



**TRUCKEE MEADOWS WATER AUTHORITY**  
**Section §115 Other Post-Employment Benefit Plan & Trust**  
**Trustee Meeting**  
**AGENDA**  
**Tuesday July 20, 2021 at 12:30 p.m.**  
**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 20, 2021 minutes. **(For Possible Action)**
5. Review of current PEBS subsidy calculations—Jessica Atkinson **(For Possible Action)**
6. Review of Actuarial Analysis- Sophie Cardinal\*
7. Review of Financial Audit – Sophie Cardinal\*
8. Review of Retirement Benefits Investment Fund (RBIF) performance review—Michele Sullivan\*
9. Trustee comments and requests for future agenda items\*
10. Public comment — limited to no more than three minutes per speaker\*
11. 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.



**Section 115 Post-Retirement Medical Plan & Trust**

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

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**DRAFT April 20, 2021 MINUTES**

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The meeting of the TMWA Section 115 Post-Retirement Medical Plan and Trust (Trust) Trustees was held on Tuesday, April 20, 2021 through a teleconference.

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  
Randall Van Hoozer

Voting Members Absent:

Members Present

Rosalinda Rodriguez  
Gus Rossi

Members Absent:

Mike Venturino  
Jessica Atkinson

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 19, 2021 MINUTES

**Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the January 19, 2021 meeting minutes.**

7. REVIEW AND CONSIDERATION FOR APPROVAL OF REQUEST FOR REIMBURSEMENT OF PREMIUMS

Ms. Rodriguez reviewed the reimbursement request for health coverage premium through Senior Care Plus for coverage costs from November 2019- December 2020. The retiree included a letter addressed to the Human Resources department acknowledging that he was aware the reimbursement policy states requests cannot be submitted for premiums more than a year old, he advised he was not aware before and was requesting a waiver. Ms. Rodriguez advised she had been in contact with the retiree and had informed him, she did not have the authority to waive it but would take his request before the trustees for review along with his reimbursement request, but based on policy would likely only be approved for premiums within the 1 year time frame, not beyond. As such she was presenting it to the Trustees.

Discussion ensued and the trustees reviewed the Standard Operating Procedure (SOP) Subject: Reimbursement Request Policy Pg2, "Eligible retirees may lump reimbursement requests for up to one year maximum. Expenses reported more than one year after the expense is incurred date will not be eligible for reimbursement." The trustees determined that SOP is clear that reimbursement requests will not be paid that are over a year old. Ms. Sullivan requested Human Resources review the SOP and possibly draft a revision for trustee review and approval to make sure the verbiage is clear that requests should not be submitted for any reimbursements more than year old.

**Upon motion made and seconded, and carried by unanimous consent by the trustee's present, the reimbursement request for premium costs for Senior Care plus from January 2020 – December 2020 was approved.**

Ms. Rodriguez reviewed the reimbursement request for Medicare Part B and G paid for through Social Security and Mutual of Omaha.

**Upon motion made and seconded, and carried by unanimous consent by the trustees present, the reimbursement request for premium costs Medicare Part B and G paid for through Social Security and Mutual of Omaha was approved.**

9. REVIEW OF RETIREMENT BENEFITS INVESTMENT FUND (RBIF) PERFORMANCE REVIEW

Ms. Sullivan reviewed the last RBIF report dated December 31, 2020. The total RBIF current Fiscal Year to date (FYTD) return is 15.9%. market is doing very well and the overall return rate of 7.5% is good as a 6% has been historically earned.

**For informational purposes only, no action required.**

10. TRUSTEE COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

RBIF review

Actuarial

Audit

Reimbursement requests if applicable

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

There was no public comment.

12. ADJOURNMENT

With no further business to discuss, Chairperson Sullivan adjourned the meeting at 12:41 a.m.

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

Respectfully Submitted,

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Rosalinda Rodriguez, Recording Secretary



## STAFF REPORT

**TO:** Trustees of the §115 Other Post Employment Benefits Trust  
**THRU:** Jessica Atkinson, TMWA Human Resources Manager  
**DATE:** July 8, 2021  
**SUBJECT:** Review of proposal for Tier II Subsidy Schedule

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### **Recommendation**

1. Approve the subsidy schedule for §115 tier II retirees under the age of 65 as presented in attachment 4 for fiscal year 2022.
2. Approve Exchange -HRA Table for §115 tier II retirees age 65 and older as presented in attachment 5 for fiscal year 2022.

### **Summary**

Beginning in fiscal year 2016, the Public Employee Benefit Program (PEBP) changed their methodology for determining non-state retiree subsidies. As a result, In November of 2017, trustees decided to use the Statewide EPO/HMO monthly base subsidy for non-state retirees to determine the total allowable subsidy for §115 tier II retirees under age 65. This subsidy table is updated annually to coincide with the new fiscal year and the new base subsidy amount. The FY21 base subsidy for the Statewide EPO/HMO Non-state Retirees and Survivors is \$413.60 (Attachment 1) for retiree only coverage. This subsidy rate has been applied to the PEBS State and Non-State Retiree Years of Service Subsidy Schedule (Attachment 2). Trustees should review and approve the subsidy table for FY21 (Attachment 4)

The PEBP has continued to publish a Medicare Exchange HRA Contribution Table (Attachment 3). Trustees should review and approve the contribution table for the current fiscal year (Attachment 5).

### **Background**

By way of background, the 2003 Nevada Legislature passed legislation (AB286) that afforded public employees of Nevada political subdivisions the opportunity to enroll, upon their retirement, in the Public Employee Benefit Program (PEBP) retiree health plan. The 2003 legislation also obligated the public employers of said retirees who enrolled in the plan to pay a portion of the medical premium on the retiree's behalf (the "Subsidy"). The current §115 trust document provides tier II retirees under age 65 with an amount equal to the "Subsidy" for non-state retirees to be applied towards their coverage under TMWA's benefit plans rather than the PEBP Retiree Health Plan.

Instead of receiving the “Subsidy,” tier II retirees age 65 and older, receive the equivalent of the State of Nevada’s Medicare Exchange Retiree HRA contribution based upon the combined number of years of service with Washoe County and/or TMWA and must elect Medicare coverage.

The following is noted in the trust document for tier II retirees:

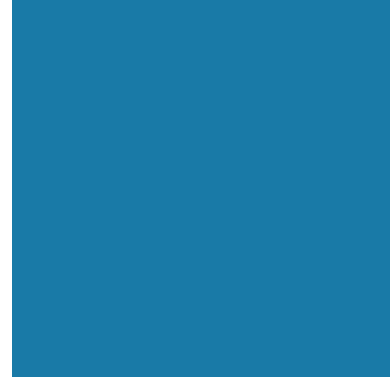
PEBP non-state retiree subsidy and Medicare Exchange Retiree HRA Contribution subsidy amounts are revised annually by the state of Nevada and in the event that these benefits are discontinued by the State of Nevada, then tier II retirees shall continue to receive the same premium amount that they were entitled to receive during the last year that these benefits remained in effect.

At the time of the merger with Washoe County (FY2015) the Non-State Retiree Subsidy Schedule and Medicare Exchange Retiree HRA Contribution Table were in place and provided for a straight subsidy or contribution amount based solely on years of service.

At the beginning of fiscal 2016 and continuing to current, the PEBP changed the way subsidies were calculated. Since FY2016 there is no longer a straight subsidy schedule based on years of service for those under age 65. Instead, the PEBP has implemented a Non-State Retiree Subsidy Adjustment Table (attachment 2). To calculate the subsidy using the adjustment table, a base subsidy amount is identified using the Statewide EPO/HMO Non-state Retirees and Survivors. After determining the appropriate base subsidy amount, an adjustment is then made using the adjustment table based on years of service (base subsidy – adjustment = total subsidy.)

For §115 tier II retirees age 65 and older, the PEBP has continued to publish annually a Medicare Exchange – HRA Contribution Table. The FY2021-Exchange – HRA Contribution Table is included as attachment 3 and it is recommended that trustees approve this subsidy schedule for §115 tier II retirees age of 65 and older for fiscal year 2021.

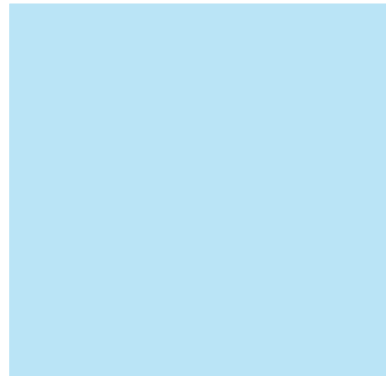
We currently have two Tier II retirees; both are over the age of 65 and both request reimbursements from the trust. Once these new tables are approved by trustees will be eligible to receive reimbursements based on their years of service according the FY21 schedule.



# PREMIUM RATES

JULY 1, 2021 – JUNE 30, 2022

## PLAN YEAR 2022

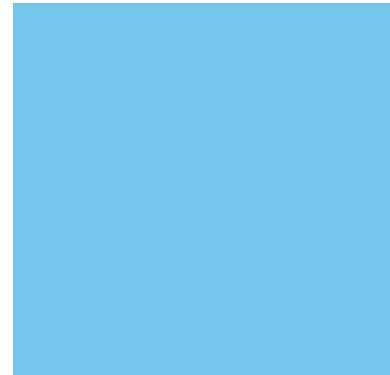
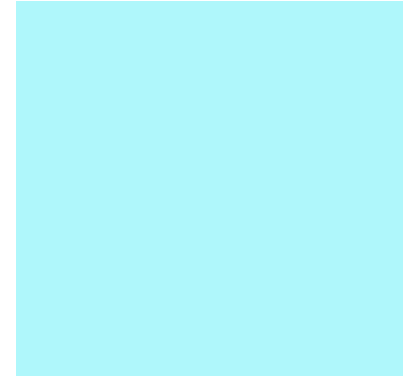


NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

**775-684-7000**

**or 1-800-326-5496**

**[www.pebp.state.nv.us](http://www.pebp.state.nv.us)**



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## Active State Employee Rates

Monthly Rates Effective July 1, 2021 - June 30, 2022	Nationwide PPO			Nationwide PPO			Statewide EPO/HMO		
	Consumer Driven Health Plan (CDHP-PPO)			Low Deductible (LD-PPO)			Premier Plan (EPO) and Health Plan of Nevada (HPN – HMO)		
	Unsubsidized Rate	Base Subsidy	Participant Premium	Unsubsidized Rate	Base Subsidy	Participant Premium	Unsubsidized Rate	Base Subsidy	Participant Premium
<b>Employee Only</b>	\$632.57	\$587.94	<b>\$44.63</b>	\$652.21	587.94	<b>\$64.27</b>	\$732.12	587.94	<b>\$144.18</b>
<b>Employee + Spouse/DP</b>	\$1,254.97	\$1,014.20	<b>\$240.77</b>	\$1,294.25	\$1,014.20	<b>\$280.05</b>	\$1,454.07	\$1,014.20	<b>\$439.87</b>
<b>Employee + Child(ren)</b>	\$865.97	\$747.79	<b>\$118.18</b>	\$892.98	\$747.79	<b>\$145.19</b>	\$1,002.85	\$747.79	<b>\$255.06</b>
<b>Employee + Family</b>	\$1,488.37	\$1,174.04	<b>\$314.33</b>	\$1,535.02	\$1,174.04	<b>\$360.98</b>	\$1,724.81	\$1,174.04	<b>\$550.77</b>

-- 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.

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

Monthly Rates Effective July 1, 2021 - June 30, 2022	Nationwide PPO			Nationwide PPO			Statewide EPO/HMO		
	Consumer Driven Health Plan (CDHP-PPO)			Low Deductible (LD-PPO)			Premier Plan (EPO) and Health Plan of Nevada (HPN – HMO)		
	Unsubsidized Rate	Base Subsidy	Participant Premium	Unsubsidized Rate	Base Subsidy	Participant Premium	Unsubsidized Rate	Base Subsidy	Participant Premium
<b>Retiree only</b>	\$628.36	\$394.08	<b>\$234.28</b>	\$648.00	\$394.08	<b>\$253.92</b>	\$727.91	\$394.08	<b>\$333.83</b>
<b>Retiree + Spouse</b>	\$1,250.76	\$679.79	<b>\$570.97</b>	\$1,290.04	\$679.79	<b>\$610.25</b>	\$1,449.86	\$679.79	<b>\$770.07</b>
<b>Retiree + Child(ren)</b>	\$861.76	\$501.22	<b>\$360.54</b>	\$888.77	\$501.22	<b>\$387.55</b>	\$998.64	\$501.22	<b>\$497.42</b>
<b>Retiree + Family</b>	\$1,484.16	\$786.93	<b>\$697.23</b>	\$1,530.81	\$786.93	<b>\$743.88</b>	\$1,720.60	\$786.93	<b>\$933.67</b>
<b>Surviving/Unsubsidized Dependent</b>	\$628.36	-	<b>\$628.36</b>	\$648.00	-	<b>\$648.00</b>	\$727.91	-	<b>\$727.91</b>
<b>Surviving/Unsubsidized Spouse + Child(ren)</b>	\$861.76	-	<b>\$861.76</b>	\$888.77	-	<b>\$888.77</b>	\$998.64	-	<b>\$998.64</b>

- For participants who retired before January 1, 1994, the participants subsidized premium for the selected plan and tier is shown above.
- For those who retired on or after January 1, 1994, refer to the [Plan Year 2022 State and Non-State Retiree Years of Service Subsidy table on page 13](#). Locate your years of service and add or subtract the corresponding subsidy to or from the participant premium.
- Those retirees with less than 15 Years of Service, who were hired by their last employer on or after January 1, 2010 do not receive a Years of Service Subsidy or Base Subsidy and do not qualify for a Medicare Exchange HRA unless they retire under a disability.
- Those retirees who were initially hired on or after January 1, 2012 do not receive a Years of Service Subsidy or Base Subsidy.
- Retirees on the PEBP PPO, LD-PPO, EPO or HMO plan who are enrolled in Medicare Part B, subtract an additional \$135.50 from the participant premium. 4

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## Active Non-State Employee Rates

Monthly Rates Effective July 1, 2021 - June 30, 2022	Nationwide PPO			Nationwide PPO			Statewide EPO/HMO		
	Consumer Driven Health Plan (CDHP-PPO)			Low Deductible (LD-PPO)			Premier Plan (EPO) and Health Plan of Nevada (HPN – HMO)		
	Unsubsidized Rate	Base Subsidy	Participant Premium	Unsubsidized Rate	Base Subsidy	Participant Premium	Unsubsidized Rate	Base Subsidy	Participant Premium
<b>Employee Only</b>	\$986.15	-	<b>\$986.15</b>	\$1,031.91	-	<b>\$1,031.91</b>	\$931.42	-	<b>\$931.42</b>
<b>Employee + Spouse/DP</b>	\$1,962.13	-	<b>\$1,962.13</b>	\$2,053.66	-	<b>\$2,053.66</b>	\$1,852.68	-	<b>\$1,852.68</b>
<b>Employee + Child(ren)</b>	\$1,352.14	-	<b>\$1,352.14</b>	\$1,415.07	-	<b>\$1,415.07</b>	\$1,276.90	-	<b>\$1,276.90</b>
<b>Employee + Family</b>	\$2,328.12	-	<b>\$2,328.12</b>	\$2,436.81	-	<b>\$2,436.81</b>	\$2,198.15	-	<b>\$2,198.15</b>

--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.

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

Monthly Rates Effective July 1, 2021 - June 30, 2022	Nationwide PPO			Nationwide PPO			Statewide EPO/HMO		
	Consumer Driven Health Plan (CDHP-PPO)			Low Deductible (LD-PPO)			Premier Plan (EPO) and Health Plan of Nevada (HPN – HMO)		
	Unsubsidized Rate	Base Subsidy	Participant Premium	Unsubsidized Rate	Base Subsidy	Participant Premium	Unsubsidized Rate	Base Subsidy	Participant Premium
Retiree only	\$981.97	\$747.69	<b>\$234.28</b>	\$1,027.70	\$773.78	<b>\$253.92</b>	\$927.22	\$593.39	<b>\$333.83</b>
Retiree + Spouse	\$1,957.92	\$1,386.95	<b>\$570.97</b>	\$2,049.45	\$1,439.20	<b>\$610.25</b>	\$1,848.48	\$1,078.41	<b>\$770.07</b>
Retiree + Child(ren)	\$1,347.93	\$987.39	<b>\$360.54</b>	\$1,410.86	\$1,023.31	<b>\$387.55</b>	\$1,272.69	\$775.27	<b>\$497.42</b>
Retiree + Family	\$2,323.91	\$1,626.68	<b>\$697.23</b>	\$2,432.61	\$1,688.73	<b>\$743.88</b>	\$2,193.95	\$1,260.28	<b>\$933.67</b>
Surviving/Unsubsidized Dependent	\$981.94	-	<b>\$981.94</b>	\$1,027.70	-	<b>\$1,027.70</b>	\$927.22	-	<b>\$927.22</b>
Surviving/Unsubsidized Spouse + Child(ren)	\$1,347.93	-	<b>\$1,347.93</b>	\$1,410.86	-	<b>\$1,410.86</b>	\$1,272.69	-	<b>\$1,272.69</b>

- For participants who retired before January 1, 1994, the participants subsidized premium for the selected plan and tier is shown above.
- For those who retired on or after January 1, 1994, refer to the [Plan Year 2022 State and Non-State Retiree Years of Service Subsidy table on page 13](#). Locate your years of service and add or subtract the corresponding subsidy to or from the participant premium.
- Those retirees with less than 15 Years of Service, who were hired by their last employer on or after January 1, 2010 do not receive a Years of Service Subsidy or Base Subsidy and do not qualify for a Medicare Exchange HRA unless they retire under a disability.
- Those retirees who were initially hired on or after January 1, 2012 do not receive a Years of Service Subsidy or Base Subsidy.
- Retirees on the PEBP PPO, LD-PPO, EPO or HMO plan who are enrolled in Medicare Part B, subtract an additional \$135.50 from the participant premium.
- [See page 5 \(previous page\)](#) for definition of Non-State Retiree Eligibility per NAC 287.542, 287.548.

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## Active State Employee w/Domestic Partner Rates

Monthly Rates Effective July 1, 2021 - June 30, 2022	Statewide/Nationwide PPO					
	Consumer Driven Health Plan (CDHP-PPO)					
	Unsubsidized Rate	Base Subsidy	Taxable Subsidy	Participant Premium	Pre-Tax Deduction	Post Tax Deduction
<b>Employee + DP</b>	\$1,254.97	\$594.35	\$419.85	<b>\$240.77</b>	\$44.63	\$196.14
<b>Employee + DP's Child(ren)</b>	\$865.97	\$590.35	\$157.44	<b>\$118.18</b>	\$44.63	\$73.55
<b>Employee + Children of both</b>	\$865.97	\$747.79	-	<b>\$118.18</b>	\$118.18	-
<b>Employee + DP + EE's Child(ren)</b>	\$1,488.37	\$754.19	\$419.85	<b>\$314.33</b>	\$118.18	\$196.15
<b>Employee + DP + DP's Child(ren)</b>	\$1,488.37	\$596.75	\$577.29	<b>\$314.33</b>	\$44.63	\$269.70
<b>Employee + DP + Children of both</b>	\$1,488.37	\$754.19	\$419.85	<b>\$314.33</b>	\$118.18	\$196.15

-- State employees on Leave Without Pay (LWOP), active Legislators and employees on Military leave do not receive a subsidy. Refer to the Unsubsidized 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.

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## Active State Employee w/Domestic Partner Rates

Monthly Rates Effective July 1, 2021 - June 30, 2022	Statewide/Nationwide PPO					
	Low Deductible (LD-PPO)					
	Unsubsidized Rate	Base Subsidy	Taxable Subsidy	Participant Premium	Pre-Tax Deduction	Post Tax Deduction
<b>Employee + DP</b>	\$1,294.25	\$594.35	\$419.85	<b>\$280.05</b>	\$64.27	\$215.78
<b>Employee + DP's Child(ren)</b>	\$892.98	\$590.35	\$157.44	<b>\$145.19</b>	\$64.27	\$80.92
<b>Employee + Children of both</b>	\$892.98	\$747.79	-	<b>\$145.19</b>	\$145.19	-
<b>Employee + DP + EE's Child(ren)</b>	\$1,535.02	\$754.19	\$419.85	<b>\$360.98</b>	\$145.19	\$215.79
<b>Employee + DP + DP's Child(ren)</b>	\$1,535.02	\$596.75	\$577.29	<b>\$360.98</b>	\$64.27	\$296.71
<b>Employee + DP + Children of both</b>	\$1,535.02	\$754.19	\$419.85	<b>\$360.98</b>	\$145.19	\$215.79

-- State employees on Leave Without Pay (LWOP), active Legislators and employees on Military leave do not receive a subsidy. Refer to the Unsubsidized 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.

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## Active State Employee w/Domestic Partner Rates

Monthly Rates Effective July 1, 2021 - June 30, 2022	Statewide EPO/HMO					
	Premier Plan (EPO) and Health Plan of Nevada (HPN-HMO)					
	Unsubsidized Rate	Base Subsidy	Taxable Subsidy	Participant Premium	Pre-Tax Deduction	Post Tax Deduction
<b>Employee + DP</b>	\$1,454.07	\$594.35	\$419.85	<b>\$439.87</b>	\$144.18	\$295.69
<b>Employee + DP's Child(ren)</b>	\$1,002.85	\$590.35	\$157.44	<b>\$255.06</b>	\$144.18	\$110.88
<b>Employee + Children of both</b>	\$1,002.85	\$747.79	-	<b>\$255.06</b>	\$255.06	-
<b>Employee + DP + EE's Child(ren)</b>	\$1,724.81	\$754.19	\$419.85	<b>\$550.77</b>	\$255.06	\$295.71
<b>Employee + DP + DP's Child(ren)</b>	\$1,724.81	\$596.75	\$577.29	<b>\$550.77</b>	\$144.18	\$406.59
<b>Employee + DP + Children of both</b>	\$1,724.81	\$754.19	\$419.85	<b>\$550.77</b>	\$255.06	\$295.71

-- State employees on Leave Without Pay (LWOP), active Legislators and employees on Military leave do not receive a subsidy. Refer to the Unsubsidized 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.

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## State and Non-State Retiree w/Domestic Partner Rates

Monthly Rates Effective July 1, 2021 - June 30, 2022	Statewide/Nationwide PPO			
	Consumer Driven Health Plan (CDHP-PPO)			
	Unsubsidized Rate	Base Subsidy	Taxable Subsidy	Participant Premium
<b>Employee + DP</b>	\$1,250.76	\$399.29	\$280.50	<b>\$570.97</b>
<b>Employee + DP's Child(ren)</b>	\$861.76	\$396.03	\$105.19	<b>\$360.54</b>
<b>Employee + Children of both</b>	\$861.76	\$501.22	-	<b>\$360.54</b>
<b>Employee + DP + EE's Child(ren)</b>	\$1,484.16	\$506.43	\$280.50	<b>\$697.23</b>
<b>Employee + DP + DP's Child(ren)</b>	\$1,484.16	\$401.24	\$385.69	<b>\$697.23</b>
<b>Employee + DP + Children of both</b>	\$1,484.16	\$506.43	\$280.50	<b>\$697.23</b>

- For participants who retired before January 1, 1994, the participants subsidized premium for the selected plan and tier is shown above.
- For those who retired on or after January 1, 1994, refer to the [Plan Year 2022 State and Non-State Retiree Years of Service Subsidy table on page 13](#). Locate your years of service and add or subtract the corresponding subsidy to or from the participant premium.
- Those retirees with less than 15 Years of Service, who were hired by their last employer on or after January 1, 2010 do not receive a Years of Service Subsidy or Base Subsidy and do not qualify for a Medicare Exchange HRA unless they retire under a disability.
- Those retirees who were initially hired on or after January 1, 2012 do not receive a Years of Service Subsidy or Base Subsidy.
- Retirees on the PEBP PPO, LD-PPO, EPO or HMO plan who are enrolled in Medicare Part B, subtract an additional \$135.50 from the participant premium.<sup>10</sup>



To return to the Table of Contents you may click on the PEBP Logo

## State and Non-State Retiree w/Domestic Partner Rates

Monthly Rates Effective July 1, 2021 - June 30, 2022	Statewide/Nationwide PPO			
	Low Deductible (LD-PPO)			
	Unsubsidized Rate	Base Subsidy	Taxable Subsidy	Participant Premium
<b>Employee + DP</b>	\$1,290.04	\$399.29	\$280.50	<b>\$610.25</b>
<b>Employee + DP's Child(ren)</b>	\$888.77	\$396.03	\$105.19	<b>\$387.55</b>
<b>Employee + Children of both</b>	\$888.77	\$501.22	-	<b>\$387.55</b>
<b>Employee + DP + EE's Child(ren)</b>	\$1,530.81	\$506.43	\$280.50	<b>\$743.88</b>
<b>Employee + DP + DP's Child(ren)</b>	\$1,530.81	\$401.24	\$385.69	<b>\$743.88</b>
<b>Employee + DP + Children of both</b>	\$1,530.81	\$506.43	\$280.50	<b>\$743.88</b>

- For participants who retired before January 1, 1994, the participants subsidized premium for the selected plan and tier is shown above.
- For those who retired on or after January 1, 1994, refer to the [Plan Year 2022 State and Non-State Retiree Years of Service Subsidy table on page 13](#). Locate your years of service and add or subtract the corresponding subsidy to or from the participant premium.
- Those retirees with less than 15 Years of Service, who were hired by their last employer on or after January 1, 2010 do not receive a Years of Service Subsidy or Base Subsidy and do not qualify for a Medicare Exchange HRA unless they retire under a disability.
- Those retirees who were initially hired on or after January 1, 2012 do not receive a Years of Service Subsidy or Base Subsidy.
- Retirees on the PEBP PPO, LD-PPO, EPO or HMO plan who are enrolled in Medicare Part B, subtract an additional \$135.50 from the participant premium.

## State and Non-State Retiree w/Domestic Partner Rates

Monthly Rates Effective July 1, 2021 - June 30, 2022	Statewide EPO/HMO			
	Premier Plan (EPO) and Health Plan of Nevada (HPN-HMO)			
	Unsubsidized Rate	Base Subsidy	Taxable Subsidy	Participant Premium
<b>Employee + DP</b>	\$1,449.86	\$399.29	\$280.50	<b>\$770.07</b>
<b>Employee + DP's Child(ren)</b>	\$998.64	\$396.03	\$105.19	<b>\$497.42</b>
<b>Employee + Children of both</b>	\$998.64	\$501.22	-	<b>\$497.42</b>
<b>Employee + DP + EE's Child(ren)</b>	\$1,720.60	\$506.43	\$280.50	<b>\$933.67</b>
<b>Employee + DP + DP's Child(ren)</b>	\$1,720.60	\$401.24	\$385.69	<b>\$933.37</b>
<b>Employee + DP + Children of both</b>	\$1,720.60	\$506.43	\$280.50	<b>\$933.67</b>

- For participants who retired before January 1, 1994, the participants subsidized premium for the selected plan and tier is shown above.
- For those who retired on or after January 1, 1994, refer to the [Plan Year 2022 State and Non-State Retiree Years of Service Subsidy table on page 13](#). Locate your years of service and add or subtract the corresponding subsidy to or from the participant premium.
- Those retirees with less than 15 Years of Service, who were hired by their last employer on or after January 1, 2010 do not receive a Years of Service Subsidy or Base Subsidy and do not qualify for a Medicare Exchange HRA unless they retire under a disability.
- Those retirees who were initially hired on or after January 1, 2012 do not receive a Years of Service Subsidy or Base Subsidy.
- Retirees on the PEBP PPO, LD-PPO, EPO or HMO plan who are enrolled in Medicare Part B, subtract an additional \$135.50 from the participant premium.<sup>12</sup>

## State and Non-State Retiree Years of Service Subsidy

Subsidy amounts shown are for those staying on a PEBP Plan or are not yet eligible for Medicare. Other eligibility requirements apply:

- 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.
- Employees hired **after January 1, 2010** who retire with fewer than 15 years of service, and who are not disabled, do not receive a years of service subsidy and do not qualify for a Medicare Exchange HRA.
- Employees who were initially hired **on or after January 1, 2012** do not receive a years of service subsidy or Exchange HRA.

*Note: Your hire date is considered the date which you began working for a PEBP participating employer. Many employers may participate in PERS, but do not participate in PEBP.*

### PY22 Retirees Enrolled in the PPO/LD-PPO/EPO/HMO Plan

Years of Service	Subsidy
5	+353.63
6	+318.26
7	+282.90
8	+247.54
9	+212.18
10	+176.81
11	+141.45
12	+106.09
13	+70.73
14	+35.36
15 (base)	-
16	-35.36
17	-70.73
18	-106.09
19	-141.45
20	-176.81



NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

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## 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

- Participants who retired **before January 1, 1994** receive the 15-year (\$195) base contribution.
- Participants who retired **on or after January 1, 1994**, the contribution is \$13 per month per year of service beginning with 5 years (\$65) to a maximum of 20 years (\$260).
- Employees hired **after January 1, 2010** who retire with fewer than 15 years of service, do not receive a years of service subsidy and do not qualify for a Medicare Exchange HRA .
- Employees who were initially hired **on or after January 1, 2012** do not receive a years of service subsidy or Exchange HRA.

Plan Year 2022 Monthly PEBP Dental Rates Medicare Retirees Enrolled with Via Benefits		
Effective July 1, 2021 – June 30, 2022	State Retiree	Non-State Retiree
Retiree only	\$49.76	\$42.28
Retiree + Spouse/DP*	\$99.52	\$84.56
Surviving/Unsubsidized Spouse/DP*	\$49.76	\$42.28

*\*Spouse/DP must also be enrolled in a medical plan through Via Benefits in order to elect PEBP dental.*



NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

07-20-2021 §115 OPEB Agenda Item 05\_A

To return to the Table of Contents you may click on the PEBP Logo

## Plan Year 2022 COBRA Rates

--COBRA participants do not qualify for Life Insurance.

--COBRA participants do not receive a subsidy.

Monthly Rates  
July 1, 2021 – June 30, 2022

**Nationwide PPO**

Consumer Driven Health Plan  
(CDHP - PPO)

**Nationwide PPO**

Low Deductible (LD-PPO)

**Statewide EPO/HMO**

Premier Plan (EPO) and  
Health Plan of Nevada (HPN-HMO)

### State Employee

Employee	\$645.22	\$665.25	\$746.76
Employee + Spouse/DP	\$1,280.07	\$1,320.14	\$1,483.15
Employee + Child(ren)	\$883.29	\$910.84	\$1,022.91
Employee + Family	\$1,518.14	\$1,565.72	\$1,759.31

### State Retiree

Retiree	\$640.93	\$660.96	\$742.47
Retiree + Spouse/DP	\$1,275.78	\$1,315.84	\$1,478.86
Retiree + Child(ren)	\$879.00	\$906.55	\$1,018.61
Retiree + Family	\$1,513.85	\$1,561.43	\$1,755.01
Spouse/DP Only	\$640.93	\$660.96	\$742.47
Spouse/DP + Child(ren)	\$879.00	\$906.55	\$1,018.61

### Non-State Employee

Employee	\$1,005.87	\$1,052.55	\$950.05
Employee + Spouse/DP	\$2,001.37	\$2,094.73	\$1,889.73
Employee + Child(ren)	\$1,379.18	\$1,443.37	\$1,302.44
Employee + Family	\$2,374.68	\$2,485.55	\$2,242.11

### Non-State Retiree

Retiree	\$1,001.61	\$1,048.25	\$945.76
Retiree + Spouse/DP	\$1,997.08	\$2,090.44	\$1,885.45
Retiree + Child(ren)	\$1,374.89	\$1,439.08	\$1,298.14
Retiree + Family	\$2,370.39	\$2,485.55	\$2,237.83
Spouse/DP Only	\$1,001.61	\$1,048.25	\$945.76
Spouse/DP + Child(ren)	\$1,374.89	\$1,439.08	\$1,298.14

**Exchange -HRA Contribution for Medicare Retirees Enrolled in the  
Medicare Exchange - Plan Year 2022**

<b>YOS</b>	<b>CONTRIBUTION</b>
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

**Exchange -HRA Contribution for Medicare Retirees Enrolled in the  
Medicare Exchange - Plan Year 2022**

<b>YOS</b>	<b>CONTRIBUTION</b>
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

## ***Post-Retirement Medical Plan & Trust***

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



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**TO:** Board of Trustees of the TMWA Section 115 OPEB Trust  
**FROM:** Sophia Cardinal, TMWA Principal Accountant  
**DATE:** July 12, 2021  
**SUBJECT:** Present and accept the December 31, 2020 audited financial statements

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### **Recommendation**

TMWA staff recommends the Trustees accept the December 31, 2020 audited financial statements of the Truckee Meadows Water Authority OPEB Trust Fund (the Plan).

### **Discussion**

The following report is attached:

- December 31, 2020 Financial Statements of the Truckee Meadows Water Authority OPEB Trust Fund

The plan received an unqualified audit opinion, which means that the independent auditor believes the financial statements are fairly and appropriately presented and that they are in compliance with generally accepted accounting principles.

The Plan's basic 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, required supplementary information is provided in three additional schedules.

Some highlights of the Plan's report as of and for the year ended December 31, 2020 include:

- Operating cash balances were \$20 thousand.
- Plan investments at fair value were \$1.5 million.
- Net investment income, including realized and unrealized gains and losses, was \$193 thousand.
- Employer contributions to the Plan were \$69 thousand.
- Net position totaled \$1.5 million, which was a \$207 thousand increase from the prior year.





Financial Statements  
December 31, 2020

# Truckee Meadows Water Authority OPEB Trust Fund

## Truckee Meadows Water Authority OPEB Trust Fund

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December 31, 2020

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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, 2020, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Truckee Meadows Water Authority OPEB Trust Fund as of December 31, 2020, 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.

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

Reno, Nevada  
June 28, 2021

# Truckee Meadows Water Authority OPEB Trust Fund

Management's Discussion & Analysis  
Year Ended December 31, 2020

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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, 2020 and 2019. 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 basic 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 basic 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, 2020.

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, 2020.

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, 2020

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, 2020 are as follows:

- Operating cash balances at year end were \$20 thousand
- Plan investments at fair value at year end were \$1.5 million
- Net investment income was \$193 thousand
- Employer contributions to the Plan were \$69 thousand

Financial highlights of the Plan as of and for the year ended December 31, 2019 are as follows:

- Operating cash balances at year end were \$9 thousand
- Plan investments at fair value at year end were \$1.3 million
- Net investment income was \$221 thousand
- Employer contributions to the Plan were \$108 thousand

**Plan Analysis**

The following table provides a summary of the two years of net position of the Plan:

	2020	2019	Change 2020 v 2019
Assets			
Cash	\$ 20,365	\$ 9,452	\$ 10,913
Receivables from plan members	3,824	1,882	1,942
Investments	1,475,068	1,281,857	193,211
Total assets	1,499,257	1,293,191	206,066
Liabilities			
Accounts payable	3,001	3,528	(527)
Net position restricted for postemployment benefits other than pensions	\$ 1,496,256	\$ 1,289,663	\$ 206,593

As of December 31, 2020, Plan assets of \$1.5 million were comprised primarily of investments, at fair value. Also included in Plan assets were \$20 thousand in operating cash and \$4 thousand in Plan member receivables. Plan assets increased by \$206 thousand as compared to December 31, 2019 due mostly to an increase in fair value of Plan investments.

## Truckee Meadows Water Authority OPEB Trust Fund

Management's Discussion & Analysis  
Year Ended December 31, 2020

The following table provides a summary of the two years of change in net position of the Plan:

	2020	2019	Change 2020 v 2019
<b>Additions</b>			
Net investment income	\$ 193,211	\$ 220,508	\$ (27,297)
Employer contributions	68,634	107,623	(38,989)
<b>Total additions</b>	<b>261,845</b>	<b>328,131</b>	<b>(66,286)</b>
<b>Deductions</b>			
Benefit payments	41,252	40,430	822
Administrative expenses	14,000	16,388	(2,388)
<b>Total deductions</b>	<b>55,252</b>	<b>56,818</b>	<b>(1,566)</b>
<b>Change in net position</b>	<b>206,593</b>	<b>271,313</b>	<b>(64,720)</b>
<b>Net position restricted for postemployment benefits other than pensions</b>			
Beginning of year	1,289,663	1,018,350	271,313
End of year	<u>\$ 1,496,256</u>	<u>\$ 1,289,663</u>	<u>\$ 206,593</u>

Net position is restricted for future benefit payments to retirees.

As of December 31, 2020, the Net Position of the Plan was \$1.5 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 \$207 thousand in 2020. This was primarily due to an increase in fair value of investments of \$193 thousand from 2019 to 2020, which was \$27 thousand less than increases in fair value of investments of \$221 thousand in 2019 due to lower returns from investment portfolio. Employer contributions of \$69 thousand in 2020 were less than those in the prior year per the reduced actuarial determined contribution based on the December 31, 2019 actuarial valuation report. Benefits paid, net of plan member contributions, of \$41 thousand in 2020 increased slightly from the previous year due to a reduction in plan member contributions. Administrative expenses totaling \$14 thousand in 2020 were lower than in 2019 due to a slight increase in audit fees offset by a reduction in legal expense.

To ensure that funds are accumulated on a regular and systematic basis it is the practice of TMWA to contribute the Actuarially Determined Contribution to the Plan regularly and never less than annually. This has ensured that the Plan's assets are sufficient to cover the Total 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 TMWA at P.O. Box 30013, Reno, NV 89509-3013.

## Truckee Meadows Water Authority OPEB Trust Fund

## Statement of Fiduciary Net Position

December 31, 2020

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Assets	
Cash	\$ 20,365
Receivables from plan members	3,824
Investments	<u>1,475,068</u>
Total assets	<u>1,499,257</u>
Liabilities	
Accounts payable	<u>3,001</u>
Net position restricted for postemployment benefits other than pensions	<u>\$ 1,496,256</u>



## Truckee Meadows Water Authority OPEB Trust Fund

## Statement of Changes in Fiduciary Net Position

Year Ended December 31, 2020

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Additions		
Investment income		
Net increase in fair value of investments	\$	167,651
Interest and dividends		25,866
Investment expense		<u>(306)</u>
Net investment income		193,211
Employer contributions		<u>68,634</u>
Total additions		<u>261,845</u>
Deductions		
Benefit payments		41,252
Administrative expenses		<u>14,000</u>
Total deductions		<u>55,252</u>
Net increase in net position		206,593
Net position restricted for postemployment benefits other than pensions		
Beginning of year		<u>1,289,663</u>
End of year	\$	<u><u>1,496,256</u></u>

**Truckee Meadows Water Authority OPEB Trust Fund**

Notes to Financial Statements

December 31, 2020

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

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. 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, including medical, dental, vision, and life insurance coverage. 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, 2020

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**Payment of Benefits**

Benefits, net of plan member contributions, 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, including medical, dental, vision, and life insurance coverage. Pursuant to Nevada State Administrative Regulations, adopted in September 2008, as amended, the Plan will be governed by not less than three but not more than five trustees. Four 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 or Employer Health Maintenance Organization 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, 2020

**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, 2020, membership of the Plan consisted of the following:

Retirees currently receiving medical benefits	6
Retirees currently receiving life benefits	6
Retirees entitled to, but not yet receiving benefits	-
Active Plan Members	
IBEW members	10
MPAT members	4

The Plan is a closed plan that will provide future benefits to eligible 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 years but less than fifteen 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 years but less than twenty 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 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.

#### 4. Truckee Meadows Water Authority OPEB Trust Fund

Notes to Financial Statements  
December 31, 2020

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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](http://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.

Annual contributions to the Plan total an amount which TMWA determines as necessary to fund the benefits due pursuant to a qualified actuarial analysis. During the year ended December 31, 2020, TMWA contributed \$68,634 to the Plan.

Retiree 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, 2020, retirees' share of health premiums and costs ranged from \$77 to \$1,062 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, 2020.

## Truckee Meadows Water Authority OPEB Trust Fund

Notes to Financial Statements

December 31, 2020

**Note 3 - Cash and Investments**

As of December 31, 2020, the Plan's bank balance and carrying amount were \$30,392 and \$20,365, respectively. 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 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.

**RBIF**

The Plan invests its assets in the RBIF as allowed by the NRS 287.017 and the Nevada Administrative Code. The RBIF was established pursuant to NRS 355.220 and is administered by the Retirement Benefits Investment Board as an unrated external investment pool. The RBIF is not registered with the Securities and Exchange Commission 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 based on the net asset value (NAV) of the observable market prices of the underlying assets within the RBIF which is a measure of fair value under GASB Statement No. 72. The Plan's investment in RBIF was \$1,475,068 as of December 31, 2020. Complete financial information on RBIF as of June 30, 2020 can be obtained by contacting Public Employees Retirement System at 693 W. Nye Lane, Carson City, Nevada, 89703.

Investments at fair value as of December 31, 2020:

	<u>Total</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice</u>
RBIF	<u>\$ 1,475,068</u>	<u>\$ -</u>	Monthly	5 Days

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

For the year ended December 31, 2020, the annual money-weighted rate of return on investments net expenses was 1.29%. 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, 2020

**Note 4 - Net OPEB Liability of TMWA**

The components of the net OPEB liability of TMWA as of December 31, 2020 were as follows:

Total OPEB liability	\$ 2,043,999
Plan fiduciary net position	<u>1,496,256</u>
Net OPEB liability	<u>\$ 547,743</u>
Plan fiduciary net position as a percentage of the total OPEB liability	73.20%

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, for which roll forward procedures were used through the measurement date as of December 31, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.00%
Investment rate of return	6.00%
Healthcare cost trend rates*	7.00% in 2021  4.00% ultimated for 2076 and later years

\* Healthcare cost trend rate fluctuates each year until ultimate trend rate is reached.

Mortality rates were based on the MacLeod Watts Scale 2018, 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-2017 Report, published in October 2017 and (2) the demographic assumptions used in the 2017 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published June 2017.

The actuarial assumptions used in the actuarial valuation as of December 31, 2019, with a measurement date of December 31, 2020, were based on actual census data.

The long-term expected rate of return on OPEB plan investments was derived from RBIF's rates of return and investment policy:

<u>Asset Class</u>	<u>Asset Allocation</u>
S&P 500 Index	50.90%
MSCI World x US Index	21.50%
U.S. Bond Index	26.90%
Cash & Cash Equivalents	0.70%

## Truckee Meadows Water Authority OPEB Trust Fund

Notes to Financial Statements

December 31, 2020

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.

**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	\$ 836,754	\$ 547,743	\$ 308,565

**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 (6.00 percent decreasing to 3.00 percent) or 1-percentage-point higher (8.00 percent decreasing to 5.00 percent) than the current healthcare cost trend rates:

	1% Decrease (6.00% decreasing to 3.00%)	Healthcare Cost Trend Rate (7.00% decreasing to 4.00%)	1% Increase (8.00% decreasing to 5.00%)
Net OPEB liability	\$ 287,271	\$ 547,743	\$ 869,368





Required Supplementary Information

## Truckee Meadows Water Authority OPEB Trust Fund

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

	2020	2019	2018	2017
Total OPEB liability				
Service cost	\$ 34,777	\$ 59,239	\$ 56,960	\$ 54,769
Interest cost	117,350	119,591	111,978	103,644
Differences between expected and actual experience	-	(179,517)	-	-
Changes of assumptions	-	44,279	-	-
Benefit payments	<u>(58,361)</u>	<u>(54,605)</u>	<u>(34,065)</u>	<u>(9,334)</u>
Net change in total OPEB liability	93,766	(11,013)	134,873	149,079
Total OPEB liability - beginning	<u>1,950,233</u>	<u>1,961,246</u>	<u>1,826,373</u>	<u>1,677,294</u>
Total OPEB liability - ending (a)	<u><u>\$ 2,043,999</u></u>	<u><u>\$ 1,950,233</u></u>	<u><u>\$ 1,961,246</u></u>	<u><u>\$ 1,826,373</u></u>
Plan fiduciary net position				
Contributions - employer	\$ 68,634	\$ 107,623	\$ 107,945	\$ 103,441
Net investment income	193,211	220,508	(46,729)	125,822
Benefit payments	(41,252)	(40,430)	(22,644)	(9,334)
Auditing fees	(14,000)	(12,100)	(13,690)	(6,000)
Administrative fees	-	-	(500)	(598)
Legal fees	-	(4,288)	(5,863)	(788)
Retiree contributions in	22,947	20,475	5,244	930
Retiree contributions out	<u>(22,947)</u>	<u>(20,475)</u>	<u>(5,244)</u>	<u>(930)</u>
Net change in plan fiduciary net position	206,593	271,313	18,519	212,543
Plan fiduciary net position - beginning	<u>1,289,663</u>	<u>1,018,350</u>	<u>999,831</u>	<u>787,288</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 1,496,256</u></u>	<u><u>\$ 1,289,663</u></u>	<u><u>\$ 1,018,350</u></u>	<u><u>\$ 999,831</u></u>
TMWA's net OPEB liability - ending (a) - (b)	<u><u>\$ 547,743</u></u>	<u><u>\$ 660,570</u></u>	<u><u>\$ 942,896</u></u>	<u><u>\$ 826,542</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	73.20%	66.13%	51.92%	54.74%
Covered-employee payroll	N/A	N/A	N/A	N/A
TMWA's net OPEB liability as a percentage	N/A	N/A	N/A	N/A

N/A - OPEB plan is not based on a measure of pay.

\* GASB Statement No. 74 requires ten years of information to be presented in this table. However, until ten years of data is available, the Plan will present information only for those years for which information is available.

**Notes to schedule:**

Changes of assumptions: Mortality tables were updated from MacLeod Watts Scale 2017 to MacLeod Watts Scale 2018; and the medical trend model was updated from combined sources, Nevada Public Employee Benefit Plan along with other healthcare trends, to the Getzen healthcare trend model.

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

	2020	2019	2018	2017
Actuarially determined contribution	\$ 86,278	\$ 103,771	\$ 120,582	\$ 111,404
Contributions in relation to the actuarially determined contribution	<u>68,634</u>	<u>107,623</u>	<u>107,945</u>	<u>103,441</u>
Contribution deficiency (excess)	<u>\$ 17,644</u>	<u>\$ (3,852)</u>	<u>\$ 12,637</u>	<u>\$ 7,963</u>
Covered-employee payroll	N/A	N/A	N/A	N/A
Contributions as a percentage of cover	N/A	N/A	N/A	N/A

N/A - OPEB plan is not based on a measure of pay.

\* GASB Statement No. 74 requires ten years of information to be presented in this table. However, until ten years of data is available, the Plan will present information only for those years for which information is available.

**Notes to Schedule:**

Valuation Date: Actuarially determined contribution rates are calculated as of December 31, 2019, for which roll forward procedures were used through the measurement date as of December 31, 2020.

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	24 years, closed
Asset valuation method	Market value of assets
Inflation	2.50%
Salary increases	3.00%
Healthcare cost trend rates*	7.00% in 2021 4.00% ultimate for 2076 and later years
Investment rate of return	6.00%
Retirement age	45-75
Mortality	Mortality rates were based on the MacLeod Watts Scale 2018, a custom table developed by the Plan's actuary

\* Healthcare cost trend rate fluctuates each year until ultimate trend rate is reached.

Other information: In the 2018 and 2017 actuarial valuation, mortality rates were based on the MacLeod Watts Scale 2017 and the healthcare cost trend rates for medical were based on combined sources, Nevada Public Employee Benefit Plan along with other healthcare trends.

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

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	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	1.29%	1.28%	-0.38%	15.56%

\* GASB Statement No. 74 requires ten years of information to be presented in this table. However, until ten years of data is available, the Plan will present information only for those years for which information is available.

# Retirement Benefits Investment Fund

March 31, 2021

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	\$ 381,024,076	50.5%	52.2%	29.7%	56.2%	16.7%	16.2%	13.9%	10.7%
<b>Market Return</b>				<b>29.7%</b>	<b>56.4%</b>	<b>16.8%</b>	<b>16.3%</b>	<b>13.9%</b>	<b>10.7%</b>
Int'l Stocks- MSCI World x US Index	\$ 162,286,535	21.5%	22.2%	26.4%	45.8%	6.5%	9.2%	5.6%	3.7%
<b>Market Return</b>				<b>26.5%</b>	<b>45.9%</b>	<b>6.2%</b>	<b>8.9%</b>	<b>5.6%</b>	<b>3.5%</b>
U.S. Bonds- U.S. Bond Index	\$ 184,399,090	28.0%	25.3%	0.1%	0.4%	5.8%	3.3%	3.5%	3.7%
<b>Market Return</b>				<b>0.1%</b>	<b>0.3%</b>	<b>5.8%</b>	<b>3.2%</b>	<b>3.4%</b>	<b>3.5%</b>
	\$ 2,089,299	0.0%	0.3%						
<b>Total RBIF Fund</b>	<b>\$ 729,799,000</b>	<b>100.0%</b>	<b>100.0%</b>	<b>20.6%</b>	<b>37.2%</b>	<b>12.1%</b>	<b>11.4%</b>	<b>9.4%</b>	<b>7.7%</b>
<b>Market Return</b>				<b>20.3%</b>	<b>36.6%</b>	<b>11.7%</b>	<b>11.1%</b>	<b>9.3%</b>	<b>7.6%</b>