health Plan, and a Participant may enroll his or her Dependents in such Health Plan. Post-Retirement Benefits earned by a Participant under this Plan shall be used to either reimburse the Participant or pay directly to the Health Plan the Plan's share of the total premiums assessed for such coverage under the Health Plan, as specified by the terms of this Plan (See Sections 4.1.1 through 4.1.4 for the calculation of the amount of the Post-Retirement Benefits to which a Participant and his or her Dependents are entitled to receive for coverage under a Health Plan). Those portions of the premiums that are not required to be paid by this Plan shall

be the sole responsibility of, and paid by, the Participant. A Participant who does not pay his or her portion of the premiums for coverage under a Health Plan in the time and manner specified by the Trustees shall forfeit all rights to his or her coverage under the Health Plan. The Trustees shall from time to time adopt policies pertaining to the timing and the manner in which Participants and their Dependents are to pay their share of the health coverage premiums for the coverage elected. If the Trustees adopt a policy in which all premiums for coverage under a Health Plan are to be paid by the Plan, the Participant and Dependents of a Participant shall reimburse the Plan for their share of the total premiums that are required to be paid by them, and the Plan's policies and procedures shall specify the due dates in which the Participant and the Participant's Dependents are required to remit their share of such premiums to the Plan. Copies of the policies and procedures adopted by the Trustees from time to time are to be provided to each Participant and each Dependent of a Participant.

4.1.1 Transfer of Employees between IBEW and MPAT.

If during the time a Participant was employed by TMWA and/or Sierra, he or she transferred from employment as an IBEW 1245 Employee to employment as an MPAT Employee (or vice versa), the Participant's Post-Retirement Benefits under this Plan at his or her Retirement Date shall be calculated as if Participant was employed in his or her most recent employment classification for his or her entire period of service with TMWA and/or Sierra. Notwithstanding the above, if the Participant was an IBEW Transferred Employee or an MPAT Transferred Employee, such Participant shall continue to be treated as either an IBEW Transfer Employee or an MPAT Transferred Employee at his or her Retirement Date for purposes of calculating his or her Years of Service under Section 2.18, and if applicable Section 2.19.

4.1.2 Specific Post Retirement Benefits for Health Plan Coverage for MPAT Employees.

A Participant who was an MPAT Employee at his or her Retirement Date may elect coverage under the Health Plans that are made available to TMWA's active employees who are entitled to receive health and life benefits (hereafter referred to as "Benefited Employees"), or alternatively, elect coverage under other Health Plans described in Section 2.5. A Participant

who is an MPAT Employee shall receive Post-Retirement Benefits based upon an annual credit that is to be applied towards the total annual premiums charged for his or her chosen Health Plan coverage which is to be based upon the Participant's Years of Service as described below. The annual credit shall be calculated as follows:

Participant's Age (Each Month) on Birthday during the Relevant Plan Year for the Applicable Monthly Request for Coverage	Annual Credit Calculation
Age 55 through 64	\$235 x "Adjusted PRMPT Years of Service" (up to 30 years)
Age 65 and above	\$105 x "Adjusted PRMPT Years of Service" (up to 35 years)

The total annual credit shall be reduced by 5% for each full year (with proration for fractional months) that the Participant is under age 62 as of the date he or she requests coverage under this Plan. (the "Penalized Benefit"). If a Participant receives a Penalized Benefit at the time of his or her initial participation in the Plan, then such Penalized Benefit is to continue in effect permanently, regardless of whether coverage is continuous. The annual credit shall be provided in the time and manner specified by the Trustees. In order to be eligible to participate in a Health Plan offered by TMWA, when a Participant described in this Section attains age 65 or older during the relevant Plan Year he or she must enroll in and pay the total cost of Medicare Part "B" or Medicare Part "C" coverage. Unless the Plan pays the Participant's share of premiums directly to the Health Plan which the Participant elects coverage under, the Participant shall pay his or her share of

such premiums to the Health Plan and shall be reimbursed by the Plan to the maximum amount specified above. See Section 4.1.6 for reimbursement procedures.

Example of Calculation of Annual Credit:

Assume a MPAT Employee retires at age 55 with 15 “Adjusted PRMPT Years of Service.” His or her annual Post-Retirement Benefits that may be used towards his or her coverage under a Health Plan would be as follows:

Before Age 65:

Step 1: Calculate maximum annual benefit. $\$235 \times 15$ “Adjusted PRMPT Years of Service” = $\$3,525$.

Step 2: Calculate the reduction percentage. $5\% \times 7$ (years between age 62 and age 55) = 35%

Step 3: Calculate the reduction amount. $\$3,525 \times 35\% = \$1,233.75$

Step 4: Reduce the maximum benefit by the reduction amount to obtain the annual credit. $\$3,525$. (step 1) - $\$1,233.75$ (step 3) = $\$2,291.25$ annual credit.

After the Participant reaches age 65, repeat the steps above by substituting \$105 for \$235 in step 1. Result = $\$1,575$ (step 1) - $\$551.25$ (step 3) = $\$1,023.75$ annual credit.

4.1.3 Specific Post Retirement Benefits for Health Plan Coverage for all IBEW 1245 Employees hired on or after January 1, 1998 and for “IBEW Transfer Employees Receiving Sierra Plan Benefits” hired before January 1, 1998.

All IBEW 1245 Employees hired on or after January 1, 1998, and “IBEW Transfer Employees Receiving Sierra Plan Benefits” hired before January 1, 1998, are entitled to receive Post-Retirement Benefits for coverage under the Health Plans made available to Benefited Employees of TMWA or other Health Plans described in Section 2.5. For those Participants described in this Section, he or she will receive Post-Retirement Benefits in an amount equal to the following lifetime lump-sum credit which will be applied toward the annual premiums charged

for his or her coverage under a Health Plan: \$1,250 for each “Adjusted PRMPT Year of Service.” The Plan shall use the amount of the above referenced lifetime lump-sum credit to pay the entire premiums for the coverage elected under a Health Plan for the Participant and his or her Dependents until the lifetime lump-sum credit is exhausted. At that point, the Participant may elect to continue coverage under the Health Plan and this Plan; provided, however, that the Participant is to be responsible for the total premiums for his or her coverage under the Health Plan at the rates and terms established under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (hereafter, referred to as “COBRA”). Unless otherwise specified by the Trustees, the Plan may pay the entire premiums for a Participant’s chosen coverage under a Health Plan, provided that the Participant shall reimburse the Plan for the Participant’s share of such premiums in accordance with the policies and procedures adopted from time to time by the Trustees.

4.1.4 Specific Post Retirement Benefits for Health Plan Coverage for IBEW Transfer Employees Hired by Sierra before January 1, 1998.

(a) At Least Age 55 and Under Age 65.

A Participant who was an IBEW Transfer Employee, was hired by Sierra before January 1, 1998 and is at least age 55 and under age 65 on his or her Retirement Date, is entitled to receive Post-Retirement Benefits only for coverage under a Health Plan that is offered by TMWA to its Benefited Employees” until the Plan Year in which the Participant attains age 65. During the Plan Year in which the Participant attains age 65 and later Plan Years, the Participant is eligible to receive Post-Retirement Benefits for coverage under Health Plans offered by TMWA to its Benefited Employees, a Medicare Supplement Plan or a Medicare Risk Contract. However, during the Plan Year in which the Participant attains age 65 and later Plan Years, the Participant must enroll in and pay the total cost of Medicare Part "B" or Medicare Part "C" coverage, in accordance with Medicare enrollment criteria, in order to be eligible for the Post-Retirement Benefits under this Section. For those Participants described in this Section, they are entitled to receive Post-Retirement Benefits equal to an annual credit (as described below) which is to be used toward the annual premiums charged for the Participant’s coverage chosen under a

particular Health Plan (including the coverage for his or her Dependents). The annual credit referenced herein is to be determined as follows:

- (1) 80% of the total annual premium for coverage under a Health Plan, less
- (2) 4% of the total annual premium for such coverage, multiplied by the difference between:
 - (A) 20, minus
 - (B) the Participant's number of Years of Service (not to exceed 20).

Unless otherwise specified by the Trustees, the Plan may pay the entire annual premium charged for a Participant's coverage under a Health Plan, provided that the Participant must reimburse the Plan for the Participant's share of such premiums (i.e., those premiums in excess of the annual credit available to the Participant) in accordance with the policies and procedures adopted from time to time by the Trustees. In this regard, each Participant shall be responsible for reimbursing the Plan for the difference between (i) the amount determined under 4.1.4(a)(1) and 4.1.4(a)(2), and (ii) 100% of the total premium charged for coverage chosen by the Participant under a Health Plan.

- (b) Age 65 and over.

A Participant who was an IBEW Transfer Employee, was hired by Sierra before January 1, 1998, and is age 65 or over on his Retirement Date is eligible to receive Post-Retirement Benefits for coverage under Health Plans offered by TMWA to its Benefited Employees, a Medicare Supplement Plan, or a Medicare Risk Contract. For those Participants described in this Section, they will receive Post-Retirement Benefits equal to an annual credit that shall be applied toward the annual premiums charged for the coverage elected under the Health Plan (including the premiums for coverage elected for his or her Dependents). The annual credit referenced in the preceding sentence is to be determined as follows:

- (1) 85% of the total annual premiums for coverage under a Health Plan, less
- (2) 4% of the total annual premium for such coverage, multiplied by the difference between:
 - (A) 20, minus
 - (B) the Participant's number of Years of Service (not to exceed 20).

The 85% in clause (1) above shall be 100% for a Participant who elects to participate in a Medicare Risk Contract. In order to be eligible for the benefits under this Section, the Participant must enroll in and pay the entire cost of Medicare Part "B" or Medicare Part "C" coverage. Unless otherwise specified by the Trustees, the Plan may pay the entire annual premium charged for a Participant's coverage under a Health Plan, provided that the Participant must reimburse the Plan for the Participant's share of such premiums (i.e., those premiums in excess of the annual credit available to the Participant) in accordance with the policies and procedures adopted from time to time by the Trustees. In this regard, each Participant described in this Section shall be responsible for reimbursing the Plan for the difference between (i) the amount determined under 4.1.4(b)(1) and 4.1.4(b)(2), and (ii) 100% of the total premium charged for coverage chosen by the Participant under a Health Plan.

4.1.5 Surviving Spouse's Death Benefits.

The surviving spouse of a deceased Participant who was covered by a Health Plan on the Participant's date of death, may continue receiving coverage under the Health Plan for three years after the death of the Participant, if permitted by the Health Plan and applicable law. Such coverage is to begin on the first day of the month following the month of the Participant's death. The Plan will pay a portion of the premiums for coverage under the Health Plan for the first year after the Participant's death by computing Post-Retirement Benefits under this Plan as if the surviving spouse was the Participant. All terms applicable to the Participant in the year of his or her death shall apply to the surviving spouse during the first year following the Participant's

death. For the final two years of the three year period following the death of a Participant, the surviving spouse shall be eligible for coverage under Health Plans that the Participant was eligible to participate in under the terms of this Plan. If during the final two years of the three year period following the death of a Participant, the surviving spouse elects to continue to receive coverage under a Health Plan, then the surviving spouse will be obligated to pay for the total premiums for such coverage at the rate established for COBRA coverage by the Health Plan that provides coverage to the surviving spouse and eligible Dependents.

4.1.6 Procedures for Payment of Benefits.

In the event that a Participant and/or his or her Dependents is entitled to receive Post-Retirement Benefits under the terms of the Plan for coverage under a Health Plan, in order to receive such benefits from the Plan, the Participant and/or his or her Dependents must submit proof of coverage under a Health Plan and proof of the payment of premiums in the time and manner specified by the Trustees. Participants who are age 65 or older during the relevant Plan Year must also submit proof of enrollment in and proof of payment of premiums for Medicare Part "B" or Medicare Part "C" coverage. Post-Retirement Benefits shall be made in a time and manner specified by the Trustees upon receipt of proof of coverage and payment of premiums. However, if a Participant who receives an annual credit towards the payment of premiums for a particular Plan Year fails to request reimbursement for the premiums incurred in such Plan Year on a timely manner as determined by the Trustees, then the Participant will forfeit any unused credits for that particular Plan Year and such credits will not carry forward to future Plan Years.

4.1.7 Reduction in Annual and Lump Sum Credits.

Notwithstanding anything contained in this Plan to the contrary, the annual and lifetime lump sum credits available to Participants shall be computed as indicated under the applicable Sections of this Article 4.

The credits (\$235, \$105 or \$1,250) shall be multiplied by the Adjusted PRMPT Years of Service. The Adjusted PRMPT Years of Service shall be calculated by adding each Year of

Service. Years of Service will be prorated for periods in which an employee worked less than full time (as defined by the Collective Bargaining Agreement or TMWA policy).

Examples of the Reduced Credits are below:

Example #1: Assume that at the time an employee separates from TMWA service at the age of 65, he or she has attained 10 Years of Service as an MPAT employee, meets all other requirements to participate in this Plan, and elects to participate in the Plan. Assume further, that during the initial five years of his or her 10 Years of Service the employee worked full time while during the last five years of employment he or she worked part time. Under these facts, such employee would be eligible to receive Post-Retirement Benefits equal to an annual credit of $\$105 \times 7.5$ Adjusted PRMPT Years of Service [5 years of full time service plus five years at part time (50%)] = \$787.50 Annual Credit

Example #2: Assume that at the time an employee separates from TMWA service at the age of 59, he or she has attained 18 Years of Service as a post January 1998 IBEW employee, meets all other requirements to participate in this Plan, and elects to participate in the Plan. Assume further, that during the initial eight years of his or her 18 Years of Service the employee worked part time while during the last 10 years of employment he or she worked full time. Such employee would be eligible to receive Post-Retirement Benefits equal to a lifetime lump sum credit of $\$1,250 \times 14$ Adjusted PRMPT Years of Service [8 years of part time service (50%) plus 10 years of full time service] = \$17,500 Lifetime Lump sum Credit.

Example #3: Assume that at the time an employee separates from TMWA service at the age of 65, he or she has attained 10 Years of Service as an MPAT employee, meets all other requirements to participate in this Plan, and elects to participate in the Plan. Assume further, that during the initial five years of his or her 10 Years of Service the employee worked full time while during the last five years of employment he or she worked three-quarters time (75%). Such employee would be eligible to receive Post-Retirement Benefits equal to an annual credit

of \$105 x 8.75 Adjusted PRMPT Years of Service [5 years of full time service plus five years at three-quarters (75%)] = \$918.75 Annual Credit.

4.2 Post-Retirement Benefits for Group Life Insurance Plan Coverage.

A Participant, who is covered under the CBA shall be eligible to elect coverage for the Participant and/or the Participant's Dependents under the Group Life Insurance Plans maintained by TMWA for its Benefited Employees in accordance with the terms and conditions of the CBA and the Group Life Insurance Plans, as amended from time to time. A Participant, who is not covered by a CBA, shall be eligible to elect coverage for the Participant and/or the Participant's Dependents under the Group Life Insurance Plans maintained by TMWA for its Benefited Employees in accordance with the terms and conditions of the Group Life Insurance Plans and the policies and resolutions adopted by TMWA from time to time. If a Participant elects coverage under a Group Life Insurance Plan, then this Plan shall pay Post-Retirement Benefits towards the premium cost of such coverage in those amounts set forth in the CBA (for Participants covered by the CBA) or TMWA's policies and resolutions (for Participants not covered by a CBA). The amount of coverage that a Participant may currently elect under a Group Life Insurance Plan is set forth in Appendix "C" attached to this Plan. Those portions of premiums for coverage under a Group Life Insurance Plan that are not paid by this Plan shall be paid by the Participant. A Participant who does not pay his or her share of the premiums or costs for coverage under a Group Life Insurance Plan in the time and manner specified by the Trustees shall forfeit all rights to the life insurance coverage elected by the Participant. The Trustees shall from time to time adopt policies pertaining to the timing and the manner in which Participants and Dependents of Participants are to pay their share of the premiums for coverage under a Group Life Insurance Plan. To the extent that the Trustees require the Participants and/or their Dependents to pay their share of the premiums for coverage elected under a Group Life Insurance Plan, then such policies and procedures shall specify the due dates in which the Participant and/or Dependents are required pay their share of such life insurance premiums to the Plan. Copies of the policies and procedures adopted by the Trustees from time to time are to be provided to each Participant and each Dependent of a Participant.

ARTICLE 5. COBRA CONTINUATION OF COVERAGE

To the extent required by COBRA, a Participant and his or her Dependents, as applicable, whose coverage terminates under this Plan and/or a Health Plan because of a qualifying event described in COBRA (and such person is a qualified beneficiary as defined under COBRA), then such person shall be given the opportunity to continue on a self-pay basis the same coverage that he or she had under this Plan and the Health Plan on the day before the qualifying event for the periods prescribed by COBRA. Such continuation coverage shall be subject to all conditions and limitations under COBRA. Notwithstanding anything contained in this Article to the contrary, if this Plan, the CBA covering a Participant, or the policies and resolutions adopted by TMWA, provide for benefits in excess of those offered under COBRA, then the provisions of this Plan, the CBA, or TMWA's policies and resolutions shall govern. Premiums for COBRA coverage, not otherwise required to be paid by this Plan shall be paid to the Plan and/or the Health Plan by the individual entitled to receive COBRA continuation coverage in accordance with the policies and procedures adopted by the Trustees of the Plan from time to time.

ARTICLE 6. HIPAA COMPLIANCE

6.1 General.

Members of TMWA's workforce or the Trustees may, from time to time, have access to protected health information ("PHI") of Plan Participants for administrative functions of the Plan. The Health Insurance Portability and Accountability Act of 1996, ("HIPAA"), and the regulations issued thereunder at 45 C.F.R. Parts 160 and 164 (the "HIPAA Regulations"), as amended from time to time, impose privacy obligations on the Plan and restrict the disclosure of PHI. TMWA and the Trustees shall have access to PHI from the Plan only as permitted under this Article 6 or as otherwise required or permitted by HIPAA or other applicable law. All capitalized terms within this Article 6 not otherwise defined in the Plan shall have the meaning provided under HIPAA.

6.2 Definition of PHI.

Protected health information or PHI means information that is created or received by the Plan and relates to the past, present, or future physical or mental health or condition of a Participant; the provision of health care to a Participant; or the past, present, or future payment for the provision of health care to a Participant; and that identifies the Participant or for which there is a reasonable basis to believe the information can be used to identify the Participant. Protected health information includes information of persons living or deceased.

6.3 Uses and Disclosures of PHI.

The Plan may disclose a Plan Participant's PHI to TMWA or the Trustees (or to TMWA or the Trustees' agent) to the fullest extent permitted by the HIPAA Regulations (but not in a manner inconsistent with 45 C.F.R. § 164.504(f)), including but not limited to:

(a) Enrollment-Disenrollment Information.

The Plan may disclose to TMWA or the Trustees information on whether the individual is participating in the Plan, or is enrolled in or has disenrolled in the Plan.

(b) Summary Health Information.

The Plan may disclose Summary Health Information to TMWA or the Trustees, provided TMWA or the Trustees requests the Summary Health Information for the purpose of (a) obtaining premium bids from health plans for providing health insurance coverage under the Plan; or (b) modifying, amending, or terminating the Plan. "Summary Health Information" means: information that (a) summarizes the claims history, claims expenses or type of claims experienced by individuals for whom a plan sponsor had provided health benefits under the Plan; and (b) from which the information described at 45 C.F.R. § 164.514(b)(2)(i) has been deleted, except that the geographic information described in 45 C.F.R. § 164.514(b)(2)(i)(B) need only be aggregated to the level of three digits of a zip code.

(c) Plan Administrative Purpose

The Plan may disclose PHI to TMWA or the Trustees, provided TMWA or the Trustees use or disclose such PHI only for Plan administration purposes. "Plan administration purposes" means administration functions performed by TMWA or the Trustees on behalf of the Plan; such as quality assurance, claims processing, auditing, and monitoring. Plan administration functions do not include functions performed by TMWA or the Trustees in connection with any other benefit or benefit plan of TMWA or the Trustees, and do not include any employment-related functions. Notwithstanding the provisions of this Plan to the contrary, in no event shall TMWA or Trustees be permitted to use or disclose PHI in a manner that is inconsistent with 45 CFR § 164.504(f).

6.4 Restriction on Plan Disclosure to TMWA.

Neither the Plan nor any of its business associates will disclose PHI to TMWA or the Trustees except upon the Plan's receipt of TMWA's certification that the Plan has been amended to incorporate the provisions under Section 6.5, except as otherwise permitted or required by law. Execution of the Plan document by TMWA will serve as the required certification.

6.5 Privacy Agreements of TMWA/Trustees.

As a condition for obtaining PHI from the Plan and its business associates, TMWA or the Trustees agree it will:

(a) Not use or further disclose such PHI other than as permitted by this Section, as permitted by 45 C.F.R. § 164.508, 45 C.F.R. § 164.512, and other Sections of the HIPAA Regulations, or as required by law;

(b) Ensure that any of its agents, including a subcontractor, to whom it provides PHI received from the Plan agree to the same restrictions and conditions that apply to TMWA or the Trustees with respect to such information;

(c) Not use or disclose the PHI for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of TMWA;

(d) Report to the Plan any use or disclosure of the PHI that is inconsistent with permitted disclosures that TMWA or the Trustees becomes aware;

(e) Make the PHI of a particular Participant available for purposes of the Participant's requests for inspection, copying, and amendment, and carry out such requests in accordance with HIPAA Regulation 45 C.F.R. §§ 164.524 and 164.526;

(f) Make the PHI of a particular Participant available for purposes of a required accounting of disclosures by TMWA or the Trustees pursuant to the Participant's request for such an accounting in accordance with HIPAA Regulation 45 C.F.R. § 164.528;

(g) Make TMWA's and Trustees' internal practices, books, and records relating to the use and disclosure of PHI received from the Plan available to the Secretary of the U.S. Department of Health and Human Services for purposes of determining compliance by the Plan with HIPAA;

(h) If feasible, return or destroy all PHI received from the Plan that TMWA or the Trustees still maintain in any form and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, TMWA or the Trustees agree to limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible; and

(i) Ensure that there is adequate separation between the Plan and TMWA or the Trustees by implementing the terms of Section 6.6.

TMWA and Trustees further agree that if they create, receive, maintain, or transmit any electronic PHI (other than enrollment/disenrollment information and Summary Health Information, which are not subject to these restrictions) on behalf of the Plan, they will implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the electronic PHI, and they will ensure that any agents (including subcontractors) to whom they provide such electronic PHI agree to

implement reasonable and appropriate security measures to protect the information. TMWA and Trustees will report to the General Manager of TMWA any security incident of which they become aware.

6.6 Separation between Plan and TMWA or the Trustees.

6.6.1 Employees with Access to PHI.

The following employees or other individuals under the control of TMWA or the Trustees are the only individuals that may access PHI received from the Plan: chief financial officer, general manager, IBEW business representatives, Trustees, human resources representatives, accounting staff, payroll staff, and information systems staff.

6.6.2 Use Limited to Plan Administration.

The access to and use of PHI by the individuals described in Section 6.6.1, is limited to Plan Administration functions as defined in HIPAA Regulation 45 C.F.R. § 164.504(a) that are performed by TMWA or the Trustees for the Plan.

6.6.3 Mechanism for Resolving Noncompliance.

If TMWA or the Trustees, or person(s) responsible for monitoring compliance, determines that any person described in Section 6.6.1 has violated any of the restrictions of this Section, then such individual shall be disciplined in accordance with the policies of TMWA or the Trustees established for purposes of privacy compliance, up to and including permanent dismissal from the Board of Trustees. TMWA or the Trustees shall arrange to maintain records of such violations along with the persons involved, as well as disciplinary and corrective measures taken with respect to each incident.

ARTICLE 7. ADMINISTRATION OF PLAN

7.1 Administration.

The Trustees shall administer the Plan subject to applicable requirements of law, including without limitation, the provisions contained in NRS 287.015 and 287.017 and the corresponding administrative Regulations of the NAC adopted from time to time. For this purpose, the Trustees' power and sole discretion shall include, but shall not be limited to, the following authority, in addition to all other powers provided by this Plan:

(a) To make and enforce such rules and regulations as it deems necessary or proper for the efficient administration of the Plan;

(b) To interpret the Plan in good faith with such interpretation to be final and conclusive on all persons claiming benefits under the Plan;

(c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan;

(d) To appoint such attorneys, actuaries, accountants, consultants and other persons as may be required to assist in administering the Plan;

(e) To allocate and delegate its responsibilities under the Plan and to designate other persons to carry out any of its responsibilities under the Plan;

(f) To approve the amount of Post-Retirement Benefits that shall be payable to any Participant in accordance with the provisions of the Plan; to inform the Participant of the amount of such Post-Retirement Benefits; and to provide a full and fair review to any Participant whose claim for Post-Retirement Benefits has been denied in whole or in part; and

(g) To hold meetings in compliance with Chapter 241 of NRS.

7.2 Indemnification.

To the extent permitted by applicable law, TMWA shall indemnify the Trustees and each other person acting in connection with the administration of the Plan, individually against any and all claims, losses, damages and expenses, including legal fees and amounts paid in settlement with TMWA's approval, resulting from any action or failure to act in connection with the administration of the Plan if such action or inaction is not covered by the statutory immunity given to public employees under Chapter 41 of the NRS, except when the same is determined to be attributable to the gross negligence or willful misconduct of such person.

ARTICLE 8. TRUST PROVISIONS

8.1 Appointment, Qualification and Terms of Trustees.

The Trust shall be administered by the Trustees. TMWA and the Trustees will comply

with the provisions of NRS 287.015 and 287.017, together with the corresponding provisions of the NAC, concerning the selection of the Trustees and the administration of the Plan. TMWA shall appoint four individuals who shall serve as Trustees: (i) two members of TMWA management, one whom shall be the Chief Financial Officer and the other appointed at the discretion of TMWA's General Manager, and (ii) two IBEW representatives. The two Trustees who are appointed from IBEW are to be appointed by TMWA at the direction of IBEW Local 1245. At all times, equal numbers of TMWA management and IBEW representatives shall serve as Trustees of the Plan. In appointing the Trustees, TMWA shall insure that the Trustees satisfy the requirements of NRS 287.017 and the corresponding provisions of the NAC. Notwithstanding anything contained in this Plan to the contrary, no person is to serve as a Trustee if the person has a substantial financial interest in the ownership or negotiation of the securities or other financial instruments in which the assets of the trust are invested, or if the person is a member of the governing body of TMWA. The term of each person serving as a Trustee shall be for a period of two years. However, a person who has served as a Trustee for a term of two years may be reappointed to serve additional two year terms.

8.2 Meetings of the Trustees.

The Trustees shall meet quarterly or at the call of the Chairperson of the Board of the Trustees when business is presented. The Trustees shall not take action without a quorum. In order to have a quorum, at least three of the four members of the Board of Trustees must be present. The Trustees may take action by a majority decision of the quorum. The Trustees shall appoint a Chairperson and a Vice Chairperson to serve two-year terms. One of these positions shall be held by a member of TMWA management and the other shall be held by an IBEW representative. The Trustees intend for the Chairperson position to rotate between the two groups every two years so that if a member of TMWA management was the Chairperson during one term, an IBEW representative will be the Chairperson during the next term. However, if the group that is entitled to select a Chairperson for the next term chooses to relinquish this right, then the Trustees may appoint the same Chairperson to retain his or her position for the next term, or alternatively select a Chairperson who is recommended by the group that has selected the current

Chairperson. The Trustees shall negotiate in good faith to reach a majority decision on matters that comes to a vote before the Trustees. If the Trustees are unable to reach a majority decision on an issue, the following rules apply:

(a) Within ten (10) calendar days, the Trustees will agree upon a neutral arbitrator to resolve the dispute. The Trustees shall choose an arbitrator by majority decision and consent to an arbitrator shall not be unreasonably withheld. If the Trustees cannot choose an arbitrator by majority decision with a reasonable period of time, the Trustees shall retain the American Arbitration Association to appoint an arbitrator;

(b) If all of the Trustees agree, the dispute may be submitted to a Board of Arbitration. The Board of Arbitration shall consist of the neutral arbitrator, one Trustee who is a member of TMWA management (appointed by the General Manager of TMWA) and one Trustee who is a representative of IBEW (appointed by IBEW). The decision of the Board of Arbitration is final and binding;

(c) If all of the Trustees do not agree to submit the dispute to a Board of Arbitration, the neutral arbitrator shall make final and binding decision regarding the resolution of the dispute;

(d) A statement of the matter in dispute shall be presented in writing to the Board of Arbitration or neutral arbitrator. If the Trustees cannot agree upon a joint statement of the matter in dispute, each group of Trustees shall prepare its own statement of the matter in dispute within (5) days after it is determined that the Trustees cannot agree upon a joint statement of the matter in dispute.

(e) The Board of Arbitration and neutral arbitrator are bound by the provisions of this Plan and Trust, any applicable collective bargaining agreement and applicable law in making a decision on the matter in dispute.

(f) The decision of the Board of Arbitration or neutral arbitrator shall be rendered in writing within ten (10) days after submission of the dispute for decision. The ten (10) day period may be extended by agreement of all of the Trustees. All other matters of procedure shall be decided by the neutral arbitrator. If the Board of Arbitration or the neutral arbitrator does not render a written decision within ten (10) days or the additional time granted by the Trustees, any Trustee may submit the dispute to a court of competent jurisdiction for decision.

(g) The costs and attorneys' fees incurred in connection with the foregoing shall be paid out of the Trust Fund, including reasonable compensation for the neutral arbitrator.

8.3 Assets Held by Trustees; Contributions.

(a) Receipt of Contributions.

The Trustees shall receive and deposit in the Trust any contributions paid to the Trustees in cash or such property that the Trustees deem is acceptable. The Trustees may appoint a custodian to receive and deposit contributions in the Trust on behalf of the Trustees. All assets held by the Trust and the earnings and income thereon shall be invested, reinvested and applied as provided in this Article 8 and the remainder of the Plan. All monies and other property held in the Trust are referred to as the "Trust Fund."

(b) Initial Funding.

A cash contribution was initially made to the Trust by TMWA. Additionally, Sierra (now known as NV Energy) transferred funds from a voluntary employee benefit association sponsored by Sierra that represents funds accumulated to pay Post-Retirement Benefits for the IBEW 1245 Employees during their employment with Sierra.

(c) Plan Contributions.

Subject to Section 8.6 (a), TMWA shall annually contribute to the Trust an amount which TMWA determines is necessary to fund the benefits due under this Plan pursuant to a qualified actuarial analysis performed in accordance with NRS 287.015 and 287.017 and generally accepted accounting principles. All contributions made to the Trust Fund are to be irrevocable.

(d) Source of Funds.

Any contributions by TMWA shall be made out of its general assets.

8.4 Payment from Trust Fund.

The Trustees shall pay Post-Retirement Benefits and administrative expenses from the Trust Fund as provided under the terms of the Plan.

8.5 Exclusive Benefit of Participants.

The Trustees shall hold, invest, reinvest, manage and administer the Trust Fund solely in the interest of Eligible Retirees, Participants and covered Dependents and for the exclusive purpose of providing Post-Retirement Benefits to Participants and covered Dependents in accordance with the Plan and defraying the reasonable expenses of administering the Plan and Trust. At no time shall any part of the Trust Fund revert to or be recoverable by TMWA, nor be used for or diverted to purposes other than the exclusive purpose of providing Post-Retirement Benefits to Participants and their covered Dependents and defraying the reasonable expenses of administering the Plan and Trust, and neither the Trust Fund nor the earning thereon shall inure to or for the benefit of any member of the Board of Trustees, except that a member of the Board of Trustees may be a beneficiary of the Trust Fund through participation in the Plan. The Trust Fund shall not be subject to the claims of any creditors of (i) TMWA, (ii) a Health Plan or Group Life Insurance Plan, or the administrators of such Plans, that provide coverage to Participants and their Dependents under this Plan, or (iii) the Participants and covered Dependents.

8.6 Investments.

(a) Funding Policy.

The Trustees shall, pursuant to the Plan, establish and carry out a funding and investment policy consistent with the purposes of the Plan and the requirements of applicable law. As part of the funding policy, the Trustees shall exercise its investment discretion so as to provide sufficient cash assets in an amount determined by the Trustees to be necessary to meet the liquidity requirements for the administration of the Plan and the payment of Post-Retirement Benefits. The funding policy may be amended pursuant to the discretion of the Trustees. If the Trustees elect to deposit a portion or all of the assets of the Trust Fund with the Retirement Benefits Investment Fund established pursuant to NRS 355.220, the funding and investment policy adopted by the Trustees with respect to these assets may be the same policy as that of the Retirement Benefits Investment Board of the Public Employees' Retirement System of Nevada.

(b) Investment by the Trustees.

The Trustees' discretion in investing and reinvesting the principal and income of the Trust Fund shall be subject to the funding and investment policy adopted by the Trustees in writing. The Trustees shall have the duty to act strictly in accordance with such funding and investment policy as amended. The Trustees may invest all or any portion of the Trust Fund in those investments authorized under NRS 287.017, including without limitation, the Retirement Benefits Investment Fund established pursuant to NRS 355.220 and any investment authorized under NRS 287.017(g)(2) or NRS 287.017(g)(3). If the Trust invests in any assets that are not permitted under applicable law, the assets shall be disposed of as promptly as is prudent under the circumstances.

8.7 Trustees' Responsibilities.

The responsibilities of the Trustees shall be:

- (a) To hold, invest and reinvest the assets in the Trust Fund, subject to the terms and conditions of the Plan and the funding policy;
- (b) To revalue the assets held in the Trust Fund at fair market value annually and more often as necessary,
- (c) To report the value of the Trust Fund as of each Plan Year to TMWA; and
- (d) To pay monies from the Trust Fund in accordance with the provisions in this Plan and at the discretion of the Trustees.

8.8 Administration of the Trust Fund.

The Trustees shall have discretion in the administration of the assets held in the Trust Fund. This discretion includes the power of the Trustees to liquidate assets held in the Trust Fund to enable the Trustees to pay Post-Retirement Benefits in accordance with the terms of the Plan and to collect administrative fees from the assets held in the Trust Fund in accordance with Section 8.11.

8.9 Powers of the Trustees.

Unless applicable law provides otherwise, the Trustees are expressly authorized, in carrying out its duties under this Plan, to:

(a) Purchase, or subscribe for, any securities or other property and to retain the same in the Trust;

(b) Sell, alter, improve, lease or otherwise dispose of any asset of the Trust Fund;

(c) Vote upon any stocks, bonds, or other securities; give general or special proxies or powers of attorney with or without power of substitution; exercise any conversion privileges, subscription rights, or other options, and to make any payments incidental thereto; oppose, consent to, or otherwise participate in, corporate reorganizations or other changes affecting corporate securities, delegate discretionary powers, pay any assessments or charges in connections therewith, and generally exercise any of the powers of an owner with respect to stock, bonds, securities or other property held as part of the Trust Fund;

(d) Cause any securities or other property held as part of the Trust Fund to be registered in the Trustees' own name or in the name of one or more of the Trustees' nominees, and to hold any investments in bearer form, but the books and records of the Trustees shall at all times show that all such investments are part of the Trust Fund;

(e) Accept and retain for such time as the Trustees may deem advisable any securities or other property received or acquired by them as Trustees hereunder, whether or not such securities or other property would normally be purchased as investments hereunder;

(f) Make, execute, acknowledge and deliver documents of transfer and conveyance and other instruments that may be necessary or appropriate to carry out the powers granted in this Section;

(g) Invest funds of the Trust Fund in overnight deposits or savings accounts bearing a reasonable rate of interest in a bank selected by the Trustees;

(h) Invest in Treasury Bills and other forms of United States government obligations;

(i) Except as expressly authorized herein, the Trustees are prohibited from selling or purchasing stock options. The Trustees are expressly authorized to write and sell call options under which the holder of the option has the right to purchase shares of stock held by the Trustees as part of the assets of this Trust, if such options are traded on and sold through a national securities exchange registered under the Securities Exchange Act of 1934, as amended, which exchange has been authorized to provide a market for

option contracts pursuant to rules promulgated under such Act so long as the Trustees hold sufficient stock in the assets of this Trust to meet the obligations under such option if exercised. In addition, the Trustees are expressly authorized to purchase and acquire call options for the purchase of shares of stock covered by such options if the options are traded on and purchased through a national securities exchange as described in the immediately preceding sentence, and so long as any such option is purchased solely in a closing purchase transaction, meaning the purchase of an exchange traded call option the effect of which is to reduce or eliminate the obligations of the Trustees with respect to a stock option contract or contracts which it has previously written and sold in a transaction authorized under the immediately preceding sentence;

(j) Deposit monies in federally insured savings accounts or certificates of deposit in banks or savings and loan associations;

(k) Deposit stocks or other securities held in the Trust Fund in any voting trust, with any protective or like committee, or with a trustee or depositories designated by any protective or like committee;

(l) Retain part interests in real property or in mortgages on real property, wherever situated, with the right to transfer title in their name as Trustee or in the name of a nominee, either alone or jointly with the holder or holders of other part interests in the property or their nominees;

(m) Delegate the management and operation of any part interest in any real property or mortgage to a manager or the holders of a majority interest in such real property or mortgage on such real property;

(n) Sell real property or sell any mortgages on real property that it may retain in the Trust Fund;

(o) Carry out the decisions of a manager or holder(s) of a majority interest in real property with respect to the sale or mortgage of such real property or otherwise;

(p) Settle, compromise or submit to arbitration any claims, debts or damages due or owing to or from the Trust or the Trust Fund;

- (q) Commence or defend legal proceedings for or against the Trust;
- (r) Retain cash temporarily awaiting the payment of benefits or expenses, without liability for interest on the amount retained;
- (s) Establish custodial arrangements as deemed necessary;
- (t) Delegate all or some of these powers to an Investment Manager if (i) the Investment Manager is qualified as an investment manager under applicable law, and (ii) the Investment Manager acknowledges in writing that it is acting as a fiduciary with respect to the Plan and Trust, or to the Retirement Benefits Investment Fund of the Public Employees' Retirement System of Nevada by contract with the Retirement Benefits Investment Board.
- (u) Employ suitable agents and counsel;
- (v) Generally exercise any of the powers of an owner with respect to stock, other securities or property comprising the Trust Fund;
- (w) Notwithstanding the above, the Trustees may not change the benefits provided to Participants and Dependents under the terms of the Plan, unless (1) the benefits of Participants and Dependents covered by a CBA are amended by the CBA, or (2) the benefits of Participants and Dependents not covered by a CBA are amended pursuant to the policies and resolutions of TMWA ; and
- (x) Take all actions that the Trustees deem necessary to administer the Trust Fund and carry out the purposes of this Plan.

8.10 Administrative Expenses.

All costs and expenses incurred in connection with administration of the Plan and Trust that may properly be paid by the Trust shall be paid by the Trust.

8.11 Trustee Compensation.

The Trustees shall not receive any compensation for the performance of their duties under this Plan.

8.12 Records, Reports and Budgets.

The Trustees shall keep, or hire a third party to keep, accurate and detailed accounts with respect to the Trust Fund, covering all investments, receipts, disbursements and other transactions

under this Trust. The Trust Fund is to be administered in accordance with generally accepted accounting principles and actuarial studies applicable to the future provision of Post-Retirement Benefits to the Eligible Retirees, Participants and Dependents of Participants. All accounts, books and records shall be open to inspection by any person designated by TMWA at all reasonable times. Within 120 days following the close of each Plan Year (and at other dates requested by TMWA), the Trustees, or third party if directed by the Trustees, shall file with TMWA a written report setting forth all investments, receipts, disbursements and other transactions involving the Trust Fund during the Plan Year or the part thereof for which the report is filed. The report shall contain a description of all securities sold, the net proceeds of sale (excluding accrued interest paid or received), and showing the securities and investments held at the end of such period and the cost of each item as carried on the books of the Trust. The Trustees, or third party if directed by the Trustees, also shall render such additional statements or reports to TMWA as TMWA may reasonably request. If the Trustees have elected to invest Trust assets in the Retirement Benefits Investment Fund of the Public Employees' Retirement System of Nevada, investment reporting requirements shall coincide with the reporting periods of the Public Employees' Retirement System of Nevada.

The Trustees shall annually submit a tentative budget to the governing board of TMWA for its consideration, approval and inclusion in the tentative and final budgets of TMWA. The tentative budget submitted by the Trustees to the governing board of TMWA must incorporate the amount of contributions that TMWA expects to make to the Trust Fund. The governing board of TMWA may modify the tentative budget submitted by the Trustees at its discretion. The Trustees shall cause the Trust Fund to be audited annually. The governing board of TMWA shall incorporate the results of the audit into the annual audit report of TMWA.

8.13 Removal and Resignation of Trustees.

Any or both of the two Trustees representing TMWA management may be removed by written notice from TMWA, except that the Chief Financial Officer must remain as a Trustee. Removal shall be effective 60 days after the individual Trustee receives such notice or certified copies of the resolutions, as appropriate. The Trustee may resign upon 60 days written notice to

TMWA. Upon the removal or resignation of a Trustee, TMWA shall appoint a successor trustee or trustees. Each successor trustee shall agree in writing to be bound by this Trust Agreement as amended.

Any or both of the two Trustees representing the IBEW may be removed by written notice from TMWA, but only if the officers of IBEW have directed TMWA to remove one or both of the two Trustees representing the IBEW. Removal shall be effective 60 days after the individual Trustee receives such notice. The Trustee may resign upon 60 days written notice to IBEW. Upon the removal or resignation of a Trustee, TMWA, at the direction of the IBEW officers, shall appoint a successor trustee or trustees. Each successor trustee shall agree in writing to be bound by this Trust Agreement as amended.

Notwithstanding the above, TMWA shall immediately remove any Trustee who has breached his or her fiduciary duty to the Plan or Trust, effective upon notification to the Trustee. TMWA shall appoint a new Trustee as soon as administratively possible, in accordance with the procedure for appointing Trustees set forth in Section 8.1.

8.14 Actions by TMWA.

Any action taken by TMWA may be evidenced by a written instrument signed by an authorized agent of TMWA or the Trustees. TMWA shall furnish the Trustees with instructions as to the agents who are authorized to sign such written instruments.

8.15 Acceptance by Trustees.

Upon execution of this Plan, the Trustees hereby accept being named as Trustees under the terms of this Trust Agreement and agree to hold all property constituting the Trust Fund subject to all of the terms and conditions contained herein.

8.16 Source of Funds.

The Trust shall constitute the primary source of funds that may be used to pay the Post-Retirement Benefits awarded under the Plan. Except as otherwise required by applicable law, TMWA shall not be liable in any way or in any manner for any such benefits or payments

beyond those monies held by the Trust.

8.17 Trust Exemption.

The Trust has been issued a determination letter by the Internal Revenue Service, effective May 25, 2007, treating it as exempt from federal income taxes under Section 501(c)(9) of the Code.

8.18 Standards of Interpretation.

This Plan and Trust are designed and intended to comply with applicable law. The Trustees are vested with the power to interpret the Plan and Trust, and their interpretation, if not in conflict with plain meaning of the Plan and Trust or any applicable law or government regulation, shall be final and conclusive. The Trustees, and any entity or person approved by the Trustees, shall have the full discretionary authority to determine eligibility for Post-Retirement Benefits awarded under the Plan and to construe the terms of the Plan and Trust.

8.19 Certain Prohibitions pertaining to the Trust.

Notwithstanding anything contained in this Plan to the contrary, the Trustees are precluded from exercising the following powers:

- (a) The power to borrow money;
- (b) The power to finance any debt of TMWA or any other local government and the power to loan funds to TMWA or to funds maintained by TMWA.

ARTICLE 9. AMENDMENT AND TERMINATION OF PLAN

9.1 Amendment and Termination.

TMWA and the Trustees reserve the right to amend the Plan and associated Trust to (i) comply with the requirements of Code Section 501(c)(9) or other provisions of the Code that are applicable to the Plan and Trust, or to conform the Plan and Trust with any other laws applicable to the Plan and Trust, (ii) conform the Plan and Trust with any amendments, changes, or modifications to the Post-Retirement Benefits for IBEW 1245 Employees that are approved under a CBA between TMWA and IBEW, and (iii) conform the Plan and Trust with any

amendments, changes, or modifications to the Post-Retirement Benefits for MPAT Employees that are approved under a policy or resolution of the governing board of TMWA. TMWA and the Trustees also reserve the right to terminate the Plan and Trust by a duly adopted resolution of the governing board of TMWA, and upon termination of the Plan, the Trustees shall apply all the assets remaining in the Trust in a uniform and non-discriminatory manner toward the provision of benefits for Participants in accordance with applicable law. Notwithstanding anything contained in the Plan to the contrary, TMWA and the Trustees are precluded from amending, modifying or terminating the Plan in any form or manner that would allow the assets of the Plan to inure to or revert to TMWA, or which would violate any law applicable to the Plan.

ARTICLE 10. MISCELLANEOUS PROVISIONS

10.1 Non-Discrimination.

TMWA intends that this Plan will not discriminate in favor of Highly Compensated Employees and/or Key Employees as required by Code Sections 505(b), 105(h), and 79(d), in both coverage and benefits provided.

10.2 Right to Payment.

The Post-Retirement Benefits paid to Participants and Dependents under Article 4 shall be paid out of the Trust pursuant to the terms of this Plan. Except for the right of Participants and covered Dependents to receive Post-Retirement Benefits under this Plan, no employee of TMWA or any other person shall have any right, title or interest in or to the assets of the Trust, or in or to any contributions made by TMWA to the Trust, such contributions being made to and held in the Trust for the exclusive purpose of providing Post-Retirement Benefits under the Plan and defraying administrative expenses under the Plan.

10.3 Information to Be Furnished.

Participants and Dependents shall provide the Trustees with information and evidence and shall sign documents as may reasonably be requested for the purpose of administration of the Plan.

10.4 Limitation of Rights.

Neither the establishment of the Plan, any amendment thereof, nor the payment of any benefits, shall be construed as giving to any Eligible Retiree, Participant, Dependent or other person any legal or equitable right against the Trustees or TMWA, except as provided herein.

10.5 Prohibition of Discrimination.

Any discretionary acts to be taken under the terms and provisions of this Plan by the Trustees shall be uniform in their nature and in their application to all those similarly situated, and no discretionary acts shall be taken that would be discriminatory under the provisions of the Code relating to accident and health plans and/or group life insurance plans. In applying the discrimination provisions of Code Sections 105(h), Code Section 79(d), and the corresponding Treasury Regulations thereto, to the extent permitted by applicable law, the Post-Retirement Benefits described herein for the benefit of the MPAT Employees and the IBEW 1245 Employees are to be treated as a separate plans.

10.6 No Contract of Employment.

This Plan shall not be deemed to be a contract between TMWA and any employee or former employee of TMWA, or other individual, or to be a consideration or an inducement for the employment of any employee or former employee of TMWA or other individual. Nothing contained in this Plan shall give any employee or former employee of TMWA or other individual the right to be retained in the service of TMWA.

10.7 Incapacity.

If, in the opinion of the Trustees, any Participant or Dependent becomes unable to handle properly any amounts payable to such person under the Plan, the Trustees may make any arrangement for payment on such person's behalf that it determines will be beneficial to such person, including payment to such person's guardian, conservator, spouse or other dependent.

10.8 Governing Law.

This Plan shall be construed, administered and enforced according to the laws of Nevada

and all applicable federal laws. TMWA and the Trustees recognize that this Plan shall be subject to amendments of such laws and regulations, to new legislation, or to new interpretations of existing laws or regulations. Any provision of law that invalidates or is otherwise inconsistent with the terms of this Plan or would cause the Plan to be in violation of law shall be deemed to have superseded the terms of this Plan; provided, however, that TMWA and the Trustees shall exercise their best efforts to accommodate the terms and intent of this Plan to the greatest extent possible consistent with the intent of Plan.

10.9 Coverage Options

The terms of the Health Plans and Group Life Insurance Plans chosen by the Participant shall govern the Participant's coverage and receipt of benefits under those plans. Should any term of this Plan conflict with any term of the Health Plans and/or Group Life Insurance Plans which provide coverage to the Participants and their covered Dependents, the terms of the Health Plans and Group Life Insurance Plans shall govern, except that such terms shall not apply to expand or reduce the amount of any Post-Retirement Benefits offered or provided under this Plan.

10.10 Costs

The costs of administering the Plan shall be paid by the Trust Fund to the extent permitted by law. Any remaining administration costs, if any, shall be paid by TMWA.

10.11 Tax Effects

Neither TMWA nor the Trustees makes any warranty or other representation as to whether any Post-Retirement Benefits paid to or on behalf of any Participant will be treated as excludable from gross income for state or federal income tax purposes.

(Dates and Signatures to Follow)

Dated this ____ day of _____, 2017.

Board of Trustees

Accepted and Approved By:

Truckee Meadows Water Authority

By: _____

Its: Chairman, Board of Directors

AGREEMENT CONCERNING COMPLIANCE WITH LETTER OF UNDERSTANDING

Parties. The parties to this Agreement Concerning Compliance With Letter of Understanding ("Agreement") are Truckee Meadows Water Authority ("TMWA") and the International Brotherhood of Electrical Workers, Local 1245 ("Union").

Basis. On December 1, 2000, Sierra Pacific Power Company and Union executed the Letter of Understanding ("LOU"), which by reference is made a part of this Agreement. The LOU contains the following obligations that must be fulfilled by TMWA. The purpose of this Agreement is to clarify this obligation and matters related thereto.

Terms. The terms and conditions of this Agreement are:

1. TMWA agrees to comply with the following sections of the LOU:
 - 2.2 Retain all of the Employees whom the Company has assigned to the Water Business. There will be a prohibition of layoffs through the first year of the Water Agreement. If during the term of the Agreement, an Employee is terminated for reasons other than for cause for the remainder of the term of the Water Agreement, then Title 19.10, Enhanced Severance shall apply.
 - 2.3 Recognize the Company's hire and seniority dates as the hire and seniority dates of the Buyer.
 - 2.4 Assume obligations of current post retirement medical provisions. Service with Sierra Pacific Power Company shall be included in determining eligibility for post retirement medical coverage, except where employees are participants in Sierra Pacific Power Company's post retirement medical coverage. In addition, employees who have completed eligibility for post retirement medical may terminate for any reason prior to vesting with PERS and be eligible to receive the post retirement medical coverage from TMWA.
- 6 Buyer to recognize and make available to Employees, the balance of each Employee's sick leave hours. Sick leave balance shall be the current Company balance at the close of sale less those hours paid by SPPC as sick leave payoff.

Page 2 – Agreement Concerning Compliance With Letter of Understanding

- 7 Buyer to recognize and make available to each Employee vacation accrued for up to two years. Vacation balance shall be the current Company balance at the close of sale less those hours paid by SPPCO as excess accrual.
2. TMWA will convert any unused floating holidays to vacation at close of sale.
3. Any dispute arising from or related to this Agreement shall be fully and finally resolved through the grievance procedure set forth in the collective bargaining agreement between TMWA and Union, except where claims under TMWA employee benefit plans are involved. Disputes involving claims under employee benefit plans shall be resolved under the claim procedure of the employee benefit plan involved.

TRUCKEE MEADOWS WATER AUTHORITY

By  General Manager June 8, 2001
Signature Title Date

INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, LOCAL 1245

 Bks. Mgr 6-11-01
Signature Title Date

EXAMPLE OF LETTER FOR TMWA BU PRE-98 STAFF
SIERRA PACIFIC POWER COMPANY
RETIREE MEDICAL PREMIUM % CALCULATION

Name:

Employee #:

Employee Status:

Local 1245 Water
Divestiture

Hire Date (1st of the month following date of hire):	9/1/79
Retirement Date (1st of the month following last day worked):	7/1/01
Retiree's Birthdate (1st of the month following month of birthdate):	10/1/44
Age at Retirement ¹	61.75
Years of Service at Retirement ^{1,2}	21.83

Must meet eligibility criteria: Age 55 with points and 10 Years of Service

1. First add points to age to meet age requirement of 55.
2. Add remaining points consistently with SPR Retirement Plan benefits.

POINTS (IF ELIGIBLE):

POINTS ADDED TO AGE TO ATTAIN AGE 55:	5.00
POINTS ADDED TO YOS:	0.00
TOTAL POINTS AVAILABLE:	<hr/> 5.00

Grandfathering Criteria:

Age as of 7/01/1998	53.75
Years of Service as of 7/01/1998	18.83
Criteria Met:	no

Benefit Formula for Retirements on or after July 1, 1998:

Difference of 20 years of service and completed years of service	0.00
Percentage of Premiums	20%

Notes:

1. If you are under age 65, you pay 20% of premium plus 4% for each year under 20 years of credited service.
2. If you are at least age 65 or older, you pay 15% of premium plus 4% for each year under 20 years of credited service.
3. If as of 7/01/98, you are at least age 60 with at least 10 years of service, the 15% and 20% are waived, but you will be required to pay 4% for each year under 20 years.



LETTER OF UNDERSTANDING

The parties to this Letter of Understanding ("LOU") are Sierra Pacific Power Company ("Company") and the International Brotherhood of Electrical Workers, Local 1245 ("Union").

The LOU is based upon the following:

- (a) Company is in the process of divesting itself of certain water facilities. Potential buyers will be subject to bidding requirements. Company and Union have executed a Collective Bargaining Agreement which expires on December 31, 2002 ("Current CBA"). Positions covered under the Current CBA will be eliminated by the Divestiture.
- (b) Company and Union have negotiated a Water Agreement between Successor and Local 1245 of the International Brotherhood of Electrical Workers ("Agreement"). At the close of sale, the Successor will be required to become signatory to the negotiated Water Agreement.

Now therefore, it is agreed as follows:

1. Union and Company agree that the Company would require the buyer (Buyer) to retain all of the bargaining unit employees whom the Company has assigned to the Water Business ("Employees"), including those employees who accept positions in the bidding process identified in Item 17 below.
2. Company agrees to include the following terms and conditions in any and all appropriate Divestiture agreements and require the Buyer to:
 - 2.1 Execute and be bound by the Agreement for the 2-year period immediately following the close of sale of the Water Business.
 - 2.1.1 Enter into a neutrality agreement with Union for the creation of any Bargaining Unit positions.
 - 2.1.2 General wage increase of 3.5% at the close of sale, and 3.5% one year later.
 - 2.2 Retain all of the Employees whom the Company has assigned to the Water Business. There will be a prohibition of layoffs through the first year of the Water Agreement. If during the term of the

Agreement, an Employee is terminated for reasons other than for cause for the remainder of the term of the Water Agreement, then Title 19.11, Enhanced Severance & Retirement Bridge Program will apply.

- 2.3 Recognize the Company's hire and seniority dates as the hire and seniority dates of the Buyer.
- 2.4 Assume obligations of current retirement and post retirement medical provisions. Funding medium to be determined by the Company and the Buyer.

3. The Company shall provide a voluntary retirement bridge for a specified window of time (length of time as allowed by law) as follows:

(A) An Employee who has achieved 80 (eighty) points in combination of age and credited service at the time of the close of sale will not have to reach the minimum age 55 requirement for retirement or post retirement medical. The Employee's retirement benefit will be reduced by 4% per year for each year under age 62.

For example, an Employee who is age 49 with 31 years of service (for a total of 80 points) at the close of sale would be eligible to "retire" and receive post retirement medical regardless of their minimum age and would receive the benefit of the 4% reduction for each year under age 62 rather than the previous 6% reduction for each year under age 65.

OR

(B) An Employee may add the following schedule of points to either their age or service or a combination thereof to affect their retirement eligibility. The Employee must achieve a minimum of age 55 (including points) with at least 10 years of service to be eligible to retire and receive post retirement medical.

Years of Service	Points
0-9	0
10-14	3
15-19	4
20+	5

For example, an Employee who is age 52 with 28 years of service at the close of sale can add 3 points to their age and effectively become age 55

and 2 points to service, which gives them 85 points, which qualifies them for full retirement at the time they retire,

And

For example, an Employee who is age 58 with 19 years of service at the close of sale can add 4 points to their age to achieve age 62, which qualifies them for an unreduced pension benefit, OR 4 points to his service to achieve 23 years of credited service, whichever combination provides the most advantage to the Employee.

4. Buyer to provide a 401 (k) or similar plan that is comparable to or better than the Bargaining Unit 401 (k) Plan presently provided by the Company. Unless barred by law, funds in each Employee's account will be available for rollover at each Employee's discretion to Buyer's qualified plan, a qualified IRA, or may remain in the account under Sierra Pacific Power Company's Bargaining Unit 401 (k) Plan until age 70 ½.
5. Buyer to provide Medical/Dental/Vision coverage that is comparable, by category of benefit (medical, dental, vision), in overall value to the coverage presently provided by the Company under Title 22.4 of the Current CBA. All Employees and their eligible dependents at the close of sale shall be covered immediately without regard to pre-existing conditions.
6. Buyer to recognize and make available to Employees, the balance of each Employee's sick leave hours. Sick leave balance shall be the current Company balance at the close of sale less those hours paid in 8.1 below.
7. Buyer to recognize and make available to each Employee vacation accrued for up to two years. Vacation balance shall be the current Company balance at the close of sale less those hours paid in 8.2 below.
8. In addition to the above, Company agrees to do the following at close of sale:
 - 8.1 Buy back in a lump sum payment, all pre-September 6, 1983 banked sick leave referenced under and in accordance with section 15.9 of the Current CBA, sick leave payoff. Those hours will then be deducted from the Employee's sick leave accumulated balance. An Employee may at his option decide to roll pre-83 sick leave to post-83 sick leave and forfeit that portion of the buyback provision.
 - 8.2 Buy back in a lump sum payment, vacation in excess of two years accrual. Those hours will then be deducted from the Employee's vacation accrual balance.

9. All regular full time and part time Employees with an overall satisfactory performance rating (or above) and who are assigned to the Water Business and are on the "Affected Employee" list at the close of sale will be eligible to receive a Team Incentive Award in the amount of 3%, prorated to the close of sale date, unless close of sale date is coincidental with the normal timing of payment, in which case Attachment I of the Current CBA would apply. For purposes of calculation, the 3% will be based on each Employee's wage rate at the close of sale date.

10. Those Employees who are on the Company's "Affected Employee" list and who remain in the Water Business at the close of sale, will be awarded six weeks base pay.

11. Employees will retain bidding/transfer/bumping rights under the Current CBA until the close of sale.

12. The Employee Electric, Gas, and Water Discount, Wellness Program, Stock Purchase Plan, Employee Personal Purchase Program, Educational Reimbursement Program, and any other policy, plan, procedure, rule, or benefit not specifically noted herein will no longer be applicable to Water Business Employees. The language for Time Off For Jury Duty, Time Off For Funerals, and Military Leave in Attachment #1 will be included in Title 22, Employee Benefit Programs of the Agreement.

13. The modified job descriptions and wage schedules in Attachment #3 will be included in the Agreement.

14. The Company will facilitate a meeting between the Union and the Buyer to discuss appropriate issues.

15. The parties agree that for this transaction, Sections 19.10 (Severance) and 19.11 (Enhanced Severance) will not apply to Employees who have their employment terminated by Company and who are hired by the Buyer.

16. The parties agree that the Employee Discount issues for the remainder of the Bargaining Unit Employees shall be addressed in a separate session prior to the sale of the Water Business.

17. The following tiered bidding process subject to Title 16 Seniority will be implemented 30 to 60 days prior to the close of sale, moving chronologically from Tier 1 thru Tier 3:

- Tier 1 - Gas & Water Department Operations Occupational Group, Construction Department
- Tier 2 - Remainder of Bargaining Unit

- Tier 3 - Fill from any source, limited to full-time regular Employees of Sierra Pacific Power Company
- 17.1 Jobs posted will be limited to (3) Gas & Water Heavy Working Foreman, (2) Gas & Water Light Working Foreman, (1) Fitter Welder, (3) Fitter, (1) Equipment Operator II, (2) Equipment Operator III, (4) Inspector, (1) Construction Inspector, (3) Water Serviceman, (2) Helper
 - 17.2 Employees accepting one of the aforementioned positions will be added to the Company's "Affected Employee" list, and will be covered under the terms of this agreement (this will exclude any position filled under Tier 3 of the aforementioned bidding process). It is the intent that the buyer will complete staffing of any partial crews not filled by the aforementioned process. Company intends to include in the asset sale the necessary equipment and supplies to support the filled positions.
 - 17.3 Employees who are not on the Company's "Affected Employee" list as of the close of sale of the Water Business will remain in their current positions with the Company and be covered by the terms, conditions, and protections afforded by the current CBA.
18. All positions identified in Attachment #2 will be included in the Agreement.
 19. This LOU will become effective when it is signed by both parties.

Sierra Pacific Power Company
Mary Jane Reed

International Brotherhood of Electrical
Workers
Jack McNally

By: Mary Jane Reed 12/1/00
Signature Date
Vice President, Human Resources

By: Jack McNally 12-1-00
Signature Date
Business Manager, Local 1245

Attachment #1 - Additional Benefits
Attachment #2 - Lines of progression
Attachment #3 - Modified Classifications and Wage Rates

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A.H. 1

10 23-00

Time Off For Jury Duty And Serving As A Witness T/A

Employees who serve on jury duty or are subpoenaed to testify as a witness in court during regularly scheduled working hours will be excused from work and will receive their regular pay for the time they are required to serve. Jury or witness fees may be retained by the employee.

An employee who is served with a summons for jury duty or a subpoena to appear as a witness must notify his supervisor as soon as possible.

Upon being discharged from jury duty or appearing as a witness, the employee is expected to report to work for the remainder of his regular work schedule.

If an employee has brought legal action against another party and is subpoenaed to appear as a result of filing such action, then the employee is not entitled to pay for any time away from work.

Time Off For Funerals

A regular employee will be allowed time off, without loss of pay, to attend funerals of members of his immediate family and other individuals provided he gets approval from his supervisor in advance.

In the case of death of a member of the employee's immediate family, the employee will be allowed not more than three consecutive work days off at the time of the funeral. Immediate family includes spouse, children (foster and/or step), parents, parents-in-law, brothers, sisters, brothers-in-law, sisters-in-law, grandparents, and grandchildren.

Attendance by an employee at funerals of individuals other than members of the employee's immediate family (such as other relatives, fellow employees, friends, and business acquaintances) will be limited to a maximum of 24 working hours in any calendar year, to be taken in increments of no more than eight hours.

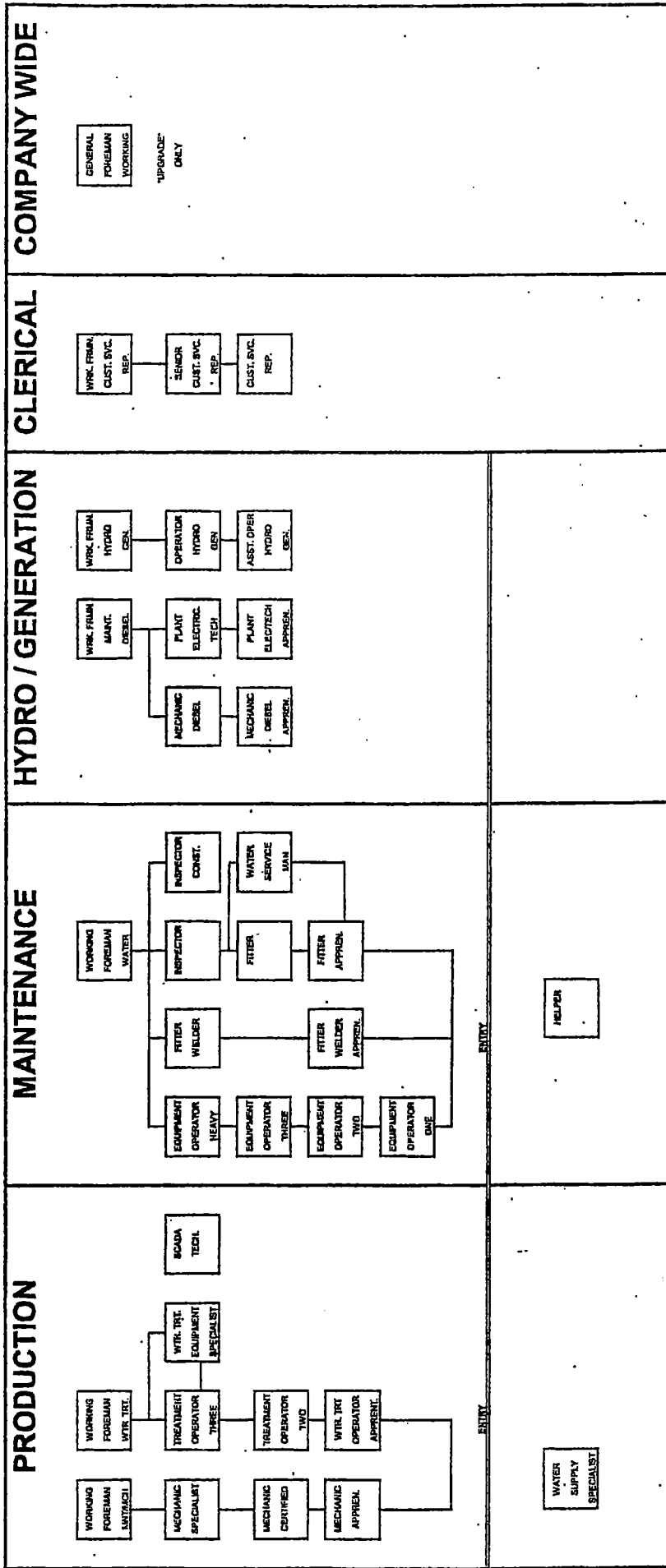
Employees will be paid funeral pay for the amount of time they are actually absent from their job during their regularly scheduled working hours. Pay will be calculated at the employee's regular straight-time earnings rate.

Military Leave

Sierra provides military leave of absence with pay (less military wages) for regular and probationary employees for fourteen days annually.

THE WATER COMPANY

ATTACHMENT #2
10-25-00



Operations Wage Scales (Effective at close of sale, subject to G.W.I.)

Job #7643 Apprentice, Operator, Water Plant

Start	\$20.65
6 month	\$21.66
1 year	\$22.17
18 month	\$23.17
2 year	\$24.18

Job #8470 Operator, Water Plant II

Grade II Treatment only	\$24.39 (subject to review)
Grade II Treatment and Distribution	\$25.20

NEW JOB Operator, Water Plant III

Grade III Treatment and Distribution	\$26.75
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Job #6297 Foreman, Shift, Water Treatment, Working

\$29.42

Maintenance Wage Scales (Effective at close of sale, subject to G.W.I.)

Job #7683 Apprentice, Mechanic Maintenance/Control, WP

Start	\$20.16
6 month	\$20.65
1 year	\$21.66
18 month	\$22.17
2 years	\$23.17
30 month	\$24.18

Job #7585 Mechanic, Maintenance/Control, Certified, WP

\$25.20

Job #7385 Mechanic, Specialist, Maintenance/Control, WP

\$26.75

Job #6285 Foreman, Mechanic, Maintenance/Control, WP, Working

\$29.42

Peaking/Hydro Wage Scales (Effective at close of sale, subject to G.W.I.)

Job #8850 Operator, Hydro/Generation, Assistant

\$22.85

Job #8325 Operator, Hydro/Generation

\$25.20

Job #6396 Foreman, Hydro/Generation, Working

\$29.42

Job #7652 Apprentice, Mechanic, Hydro/Generation

Start	\$20.16
6 month	\$20.65
1 year	\$21.66
18 month	\$22.17
2 year	\$23.17
30 month	\$24.18

Job #7632 Apprentice, Technician, Electrical Plant, Hydro/Generation

Start	\$20.16
6 month	\$20.65
1 year	\$21.66
18 month	\$22.17
2 year	\$23.17
30 month	\$24.18

Job #7350 Mechanic, Hydro/Generation

\$26.75

Job #7110 Technician, Electrical Plant, Hydro/Generation

\$27.27

Job #6071 Foreman, Maintenance, Hydro/Generation, Working

\$29.42

7643 *APPRENTICE, OPERATOR, WATER PLANT

An employee who assists the Water Plant Operators as required and who is in training to acquire the experience and develop the skills necessary for advancement to Operator, Water Plant. In order to gain experience for advancement, he may be required to work alone or under direct supervision on jobs for which he has been trained or instructed. The employee in this classification will be required to progress to the one-year rate of pay. Grade II Distribution and Treatment certifications will be required to progress to the two year rate of pay. His education and general qualifications must be such that he is considered capable of attaining Journeyman status.

8470 *OPERATOR, WATER PLANT II

An employee who has completed an apprenticeship and/or equivalent level of training or appropriate certification and is responsible for the production of safe and clean drinking water in compliance with all Federal, State, and Local regulations and restrictions, under general supervision of the Working Foreman. Will also be responsible for the operation of pumps and valves to regulate the flow of water through canals and treatment plants and will coordinate the rate of flow with demand, storage and other operating needs; operates the overall distribution system through the companies SCADA system, and using the SCADA system to start, stop, and take out of service for work, whatever part of the distribution system is required for the efficient delivery of water to customers; will take appropriate action to help resolve customer complaints when necessary; performs such record keeping functions as log of plant operations, test results, maintenance work performed, unusual operating conditions and special reports as required; takes samples of water at regular intervals and makes such control tests required to ensure the efficient production of a safe product for public consumption; performs tests and adjusts chemical feed equipment to ensure optimal performance of treatment plant process; will make limited repairs and adjustments, for which training has been provided; receives supplies delivered during his/her shift and ensures that they are properly stored. Must possess State of Nevada Grade II Water Treatment and Water Distribution certifications or equivalent. The Employee shall be reclassified to Operator III, Water Plant upon completion of Grade III Water Treatment and Water Distribution Certifications.

Wage Scale

Grade II Treatment only-----	\$24.39 (subject to review)
Grade II Treatment and distribution-----	\$25.20

New OPERATOR, WATER PLANT III

Job # An employee who has completed an apprenticeship and/or equivalent level of training or appropriate certification and is responsible for the production of safe and clean drinking water in compliance with all Federal, State, and Local regulations and restrictions, under general supervision of the Working Foreman. Will also be responsible for the operation of pumps and valves to regulate the flow of water through canals and treatment plants and will coordinate the rate of flow with demand, storage and other operating needs; operates the overall distribution system through the companies SCADA system, and using the SCADA system to start, stop, and take out of service for work, whatever part of the distribution system is required for the efficient delivery of water to customers; will take appropriate action to help resolve customer complaints when necessary; performs such record keeping functions as log of plant operations, test results, maintenance work performed, unusual operating conditions and special reports as required; takes samples of water at regular intervals and makes such control tests required to ensure the efficient production of a safe product for public consumption; performs tests and adjusts chemical feed equipment to ensure optimal performance of treatment plant process; will make limited repairs and adjustments, for which training has been provided; receives supplies delivered during his/her shift and ensures that they are properly stored. Must possess State of Nevada Grade III Water Treatment and Water Distribution certifications or equivalent. Required for upgrade to Working Foreman.

Wage Scale

Grade III Treatment and Distribution-----\$26.75

7585 *MECHANIC, MAINTENANCE/CONTROL, CERTIFIED, WP

An employee, who has completed a Maintenance/Control Mechanic apprenticeship or equivalent and is qualified to install, maintain, test and repair various types of mechanical equipment within the Water Production Department, including, but not limited to, production wells, booster pump stations, pressure regulator stations as well as the water treatment facilities. Must have an understanding of the electrical systems related to the mechanical equipment. Must have a thorough understanding of hydraulic controls, and their principles, and will be required to install, test, and service these controls in order to obtain an efficient operation. Must have a working knowledge of the SCADA system and will be required to access data relative to the operation of the various pumping systems and pressure zones. Will also input setpoints related to the hydraulic controls and their automatic functions and may at times be asked to aid the plant operators in the operation of these systems/zones. Must be able to work from various service and repair manuals and be capable of solving technical problems where resources may be limited. Will be required to perform other related tasks such as incidental welding and rigging and will keep accurate and legible records of the operation and maintenance of the equipment for which the employee is responsible. Must be thoroughly familiar with the company tagging procedure and safety rules. Must have and maintain a current Nevada Grade II Water Distribution Certificate and a current driver's license.

Please add the following sentence:

The employee will be reclassified to Mechanic, Specialist, Maintenance/Control, WP, upon completion of two years in this classification and attaining the welding certification, chemical handling system training and Nevada Grade III Water Distribution Certification.

7385 *MECHANIC, SPECIALIST, MAINTENANCE/CONTROL, WP

An employee who has completed a Mechanic, Maintenance/Control apprenticeship or equivalent, has received hazardous materials handling training or equivalent and is qualified to install, maintain, test and repair various types of mechanical equipment, chemical handling equipment, and piping systems used in water production, treatment, and distribution facilities, including, but not limited to, production wells, booster pump stations, pressure regulator stations, water treatment plants, and associated facilities. Must have an understanding of the electrical systems related to the mechanical systems controlling and driving mechanical equipment. Must have a thorough understanding of hydraulic controls and will be required to install, test and service these controls in order to obtain an efficient operation. Must have a working knowledge of the SCADA system and will be required to access data relative to the operation of the various pumping systems and pressure zones. Will also enter data relative to hydraulic setpoints and controls. May be asked to aid the plant operators in operations of pumping and/or regulator station operation. Will be called on to assist customers in resolving pressure or flow problems. Will be required to inspect contractor-installed work in any water production facility. Must be able to work from various service and repair manuals and be capable of solving technical problems where resources may be limited. Will be required to perform other related tasks such as welding and rigging and will keep accurate and legible records of operation and maintenance of the equipment for which the employee is responsible. Must be certified to perform maintenance welding on water production related facilities. Must be thoroughly familiar with company lock-out/tag-out procedures, safety rules and hazardous materials handling procedures. Must maintain current Nevada Grade III Water Distribution Certificate.

6285

***FOREMAN, MECHANIC, MAINTENANCE/CONTROL, WP, WORKING**

An employee who has the knowledge and skill through experience and training to work with and direct the activities of a crew engaged in construction and maintenance of facilities connected with or related to the Water Production Department. Must be a Journeyman Mechanic, Maintenance/Control, WP, to be considered for promotion to this classification. Must be skilled in the crafts in which he works and have sufficient knowledge of all tools and equipment used under his direction and guidance. Must have sufficient knowledge of the function of water system equipment, how it operates mechanically, hydraulically and electronically. Must be able to interpret plans, sketches, specifications and written instructions. Will be required to interpret and work from various service and repair manuals. Must be thoroughly familiar with work procedures and methods for the assigned area of responsibility. Will be required to keep and maintain accurate and legible records of the operation and maintenance of water system related mechanical equipment. Shall be thoroughly familiar with Company's dispatching, clearance, rigging and hazardous materials handling regulations. Requires a State of Nevada Grade III Water Distribution Certification and a current driver's license.

8325 *OPERATOR, HYDRO/GENERATION

A shift employee with at least one (1) year's experience as an Assistant Hydro/Generation Operator, who during his shift is in direct charge of and is responsible for the operation of one (1) or more Hydro Generation units, Diesel Generation units, and any related facilities. They will perform the duties of System Operator at unattended hydro plants and substations, water collection and delivery systems or ditch and stream gauging. May be required to perform monthly runs and testing for emergency generation units and assist in maintenance. Will be required to observe and record station operation data on a continuous basis and maintain equipment in proper operating condition. Will be required to operate, inspect, and perform routine maintenance of all Water Production dams, headgates, flumes, penstocks, and other related facilities in order to insure proper river and canal flows at all times. Will be responsible for minor maintenance of all equipment in their care. Will keep facilities and grounds in a clean and orderly fashion. Will prepare switching orders and maintain operating diagrams. May be required to perform and direct electrical switching in accordance with established company procedures. Must be familiar with company dispatching and clearance rules, electrical and mechanical tagging and safety rules and be qualified to render first aid. May be required to direct and train other operating employees in any or all of the above mentioned duties. May be upgraded to Hydro/Generation Foreman.

6396 *FOREMAN, HYDRO/GENERATION, WORKING

An employee who, under general supervision, is in charge of and responsible for the operation of Hydro, Stand-by Diesel and Combustion Turbine Plants. The employee is directly responsible for the day-to-day Operation & Maintenance of all hydro and water production flumes, ditches, diversion dams, head gates and related facilities. Will be required to direct and inspect work being performed on all hydro plants and waterways. Will be required to measure and record water flows, operate ditch and dam headgates on all company waterways from the upriver storage dams to all hydro plant intakes. Must have at least two years experience as a Hydro/Generation Operator and possess the knowledge and skills through experience and training to direct and train the Hydro/Generation Operator or Apprentice Operator. The employee will be responsible to determine the lumber and hardware needed for flume and penstock repairs and rebuilds and may be required to provide construction management and inspection. He shall be responsible for controlling the Verdi Lumberyard inventory and access. The employee shall be responsible for keeping proper records of plant operations, maintenance and outages. The employee shall be thoroughly familiar with Company dispatching and clearance rules, electrical and mechanical tagging and safety rules. In the absence of management, the employee shall be the controlling party of all hydro and related facilities and is authorized to issue and grant all clearances. The employee must possess a current driver's license and be qualified to render first aid.

7350 *MECHANIC, HYDRO/GENERATION

An employee who is qualified and regularly engaged in performing all types of hydro, diesel, and turbine generation maintenance, including maintenance of engine turbo chargers, oil systems, cooling systems and all related plant facilities. Employee shall also perform all types of mechanical and electrical maintenance to water production and distribution facilities for which he is qualified. Employee shall possess a current driver's license and be qualified to render first aid.

7110 *TECHNICIAN, ELECTRICAL, PLANT, HYDRO/GENERATION

An employee who is a Journeyman and is engaged in testing, repairing, maintaining and installing all types of electric and electronic equipment and related components in generating stations, water production and related facilities. May be required to do plant and plant substation switching. May be required to do incidental welding, such as tack hangers and test welding machines after repair, etc. His background of apprenticeship and experience must be such as to qualify him to perform these duties with skill and efficiency. He may also be required to instruct or advise operating personnel on problems pertaining to electrical equipment. He must be thoroughly familiar with Company's electrical and mechanical tagging and safety rules. Employee shall possess a current driver's license and qualified to render first aid.

6071

*FOREMAN, MAINTENANCE, HYDRO/GENERATION, WORKING

An employee who, under general supervision, is engaged in performing all types of hydro and generation maintenance having full charge of and directing entire crew. Must be a Journeyman Hydro/Generation Mechanic or Plant Technician, Hydro and Generation, with at least two (2) years experience as such or its equivalent. An employee who is qualified and regularly engaged in performing all types of hydro, diesel, and turbine generation maintenance, including maintenance of engine turbo chargers, oil systems, cooling systems and all related plant facilities. Employee shall also perform all types of mechanical and electrical maintenance to water production and distribution facilities for which he is qualified. Employee shall possess a current driver's license and be qualified to render first aid.

10/23/00

Let it be known that upon divestiture, the position of Clerical Representative located at Glendale Water Treatment facility will be reclassified to Representative, Customer Service.

8150 *SPECIALIST, EQUIPMENT, WATER TREATMENT

An employee who is responsible for the operation and routine maintenance of water treatment equipment, machinery and instrumentation including flow meters. Will be required to conduct water treatment tests including determination of coagulant and purification dosage. Must be able to modify existing water treatment systems when needed and be capable of recognizing the need for making these changes and make recommendations. Will be required to make preliminary analysis of usage and costs of chemical and chemical equipment. Must be able to make estimates for plant operations improvements and changes. Will be required to keep accurate records of plant operations and maintenance, chemical usage, purchases and other special reports as required. Will be responsible for maintaining proper stock of water treatment chemicals for all plants. Requires a Grade II Distribution, Grade III Water Treatment and Backflow Specialist Certifications.

Wage: 26.75

T/A 10-25-00

**TRUCKEE MEADOWS WATER AUTHORITY
POST-RETIREMENT MEDICAL AND LIFE INSURANCE PLAN & TRUST
(AS RESTATED ON JUNE 16, 2011)**

Appendix B (as referenced in Article 2.9)

List of MPAT Transfer Employees also includes the following MPAT personnel:

- Mark Foree
- Debra Kaye
- Lori Williams

APPENDIX “C”

(CURRENT SCHEDULE OF LIFE INSURANCE BENEFITS)

1. Current Life Insurance Coverage for Participants. The amount of life insurance coverage that a Participant may elect is 1 times the Participant’s annual earnings on his or her Retirement Date, rounded to the next higher multiple of \$1,000, if not already a multiple of \$1,000, subject to a maximum of \$175,000. At the time a Participant attains age 70 and continuing through age 74, the life insurance coverage elected by the Participant will be reduced to 50% of the coverage elected, and at the time the Participant attains 75 the life insurance coverage will be reduced to \$2,500.

2. Current Life Insurance Coverage for Dependents of Participants. The amount of life insurance coverage that a Participant may elect for his or her spouse is \$1,500, and the amount of life insurance coverage that a Participant may elect for a child of the Participant is \$750. However, the amount of life insurance coverage for a spouse or child of the Participant may not exceed 100% of the life insurance coverage elected by the Participant.



June 29, 2017

To the Board of Trustees
Truckee Meadows Water Authority Post-Retirement Medical Plan and Trust
Reno, Nevada

We have audited the financial statements of Truckee Meadows Water Authority Post-Retirement Medical Plan and Trust (the “Plan”) as of and for the year ended December 31, 2016, and have issued our report thereon dated June 29, 2017. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards

As communicated in our letter dated March 16, 2017, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan’s internal control over financial reporting. Accordingly as part of our audit, we considered the internal control of the Plan’s solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Plan's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Plan is included in Note 1 to the financial statements. As described in Note 1 to the financial statements, the Plan adopted Governmental Accounting Standards Board (GASB) Statement No. 72 *Fair Value Measurement and Application*, which enhances disclosures over the Plan's balances that are reported at fair value (i.e. fair value of investments). No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements was:

Management's estimate of the Plan's funded status and funding progress in Note 4 to the financial statements which is based on a valuation performed by a third party actuary utilizing various assumptions for the calculations. We evaluated the key factors and assumptions used to develop the valuation and resulting funded status and funding progress of the Plan in determining that they are reasonable in relation to the financial statements taken as a whole.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. We did not identify any known or likely misstatements during the audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Plan's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated June 29, 2017.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Plan, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Plan, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Plan's auditors.

Other Matters

We applied certain limited procedures to the management discussion and analysis, the schedule of funding progress, and the schedule of employer contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

This information is intended solely for the use of the Board of Trustees and management of Truckee Meadows Water Authority Post-Retirement Medical Plan and Trust and is not intended to be, and should not be, used by anyone other than these specified parties.

Eide Bailly LLP

Reno, Nevada



Financial Statements

December 31, 2016 and 2015

Truckee Meadows Water Authority
OPEB Trust Fund

Truckee Meadows Water Authority OPEB Trust Fund

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December 31, 2016 and 2015

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Independent Auditor's Report

To the Board of Trustees
Truckee Meadows Water Authority OPEB Trust Fund
Reno, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the Truckee Meadows Water Authority OPEB Trust Fund (the "Plan"), which comprise the statements of plan net position as of December 31, 2016 and 2015, and the related statements of changes in plan net position for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net position of the Truckee Meadows Water Authority OPEB Trust Fund as of December 31, 2016 and 2015, and changes in its net position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3 to 5, and the schedule of funding progress and the schedule of employer and other entities contributions on pages 14 and 15, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Eide Bailly LLP

Reno, Nevada
June 29, 2017

Truckee Meadows Water Authority (TMWA) financial management provides the following discussion and analysis as an introduction to the basic financial statements and an analytical overview of the Truckee Meadows Water Authority OPEB Trust Fund's (the "Plan") financial activities for the reporting period ended December 31, 2016 and 2015. This narrative is intended as a supplement and should be read in conjunction with the financial statements. The Plan was established in calendar year 2015 as a result of the transfer of operations to TMWA of Washoe County, Nevada's water utility services (Transfer of Utility Operations). As a result of the transfer of operations, TMWA agreed to preserve post-employment benefits for transferred employees only and the Plan is closed to any additional employees.

Overview of the Financial Statements

The Plan's financial statements include the following components:

- Statements of Plan Net Position
- Statements of Plan Changes on Net Position
- Notes to the Financial Statements

In addition to the aforementioned financial statements, required supplementary information is provided in the following schedules:

- Schedule of Funding Progress
- Schedule of Employer and Other Entities Contributions

The *Statements of Plan Net Position* presents the Plan's assets and liabilities and the net position, with the assets being held in trust for beneficiary post-employment benefits. This statement measures the Plan's investments at fair value, cash, other short term assets and liabilities as of the reporting dates of December 31, 2016 and 2015.

The *Statements of Changes in Plan Net Position* presents information showing how the Plan's net position changed during the reporting year. This statement includes additions for employer contributions, investment earnings, changes in investment valuations and deductions for payment of administrative expenses for the years ended December 31, 2016 and 2015. It also includes the one-time contribution from the Washoe County OPEB Trust Fund in connection with the Transfer of Utility Operations in the year ended December 31, 2015. As of December 31, 2016 there were no beneficiaries receiving benefits, however one member began receiving benefits in January, 2017, subsequent to year end.

The *Notes to the Financial Statements* are an integral part of the financial statements and provide additional information that is necessary in order to gain a comprehensive understanding of data in the financial statements.

The *Schedule of Funding Progress* is required supplementary information which provides multi-year information regarding the status of the funding of the Plan. It contains information regarding dates of actuarial analyses the unfunded actuarial unfunded liability (fair value of assets less the actuarial accrued liability as of the actuarial valuation date) and the funded ratio of the Plan as of the actuarial valuation date.

The *Schedule of Employer and Other Entities Contributions* is required supplementary information which provides information for the current and prior years and status of employer and other entity funding of the annual required contribution.

Truckee Meadows Water Authority OPEB Trust Fund
 Managements' Discussion & Analysis
 Years Ended December 31, 2016 and 2015

Financial Highlights

Financial highlights of the Plan as of and for the year ended December 31, 2016 are as follows:

- Operating cash balances at year end were \$210 thousand.
- Plan investments at fair value at year end were \$577 thousand.
- Employer contributions were \$127 thousand to the plan during the year.

Financial highlights of the Plan as of and for the year ended December 31, 2015 are as follows:

- Operating cash balances at year end were \$69 thousand.
- Plan investments at fair value at year end were \$542 thousand.
- Employer contributions were \$151 thousand to the plan during the year, and contributions from Washoe County, Nevada's OPEB Trust given the transfer of utility operations to TMWA from Washoe County, Nevada, were \$547 thousand.

Plan Analysis

The following table provides a summary of the two years of Net Position of the Plan since its inception stemming from the transfer of utility operations to TMWA from Washoe County, Nevada:

	<u>2016</u>	<u>2015</u>	<u>Change</u> <u>2016 v 2015</u>
Assets			
Cash	<u>\$ 210,015</u>	<u>\$ 69,414</u>	<u>\$ 140,601</u>
Receivables from Employer	<u>51,721</u>	<u>75,588</u>	<u>(23,867)</u>
Investments, at fair value	<u>577,273</u>	<u>541,988</u>	<u>35,285</u>
Net Position restricted for other postemployment benefits	<u><u>\$ 839,009</u></u>	<u><u>\$ 686,990</u></u>	<u><u>\$ 152,019</u></u>

Truckee Meadows Water Authority OPEB Trust Fund
 Managements' Discussion & Analysis
 Years Ended December 31, 2016 and 2015

The following table provides a summary of the two years of Change in Net Position since its inception stemming from the transfer of utility operations to TMWA from Washoe County, Nevada:

	2016	2015	Change 2016 v 2015
Additions			
Net Investment Income (Loss)	\$ 35,285	\$ (4,886)	\$ 40,171
Employer/Former employer contributions	127,309	698,049	(570,740)
Total Additions	<u>162,594</u>	<u>693,163</u>	<u>(530,569)</u>
Deductions			
Administrative Expenses	<u>10,575</u>	<u>6,173</u>	<u>4,402</u>
Change in Net Position	152,019	686,990	(534,971)
Net Position, restricted			
Beginning of Year	<u>686,990</u>	<u>-</u>	<u>686,990</u>
End of Year	<u>\$ 839,009</u>	<u>\$ 686,990</u>	<u>\$ 152,019</u>

Net position is restricted for future benefit payments to retirees.

As of December 31, 2016 the Net Position of the Plan was approximately \$839 thousand. The Net Position is comprised of assets of the Plan. The Net Position of the Plan increased approximately \$152 thousand in calendar year 2016, or \$535 thousand less than an increase of \$687 thousand in calendar year 2015. This was primarily due to contributions from the former employer in 2015, related to the transfer of utility operations from Washoe County, Nevada to TMWA. The increase in fair value of investments of \$35 thousand in 2016 which was \$40 thousand more than decreases in fair value of investments of \$5 thousand in calendar year December 31, 2015 due to \$12 thousand in higher returns from the investment portfolio in 2016, and an unrealized gain in 2016 of \$21 thousand compared to an unrealized loss in 2015 of \$7 thousand. Employer contributions in 2016 of \$127 thousand were lower than contributions of \$151 thousand in 2015, and were based on a lower Annual Required Contribution (ARC) calculated as of July 1, 2016. Administrative expenses were \$11 thousand in 2016, \$4 thousand higher than administrative expenses in 2015. Higher expenses of \$9 thousand in 2016 due to the first required audit, were offset by \$5 thousand lower legal expenses in 2016.

Plan assets of approximately \$839 thousand were comprised of investments at fair value of approximately \$577 thousand, \$52 thousand in employer receivables and \$210 thousand in operating cash at December 31, 2016. Plan assets increased by \$152 thousand as compared to December 31, 2015. Investments at fair value increased \$35 thousand, employer receivables decreased \$24 thousand, and cash increased \$141 thousand.

In order to ensure that funds are accumulated on a regular and systematic basis it has been the practice of TMWA to contribute the Annual Required Contribution (ARC) to the Plan on a biannual basis. This has ensured that the Plan's assets are sufficient to cover the Actuarial Accrued Liability which is disclosed in Note 4 to the financial statements.

Requests for Information

Questions concerning the information provided in this report or requests for additional financial information should be addressed to Ms. Michele Sullivan, Chief Financial Officer/Treasurer of the Truckee Meadows Water Authority at P.O. Box 30013, Reno, NV 89509-3013.

Truckee Meadows Water Authority OPEB Trust Fund
Statements of Plan Net Position
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Cash	<u>\$ 210,015</u>	<u>\$ 69,414</u>
Receivables Employer	<u>51,721</u>	<u>75,588</u>
Investments, at fair value	<u>577,273</u>	<u>541,988</u>
Net position restricted for other postemployment benefits	<u><u>\$ 839,009</u></u>	<u><u>\$ 686,990</u></u>

Truckee Meadows Water Authority OPEB Trust Fund
 Statements of Changes in Plan Net Position
 Years Ended December 31, 2016 and 2015

	2016	2015
Additions		
Investment income (loss)		
Net appreciation (depreciation) in fair value of investments	\$ 35,422	\$ (4,856)
Less investment expense	137	30
Net investment income (loss)	35,285	(4,886)
Contributions		
Employer	127,309	151,176
Former employer's trust	-	546,873
Total contributions	127,309	698,049
Total additions	162,594	693,163
Deductions		
Administrative expenses	10,575	6,173
Change in Net Position	152,019	686,990
Net position restricted for other postemployment benefits		
Beginning of year	686,990	-
End of year	\$ 839,009	\$ 686,990

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The Truckee Meadows Water Authority (TMWA) established a governmental trust under Section 115 of the Internal Revenue Code of 1986, as amended, which is referred to as the Truckee Meadows Water Authority OPEB Trust Fund (the "Plan"), a single-employer defined benefit other post-employment benefit plan (OPEB). The Plan is intended to provide the means to fund all or a portion of the post-retirement benefits to be provided to those former employees of Washoe County, Nevada (Washoe County) who became employees of TMWA as a result of the transfer of Washoe County's water utility service operations to TMWA effective January 1, 2015 (Transfer of Water Utility Operations). Tax exempt status is automatically granted to governmental trusts established under Section 115 of the Internal Revenue Code. This Plan provides future TMWA retirees eligible for coverage under the Plan with post-employment group health and life benefits, including medical, dental, vision, and spouse life benefits. The Plan's financial reporting period ends December 31, while TMWA's financial reporting period ends June 30.

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting in accordance with Governmental Accounting Standards Board (GASB) Statement 43, *Financial Reporting for Postemployment Benefit Plans other Than Pension Plans*. Employer contributions are recognized in the period when the contributions are due. Contributions are due when TMWA has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Administrative expenses are recorded when incurred and payable by the Plan.

Investments and Investment Income

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment income consists of the Plan's net earnings from its participation in the State of Nevada's Retirement Benefits Investment Fund (RBIF), an external investment pool. The Plan's net earnings from the external investment pool is based on the Plan's original investment plus a monthly allocation of investment income, including realized and unrealized gains and losses, which is the same as the value of the pool shares.

Implementation of GASB Statement No. 72

As of January 1, 2016, the Plan adopted GASB Statement No. 72, *Fair Value Measurements and Application*. The implementation of this standard requires governments to address accounting and financial reporting issues related to fair value measurements. The additional disclosures required by the standard are included in Note 3.

New Accounting Pronouncements

The Government Accounting Standards Board has issued GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective for fiscal year beginning after June 15, 2016. Management is still evaluating the impact of this standard.

Note 2 - Plan Description and Contribution Information

Plan Description

The Plan, a single-employer defined benefit OPEB plan was established to provide eligible TMWA retirees with post-employment health and life benefits, including medical, dental, vision, and life benefits. Pursuant to Nevada State Administrative Regulations, adopted in September 2008, as amended, the Plan will be governed by not less than three (3) but not more than five (5) Trustees. Five (5) trustees were appointed by the TMWA Board of Directors, three members from non-represented positions and two members from represented employees. The TMWA General Manager has been given authority to appoint the two non-represented employee trustees and accept the nomination of represented employee trustees by the International Brotherhood of Electrical Workers (IBEW) Local 1245.

Eligibility requirements, benefit levels, and TMWA contributions established and amended through TMWA's collective bargaining agreement for its represented employees (IBEW).

Retiree Healthcare Plan Options

TMWA retirees have the option to enroll in a Preferred Provider Organization (PPO) or Employer Health Maintenance Organization (HMO) health plans provided by the City of Reno. These plans are cost sharing multi-employer plans that cover active and retired employees. These plans are the same health plans offered to active employees of TMWA. TMWA retirees may choose to participate in a health plan not provided by the City of Reno. The amount paid by the Plan for participation in health plans other than those offered by the City of Reno, are limited to the amount otherwise payable had the participant selected one of the City of Reno plans.

In order to be eligible for benefits, retirees must meet the following requirements:

1. The retiree must be a former Washoe County employee who transferred to TMWA as part of the Transfer of Water Utility Operations,
2. The retiree must receive monthly retirement payments under the Public Employees Retirement System of Nevada ("PERS"), and
3. The retiree must complete such forms to enroll for benefits from the Plan as the Trustees may require from time to time.

Life Benefits

TMWA retiree life coverage continues at the same coverage amount in force at the time of retirement (one times basic annual earnings) until age 70, at which time coverage reduces to one-half of that amount. At age 75, coverage is reduced to \$2,000. The retiree bears no cost of the premiums for this coverage amount. However, retirees do have the opportunity to purchase optional life insurance, the cost of which is paid by the retiree.

Truckee Meadows Water Authority OPEB Trust Fund

Notes to Financial Statements

December 31, 2016 and 2015

Membership of the Plan

As of December 31, 2016 and 2015, membership of the Plan consisted of the following:

	2016	2015
Retirees currently receiving medical benefits	-	-
Retirees currently receiving life benefits	-	-
Retirees entitled to, but not yet receiving benefits	-	-
	<u>-</u>	<u>-</u>
Active Plan Members		
IBEW members	15	15
MPAT members	7	7
	<u>22</u>	<u>22</u>

The Plan is a closed plan that will provide future benefits to TMWA employees that transferred to TMWA as part of Transfer of Water Utility Operations. No other TMWA retirees can be enrolled in the benefits offered under this Plan.

Contributions

Post-employment benefits available to retirees under the Plan vary depending upon whether eligible retirees are classified as a “Tier I Retiree” or a “Tier II Retiree.” Tier I Retirees include those employees hired by Washoe County on or before September 16, 1997, and Tier II Retirees include those employees hired by Washoe County after September 16, 1997 and before July 1, 2010. Employees hired by Washoe County on July 1, 2010 or after are not eligible for benefits. Retiree healthcare benefits vary depending on whether a retiree is classified as a Tier I Retiree or a Tier II Retiree, and years of employment attained at the time of retirement, as described below.

Tier I Retirees

1. For Tier I Retirees with at least ten (10) years but less than fifteen (15) years of combined full-time employment with Washoe County and/or TMWA, the maximum benefits payable by the Plan will be 50% premium attributable for coverage of such retirees under the benefit plans.
2. For Tier I Retirees with at least fifteen (15) years but less than twenty (20) years of combined full-time employment with Washoe County and/or TMWA, the maximum benefits payable by the Plan will be 75% of the premium attributable for coverage of such retirees under the benefit plans.
3. For Tier I Retirees with twenty (20) or more years of combined full-time employment with Washoe County and/or TMWA, the maximum benefits payable by the Plan will be 100% of the premium attributable for coverage of such retirees under the benefit plans.

For Tier I Retirees who were hired by Washoe County on or after January 13, 1981, these provisions are applicable, except that in order to receive the benefits, the retiree must have been an employee of TMWA immediately prior to receiving benefits from the Plan.

In addition to the above requirements, when eligible to enroll in Medicare, Tier I Retirees must enroll in and pay the cost of Medicare Part A and Medicare Part B or Medicare Part C coverage. TMWA benefit plans will become the secondary payer regardless of whether or not the retiree enrolls in the Medicare program.

Truckee Meadows Water Authority OPEB Trust Fund

Notes to Financial Statements

December 31, 2016 and 2015

Tier II Retirees

The maximum benefits to be paid by the Plan to Tier II Retirees who have not attained age 65 is to be the same amount of the premium paid for group health coverage by an employer for coverage of non-state employees under the Nevada State Public Employee Benefit Plan ("PEBP") Retiree Health Insurance plan. The PEBP Master Plan Document can be obtained by writing to the Nevada Public Employees Medical Program, 901 South Stewart Street, Suite 1001, Carson City, NV 89701 or visiting their website www.pebp.state.nv.us. Additionally, Tier II Retirees who have attained the Medicare eligibility age or older will instead receive the equivalent of the State of Nevada's Medicare Exchange Retiree HRA contribution subsidy based upon the combined number of years of service with Washoe County and/or TMWA and must elect to participate in Medicare. In order to receive the benefits afforded to Tier II Retirees under the Plan's terms, the retiree must be an employee of TMWA immediately prior to drawing retirement benefits.

Once participants exhaust their medical benefits they will continue to be eligible for life benefits under the Plan.

TMWA: Annual contributions to the Plan are an amount which TMWA determines as necessary to fund the benefits due pursuant to a qualified actuarial analysis. During the years ended December 31, 2016 and 2015, TMWA contributed \$127,309 and \$151,176, respectively, to the Plan. Such amounts were equal to TMWA's annual required contribution (ARC).

Retirees: Contributions are required for the portion of the premiums and costs in excess of the subsidies provided by TMWA as discussed above. During the years ended December 31, 2016 and 2015, there were no retirees in the Plan.

During the year ended December 31, 2015, the Plan received a one-time contribution of \$546,873 transferred from the Washoe County, Nevada OPEB Trust Fund for the post-employment benefit obligation of the employees transferred to TMWA in connection with the Transfer of Water Utility Operations.

The Plan offers participants Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) continuation of coverage, subject to all conditions and limitations of COBRA. There were no participants utilizing COBRA continuation of coverage during the year ended December 31, 2016 and 2015.

Note 3 - Investments and Risk

The Board of Trustees have established an investment policy for the Plan. Under the policy, the Plan's assets are limited to investments in the State of Nevada's Retirement Benefits Investment Fund (RBIF); and any investment authorized pursuant to NRS 355.170. Such investments under NRS 355.170 include certain "A" rated notes and bonds, guaranteed investment contracts, obligations of the U.S. Treasury, obligations of other U.S. Government agencies, negotiable and non-negotiable certificates of deposit issued by commercial banks or insured savings and loan associations, bankers acceptances, repurchase agreements, "AAA" rated mutual funds that invest in securities of the Federal Government or agencies of the Federal Government, and the State of Nevada Local Government Investment Pool (LGIP).

The Plan categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Plan does not have any investments that are measured using Level 1 or Level 3 inputs.

Truckee Meadows Water Authority OPEB Trust Fund

Notes to Financial Statements
December 31, 2016 and 2015

RBIF – Level 2:

The Plan invests its assets in RBIF as allowed by the Nevada Revised Statute (NRS) 287.017 and the Nevada Administrative Code (NAC). The RBIF was established pursuant to NRS 355.220 and is administered by the Retirement Benefits Investment Board (RBIB) as an unrated external investment pool. The RBIF is not registered with the Securities and Exchange Commission (SEC) as an investment company. Each participant acts as fiduciary for its particular share of the RBIF and is allocated earnings and expenses according to their proportional share in RBIF. Bank of New York Mellon determines the fair value of the RBIF monthly. The Plan's investment in RBIF is \$577,273 and \$541,988 at December 31, 2016 and 2015, respectively, and is reported at fair value, which is based on the observable market prices of the underlying assets held by the pool, less liabilities. The RBIF primarily invests in a mix of domestic and foreign equity securities and fixed income investments to reduce foreign currency translation risk. Highly speculative positions in currency are not permitted. Fixed income securities are 27.1% and 28.3% of the RBIF portfolio at December 31, 2016 and 2015, respectively. These fixed income securities have maturity dates ranging from January 2018 to November 2046 at December 31, 2016 and maturity dates ranging from December 2016 to November 2045 at December 31, 2015. Complete financial information on RBIF as of June 30, 2016 and June 30, 2015 can be obtained by contacting Public Employees Retirement System (PERS) at 693 W. Nye Lane, Carson City, NV, 89703.

Note 4 - Funded Status and Funding Progress

The funded status of the Plan as of the most recent actuarial valuation is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
July 1, 2016	\$ 695,940	\$ 1,453,919	\$ 757,979	47.87%	\$ 1,658,227	45.71%

Actuarial valuations of ongoing plans involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, return on investments and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of the Plan's assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. In addition, the schedule of employer and other entities contributions, also presented as RSI, provides trend information about the amounts contributed to the Plan by TMWA and others in comparison to the annual required contribution (ARC), an amount that is actuarially determined in accordance with parameters of the GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Truckee Meadows Water Authority OPEB Trust Fund

Notes to Financial Statements

December 31, 2016 and 2015

Projections of benefits for financial reporting purposes are based on the Plan as understood by TMWA and the Plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between TMWA and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the latest actuarial valuation is as follows:

Actuarial valuation date	July 1, 2016
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed
Remaining amortization period	28 years
Asset valuation method	Market value
Investment rate of return	6.00%
Healthcare inflation rate	5.00%

Note 5 - Plan Termination

In the event the Plan terminates, the Trustee shall apply all the assets remaining in the Plan in a uniform and non-discriminatory manner toward the provision of benefits for the participants.



Required Supplementary Information

Truckee Meadows Water Authority OPEB Trust Fund

Truckee Meadows Water Authority OPEB Trust Fund
 Schedule of Funding Progress
 December 31, 2016

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
July 1, 2016	\$ 695,940	\$ 1,453,919	\$ 757,979	47.87%	\$ 1,658,227	45.71%
January 1, 2015	\$ 546,873	\$ 1,357,972	\$ 811,099	40.27%	\$ 1,612,906	50.29%

As of July 1, 2016 Actuarial Valuation, the Plan's AAL increased given the following:

- Decrease in the number of actives that may be eligible for the plan in the future
- Reduction in assumed pre-65 PPO implicit subsidy
- 20% increase in actual medical premiums incurred by all participating employers in the City of Reno multi-employer cost sharing plan. The increase in premium was effective January 1, 2016 with an expectation that the large increase in premium rate was a one-time catch up aberration. The increase was somewhat offset by much lower than originally assumed Tier II subsidy growth.

The Plan was established in January 2015, thus multi-year information on funding progress will be presented when available.

Truckee Meadows Water Authority OPEB Trust Fund
Schedule of Employer and Other Entities Contributions
December 31, 2016

<u>Employer Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
June 30, 2016	\$ 75,589	100.00%
June 30, 2015	\$ 75,589	923.48%

The Plan received a one-time contribution of \$546,873 during 2015 that was transferred to the Plan from the Washoe County, Nevada OPEB Trust Fund related to postemployment benefit obligations assigned to the Truckee Meadows Water Authority (TMWA) in connection with the transfer of Washoe County, Nevada's water utility operations to TMWA on January 1, 2015.

The Plan was established in January 2015, thus multi-year information on contributions will be presented when available.

RBIF Investment Performance

3rd Quarter Fiscal Year 2017

Steve Edmundson, Investment Officer



May 18, 2017

RBIF Fund

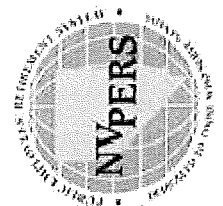
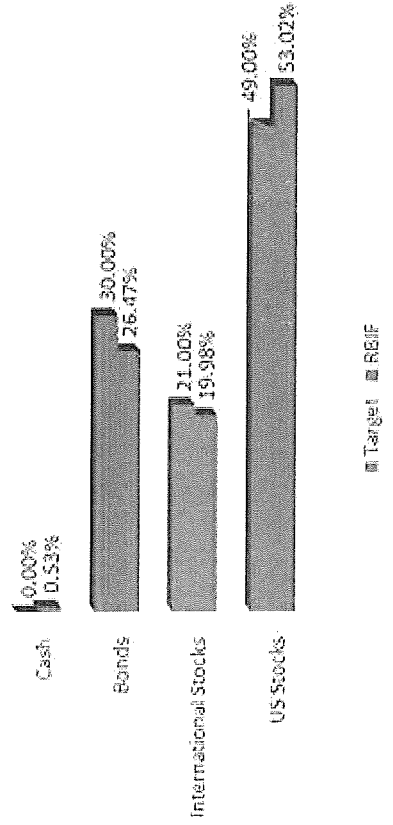
Nevada RBIF Fund Return Detail - Periods ended March 31, 2017

Market Value: \$399,993,672

	FYTD	Last 5 Years	Since Inception 02/01/08
--	------	--------------	-----------------------------

US Stocks	14.25	13.22	8.33
Non-US Stocks	13.23	6.10	1.66
US Bonds	-3.49	1.94	3.38
RBIF Total Fund (Net)	8.81	8.39	5.98
RBIF Total Fund Target	8.59	8.42	6.06

Nevada RBIF Fund



Investment Board

Mark R. Vincent
Chairman
Chris Collins
Vice Chairman

Al Martinez
Rusty McAllister
Audrey Noriega
David Olsen
Katherine Ong

**Retirement
Benefits
Investment
Board**

Executive Staff

Tina M. Leiss
Executive Officer

Cheryl Price
Operations Officer

Steve Edmundson
Investment Officer

INTERIM INVESTMENT DIRECTIVES
RETIREMENT BENEFITS INVESTMENT FUND

May 18, 2011

INCOME

1. Investment Counsel may retain proceeds from income and the sale of securities in their accounts.
2. Assets will be accumulated in the System's Custodial Income Account with distribution directed by Staff.

SHORT-TERM INVESTMENTS

3. Any funds not invested in stocks or bonds by Investment Counsel are to be invested in short-term instruments that meet the requirements of the Investment Objectives and Policies.
4. STIF Account is defined as a short-term investment fund. Funds invested in the STIF Account must be invested in securities that meet the short-term investment policies as defined in the Investment Objectives and Policies. The STIF Account is maintained by the custodial bank.
5. Staff is authorized to maintain sufficient funds in the STIF Account and/or raise funds as necessary to meet projected expenses of the System. Withdrawals to fund System expenses will be made in accordance with these Directives.
6. Any balance which remains in the Custodial Income Account after distributions to Investment Counsel will be invested in the STIF Account.
7. New money deposited in the Custodial Income or Commercial accounts after daily distributions have been made will be invested in a STIF Account by 1:30 p.m. of the same day.

5820 S. Eastern Avenue, Suite 220
Las Vegas, NV 89119
(702) 486-3900
Fax: (702) 678-6934

693 W. Nye Lane
Carson City, NV 89703
(775) 687-4200
Fax: (775) 687-5131

7455 W. Washington Avenue, Suite 150
Las Vegas, NV 89128
(702) 486-3900
Fax: (702) 304-0697

CONTRIBUTIONS / WITHDRAWALS

8. Contributions and withdrawals will be in accordance with the asset allocation section of the RBIF Investment Objectives and Policies. Funding will be given to asset classes proportional to the current portfolio allocation.
9. Contributions or withdrawals will be initiated via phone call to appropriate Counsel. E-mail confirmation shall be prepared and acknowledged by two members of PERS' executive staff, and sent to Counsel and custodial bank. The staff acknowledged hard copy shall be retained by PERS consistent with retention policies.

U.S. STOCK (Policy Allocation 49% of Total Assets)

10. Funds managed by AllianceBernstein are to be invested in U.S. stocks to track the performance of the Standard and Poor's 500 Index.

INTERNATIONAL STOCK (Policy Allocation 21% of Total Assets)

11. Funds managed by AllianceBernstein are to be invested in international stocks and Exchange Traded Fund (ETF) securities to track the performance of the MS EAFE Index (unhedged).

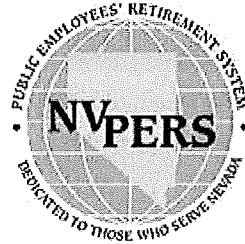
U.S. BONDS (Policy Allocation 30% of Total Assets)

12. Funds managed by Payden & Rygel are to be invested in U.S. bonds to track the performance of the Barclays U.S. Treasury Index.

Retirement Board

Mark R. Vincent
Chair
Katherine Ong
Vice Chair

Vikki Courtney
Scott M. Gorgon
Audrey Noriega
Timothy M. Ross
Kay Scherer



Executive Staff

Tina Leiss
Executive Officer

Cheryl Price
Operations Officer

Steve Edmundson
Investment Officer

Memorandum

To: Retirement Benefits Investment Board
From: Staff
Date: May 2, 2017
Re: Retirement Benefits Investment Fund – Administrative Expenses

NRS 355.220(4) provides that the Retirement Benefits Investment Board (RBIB) has the same powers and duties in administering the Retirement Benefits Investment Fund (Fund) as those pertaining to the administration of the Public Employees' Retirement Fund by the Public Employees' Retirement Board. NRS 355.220(3) provides that RBIB may assess reasonable charges against the Fund for the payment of its expenses in administering the Fund. Administrative fees for labor costs are billed to the Fund on a monthly basis. Other costs, such as audit fees, are paid directly from the Fund as needed. Both are presented to the Board for approval quarterly.

Staff has prepared the administrative billings to the Fund. For the quarter ending March 31, 2017 these billings equal \$7,232.20. This amount is based on executive services (administrative and investments), accounting services and administrative support. A summary of the billing is as follows:

Executive (Administration and Investments):	\$ 5,542.98
Accounting Services	1,374.16
Administrative Support	<u>315.06</u>
	<u>\$ 7,232.20</u>

No other administrative expenses have been paid directly from the Fund during this quarter.

Retirement Benefits Investment Fund

March 31, 2017

All Returns Net of Fees

Asset Class	Market Value	Target Allocation	Actual Allocation	FYTD Return	One Year	3 Years	5 Years	Since Inception (2008)
U.S. Stocks- S&P 500 Index	\$ 210,979,476	49.0%	52.8%	14.3%	17.1%	10.3%	13.2%	8.4%
Market Return				14.4%	17.2%	10.4%	13.3%	8.4%
Intl Stocks- MSCI/EAFE Index	\$ 79,505,439	21.0%	19.9%	13.2%	11.8%	0.7%	6.0%	1.6%
Market Return				13.3%	11.7%	0.5%	5.8%	1.5%
U.S. Bonds- U.S. Bond Index	\$ 105,356,665	30.0%	26.3%	-3.5%	-1.4%	2.1%	1.9%	3.4%
Market Return				-3.5%	-1.4%	2.1%	1.6%	3.2%
Total RBIF Fund	\$ 399,993,671	100.0%	100.0%	8.8%	10.6%	6.0%	8.4%	5.9%
Market Return				8.6%	10.3%	5.9%	8.4%	6.1%

RBIF Investment Managers

March 31, 2017

<u>Firm</u>	<u>Retained</u>	<u>Assets</u>	<u>Mandate</u>
AllianceBernstein	2008	\$210,979,476	U.S. Stock Index
Payden & Rygel	2008	\$105,356,665	U.S. Bond Index
AllianceBernstein	2008	\$79,505,439	International Stock Index
<u>PERS' Investment Advisors</u>	<u>Retained</u>		<u>Mandate</u>
Callan Associates	2008		Investment Consultant
Jobs Peak Advisors	2016		Strategic Investment Advisor

**RETIREMENT BENEFIT INVESTMENT FUND
LISTING OF PAYMENTS TO MANAGERS AND CONSULTANTS
PAYMENTS MADE THROUGH FEBRUARY 2017**

MANAGER	For the quarter ending:				TOTAL
	MAR 2016	JUNE 2016	SEP 2016	DEC 2016	
EQUITY					
DOMESTIC					
ALLIANCE BERNSTEIN S & P 500	2,582.01	2,838.12	3,030.53	3,123.46	11,574.12
SUBTOTAL: DOMESTIC EQUITY SECURITIES	2,582.01	2,838.12	3,030.53	3,123.46	11,574.12
INTERNATIONAL					
ALLIANCE BERNSTEIN	4,740.83	5,213.33	5,525.38	5,481.71	20,961.25
SUBTOTAL: INTERNATIONAL EQUITY SECURITIES	4,740.83	5,213.33	5,525.38	5,481.71	20,961.25
TOTAL EQUITY SECURITIES	7,322.84	8,051.45	8,555.91	8,605.17	32,535.37
FIXED SECURITIES					
DOMESTIC					
PAYDEN & RYGEL	2,391.00	2,525.00	2,628.00	2,516.00	10,060.00
SUBTOTAL: DOMESTIC FIXED SECURITIES	2,391.00	2,525.00	2,628.00	2,516.00	10,060.00
TOTAL FIXED SECURITIES	2,391.00	2,525.00	2,628.00	2,516.00	10,060.00
INVESTMENT CONSULTANTS					
CALLAN ASSOCIATES	1,784.15	1,887.80	1,951.10		5,623.05
PEAVTNE CAPITAL MANAGEMENT	509.75	539.37	557.54	569.97	2,176.63
TOTAL INVESTMENT CONSULTANTS	2,293.90	2,427.17	2,508.64	569.97	7,799.68
GRAND TOTAL	12,007.74	13,003.62	13,692.55	11,691.14	50,395.05

**RETIREMENT BENEFIT INVESTMENT FUND
LISTING OF PAYMENTS TO MANAGERS AND CONSULTANTS
PAYMENTS MADE THROUGH MARCH 2017**

MANAGER	For the quarter ending:				TOTAL
	MAR 2016	JUNE 2016	SEP 2016	DEC 2016	
EQUITY					
DOMESTIC					
ALLIANCE BERNSTEIN S & P 500	2,582.01	2,838.12	3,030.53	3,123.46	11,574.12
SUBTOTAL: DOMESTIC EQUITY SECURITIES	2,582.01	2,838.12	3,030.53	3,123.46	11,574.12
INTERNATIONAL					
ALLIANCE BERNSTEIN	4,740.83	5,213.33	5,525.38	5,481.71	20,961.25
SUBTOTAL: INTERNATIONAL EQUITY SECURITIES	4,740.83	5,213.33	5,525.38	5,481.71	20,961.25
TOTAL EQUITY SECURITIES	7,322.84	8,051.45	8,555.91	8,605.17	32,535.37
FIXED SECURITIES					
DOMESTIC					
PAYDEN & RYGEL	2,391.00	2,525.00	2,628.00	2,516.00	10,060.00
SUBTOTAL: DOMESTIC FIXED SECURITIES	2,391.00	2,525.00	2,628.00	2,516.00	10,060.00
TOTAL FIXED SECURITIES	2,391.00	2,525.00	2,628.00	2,516.00	10,060.00
INVESTMENT CONSULTANTS					
CALLAN ASSOCIATES	1,784.15	1,887.80	1,951.10	1,995.02	7,618.07
PEAVINE CAPITAL MANAGEMENT	509.75	539.37	557.54	569.97	2,176.63
TOTAL INVESTMENT CONSULTANTS	2,293.90	2,427.17	2,508.64	2,564.99	9,794.70
GRAND TOTAL	12,007.74	13,003.62	13,692.55	13,686.16	52,390.07

**RETIREMENT BENEFIT INVESTMENT FUND
LISTING OF PAYMENTS TO MANAGERS AND CONSULTANTS
PAYMENTS MADE THROUGH APRIL 2017**

MANAGER	For the quarter ending:				TOTAL
	JUNE 2016	SEP 2016	DEC 2016	MAR 2017	
EQUITY					
DOMESTIC					
ALLIANCE BERNSTEIN S & P 500	2,838.12	3,030.53	3,123.46	-	8,992.11
SUBTOTAL: DOMESTIC EQUITY SECURITIES	2,838.12	3,030.53	3,123.46	-	8,992.11
INTERNATIONAL					
ALLIANCE BERNSTEIN	5,213.33	5,525.38	5,481.71	-	16,220.42
SUBTOTAL: INTERNATIONAL EQUITY SECURITIES	5,213.33	5,525.38	5,481.71	-	16,220.42
TOTAL EQUITY SECURITIES	8,051.45	8,555.91	8,605.17	-	25,212.53
FIXED SECURITIES					
DOMESTIC					
PAYDEN & RYGEL	2,525.00	2,628.00	2,516.00	-	7,669.00
SUBTOTAL: DOMESTIC FIXED SECURITIES	2,525.00	2,628.00	2,516.00	-	7,669.00
TOTAL FIXED SECURITIES	2,525.00	2,628.00	2,516.00	-	7,669.00
INVESTMENT CONSULTANTS					
CALLAN ASSOCIATES	1,887.80	1,951.10	1,995.02	-	5,833.92
PEAVINE CAPITAL MANAGEMENT	539.37	557.54	569.97	-	1,666.88
TOTAL INVESTMENT CONSULTANTS	2,427.17	2,508.64	2,564.99	-	7,500.80
GRAND TOTAL	13,003.62	13,692.55	13,686.16	-	40,382.33

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA

RBIF Balance Sheet

March 31, 2017

Assets	
Cash	
Cash in Commercial Bank	5,882.39
Cash in Custodial Bank	185,764.26
Total Cash	<u>191,646.65</u>
Receivables	
Interest	547,504.42
Dividends	690,920.81
Total Receivables	<u>1,238,425.23</u>
Investments	
Cash Equivalents	3,510,408.19
Pending Trades Receivable	2,962,864.52
Fixed Income Securities	105,234,870.10
Domestic Equity Securities	202,367,959.74
International Holdings	88,490,387.37
Total Investments	<u>402,566,489.92</u>
Total Assets	<u><u>403,996,561.80</u></u>
Liabilities and Reserves	
Payables	
Accounts Payable	21,451.35
Total Payables	<u>21,451.35</u>
Investment Obligations	
Pending Trades Payable	6,035,399.54
Total Investment Obligations	<u>6,035,399.54</u>
Reserves	
Equity in RBIF	397,939,710.91
Total Reserves	<u>397,939,710.91</u>
Total Liabilities and Reserves	<u><u>403,996,561.80</u></u>

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA

RBIF Statement of Operations

For Period Ending March 31, 2017

	Total YTD
Revenue	
Contributions	
Contributions - WCOT	7,325,000.00
Contributions - WCSD	(6,500,000.00)
Contributions - TMWA	222,531.50
Contributions - CCOT	2,000,000.00
Contributions - TMWA II OT	234,982.30
Contributions - LVMPD	1,965,000.00
Contributions - CARSON CITY	650,000.00
Contributions - NLTFPD	225,400.00
Contributions - RENO	<u>271,487.04</u>
Total Contributions	6,394,400.84
Other Income	
Miscellaneous Income	<u>168.03</u>
Total Other Income	168.03
Investment Income	
Unrealized Gain/Loss	24,718,239.08
Interest Income	1,614,540.57
Dividend Income	4,606,912.13
Realized Gain/Loss	<u>1,120,718.67</u>
Total Investment Income	32,060,410.45
Total Revenue	<u>38,454,979.32</u>
Expenditures	
Other Expenses	
Administrative Fee Expense	<u>24,492.97</u>
Total Other Expenses	24,492.97
Investment Expenses	
Investment Counselor Fees	34,267.68
Investment Consulting Fees	7,226.49
Administrative Investment Expense	<u>109.09</u>
Total Investment Expenses	41,603.26
Total Expenditures	<u>66,096.23</u>
Net Income	<u><u>38,388,883.09</u></u>

*** PREPARED WITHOUT AUDIT ***
Period.

Retirement Benefits Investment Board Meeting - Reports

RETIREMENT BENEFITS INVESTMENT FUND
For Period Ending March 2017

		Bank of New York	
		Net Assets	
Participating Entity		<u>3/31/2017</u>	
CARSON	Carson City OPEB Trust	692,489	
CCOT	Clark County OPEB Trust	92,032,208	
LVMPD	Las Vegas Metro Police Department	6,353,750	
LVOT	Las Vegas OPEB Trust	14,820,952	
NLTFPD	North Lake Tahoe Fire Protection District	788,240	
PEBP	Public Employees' Benefit Program	1,432,858	
RENO	City of Reno OPEB Trust	5,304,223	
TDFP	Tahoe Douglas Fire Protection District	8,589,223	
TMWA	Trukee Meadows Water Authority	9,417,932	
TMWA II	Trukee Meadows Water Authority OPEB Trust	841,663	
WCOT	Washoe County OPEB Trust	198,500,777	
WCSD	Washoe County School District	59,166,745	
		<u>397,941,061</u>	
Cash in Wells Fargo Bank		5,882	
RBIF Expenses		<u>(7,232)</u>	
Total Net Position		<u><u>397,939,711</u></u>	

Entity	RBIF Contributions/(Withdrawals)						
	Q1 FY17	Q2 FY17	Jan-17	Feb-17	Mar-17	FY17 YTD	
CARSON	-	650,000				650,000	
CCOT	-	2,000,000				2,000,000	
LVMPD	-	-	655,000	655,000	655,000	1,965,000	
LVOT	-	-				-	
NLTFPD	225,400	-				225,400	
PEBP	-	-				-	
RENO	253,541	-		17,946		271,487	
TDFP	-	-				-	
TMWA	-	-		222,532		222,532	
TMWA II	-	-		234,982		234,982	
WCOT	500,000	2,970,000	1,085,000	1,385,000	1,385,000	7,325,000	
WCSD	-	-		(6,500,000)		(6,500,000)	
		<u>978,941</u>	<u>5,620,000</u>	<u>1,740,000</u>	<u>(3,984,540)</u>	<u>2,040,000</u>	<u>6,394,401</u>