

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

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

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### **AGENDA**

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

**Tuesday, July 17, 2018 at 1:00 p.m.**

**Truckee Meadows Water Authority**

**Independence Room**

**1355 Capital Boulevard, Reno, NV 89502**

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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 April 17, 2018 minutes **(For Possible Action)**
5. Review and Consideration for approval for reimbursement of premiums for Medicare paid through Social Security—Jessica Atkinson **(For Possible Action)**
6. Review and consideration for approval of request for reimbursement of premiums for United Healthcare paid by retiree. —Jessica Atkinson **(For Possible Action)**
7. Review and consideration for approval for reimbursement of premiums for United Healthcare paid by retiree.—Jessica Atkinson **(For Possible Action)**
8. Review of Retirement Benefits Investment Fund (RBIF) performance review—Michele Sullivan\*
9. Required communication from external trust auditors EideBailly—Michele Sullivan
10. Presentation of Truckee Meadows Water Authority Post-Retirement Medical Plan and Trust’s audited financial statements for the years ended December 31, 2017—Michele Sullivan **(For Possible Action)**
11. Trustee comments and requests for future agenda items\*
12. Public comment — limited to no more than three minutes per speaker\*
13. 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*



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### **DRAFT APRIL 17, 2018 MINUTES**

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The meeting of the TMWA Post-Retirement Medical Plan and Trust (Trust) Trustees was held on Tuesday, April 17, 2018 in the Truckee Meadows Water Authority Independence Room, 1355 Capital Blvd., Reno, Nevada.

Michele Sullivan, Chairman, called the meeting to order at 1:03 P.M.

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

A quorum was present.

Voting Members Present:

Michele Sullivan  
Juan Esparza  
Steve Enos  
James Weingart

Voting Members Absent

Members Present

Rosalinda Rodriguez  
Gus Rossi  
Jessica Atkinson

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. APPROVAL OF THE JANUARY 16, 2018 MINUTES

**Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the January 16, 2018 minutes.**

5. DISCUSSION OF TRUSTEE APPOINTMENT TO THE TMWA § 501-C-9 POST-RETIREMENT MEDICAL TRUST (DUE TO PENDING RETIREMENT OF CURRENT TRUSTEE EFFECTIVE APRIL 27, 2018)

Ms. Atkinson advised that as long time Trustee Michael Nevarez was retiring a replacement had been selected, and introduced new Trustee James Weingart. Ms. Atkinson advised Mr. Weingart that she would schedule a time to go over the Trust, required training, his role and responsibilities, as well as any required signatures/acknowledgements as a newly appointed Trustee.

**No motion was necessary as the appointment for James Weingart had been made by the General Manager at the direction of IBEW consistent with the Trust provisions and confirmed by the TMWA Board of Trustees effective March 21, 2018.**

6. REVIEW AND APPROVAL OF POST-RETIREMENT MEDICAL TRUST BENEFIT CALCULATION FOR TMWA RETIREE GREG BATES

Ms. Atkinson presented the benefits calculation for Greg Bates. Mr. Bates will retire on July 31, 2018, and is requesting trust benefits beginning on August 1, 2018. Ms. Atkinson met with the retiree and confirmed the information on the benefit calculation form. He has elected to continue on TMWA's 80/20 health insurance plan as retiree only (Non- Medicare) Medical Dental and Vision as well as supplemental life insurance for his spouse. Mr. Bates has elected to have any remaining premium balance paid from his retirement Health Savings (RHS) or PERS check.

**Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the benefits calculation for Greg Bates.**

7. DISCUSSION AND REVIEW OF REIMBURSEMENT REQUEST FORMAT

Ms. Atkinson presented a draft of a Reimbursement request form revised to include an employee number instead of a social security number, based on the previous meetings discussion in regard to identifying information on the form and what should or should not be available for review when approving the reimbursement requests. Ms. Atkinson advised that as she was not in attendance of the previous meeting, based on her understanding of the Trustee's concerns and suggestions she drafted the form presented and asked Trustee's review and provide feedback. Ms. Atkinson noted on the Trustee's signature line she added a disclosure on the form that the Trustee is approving the expense is a qualified expense, not that there are funds available. This is verified by the trust Accountant Sandra Tozi, before she issues a check to the retiree. Another disclosure added in the form is for retiree's that they acknowledge that they are submitting reimbursement requests for eligible expenses and that they are not receiving any other benefit/reimbursement.

Discussion ensued and it was reiterated that they want to protect the retiree's information and any other personal information such as social security numbers, account numbers, etc.

Checks and balances are in place and there is auditing to prevent over payments so the trustees aren't being held accountable for the reimbursements or any over payments.

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

8. PRESENTATION OF THE BUDGET FOR CALENDAR YEAR 2018

Ms. Sullivan presented the budget and advised that the investment income is currently \$209,900, this is after all the administrative expenses of \$2100 are subtracted. Benefits paid are \$389,000, plus administrative expenses \$19,500, for total deductions \$408,500. The net increase of the budget is \$106,255.

**Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the budget for calendar year 2018.**

9. PRESENTATION OF GASB 74 UPDATE, AND ACTUARIAL REPORT

Ms. Sullivan, presented the actuarial report which was performed by Bickmore, this is the new Actuarial evaluator for the Trust. Ms. Sullivan referenced pg2, which notes that as of January 1, 2018, a discount rate of 6% was used, which is a conservative rate, and historically we have earned that. Actuarial accrued liability is \$10,694,672, we are at 102.2% funded. Ms. Sullivan expects that there should be an RBIF update available for the next meeting. Ms. Sullivan advised at this time we currently only have to contribute \$285,000 annually, this could fluctuate later on. The audit for this trust will begin on Monday. April 23<sup>rd</sup>.

**Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the actuarial report presented.**

10. TRUSTEE COMMENTS AND REQUEST FOR FUTURE AGENDA ITEMS\*

RBIF performance

11. PUBLIC COMMENT

There was no public comment.

12. ADJOURNMENT

With no further business to discuss, Chairman Sullivan adjourned the meeting at 1:30 p.m.

Minutes were approved by the Trustees in session on \_\_\_\_\_.

Respectfully Submitted,

\_\_\_\_\_  
Rosalinda Rodriguez, Recording Secretary



## Post Retirement Medical Plan & Trust - Medical Premium Expense Reimbursement Request

**RETRIEE INFORMATION:**
**DATE RANGE** From 1/1/18

 To 3/31/18
**Name:**
**Employee #:** 50068
**Address:**
**Phone #:**

### Expenses

Date Paid	Description (example: Monthly Premium)	Name of Provider (example: Anthem Blue Cross)	Cost	Total
Jan. - March	Monthly Premium	Medicare "Part B"	\$134.00 per month	\$ <u>402.00</u>
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
Medicare Eligible? <u>YES</u> <u>NO</u>				<b>Total</b> \$ <u>402.00</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) and I will be liable for all related taxes. I also authorize the Trust, and its designees to contact the insurance company I have listed above to verify coverage and premium amounts paid. I certify that all expenses for which reimbursement or payment is claimed were incurred by myself, my spouse, my eligible dependents, or a spouse beneficiary (after the participant's death only) while eligible to receive benefits under the trust. I also certify as follows: 1.) The premium expenses have not been reimbursed or will not be reimbursed by any other plan, 2.) The premium expenses were not paid by an employer of a participant or an employer of a participant's spouse 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"). I understand that I am fully responsible for the sufficiency, accuracy, and veracity of all information relating to this reimbursement request.

**Retiree Signature:**
**Date:** 4/18/18
**PRMPT Approval\*:**
**Date:**
**Accounting Approval\*\*:**
**Date:**

\* Indicates the reimbursement request & back up are sufficient and expenses qualify as eligible for reimbursement under the trust.

\*\* Indicates the trust accountant has ensured any amounts reimbursed are within the participants available trust balance.



# Social Security Administration

Date: April 12, 2018

BNC: [REDACTED]

REF: A

[REDACTED]

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 2017, the full monthly Social Security benefit before any deductions is [REDACTED]

We deduct \$134.00 for medical insurance premiums each month. Medicare "Part B"

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 fourth Wednesday of each month.

**Information About Past Social Security Benefits**

From December 2016 to November 2017, the full monthly Social Security benefit before any deductions was [REDACTED]

We deducted [REDACTED] 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.

**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](http://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 4/1/18  
To 6/30/18

## RETRIEE INFORMATION:

Name: \_\_\_\_\_

Employee #: 50068

Address: \_\_\_\_\_

Phone #: \_\_\_\_\_

## Expenses

Date Paid	Description (example: Monthly Premium)	Name of Provider (example: Anthem Blue Cross)	Cost	Total
April-June	Monthly Premium	Medicare "Part B"	\$134.00 per month	\$ 402.00
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
			\$0.00	
Medicare Eligible? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO				Total \$ 402.00

**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) and I will be liable for all related taxes. I also authorize the Trust, and its designees to contact the insurance company I have listed above to verify coverage and premium amounts paid. I certify that all expenses for which reimbursement or payment is claimed were incurred by myself, my spouse, my eligible dependents, or a spouse beneficiary (after the participant's death only) while eligible to receive benefits under the trust. I also certify as follows: 1.) The premium expenses have not been reimbursed or will not be reimbursed by any other plan, 2.) The premium expenses were not paid by an employer of a participant or an employer of a participant's spouse 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"). I understand that I am fully responsible for the sufficiency, accuracy, and veracity of all information relating to this reimbursement request.

Retiree Signature: \_\_\_\_\_

Date: 7/11/18

PRMPT Approval\*: \_\_\_\_\_

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

Accounting Approval\*\*: \_\_\_\_\_

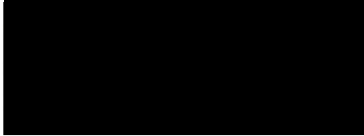
Date: \_\_\_\_\_

\* Indicates the reimbursement request & back up are sufficient and expenses qualify as eligible for reimbursement under the trust.

\*\* Indicates the trust accountant has ensured any amounts reimbursed are within the participants available trust balance.



## Social Security Administration



Date: July 11, 2018

BNC: [REDACTED]

REF: A

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 2017, the full monthly Social Security benefit before any deductions is \$1,689.60.

We deduct \$134.00 for medical insurance premiums each month. Medicare "Part B"

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 fourth Wednesday of each month.

### Information About Past Social Security Benefits

From December 2016 to November 2017, the full monthly Social Security benefit before any deductions was [REDACTED]

We deducted \$110.00 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 November 26, 1949.

### Medicare Information

You are entitled to hospital insurance under Medicare beginning November 2014.

You are entitled to medical insurance under Medicare beginning November 2014.

Your Medicare number is [REDACTED] You may use this number to get medical services while waiting for your Medicare card.

If you have any questions, please log onto [Medicare.gov](http://www.Medicare.gov), or call 1-800-MEDICARE (1-800-633-4227).

### 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).

# Post Retirement Medical Plan & Trust - Medical Premium Expense Reimbursement Request

## RETRIEE INFORMATION:

DATE RANGE From Jan, 18  
To June, 18

Name: [REDACTED]

Employee #: 50051

Address: [REDACTED]

Phone #: [REDACTED]

## Expenses

Date Paid	Description (example: Monthly Premium)	Name of Provider (example: Anthem Blue Cross)	Cost	Total
1/18-5/18	MONTHLY PREM	UNITED HEALTHCARE / NS CO	116.30 / mo SEE ATTACHED	\$ 581.50
6/18	"	"	120.79 / mo	\$ 120.79
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
			\$0.00	
Medicare Eligible?	YES ____ NO			Total \$ <u>702.29</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) and I will be liable for all related taxes. I also authorize the Trust, and its designees to contact the insurance company I have listed above to verify coverage and premium amounts paid. I certify that all expenses for which reimbursement or payment is claimed were incurred by myself, my spouse, my eligible dependents, or a spouse beneficiary (after the participant's death only) while eligible to receive benefits under the trust. I also certify as follows: 1.) The premium expenses have not been reimbursed or will not be reimbursed by any other plan, 2.) The premium expenses were not paid by an employer of a participant or an employer of a participant's spouse 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"). I understand that I am fully responsible for the sufficiency, accuracy, and veracity of all information relating to this reimbursement request.

Retiree Signature: [REDACTED]

Date: 6/22/2018

PRMPT Approval\*:

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

Accounting Approval\*\*:

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

\* Indicates the reimbursement request & back up are sufficient and expenses qualify as eligible for reimbursement under the trust.

\*\* Indicates the trust accountant has ensured any amounts reimbursed are within the participants available trust balance.





PO BOX 30607  
Salt Lake City, UT 84130-0607

Toll-Free # 1-800-523-5800

June 13, 2018

AARP Membership Number: [REDACTED]

Insured Member: [REDACTED]



Dear [REDACTED]

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
1/1/2018 – 5/31/2018	N	\$116.30	5	\$581.50
6/1/2018 – 6/30/2018	N	\$120.79	1	\$120.79

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](http://www.aarpadvantages.com).

Sincerely,

Member Services Department

## Post Retirement Medical Plan & Trust - Medical Premium Expense Reimbursement Request

**RETRIEE INFORMATION:**

DATE RANGE From 01/01/2018  
To 06/30/2018

Name: [REDACTED]

Employee #: 50144

Address: [REDACTED]

Phone #: [REDACTED]

### Expenses

Date Paid	Description (example: Monthly Premium)	Name of Provider (example: Anthem Blue Cross)	Cost	Total
12/18/2017	January premium	United Health Care	\$ 299.90 / 2 =	\$ 149.95
01/17/2018	February premium	United Health Care	\$ 313.76 / 2 =	\$ 156.88
02/16/2018	March premium	United Health Care	\$ 313.76 / 2 =	\$ 156.88
03/19/2018	April premium	United Health Care	\$ 313.76 / 2 =	\$ 156.88
04/17/2018	May premium	United Health Care	\$ 313.76 / 2 =	\$ 156.88
05/16/2018	June premium	United Health Care	\$ 319.87 / 2 =	\$ 159.93
Medicare Eligible? <u>  X  </u> YES <u>      </u> NO				<b>Total</b> \$ 937.40

**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) and I will be liable for all related taxes. I also authorize the Trust, and its designees to contact the insurance company I have listed above to verify coverage and premium amounts paid. I certify that all expenses for which reimbursement or payment is claimed were incurred by myself, my spouse, my eligible dependents, or a spouse beneficiary (after the participant's death only) while eligible to receive benefits under the trust. I also certify as follows: 1.) The premium expenses have not been reimbursed or will not be reimbursed by any other plan, 2.) The premium expenses were not paid by an employer of a participant or an employer of a participant's spouse 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"). I understand that I am fully responsible for the sufficiency, accuracy, and veracity of all information relating to this reimbursement request.

Retiree Signature: [REDACTED]

Date: 06/05/2018

PRMPT Approval\*: [REDACTED]

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

Accounting Approval\*\*: [REDACTED]

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

\* Indicates the reimbursement request & back up are sufficient and expenses qualify as eligible for reimbursement under the trust.

\*\* Indicates the trust accountant has ensured any amounts reimbursed are within the participants available trust balance.



# Payment History

**Note:** The payment history below includes items submitted under the following plans:

- AARP MEDICARE SUPPLEMENT PLAN

You can search premium payment history for the previous 24 months. Or select "Custom search" to find the details for your next bill.

**View Payments For:**

Last 6 months

**With Payment Status:**

☒ Paid

☒ Unpaid

Total search results for premium payments from the **Last 6 months**. If you have questions about your payments, please **CONTACT US**.

[LEARN MORE ABOUT YOUR PAYMENT HISTORY](#)

Combined premium -  
my premium is 1/2  
amount shown

Premium Due Date	Premium Amount	Payment Status
05/31/2018	\$319.87	PAID
04/30/2018	\$313.76	PAID
03/31/2018	\$313.76	PAID
02/28/2018	\$313.76	PAID
01/31/2018	\$313.76	PAID
12/31/2017	\$299.90	PAID

WELLS  
FARGO

Wells Fargo Online®

Sign Off Home

Accounts Bill Pay

Bill Pay Overview Payments Payees eDMS Reports Notices User Profile

## Reports

Report Title

United Health Care Jan June 2018 ▼

Generate Report

Customize Reports

Report: United Health Care Jan June 2018 (12/04/2017 - 06/04/2018)

Payment Sent	Payee	Amount	Payment Account	Status	Category
05/16/2018	United Healthcare	\$319.87	XXXXXXXX2835 Main Checking	Paid	None
04/17/2018	United Healthcare	\$313.76	XXXXXXXX2835 Main Checking	Paid	None
03/19/2018	United Healthcare	\$313.76	XXXXXXXX2835 Main Checking	Paid	None
02/19/2018	United Healthcare	\$313.76	XXXXXXXX2835 Main Checking	Paid	None
01/17/2018	United Healthcare	\$313.76	XXXXXXXX2835 Main Checking	Paid	None
12/18/2017	United Healthcare	\$299.90	XXXXXXXX2835 Main Checking	Paid	None



**Supplemental and Personal Health  
Plans** insured by **UnitedHealthcare  
Insurance Company**

**Payment coupons for your AARP®  
branded health insurance plan.**

**NEW PAYMENT BOOK TO BE USED BEGINNING  
JANUARY 2018**

**MEMBERSHIP #**

**Issued on:**

**10-21-2017**

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**Enclosed: Important Billing and Account Information**

**\*A Summary of Your Coverage is Located on the Last Page\***

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*Coverage insured by UnitedHealthcare Insurance Company (for New York residents, UnitedHealthcare Insurance Company of New York)*

18719 CACA\_006\_1A P12 23285561\_97025 110917 BK4674

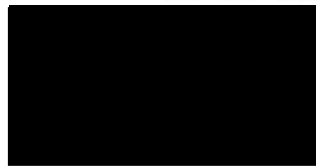
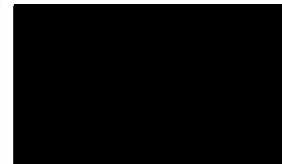
**Payment  
Coupon**

Membership Number

Payment is due on or before the due date. 07/17/2018 PRMT \$501-c-9 Agenda Item 07  
Due Date Amount Due

01-01-2018

\$299.90



Pd 12/18/2017

If you make a payment of [REDACTED] by January 31 for the full year, you'll save \$24! Call if you have any questions: 1-800-523-5800.

PO BOX 660291  
DALLAS TX 75266-0291



PLEASE MAKE YOUR CHECK OR MONEY ORDER PAYABLE TO UNITEDHEALTHCARE INSURANCE COMPANY.  
PLEASE DO NOT FOLD, STAPLE, OR TAPE COUPON AND CHECK WITH YOUR RETURN.  
PLEASE USE THE ENVELOPE PROVIDED TO RETURN COUPON AND PAYMENT.

18720 CACA\_006\_1A P12 23285561\_97025 110917 BK4674

**Payment  
Coupon**

Membership Number

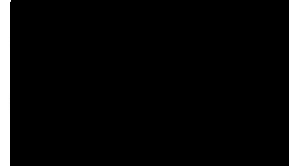
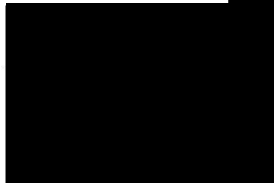
Payment is due on or before the due date.

Due Date

Amount Due

02-01-2018

\$313.76



Pd 1/17/18

Questions? Call today to speak to a Customer Service Representative at 1-800-523-5800.

PO BOX 660291  
DALLAS TX 75266-0291



PLEASE MAKE YOUR CHECK OR MONEY ORDER PAYABLE TO UNITEDHEALTHCARE INSURANCE COMPANY.  
PLEASE DO NOT FOLD, STAPLE, OR TAPE COUPON AND CHECK WITH YOUR RETURN.  
PLEASE USE THE ENVELOPE PROVIDED TO RETURN COUPON AND PAYMENT.

18721 CACA\_006\_1A P12 23285561\_97025 110917 BK4674

**Payment  
Coupon**

Membership Number

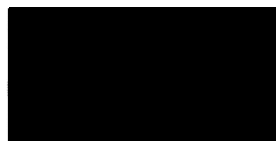
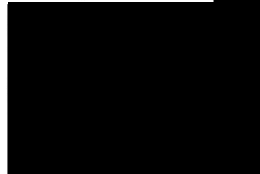
Payment is due on or before the due date.

Due Date

Amount Due

03-01-2018

\$313.76



Pd 2/16/2018

Questions? Call today to speak to a Customer Service Representative at 1-800-523-5800.

PO BOX 660291  
DALLAS TX 75266-0291



PLEASE MAKE YOUR CHECK OR MONEY ORDER PAYABLE TO UNITEDHEALTHCARE INSURANCE COMPANY.  
PLEASE DO NOT FOLD, STAPLE, OR TAPE COUPON AND CHECK WITH YOUR RETURN.  
PLEASE USE THE ENVELOPE PROVIDED TO RETURN COUPON AND PAYMENT.

15722 CACA\_006\_1A P12 2325561\_97025 110917 BK4674

# Payment Coupon

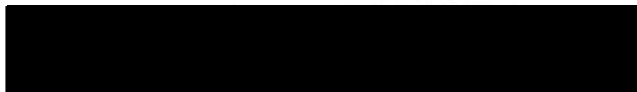
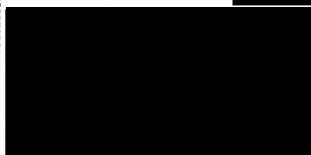
Membership Number

Payment is due on or  
before the due date.

07/17/2018 Due Date

04-01-2018

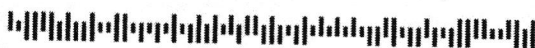
\$313.76



pd 3/19/2018

Questions? Call today to  
speak to a Customer  
Service Representative  
at 1-800-523-5800.

PO BOX 660291  
DALLAS TX 75266-0291



PLEASE MAKE YOUR CHECK OR MONEY ORDER PAYABLE TO UNITEDHEALTHCARE INSURANCE COMPANY.  
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PLEASE USE THE ENVELOPE PROVIDED TO RETURN COUPON AND PAYMENT.

15722 CACA\_006\_1A P12 2325561\_97025 110917 BK4674

# Payment Coupon

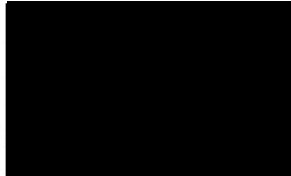
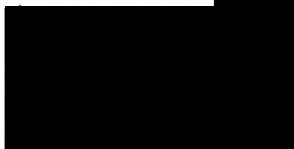
Membership Number

Payment is due on or  
before the due date.

Due Date

05-01-2018

Amount Due  
\$313.76



pd 4/17/2018

Questions? Call today to  
speak to a Customer  
Service Representative  
at 1-800-523-5800.

PO BOX 660291  
DALLAS TX 75266-0291



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15724 CACA\_006\_1A P12 2325561\_97025 110917 BK4674

# Payment Coupon

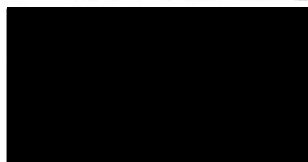
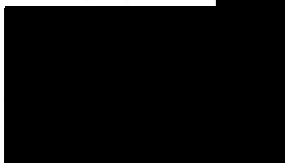
Membership Number

Payment is due on or  
before the due date.

Due Date

06-01-2018

Amount Due  
\$319.87



pd 5/16/2018

Questions? Call today to  
speak to a Customer  
Service Representative  
at 1-800-523-5800.

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DALLAS TX 75266-0291



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PLEASE DO NOT FOLD, STAPLE, OR TAPE COUPON AND CHECK WITH YOUR RETURN.  
PLEASE USE THE ENVELOPE PROVIDED TO RETURN COUPON AND PAYMENT.

## Retirement Benefits Investment Fund

March 31, 2018

All Returns Net of Fees

Asset Class	Market Value	Target Allocation	Actual Allocation	FYTD Return	One Year	3 Years	5 Years	10 Years	Since Inception (2008)
U.S. Stocks- S&P 500 Index	\$ 224,502,638	49.0%	50.0%	10.6%	14.0%	10.7%	13.3%	9.5%	9.0%
<b>Market Return</b>				<b>10.6%</b>	<b>14.0%</b>	<b>10.8%</b>	<b>13.3%</b>	<b>9.5%</b>	<b>8.9%</b>
Int'l Stocks- MSCI EAFE Index	\$ 95,030,287	21.0%	21.2%	8.1%	14.9%	5.7%	6.6%	2.9%	2.8%
<b>Market Return</b>				<b>8.2%</b>	<b>14.8%</b>	<b>5.6%</b>	<b>6.5%</b>	<b>2.7%</b>	<b>2.7%</b>
U.S. Bonds- U.S. Bond Index	\$ 127,997,502	30.0%	28.5%	-0.7%	0.5%	0.5%	1.3%	3.1%	3.1%
<b>Market Return</b>				<b>-0.8%</b>	<b>0.4%</b>	<b>0.5%</b>	<b>1.1%</b>	<b>2.7%</b>	<b>2.9%</b>
	\$ 1,095,153	0.0%	0.2%						
<b>Total RBIF Fund</b>	<b>\$ 448,625,580</b>	<b>100.0%</b>	<b>100.0%</b>	<b>6.7%</b>	<b>10.1%</b>	<b>6.7%</b>	<b>8.4%</b>	<b>6.6%</b>	<b>6.3%</b>
<b>Market Return</b>				<b>6.7%</b>	<b>10.0%</b>	<b>6.7%</b>	<b>8.4%</b>	<b>6.6%</b>	<b>6.4%</b>

June 27, 2018

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, 2017, and have issued our report thereon dated June 27, 2018. 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 Accepted Auditing Standards**

As communicated in our engagement letter dated March 8, 2018, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly in all material respects, in conformity 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 controls of the Plan 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. 74 *Financial Reporting for Postemployment Benefit Plans other Than Pension Plans*. This Statement addresses accounting and financial reporting issues related to other postemployment benefit plans and replaces GASB Statement No. 43. Accordingly, the accounting change has been retrospectively applied to the financial statements beginning January 1, 2017. There have been no initial selection of accounting policies and no changes in significant accounting policies other than the adoption of GASB Statement No. 74.

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 OPEB liability in Note 4 to the financial statements which is based on valuation performed by a third party actuary utilizing various assumptions for the calculation. We evaluated the key factors and assumptions used to develop the valuation and resulting OPEB liability of the Plan and determined that it is reasonable in relation to the basic financial statements taken as a whole.

### *Financial Statement Disclosures*

The financial statements disclosures are neutral, consistent, and clear.

## **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. We are pleased to report that no such misstatements were detected as a result of our audit procedures.

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; of which there were none.



**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 27, 2018.

**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**

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

We applied certain limited procedures to management's discussion and analysis, the schedule of changes in the net OPEB liability and related ratios, the schedule of contributions, and the schedule of investment returns, 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.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Reno, Nevada



Financial Statements  
December 31, 2017

# Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust

# Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust

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December 31, 2017

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## **Independent Auditor's Report**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Truckee Meadows Water Authority Post-Retirement Medical Plan and Trust (the "Plan"), which comprise the statement of fiduciary net position as of December 31, 2017, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

### **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 fiduciary net position of the Truckee Meadows Water Authority Post-Retirement Medical Plan and Trust as of December 31, 2017, and the changes in the fiduciary net position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Change in Accounting Principle**

As discussed in Note 1 and Note 5 to the financial statements, the Plan adopted Governmental Accounting Standards Board Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which resulted in a restatement of fiduciary net position as of January 1, 2017. Our opinion is not modified with respect to this matter.

**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 through 6, the schedule of changes in the net OPEB liability and related ratios, the schedule of contributions, and the schedule of investment returns on pages 15 through 17, 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.



Reno, Nevada  
June 27, 2018

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 Plan's financial activities for the reporting periods ended December 31, 2017 and 2016. This narrative is intended as a supplement and should be read in conjunction with the financial statements.

### **Overview of the Financial Statements**

The Plan's financial statements include the following components:

- Statement of Fiduciary Net Position
- Statement of Changes in Fiduciary Net Position
- Notes to the Financial Statements

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

- Schedule of Changes in the Net OPEB Liability and Related Ratios
- Schedule of Contributions
- Schedule of Investment Returns

The *Statement of Fiduciary Net Position* presents the Plan's assets and liabilities and the net position, with the assets being held in trust for beneficiary postemployment benefits. This statement measures the Plan's investments at fair value, cash and other short-term assets and liabilities as of the year ended December 31, 2017.

The *Statement of Changes in Fiduciary Net Position* presents information showing how the Plan's net position changed during the reporting year. This statement includes additions for employer contributions, investment income and deductions for payments for the benefit of retirees and administrative expenses for the year ended December 31, 2017.

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

The *Schedule of Changes in the Net OPEB Liability and Related Ratios* is required supplementary information which provides multi-year information about the OPEB liabilities for which the Plan's assets are held and managed.

The *Schedule of Contributions* is required supplementary information which provides multi-year information. It contains the actuarial determined contribution as well as the methods and assumptions used to determine contribution rates.

The *Schedule of Investment Returns* is required supplementary information which provides multi-year information regarding the rate of return calculated as the internal rate of return on the Plan's investments, net of investment expense.

Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust  
Management's Discussion & Analysis  
Year Ended December 31, 2017

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### Financial Highlights

As of January 1, 2017, the Plan adopted Governmental Accounting Standards Board Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which addresses accounting and financial reporting issues related to postemployment benefits plans. The implementation of this standard requires a prior period adjustment to the Plan's January 1, 2017 net position as it does not allow for recognition of certain contributions receivable unless they are contributions owed for benefits that are due and payable as of the financial reporting date.

Financial highlights of the Plan as of and for the year ended December 31, 2017 are as follows:

- Operating cash balances at year end were \$0.02 million
- Plan investments at fair value at year end were \$10.9 million
- Investment income, including realized and unrealized gains, was \$1.5 million
- Employer contributions to the Plan were \$0.4 million

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 \$0.2 million
- Plan investments at fair value at year end were \$9.0 million
- Investment income, including realized and unrealized gains, was \$0.5 million
- Employer contributions to the Plan were \$0.2 million

### Plan Analysis

The following table provides a summary of two years of Net Position of the Plan:

	2017	2016	Change 2017 v 2016
Assets			
Cash	\$ 22,945	\$ 247,413	\$ (224,468)
Receivables from plan members	9,578	9,227	351
Investments, at fair value	10,903,455	9,021,466	1,881,989
Total Assets	10,935,978	9,278,106	1,657,872
Liabilities			
Accounts Payable	10,585	7,840	2,745
Net Position restricted for other postemployment benefits	\$ 10,925,393	\$ 9,270,266	\$ 1,655,127

Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust  
Management's Discussion & Analysis  
Year Ended December 31, 2017

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At December 31, 2017 Plan assets of \$10.9 million were comprised primarily of investments at fair value of \$10.9 million. Also included in Plan assets were \$0.01 million in Plan member receivables and \$0.02 million in operating cash. Plan assets increased by \$1.7 million as compared to December 31, 2016. Investments at fair value increased \$1.9 million, offset by a decrease in cash of \$0.2 million. The only liability of the Plan at December 31, 2017 was a minor accounts payable balance of \$0.01 million, which was consistent with the balance as of December 31, 2016.

The following table provides a summary of two years of Changes in Net Position of the Plan:

	2017	2016	Change 2017 v 2016
Additions			
Net Investment Income	\$ 1,510,048	\$ 536,162	\$ 973,886
Employer Contributions	445,063	244,429	200,634
Total Additions	<u>1,955,111</u>	<u>780,591</u>	<u>1,174,520</u>
Deductions			
Benefit Payments	264,699	228,880	35,819
Administrative Expenses	35,285	14,966	20,319
Total Deductions	<u>299,984</u>	<u>243,846</u>	<u>56,138</u>
Change in Net Position	<u>1,655,127</u>	<u>536,745</u>	<u>1,118,382</u>
Net Position, restricted for other postemployment benefits			
Beginning of year, as previously reported	9,492,798	-	9,492,798
Prior Period Adjustment	(222,532)	-	(222,532)
Beginning of year, restated	<u>9,270,266</u>	<u>8,733,521</u>	<u>536,745</u>
End of Year	<u>\$ 10,925,393</u>	<u>\$ 9,270,266</u>	<u>\$ 1,655,127</u>

Net position is restricted for future benefit payments to retirees.

As of December 31, 2017 the Net Position of the Plan was \$10.9 million. The Plan Net Position is essentially comprised of assets of the Plan offset by a minor balance of accounts payable. The Net Position of the Plan increased \$1.7 million in 2017, or \$1.2 million more than an increase of \$0.5 million in 2016. This was primarily due to an increase in fair value of investments of \$1.5 million in 2017 which was \$1.0 million more than increases in fair value of investments of \$0.5 million in 2016 due to higher returns from the investment portfolio. Employer contributions in 2017 of \$0.4 million were greater than contributions of \$0.2 in 2016. Benefits paid, net plan member contributions of \$0.3 million in 2017 were higher than benefits paid, net plan member contributions of \$0.2 million in 2016. Administrative expenses were \$0.04 million in 2017, slightly higher than administrative expenses of \$0.02 million in 2016 due to higher legal fees to restate the Plan document.



Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust  
Management's Discussion & Analysis  
Year Ended December 31, 2017

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To ensure that funds are accumulated on a regular and systematic basis it is the practice of TMWA to contribute the actuarial determined contribution to the Plan regularly and never less than annually. This has ensured that the Plan's assets are sufficient to cover the net OPEB 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 Post-Retirement Medical Plan & Trust  
Statement of Fiduciary Net Position  
December 31, 2017

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Assets

Cash	<u>\$ 22,945</u>
Receivables Plan members	<u>9,578</u>
Investments, at fair value	<u>10,903,455</u>
Total assets	<u>10,935,978</u>

Liabilities

Accounts payable	<u>10,585</u>
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Net position restricted for other postemployment benefits	<u><u>\$ 10,925,393</u></u>
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Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust  
Statement of Changes in Fiduciary Net Position  
Year Ended December 31, 2017

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Additions	
Investment Income	
Net appreciation in fair value of investments	\$ 1,512,143
Less investment expense	<u>2,095</u>
Net investment income	<u>1,510,048</u>
Contributions	
Employer	<u>445,063</u>
Total additions	<u>1,955,111</u>
Deductions	
Benefits paid	264,699
Administrative expenses	<u>35,285</u>
Total deductions	<u>299,984</u>
Change in Net Position	1,655,127
Net position restricted for other postemployment benefits	
Beginning of year, as previously reported	9,492,798
Prior Period Adjustment	<u>(222,532)</u>
Beginning of year, restated	<u>9,270,266</u>
End of year	<u><u>\$ 10,925,393</u></u>

## **Note 1 - Significant Accounting Policies**

### **Reporting Entity**

The Truckee Meadows Water Authority (TMWA) established a Voluntary Employee Benefit Association (VEBA) pursuant to Internal Revenue Service (IRS) Code 501(c) 9 which is referred to as the Truckee Meadows Water Authority Post-Retirement Benefit Plan and Trust (the "Plan"), a single-employer defined benefit other postemployment benefit (OPEB) Plan. Tax exempt status was granted by the IRS on May 25, 2007. This Plan provides TMWA retirees with postemployment group health and life benefits, including medical, dental, vision, accidental death and dismemberment (ADD), and life benefits. The Plan's financial reporting period ends December 31, while TMWA's financial reporting period ends June 30.

### **Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America. These statements have also been prepared in accordance with the reporting standards as promulgated by the Governmental Accounting Standards Board (GASB), which designates accounting principles and financial reporting standards applicable to the Plan.

### **Use of Estimates in Preparing Financial Statements**

The preparation of financial statements is in conformity with the accounting principles generally accepted in the United States of America may require management to make estimates and assumptions that affect amounts reported in financial statements and accompanying notes. Actual results may differ from those estimates.

### **Investment Valuation and Income Recognition**

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 includes 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.

### **Contributions**

Contributions are recognized in the period in which such amounts are owed by TMWA for the Plan for the OPEB benefits as they become due and payable.

### **Payment of Benefits**

Benefits, net of plan member contribution and refunds are recognized when due and payable in accordance with the terms of the Plan.

### **Administrative Expenses**

Administrative expenses are recorded when incurred and payable by the Plan.

## **Implementation of GASB Statement No. 74**

As of January 1, 2017, the Plan adopted GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other Than Pension Plans*. This Statement addresses accounting and financial reporting issues related to other postemployment benefit plans and replaces GASB Statement No. 43. The implementation of this standard requires changes to the reporting format of the financial statements, additional footnote disclosures, and changes to the required supplementary schedules from what was presented in prior years. The change to financial reporting is included in Note 5. The additional disclosures required by this standard are included in Note 4 and the required supplementary information.

## **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 postemployment health and life benefits, including medical, dental, vision, AD&D and life benefits. Pursuant to Nevada State Administrative Regulations, adopted in September 2008, the Plan will be governed by not less than three (3) but not more than five (5) Trustees. Four (4) trustees were appointed by the TMWA Board of Directors, two 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 are established and amended through TMWA's collective bargaining agreement for its represented employees (IBEW) and by the TMWA Board of Directors with respect to non-represented Management, Professional, Administrative, and Technical employees (MPAT).

### **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 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 have at least ten years of credited service with TMWA and must be at least 55 years of age. When eligible, retirees must enroll in and pay the cost of Medicare Part B or Medicare Part C. Once participants exhaust their medical benefits they will continue to be eligible for life benefits under the Plan.

### **Life Benefits**

TMWA retiree 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 Post-Retirement Medical Plan & Trust

Notes to Financial Statements

December 31, 2017

## Membership of the Plan

As of December 31, 2017, membership of the Plan consisted of the following:

Retirees currently receiving medical benefits	36
Retirees currently receiving life benefits	22
Retirees entitled to, but not yet receiving benefits	1
	<u>59</u>
Active Plan Members	
IBEW members	100
MPAT members	85
	<u>185</u>

## Contributions and Benefits Provided

TMWA: There are three classifications of TMWA employees eligible for postemployment benefits upon retirement from TMWA. TMWA is responsible for a subsidy towards the costs of retiree coverage; the amount of which is dependent on the classification of the employee at the time of retirement from TMWA. The classes of employees and related TMWA subsidies are as follows:

1. Collective Bargaining Unit of the International Brotherhood of Electrical Workers (IBEW) group hired on or before January 1, 1998: Retirees in this classification receive a benefit as a percentage of the total group health premiums, dependent upon credited years of service and their age at retirement. The maximum subsidy is 85% of the health care premium with a minimum of 20 years of credited service. Retirees with 20 or more years of credited service electing the Medicare Risk Contract can receive a subsidy of 100%. Retirees may elect the employer-offered medical plan of their choice for themselves and qualified dependents.
2. IBEW group hired on or after January 1, 1998: Retirees in this classification will receive a lifetime lump-sum subsidy toward their chosen health coverage and the coverage of qualified dependents. The subsidy is a total of \$1,250 multiplied for each adjusted Post-Retirement Medical Plan & Trust year of service. This amount does not grow with interest and once exhausted a retiree is responsible for paying the full cost of health premiums.
3. MPAT personnel, regardless of date of hire: Retirees in this classification are eligible to receive an annual subsidy towards the cost of health premiums calculated at \$235 multiplied by credited years of service, up to 30 years for retirees age 55 through 64; and \$105 multiplied by credited years of service up to 35 years, for retirees age 65 and above. The subsidy is reduced by five (5) percent for each year or partial year that the individual is under age 62 as of his or her retirement date. There is no extra subsidy for spousal or dependent coverage.

TMWA shall annually contribute to the Plan an amount which TMWA determines is necessary to fund the benefits due pursuant to a qualified actuarial analysis. During the year ended December 31, 2017, TMWA contributed \$445,063 to the Plan.

# Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust

Notes to Financial Statements

December 31, 2017

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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 year ended December 31, 2017, retirees' share of health premiums and costs ranged from \$94 to \$1,195 a month.

The Plan offers participants Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) continuation of coverage, subject to all conditions and limitations of COBRA. There was one participant utilizing COBRA continuation of coverage during the year ended December 31, 2017.

## Note 3 - Investments

The Board of Trustees has 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 Nevada Revised Statute (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).

### RBIF

The Plan invests its assets in the RBIF as allowed by the 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 was \$10,903,455 at December 31, 2017, and is reported at fair value, which is based on the observable market prices of the underlying assets held by the pool, less liabilities. Complete financial information on RBIF as of June 30, 2017 can be obtained by contacting Public Employees Retirement System (PERS) at 693 W. Nye Lane, Carson City, NV, 89703.

## Note 4 - Net OPEB Liability of the Plan

The components of the net OPEB liability of the Plan at December 31, 2017, were as follows:

Total OPEB liability	\$ 10,694,671
Plan fiduciary net position	<u>10,925,393</u>
Net OPEB liability (asset)	<u><u>\$ (230,722)</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	102.16%

# Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust

Notes to Financial Statements

December 31, 2017

## Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal cost
Amortization method	Level percent of pay
Amortization period	21 years, open
Asset valuation method	Market value of assets
Inflation	2.75%
Salary increase	4.00%
Discount Rate	6.00%
Investment rate of return	6.00%
* Healthcare inflation rate	6.25% initial 5.00% ultimate for 2024 and later years

\* Health cost trend rate decreases 0.25% each year until ultimate trend rate is reached.

Mortality rates were based on the Bickmore Scale 2017, which was developed by the actuary from a blending of data and methodologies found in two published sources: (1) the Society of Actuaries Mortality Improvement Scale MP-2016 Report, published in October 2016 and (2) the demographic assumptions used in the 2016 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published June 2016.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period June 1, 2015 to May 31, 2017.

*Discount rate:* The discount rate used to measure the total OPEB liability was 6.0 percent. The projection of cash flows used to determine the discount rate assumed that Plan contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

## Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of TMWA, as well as what TMWA's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.0 percent) or 1-percentage-point higher (7.0 percent) than the current discount rate:

	1% Decrease (5%)	Discount Rate (6%)	1% Increase (7%)
Net OPEB Liability (Asset)	\$ 1,000,273	\$ (230,722)	\$ (1,287,697)



# Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust

Notes to Financial Statements

December 31, 2017

## Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of TMWA, as well as what TMWA's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.25 percent decreasing to 4.0 percent) or 1-percentage-point higher (7.25 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	1% Decrease (5.25% decreasing to 4%)	Discount Rate (6.25% decreasing to 5%)	1% Increase (7.25% decreasing to 6%)
Net OPEB Liability (Asset)	\$ (1,279,260)	\$ (230,722)	\$ 1,140,303

## Note 5 - Accounting Change

As of January 1, 2017, the Plan adopted GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This statement requires contributions receivable to be recognized only for those contributions owed by the employer for the OPEB benefits as they become due and payable and are due pursuant to the legal requirements. Accordingly, net position as of January 1, 2017 has been restated for the cumulative effect of this change.

The following table shows the change to the beginning net position as of January 1, 2017 for the Plan:

Net position restricted for other postemployment benefits other than pensions, as previously reported	\$ 9,492,798
Prior period adjustment, contribution	<u>(222,532)</u>
Net position restricted for other postemployment benefits other than pensions, as restated	<u><u>\$ 9,270,266</u></u>

## Note 6 - 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 provisions of benefits for the participants.



Required Supplementary Information

# Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust

Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust  
Schedule of Changes in the Net OPEB Liability and Related Ratios  
December 31, 2017

Total OPEB Liability

Service cost	\$ 284,073
Interest cost	612,850
Change of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	-
Benefit payments	(264,699)

Net change in Total OPEB liability	<u>632,224</u>
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Total OPEB Liability - beginning	10,062,447
Total OPEB Liability - ending (a)	<u><u>\$ 10,694,671</u></u>

Plan Fiduciary Net Position

Contributions - employer	\$ 445,063
Net investment income	1,510,048
Benefit payments	(264,699)
Auditing fees	(15,500)
Administrative fees	(517)
Legal fees	(19,268)
Retiree contributions in	93,172
Retiree contributions out	(93,172)

Net change in plan fiduciary net position	1,655,127
Plan Fiduciary Net Position - beginning, as restated	9,270,266
Plan Fiduciary Net Position - ending (b)	<u><u>\$ 10,925,393</u></u>

TMWA's Net OPEB Liability - ending (a) - (b)	<u>\$ (230,722)</u>
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Plan fiduciary net position as a percentage of the total OPEB liability (asset)	102.16%
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Covered-employee payroll	\$ 18,446,596
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TMWA's Net OPEB liability (asset) as a percentage of covered-employee payroll	-1.25%
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\* 10 year trend: GASB 74 is being implemented in 2017; therefore, 10 years of information is unavailable.

Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust  
Schedule of Contributions  
December 31, 2017

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Actuarially determined contribution	\$ 364,973
Contributions in relation to the actuarially determined contribution	<u>445,063</u>
Contribution (excess)	<u>\$ (80,090)</u>
Covered-employee payroll	\$ 18,446,596
Contributions as a percentage of covered-employee payroll	2.41%

**Notes to Schedule:**

\* 10 years of information is unavailable in 2017; but will be presented as soon as it is available.

Valuation Date: Actuarially determined contribution rates are calculated as of December 31, 2017. Methods and assumptions used to determine contribution rates are as follows:

Actuarial cost method	Entry age normal cost
Amortization method	Level percent of pay
Amortization period	21 years, open
Asset valuation method	Market value of assets
Inflation	2.75 percent per year
Healthcare cost trend rates	6.25 percent initial, decreasing 0.25 percent per year to an ultimate rate of 5.0 percent
Salary increase	4.0 percent per year
Discount rate	6.0 percent
Retirement age	In the 2018 actuarial valuation, expected retirement ages of general employees were adjusted to more closely reflect actual experience.
Mortality	In the 2018 actuarial valuation, mortality rates were based on the Bickmore Scale 2017, a custom table developed by the Plan's actuary.

Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust  
Schedule of Investment Returns  
December 31, 2017

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Annual money-weighted rate of return, net of investment expense	15.53%
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\* 10 year trend: GASB 74 is being implemented in 2017, therefore, 10 years of information is unavailable.