



TRUCKEE MEADOWS WATER AUTHORITY
Section §115 Other Post-Employment Benefit Plan & Trust
Trustee Meeting
AGENDA
Tuesday, July 16, 2019 at 12:30 p.m.
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 April 16, 2019 minutes. **(For Possible Action)**
5. Review of current PEBS subsidy calculations —Jessica Atkinson **(For Possible Action)**
6. Review of Retirement Benefits Investment Fund (RBIF) performance review—Michele Sullivan*
7. Review of Audit – Michele Sullivan*
8. Trustee comments and requests for future agenda items*
9. Public comment — limited to no more than three minutes per speaker*
10. 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.tmwa.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.



Section 115 Post-Retirement Medical Plan & Trust

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

DRAFT April 16, 2019 MINUTES

The meeting of the TMWA Section 115 Post-Retirement Medical Plan and Trust (Trust) Trustees was held on Tuesday, April 16, 2019 in the Truckee Meadows Water Authority Independence Room, 1355 Capital Blvd., Reno, Nevada.

Michele Sullivan, Chairman, called the meeting to order at 12:31 p.m.

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

A quorum was present.

Voting Members Present:

Michele Sullivan
Sandra Tozi
Charles Atkinson* arrived at 12:36 p.m.
Randall Van Hoozer

Voting Members Absent:

Members Present

Rosalinda Rodriguez
Jessica Atkinson
Mike Venturino

Members Absent:

Gus Rossi

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 18, 2019 MINUTES

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the January 18, 2019 meeting minutes.

5. DISCUSSION AND REVIEW OF REIMBURSEMENT REQUEST FORM DRAFT TO BE IMPLEMENTED FOR TIER II BENEFICIARIES TO REQUEST REIMBURSEMENT OF PREMIUMS

Ms. Atkinson present at draft of a reimbursement request form and policy that mirrors that which is being used for reimbursement requests on the Post-Retirement Medical plan & Trust section 501-c-9, on page 2 regarding claims received to clarify when they are received and when requests are processed. If this is approved, Jessica will notify eligible retirees of the change.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved to adopt the reimbursement request form for Tier II beneficiaries to request reimbursement of premiums.

6. REVIEW OF ACTUARIAL ANALYSIS

Ms. Sullivan advised that every other year the actuary does a full analysis, this is an off year in which they perform a Roll forward. As of December 31, 2018, the return on investment was not as good as it has been in the past. At the time of the report funding in the account was lower and appears the account was short \$100,000 this year. The market has done better since this report and it has improved and changed the investment experience. Ms. Sullivan advised she would provide an updated report if available at the next scheduled meeting.

For informational purposes only, no action required.

7. REVIEW OF RETIREMENT BENEFITS INVESTMENT FUND (RBIF) PERFORMANCE REVIEW*

Ms. Sullivan advised that an assumption of 6% has been used historically, and it has actually been between 8.7-8.8%. As of December 31, 2018 the Fiscal Year to date return

was -5.3% which caused the valuation to go down. That is not the case, as the market has done better, and an updated report will be brought to the next meeting.

For informational purposes only, no action required.

8. TRUSTEE COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

RBIF investment

Audit

9. PUBLIC COMMENT – LIMITED TO NO MORE THAN THREE MINUTES PER SPEAKER

There was no public comment.

10. ADJOURNMENT

With no further business to discuss, Chairperson Sullivan adjourned the meeting at 12:43 p.m.

Minutes were approved by the Trustees in session on _____.

Respectfully Submitted,

Rosalinda Rodriguez, Recording Secretary

State and Non-State Retirees - Plan Year 2020 Rates

Base Subsidy Retiree Only Standard HMO Plan

\$ 437.61

YOS	ADJUSTMENT	TOTAL SUBSIDY
5	\$ 347.98	\$ 89.63
6	\$ 313.18	\$ 124.43
7	\$ 278.38	\$ 159.23
8	\$ 243.58	\$ 194.03
9	\$ 208.79	\$ 228.82
10	\$ 173.99	\$ 263.62
11	\$ 139.19	\$ 298.42
12	\$ 104.39	\$ 333.22
13	\$ 69.60	\$ 368.01
14	\$ 34.80	\$ 402.81
15	\$ -	\$ 437.61
16	\$ (34.80)	\$ 472.41
17	\$ (69.60)	\$ 507.21
18	\$ (104.39)	\$ 542.00
19	\$ (139.19)	\$ 576.80
20	\$ (173.99)	\$ 611.60

**Exchange -HRA Contribution for Medicare Retirees Enrolled in the
Medicare Exchange - Plan Year 2020**

YOS	CONTRIBUTION
5	\$ 65.00
6	\$ 78.00
7	\$ 91.00
8	\$ 104.00
9	\$ 117.00
10	\$ 130.00
11	\$ 143.00
12	\$ 156.00
13	\$ 169.00
14	\$ 182.00
15	\$ 195.00
16	\$ 208.00
17	\$ 221.00
18	\$ 234.00
19	\$ 247.00
20	\$ 260.00



Plan Year 2020 Rates July 1, 2019 – June 30, 2020

Medicare Exchange Retiree HRA Contribution

Exchange - Monthly HRA Contribution Medicare Retirees Enrolled in Via Benefits	
Years of Service	Contribution
5	\$65
6	\$78
7	\$91
8	\$104
9	\$117
10	\$130
11	\$143
12	\$156
13	\$169
14	\$182
15 (base)	\$195
16	\$208
17	\$221
18	\$234
19	\$247
20	\$260

- Exchange participants who retired **before January 1, 1994**, receive the 15-year (base) HRA contribution.
- Exchange participants who retired **on or after January 1, 1994** receive the HRA contribution that corresponds to the number of years the retiree worked for a Nevada public entity.
- Those retirees **with less than 15** years of service, who were hired by their last employer on or after **January 1, 2010** and who are not disabled do not receive an HRA contribution.
- Those retirees who were initially hired **on or after January 1, 2012** do not receive an Exchange HRA.

Monthly Dental Rates

Plan Year 2020 Dental Premium	State Retiree	Non-State Retiree
Retiree Only	40.47	41.18
Retiree + Spouse/DP	80.93	82.37
Surviving/Unsubsidized Spouse/DP	40.47	41.18



Plan Year 2020 Rates
July 1, 2019 – June 30, 2020

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- All rates are MONTHLY premium rates.
- All adjustments for HSA/voluntary deductions are taken out the second check of the month.
- Each monthly premium pays for coverage for *that same month*, including retirees. Payments are not made in advance.



Plan Year 2020 Rates July 1, 2019 – June 30, 2020

Active State Employee Rates

Monthly Rates Effective July 1, 2019 – June 30, 2020	Statewide PPO			Statewide EPO/HMO		
	Consumer Driven Health Plan (CDHP-PPO)			PEBP Premier Plan (EPO) and Health Plan of Nevada (HPN- HMO)		
	Unsubsidized Rate	Base Subsidy	Participant Premium	Unsubsidized Rate	Base Subsidy	Participant Premium
Employee Only	619.06	588.11	30.95	808.62	671.15	137.47
Employee + Spouse/DP	1,135.29	975.28	160.01	1,561.28	1,145.33	415.95
Employee + Child(ren)	827.12	744.15	82.97	1,182.60	906.76	275.84
Employee + Family	1,343.36	1,131.34	212.02	1,935.26	1,380.94	554.32

-- State employees on Leave Without Pay (LWOP), active Legislators and employees on Military leave do not receive a subsidy and therefore will need to refer to the unsubsidized rate column.



Plan Year 2020 Rates July 1, 2019 – June 30, 2020

State Retiree and Survivor Rates (Non-Medicare)

Monthly Rates Effective July 1, 2019 – June 30, 2020	Statewide PPO			Statewide EPO/HMO		
	Consumer Driven Health Plan (CDHP-PPO)			PEBP Premier Plan (EPO) and Health Plan of Nevada (HPN-HMO)		
	Unsubsidized Rate	Base Subsidy	Participant Premium	Unsubsidized Rate	Base Subsidy	Participant Premium
Retiree only	598.03	394.70	203.33	788.18	425.62	362.56
Retiree + Spouse	1,114.26	632.16	482.10	1,540.84	681.52	859.32
Retiree + Child(ren)	806.09	490.41	315.68	1,162.16	552.77	609.39
Retiree + Family	1,322.33	727.88	594.45	1,914.82	808.67	1,106.15
Surviving/Unsubsidized Dependent	598.03	-	598.03	788.18	-	788.18
Surviving/Unsubsidized Spouse + Child(ren)	806.09	-	806.09	1,162.16	-	1,162.16

-- The state retiree rates listed on this page are subsidized rates for those who retired prior to January 1, 1994.

-- For those who retired on or after January 1, 1994, refer to the Plan Year 2020 State and Non-State Retiree Years of Service Subsidy [table on page 9](#). Locate your years of service and add or subtract the corresponding subsidy to or from the participant premium. Do not add more than the base subsidy published above.

-- Those retirees with less than 15 Years of Service, who were hired by their last employer on or after January 1, 2010 and who are not disabled do not receive a Years of Service Subsidy or Base Subsidy.

-- Those retirees who were initially hired on or after January 1, 2012 do not receive a Years of Service Subsidy or Base Subsidy.

-- For those retirees on the PEBP PPO, EPO or HMO plan who are enrolled in Medicare Part B, subtract an additional \$135.50 from the participant premium.



Plan Year 2020 Rates July 1, 2019 – June 30, 2020

Active Non-State Employee Rates

Monthly Rates Effective July 1, 2019 – June 30, 2020	Statewide PPO			Statewide EPO/HMO		
	Consumer Driven Health Plan (CDHP-PPO)			PEBP Premier Plan (EPO) and Health Plan of Nevada (HPN-HMO)		
	Unsubsidized Rate	Base Subsidy	Participant Premium	Unsubsidized Rate	Base Subsidy	Participant Premium
Employee Only	1,252.67	-	1,252.67	820.61	-	820.61
Employee + Spouse/DP	2,402.54	-	2,402.54	1,585.26	-	1,585.26
Employee + Child(ren)	2,013.58	-	2,013.58	1,226.87	-	1,226.87
Employee + Family	3,163.48	-	3,163.48	1,991.52	-	1,991.52

--Subsidies for non-state active employees are determined by the employer and are not published here.

Non-State Retiree Eligibility (NAC 287.542, 287.548): Non-state employees who retired after November 30, 2008 from a **PEBP participating** local governmental entity are eligible to enroll in PEBP retiree coverage. However, if the local government opts to leave the PEBP in the future, the retirees described above must also leave the program.



Plan Year 2020 Rates July 1, 2019 – June 30, 2020

Non-State Retiree and Survivor Rates (Non-Medicare)

Monthly Rates Effective July 1, 2019 – June 30, 2020	Statewide PPO				Statewide EPO/HMO			
	Consumer Driven Health Plan (CDHP-PPO)				PEBP Premier Plan (EPO) and Health Plan of Nevada (HPN-HMO)			
	Unsubsidized Rate	Base Subsidy	SB552 Supp Subsidy	Participant Premium	Unsubsidized Rate	Base Subsidy	SB552 Supp Subsidy	Participant Premium
Retiree only	1,231.64	812.88	215.43	203.33	800.17	432.09	5.52	362.56
Retiree + Spouse	2,381.51	1,341.82	557.59	482.10	1,564.82	692.07	13.43	859.32
Retiree + Child(ren)	1,992.55	1,162.90	513.97	315.68	1,206.43	570.22	26.82	609.39
Retiree + Family	3,142.45	1,691.86	856.14	594.45	1,971.08	830.20	34.73	1,106.15
Surviving/Unsubsidized Dependent	1,231.64	-	-	1,231.64	800.17	-	-	800.17
Surviving/Unsubsidized Spouse + Child(ren)	1,992.55	-	-	1,992.55	1,206.43	-	-	1,206.43

Non-State Retiree Eligibility (NAC 287.542, 287.548): Non-state employees who retired after November 30, 2008 from a **PEBP participating** local governmental entity are eligible to enroll in PEPP retiree coverage. However, if the local government opts to leave the PEPP in the future, the retirees described above must also leave the program

- The non-state retiree rates listed on this page are subsidized rates for those who retired prior to January 1, 1994.
- For those who retired on or after January 1, 1994, refer to the Plan Year 2020 State and Non-State Retiree Years of Service Subsidy [table on page 9](#). Locate your years of service and add or subtract the corresponding subsidy to or from the participant premium. Do not add more than the base subsidy published above.
- Non-state retirees with less than 15 Years of Service, who were hired by their last employer on or after January 1, 2010 and who are not disabled do not receive a Years of Service Subsidy or Base Subsidy.
- Non-State retirees who were initially hired on or after January 1, 2012 do not receive a Years of Service Subsidy or Base Subsidy.
- For those retirees on the PEPP PPO, EPO or HMO plan who are enrolled in Medicare Part B, subtract an additional \$135.50 from the participant premium.



Plan Year 2020 Rates July 1, 2019 – June 30, 2020

Active State Employee w/Domestic Partner Rates - CDHP

Monthly Rates Effective July 1, 2019 – June 30, 2020	Statewide PPO					
	Consumer Driven Health Plan (CDHP-PPO)					
	Rate	Base Subsidy	Taxable Subsidy	Participant Premium	Pre-Tax Deduction	Post Tax Deduction
Employee + DP	1,135.29	588.11	387.17	160.01	30.95	129.06
Employee + DP's Child(ren)	827.12	588.11	156.04	82.97	30.95	52.02
Employee + Children of both	827.12	744.15	-	82.97	82.97	-
Employee + DP + EE's Child(ren)	1,343.36	744.15	387.19	212.02	82.97	129.05
Employee + DP + DP's Child(ren)	1,343.36	588.11	543.23	212.02	30.95	181.07
Employee + DP + Children of both	1,343.36	744.15	387.19	212.02	82.97	129.05

- State employees on Leave Without Pay (LWOP), active Legislators and employees on Military leave do not receive a subsidy. Refer to the Rate column to determine the premium.
- Pursuant to the Board's decision on Agenda Item V of the November 5, 2009 Board meeting, participants with domestic partners will pay part of their premium through a pre-tax deduction and part of their premium through a post-tax deduction.



Plan Year 2020 Rates July 1, 2019 – June 30, 2020

Active State Employee w/Domestic Partner Rates

Monthly Rates Effective July 1, 2019 – June 30, 2020	Statewide EPO/HMO					
	PEBP Premier Plan (EPO) and Health Plan of Nevada (HPN- HMO)					
	Rate	Base Subsidy	Taxable Subsidy	Participant Premium	Pre-Tax Deduction	Post Tax Deduction
Employee + DP	1,561.28	671.15	474.18	415.95	137.47	278.48
Employee + DP's Child(ren)	1,182.60	671.15	235.61	275.84	137.47	138.37
Employee + Children of both	1,182.60	906.76	-	275.84	275.84	-
Employee + DP + EE's Child(ren)	1,935.26	906.76	474.18	554.32	275.84	278.48
Employee + DP + DP's Child(ren)	1,935.26	671.15	709.79	554.32	137.47	416.85
Employee + DP + Children of both	1,935.26	906.76	474.18	554.32	275.84	278.48

- State employees on Leave Without Pay (LWOP), active Legislators and employees on Military leave do not receive a subsidy. Refer to the Rate column to determine the premium.
- Pursuant to the Board's decision on Agenda Item V of the November 5, 2009 Board meeting, participants with domestic partners will pay part of their premium through a pre-tax deduction and part of their premium through a post-tax deduction.



Plan Year 2020 Rates July 1, 2019 – June 30, 2020

State and Non-State Retiree w/Domestic Partner Rates

Monthly Rates Effective July 1, 2019 – June 30, 2020	Statewide PPO				Statewide EPO/HMO			
	Consumer Driven Health Plan (CDHP-PPO)				PEBP Premier Plan (EPO) and Health Plan of Nevada (HPN-HMO)			
	Rate	Base Subsidy	Taxable Subsidy	Participant Premium	Rate	Base Subsidy	Taxable Subsidy	Participant Premium
Retiree + DP	1,114.26	394.70	237.46	482.10	1,540.84	425.62	255.90	859.32
Retiree + DP's Child(ren)	806.09	394.70	95.71	315.68	1,162.16	425.62	127.15	609.39
Retiree + Children of both	806.09	490.41	-	315.68	1,162.16	552.77	-	609.39
Retiree + DP + Ret's Child(ren)	1,322.33	490.41	237.47	594.45	1,914.82	552.77	255.90	1,106.15
Retiree + DP + DP's Child(ren)	1,322.33	394.70	333.18	594.45	1,914.82	425.62	383.05	1,106.15
Retiree + DP + Children of both	1,322.33	490.41	237.47	594.45	1,914.82	552.77	255.90	1,106.15

- The state retiree rates listed on this page are subsidized rates for those who retired prior to January 1, 1994.
- For those who retired on or after January 1, 1994, refer to the Plan Year 2020 State and Non-State Retiree Years of Service Subsidy [table on page 9](#). Locate your years of service and add or subtract the corresponding subsidy to or from the participant premium. Do not add more than the base subsidy published above.
- Those retirees with less than 15 Years of Service, who were hired by their last employer on or after January 1, 2010 and who are not disabled do not receive a Years of Service Subsidy or Base Subsidy.
- Those retirees who were initially hired on or after January 1, 2012 do not receive a Years of Service Subsidy or Base Subsidy.
- For those retirees on the PEBP PPO, EPO or HMO plan who are enrolled in Medicare Part B, subtract an additional \$135.50 from the participant premium.

Non-State Retiree Eligibility (NAC 287.542, 287.548): Non-state employees who retired after November 30, 2008 from a PEBP participating local governmental entity are eligible to enroll in PEBP retiree coverage. However, if the local government opts to leave the PEBP in the future, the retirees described above must also leave the program



Plan Year 2020 Rates July 1, 2019 – June 30, 2020

State and Non-State Retiree Years of Service Subsidy

- For participants who retired **before January 1, 1994**, the participant premium for the selected plan and tier is shown on the retiree rate pages.
- For participants who retired **on or after January 1, 1994** add or subtract the appropriate subsidy in the table to the participant premium in the selected plan and tier. Do not add more than the base subsidy in the selected plan and tier.
- Those retirees **with less than 15** years of service, who were hired by their last employer on or after **January 1, 2010** and who are not disabled do not receive a years of service subsidy or base subsidy.
- Those retirees who were initially hired **on or after January 1, 2012** do not receive a years of service subsidy or Exchange HRA.

PY20 Retirees Enrolled in the PPO/EPO/HMO Plan	
Years of Service	Subsidy
5	+347.98
6	+313.18
7	+278.38
8	+243.58
9	+208.79
10	+173.99
11	+139.19
12	+104.39
13	+69.60
14	+34.80
15 (base)	-
16	-34.80
17	-69.60
18	-104.39
19	-139.19
20	-173.99



Plan Year 2020 Rates July 1, 2019 – June 30, 2020

Medicare Exchange Retiree HRA Contribution

Exchange - Monthly HRA Contribution Medicare Retirees Enrolled in Via Benefits	
Years of Service	Contribution
5	\$65
6	\$78
7	\$91
8	\$104
9	\$117
10	\$130
11	\$143
12	\$156
13	\$169
14	\$182
15 (base)	\$195
16	\$208
17	\$221
18	\$234
19	\$247
20	\$260

- Exchange participants who retired **before January 1, 1994**, receive the 15-year (base) HRA contribution.
- Exchange participants who retired **on or after January 1, 1994** receive the HRA contribution that corresponds to the number of years the retiree worked for a Nevada public entity.
- Those retirees **with less than** 15 years of service, who were hired by their last employer on or after **January 1, 2010** and who are not disabled do not receive an HRA contribution.
- Those retirees who were initially hired **on or after January 1, 2012** do not receive an Exchange HRA.

Monthly Dental Rates

Plan Year 2020 Dental Premium	State Retiree	Non-State Retiree
Retiree Only	40.47	41.18
Retiree + Spouse/DP	80.93	82.37
Surviving/Unsubsidized Spouse/DP	40.47	41.18



Plan Year 2020 Rates

July 1, 2019 – June 30, 2020

Plan Year 2020 COBRA Rates

Monthly Rates July 1, 2019 – June 30, 2020	Consumer Driven Health Plan (CDHP - PPO)	Premier Plan (EPO) and Health Plan of Nevada (HMO)
State Employee		
Employee	631.44	824.79
Employee + Spouse/DP	1,157.99	1,592.51
Employee + Child(ren)	843.66	1,206.25
Employee + Family	1,370.23	1,973.97
State Retiree		
Retiree	609.99	803.94
Retiree + Spouse/DP	1,136.54	1,571.66
Retiree + Child(ren)	822.21	1,185.40
Retiree + Family	1,348.78	1,953.12
Spouse/DP Only	609.99	803.94
Spouse/DP + Child(ren)	822.21	1,185.40
Non-State Employee		
Employee	1,277.72	837.02
Employee + Spouse/DP	2,450.59	1,616.97
Employee + Child(ren)	2,053.85	1,251.41
Employee + Family	3,226.75	2,031.35
Non-State Retiree		
Retiree	1,256.27	816.17
Retiree + Spouse/DP	2,429.14	1,596.12
Retiree + Child(ren)	2,032.40	1,230.56
Retiree + Family	3,205.30	2,010.50
Spouse/DP Only	1,256.27	816.17
Spouse/DP + Child(ren)	2,032.40	1,230.56

-- COBRA participants do not qualify for Life Insurance and Long Term Disability.

-- Participants on COBRA do not receive a subsidy.

Retirement Benefits Investment Fund

March 31, 2019

Performance

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	\$ 258,762,035	50.5%	51.6%	5.8%	9.5%	13.5%	10.9%	15.9%	9.0%
Market Return				5.9%	9.5%	13.5%	10.9%	15.9%	9.0%
Int'l Stocks- MSCI World x US Index	\$ 106,397,371	21.5%	21.2%	-2.4%	-3.3%	7.5%	2.6%	9.2%	2.3%
Market Return				-2.2%	-3.4%	7.4%	2.4%	9.0%	2.2%
U.S. Bonds- U.S. Bond Index	\$ 132,986,924	28.0%	26.5%	4.1%	4.2%	1.1%	2.2%	3.3%	3.2%
Market Return				4.1%	4.2%	1.0%	2.2%	2.4%	3.0%
	\$ 3,836,140	0.0%	0.8%						
Total RBIF Fund	\$ 501,982,470	100.0%	100.0%	3.9%	5.6%	8.7%	6.7%	10.8%	6.3%
Market Return				3.8%	5.3%	8.5%	6.6%	10.9%	6.3%

Financial Statements
December 31, 2018

Truckee Meadows Water Authority
OPEB Trust Fund

DRAFT

Truckee Meadows Water Authority OPEB Trust Fund

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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 statement of fiduciary net position as of December 31, 2018, 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 OPEB Trust Fund as of December 31, 2018, and the changes in the fiduciary net position for the year then ended in accordance 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 through 5, the schedule of changes in 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

DATE PENDING

Truckee Meadows Water Authority OPEB Trust Fund

Management's Discussion & Analysis
Year Ended December 31, 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, 2018 and 2017. This narrative is intended as a supplement and should be read in conjunction with the financial statements.

The Plan was established in 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:

- 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 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 year ended December 31, 2018.

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, 2018.

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 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.

Truckee Meadows Water Authority OPEB Trust Fund

Management's Discussion & Analysis
Year Ended December 31, 2018

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.

Financial Highlights

Financial highlights of the Plan as of and for the year ended December 31, 2018 are as follows:

- Operating cash balances at year end were \$101 thousand
- Plan investments at fair value at year end were \$916 thousand
- Net investment loss, including realized and unrealized gains and losses, was \$47 thousand
- Employer contributions to the plan were \$108 thousand

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 \$37 thousand
- Plan investments at fair value at year end were \$963 thousand
- Investment income, including realized and unrealized gains, was \$126 thousand
- Employer contributions to the plan were \$103 thousand

Plan Analysis

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

	2018	2017	Change 2018 v 2017
Assets			
Cash	\$ 101,174	\$ 36,676	\$ 64,498
Receivables from plan members	827	77	750
Investments, at fair value	916,349	963,078	(46,729)
Total assets	<u>1,018,350</u>	<u>999,831</u>	<u>18,519</u>
Net Position Restricted for Postemployment Benefits Other Than Pensions	<u>\$ 1,018,350</u>	<u>\$ 999,831</u>	<u>\$ 18,519</u>

At December 31, 2018 Plan assets of \$1 million were comprised of investments at fair value of \$916 thousand and \$101 thousand in operating cash. Plan assets increased by \$19 thousand as compared to December 31, 2017. Investments at fair value decreased \$47 thousand offset by an increase to cash of \$64 thousand.

Truckee Meadows Water Authority OPEB Trust Fund

Management's Discussion & Analysis

Year Ended December 31, 2018

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

	2018	2017	Change 2018 v 2017
Additions			
Net investment (loss) income	\$ (46,729)	\$ 125,822	\$ (172,551)
Employer contributions	107,945	103,441	4,504
Total additions	61,216	229,263	(168,047)
Deductions			
Benefit payments	22,644	9,334	13,310
Administrative expenses	20,053	7,386	12,667
Total deductions	42,697	16,720	25,977
Change in Net Position	18,519	212,543	(194,024)
Net position restricted for postemployment benefits other than pensions			
Beginning of year, as previously reported	999,831	839,009	1,838,840
Prior period adjustment	-	(51,721)	(51,721)
Beginning of year, restated	999,831	787,288	212,543
End of year	\$ 1,018,350	\$ 999,831	\$ 18,519

Net position is restricted for future benefit payments to retirees.

As of December 31, 2018, the Net Position of the Plan was \$1 million. The Plan Net Position is comprised of assets of the Plan. The Net Position of the Plan increased \$19 thousand in 2018, or \$194 thousand less than an increase of \$213 thousand in 2017. This was primarily due to the decrease in fair value of investments of \$47 thousand in 2018 which was \$173 thousand less than increases in fair value of investments of \$126 thousand in 2017 due to lower returns from the investment portfolio. Employer contributions in 2018 of \$108 thousand were higher than contributions of \$103 thousand in 2017, and were based on a higher Actuarially Determined Contribution calculated as of June 30, 2018. Benefits paid, net plan member contributions of \$23 thousand in 2018 were higher than benefits paid, net plan member contributions of \$9 thousand in 2017. Administrative expenses were \$20 thousand in 2018, \$13 thousand higher than administrative expenses in 2017 due to increased audit and legal fees. Audit fees increased due to new accounting requirements under GASB and legal fees increased due to work on restatement of the Plan document.

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 OPEB Trust Fund
Statement of Fiduciary Net Position
December 31, 2018

Assets	
Cash	\$ 101,174
Receivables from plan members	827
Investments, at fair value	<u>916,349</u>
Total assets	<u>1,018,350</u>
Net position restricted for postemployment benefits other than pensions	<u>\$ 1,018,350</u>

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Truckee Meadows Water Authority OPEB Trust Fund

Statement of Changes in Fiduciary Net Position

Year Ended December 31, 2018

Additions	
Investment income (loss)	
Net decrease in fair value of investments	\$ (69,201)
Interest and dividends	22,741
Less investment expense	<u>269</u>
Net investment income (loss)	(46,729)
Employer contributions	<u>107,945</u>
Total additions	<u>61,216</u>
Deductions	
Benefit payments	22,644
Administrative expenses	<u>20,053</u>
Total deductions	<u>42,697</u>
Change in Net Position	18,519
Net position restricted for postemployment benefits other than pensions	
Beginning of year	<u>999,831</u>
End of year	<u><u>\$ 1,018,350</u></u>

Truckee Meadows Water Authority OPEB Trust Fund

Notes to Financial Statements

December 31, 2018

Note 1 - Significant Accounting Policies**Reporting Entity**

The Truckee Meadows Water Authority (TMWA) established a governmental trust under Section 115 of the Internal Revenue Code (IRC) 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 IRC Section 115. 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 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 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 the financial statements and accompanying notes. Actual results may differ from those estimates.

Investments and Investment Income

Investments are stated 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.

Contributions

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

Truckee Meadows Water Authority OPEB Trust Fund

Notes to Financial Statements

December 31, 2018

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.

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. 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 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.

Truckee Meadows Water Authority OPEB Trust Fund

Notes to Financial Statements

December 31, 2018

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.

Membership of the Plan

As of December 31, 2018, membership of the Plan consisted of the following:

Retirees currently receiving medical benefits	5
Retirees currently receiving life benefits	1
Retirees entitled to, but not yet receiving benefits	-
	<u>6</u>
Active Plan Members	
IBEW members	12
MPAT members	5
	<u>17</u>

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

Contributions and Benefits Provided

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% of the 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.

Truckee Meadows Water Authority OPEB Trust Fund

Notes to Financial Statements

December 31, 2018

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.

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 year ended December 31, 2018, TMWA contributed \$107,945 to the Plan.

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, 2018, retirees' share of health premiums and costs ranged from \$77 to \$672 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 were no participants utilizing COBRA continuation of coverage during the year ended December 31, 2018.

Truckee Meadows Water Authority OPEB Trust Fund

Notes to Financial Statements

December 31, 2018

Note 3 - Cash and Investments

At December 31, 2018, the Plan's carrying amount and bank balance was \$101,174. All of the bank balance was covered by the Federal Deposit Insurance Corporation.

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. RBIF is valued at carrying value based on the net asset value (NAV) of the observable market prices of the underlying assets within the RBIF. The Plan's investment in RBIF was \$916,349 at December 31, 2018, 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, 2018 can be obtained by contacting Public Employees Retirement System (PERS) at 693 W. Nye Lane, Carson City, Nevada, 89703.

Investments measured at NAV as of December 31, 2018:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice</u>
RBIF	<u>\$ 916,349</u>	<u>\$ -</u>	<u>Monthly</u>	<u>None</u>

RBIF: This asset class is generally comprised of a combination of fixed income, marketable equity and international securities.

For the year ended December 31, 2018, the annual money-weighted rate of return on investments net expenses, was -0.38%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Truckee Meadows Water Authority OPEB Trust Fund

Notes to Financial Statements

December 31, 2018

Note 4 - Net OPEB Liability of TMWA

The components of the net OPEB liability of TMWA at December 31, 2018, were as follows:

Total OPEB liability	\$ 1,961,246
Plan fiduciary net position	<u>1,018,350</u>
Net OPEB liability	<u>\$ 942,896</u>
Plan fiduciary net position as a percentage of the total OPEB liability	51.92%

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	26 years, closed
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 2025 and later years

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

Mortality rates were based on the MacLeod Watts 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, 2018 valuation were based on the results of an actuarial experience study published by Nevada Public Employees Retirement System, dated June 30, 2016.

Discount rate: The discount rate used to measure the total OPEB liability was 6.00 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 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.

Truckee Meadows Water Authority OPEB Trust Fund

Notes to Financial Statements

December 31, 2018

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 (5.00 percent) or 1-percentage-point higher (7.00 percent) than the current discount rate:

	1% Decrease (5.00%)	Discount Rate (6.00%)	1% Increase (7.00%)
Net OPEB liability (asset)	\$ 1,219,189	\$ 942,896	\$ 712,966

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 4.00 percent) or 1-percentage-point higher (7.25 percent decreasing to 6.00 percent) than the current healthcare cost trend rates:

	1% Decrease (5.25% Decreasing to 4.00%)	Healthcare Cost Trend Rate (6.25% Decreasing to 5.00%)	1% Increase (7.25% Decreasing to 6.00%)
Net OPEB liability (asset)	\$ 652,052	\$ 942,896	\$ 1,329,237

Required Supplementary Information
Truckee Meadows Water Authority
OPEB Trust Fund

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Truckee Meadows Water Authority OPEB Trust Fund
Schedule of Changes in the Net OPEB Liability and Related Ratios
Last Ten Years*

	<u>2018</u>	<u>2017</u>
Total OPEB liability		
Service cost	\$ 56,960	\$ 54,769
Interest cost	111,978	103,644
Benefit payments	<u>(34,065)</u>	<u>(9,334)</u>
Net change in total OPEB liability	134,873	149,079
Total OPEB liability - beginning	<u>1,826,373</u>	<u>1,677,294</u>
Total OPEB liability - ending (a)	<u>\$ 1,961,246</u>	<u>\$ 1,826,373</u>
Plan fiduciary net position		
Contributions - employer	\$ 107,945	\$ 103,441
Net investment income	(46,729)	125,822
Benefit payments	(22,644)	(9,334)
Auditing fees	(13,690)	(6,000)
Administrative fees	(500)	(598)
Legal fees	(5,863)	(788)
Retiree contributions in	5,244	930
Retiree contributions out	<u>(5,244)</u>	<u>(930)</u>
Net change in plan fiduciary net position	18,519	212,543
Plan fiduciary net position - beginning	<u>999,831</u>	<u>787,288</u>
Plan fiduciary net position - ending (b)	<u>\$ 1,018,350</u>	<u>\$ 999,831</u>
TMWA's net OPEB liability - ending (a) - (b)	<u>\$ 942,896</u>	<u>\$ 826,542</u>
Plan fiduciary net position as a percentage of the total OPEB liability	51.92%	54.74%
Covered payroll	N/A	N/A
TMWA's net OPEB liability as a percentage of covered payroll	N/A	N/A

* 10 years of information is unavailable in 2018; but will be presented as soon as it is available.

Truckee Meadows Water Authority OPEB Trust Fund
 Schedule of Contributions
 Last Ten Years*

	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 120,582	\$ 111,404
Contributions in relation to the actuarially determined contribution	<u>107,945</u>	<u>103,441</u>
Contribution deficiency	<u>\$ 12,637</u>	<u>\$ 7,963</u>
Covered payroll	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A

Notes to Schedule:

*10 years of information is unavailable in 2018; 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:

Amortization method	Level percent of pay
Amortization period	26 years, closed
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 5.00 percent
Salary increase	4.00 percent per year
Discount rate	6.00 percent
Investment rate of return	6.00 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 MacLeod Watts Scale 2017, a custom table developed by the Plan's actuary.

Truckee Meadows Water Authority OPEB Trust Fund
Schedule Investment Returns
Last Ten Years*

	<u>2018</u>	<u>2017</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	-0.38%	15.56%

* 10 years of information is unavailable in 2018; but will be presented as soon as it is available.

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