



TRUCKEE MEADOWS WATER AUTHORITY
Section §115 Other Post-Employment Benefit Plan & Trust
Trustee Meeting
AGENDA
Tuesday January 18, 2022 at 12:30 p.m.
Meeting by Teleconference

MEMBERS OF THE PUBLIC MAY ATTEND TELPHONICALLY BY CALLING THE NUMBER LISTED BELOW.

NO PHYSICAL LOCATION IS BEING PROVIDED FOR THIS MEETING

(be sure to keep your phones on mute, and do not place the call on hold)

Phone: (775) 325-5404

Meeting ID: 747 052 077#

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 October 19, 2021 minutes **(For Possible Action)**
5. Discussion and direction on signing §115 Other Post-Employment Benefit Plan and Trust Board of Trustees Annual Pledge of Personal Commitment/Disclosure Form—Rosalinda Rodriguez *
6. Discussion and possible direction regarding ACH transfers as a payment method for reimbursement requests—Sophia Cardinal **(For Possible Action)**
7. Update on discussion and interpretation for possible direction for staff regarding eligibility after separation of employment*
8. Presentation of the Budget for Calendar year 2022 – Sophia Cardinal **(For Possible Action)**
9. Review of Retirement Benefits Investment Fund (RBIF) performance review – Michele Sullivan*
10. Trustee comments and requests for future agenda items*
11. Public comment-limited to no more than three minutes per speaker*
12. 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 October 19, 2021 MINUTES

The meeting of the TMWA Section 115 Post-Retirement Medical Plan and Trust (Trust) Trustees was held on Tuesday, October 19, 2021 through a teleconference.

Michele Sullivan, Chairman, called the meeting to order at 12:29 p.m.

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

A quorum was present.

Voting Members Present:

Michele Sullivan
Charles Atkinson
Randall Van Hoozer

Voting Members Absent:

Sandra Tozi

Members Present

Rosalinda Rodriguez
Gus Rossi

Members Absent:

Jessica Atkinson
Mike Venturino

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 JULY 20, 2021 MINUTES

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the July 20, 2021 meeting minutes.

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

Ms. Rodriguez reviewed a reimbursement request from a retiree for Medicare Premiums paid through Social Security and supplemental coverage through Mutual of Omaha paid for directly by the retiree.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the reimbursement request for Medicare premiums paid through Social Security and supplemental Coverage through Mutual of Omaha paid for directly by the retiree.

6. DISCUSSION AND INTERPRETATION FOR POSSIBLE DIRECTION FOR STAFF REGARDING ELIGIBILITY AFTER SEPARATION OF EMPLOYMENT

Ms. Rodriguez advised that recently Human resources had received an email inquiry from a former employee who was hired at the time of the Washoe County merger in January of 2015 and was classified as a Tier II beneficiary. The individual separated service in February of 2015 to pursue another employment opportunity. The individual was not eligible for trust benefits at the time of separation as he was not enrolling into the Nevada Public Employees Retirement System (PERS).

The individual is asking about their benefit eligibility if they were to be rehired by TMWA in the future.

Staff requested Trustee interpretation on the following questions:

1. Is a former Tier II employee who separated TMWA service (not for retirement purposes) eligible to rejoin the OPEB trust if rehired? If so, will their new period of service be credited if eligible in the future to determine trust benefits?
2. If not rehired, are they eligible to apply for Trust benefits at a later point once they

enroll in PERS and meet the other eligibility requirements?

Ms. Rodriguez reviewed Exhibit B on page 18 of the Trust document which states in part that an eligible beneficiary who separated service from TMWA prior to his or her retirement, as in the case described before, may receive Trust benefits if TMWA was the last public employer. Staff is looking for direction as to if this pertains to public employment in the state of Nevada, or any public employment including public employment in other states or for the federal government. Additionally, staff seeks guidance whether a policy should be formalize describing this in more detail and describing methods that will be used to determine and verify whether or not there was a subsequent public employment

Mr. Rossi advised he wanted to research this further before providing legal counsel.

Discussion ensued regarding a rehire and being held to the current benefits offered to a new employee which is that they would not be eligible for this trust benefit once they left their employment originally, and as the Post Retirement Plan & Trust Section 50-c-9 as of December 13, 2018 is no longer open to new employees. Ms. Sullivan advised she agreed with rehires not being able to go back into the trust, as it would not just be a matter of crediting a rehire with service and keeping track of it, but there are accounting matters involved, assumptions, calculations and liabilities that are being made based on the fact that this trust is closed. Opening up and making exceptions to allow members back into the trust if they had left before being eligible to draw the benefit would create other issues from a financial stand point.

Mr. Rossi advised he would research to verify that the trustees could vote not to amend the plan document and have rehires eligible to come back to the plan. They would be treated like new hires

Discussion was had regarding question #2 if an employee was not rehired and TMWA was the last public employer, would the individual be eligible to apply for trust benefits at a later time once meeting all other eligibility requirements. It was determined this should also be researched and brought to the next meeting.

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

Ms. Sullivan reviewed the RBIF dated June 30, 2021. The Fiscal Year to Date return is 27.5% and the Market return year to date is 26.9%, the total RBIF fund return since inception is 8% which is doing really well as we assume a 6% return.

For informational purposes only, no action required.

8. DISCUSSION AND POSSIBLE TRUSTEE DIRECTION REGARDING MEETINGS BEING HELD ONLY IN PERSON OR A HYBRID OPTION (VIRTUAL AND IN PERSON), AND DATE AND TIMES FOR 2022

Ms. Rodriguez reviewed the proposed dates for calendar year 2022:

Tuesday January 18, 2022

Tuesday April 19, 2022

Tuesday July 19, 2022

Tuesday October 18, 2022

Held at the same time they have been scheduled for at 12:30 PM

Ms. Rodriguez requested Trustee provide staff direction on whether meeting should be held in person only or if they should be scheduled as a Hybrid (virtual or in person attendance options).

The Trustees present discussed and determined that the future meetings should be held as a hybrid model so those who can attend in person can but also have a virtual option available.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved that future meetings be scheduled as Hybrid options beginning in the 2022 calendar year with the proposed date and times.

9. TRUSTEE COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Budget

RBIF

Reimbursement requests if applicable

Follow up on Agenda item #6

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

There was no public comment.

11. ADJOURNMENT

With no further business to discuss, Chairperson Sullivan adjourned the meeting at 12:47 p.m.

Minutes were approved by the Trustees in session on _____.

Respectfully Submitted,

Rosalinda Rodriguez, Recording Secretary

Truckee Meadows Water Authority Standard Operating Procedure (SOP)			
Subject: Conflict of Interest and Disclosure Policy			Source: OPEB Plan Document
Department: §115 OPEB Trust Fund			Supersedes: N/A
Effective Date: 02/01/2017	Revision Date:	Reviewed Date: 02/21/2017	Page 1 of 7

Purpose:

The Board of Trustees of the Truckee Meadows Water Authority §115 OPEB Plan and Trust (the "Trust") recognize that honesty, integrity, accountability, responsibility, openness and disclosure of financial relationships and interests are absolutely essential to the administration of the Trust.

The Board of Trustees of the Trust (sometimes referred to as the "Board") deems it necessary and appropriate that the highest standards of ethical behavior, accountability and responsibility be maintained. To achieve this end, the Board has adopted the following Conflict of Interest and Disclosure Policy (the "Policy"). The purpose of this Policy is to protect the interests of the Trust and its participants when the Trust is contemplating entering into a transaction or arrangement that might benefit the private interest of a Trustee of the Trust. Even though the Trustees receive no compensation from the Trust for their service, the Board unanimously agrees that, in order to prevent any potential conflict of interest, there should be proper disclosure of those matters concerning potential conflicts that could arise. Full disclosure of any situation in doubt should be made so as to provide for an impartial and objective determination.

Definitions:

For the purposes of this Policy:

- An "interested person" shall mean a Trustee, officer, or member of a Trust committee with governing board delegated powers, who has a direct or indirect financial interest as defined below.
- An interested person has a "financial interest" if the person has, directly or indirect through business, investment or family:
 - An ownership interest or investment interest in any entity with which the Trust has a transaction or arrangement;
 - A compensation arrangement with the Trust or with any entity or individual with which the Trust has a transaction or arrangement; or
 - A potential ownership or investment interest in, or compensation arrangement with, an entity or individual with which the Trust is negotiating a transaction or arrangement.
- The term "family" means a parent, spouse, sibling, child, grandparent, grandchild, great-grandchild, in-law, or domestic partner of an interested party, or any step relation to an interested person.

Covered Persons:

This policy applies to the Trust and its Board. Trustees serve the participants of the Trust. All decisions of the Trustees are to be made solely on the basis of a desire to promote the best interests of the Trust and its participants.

Men and women of substance inevitably are involved in the affairs of other organizations. Trustees cannot consist of individuals entirely free from at least perceived conflicts of interest. Although most such potential conflicts are and will be deemed to be inconsequential, it is the Trustees' responsibility to ensure that they are made aware of situations that involve personal, familial, or business relationships that could be troublesome for the Trust. Thus, each Trustee and member of a Trust committee with governing board delegated powers is required to annually sign a statement which affirms that such person:

- Has received a copy of the Policy;
- Has read and understand the Policy;
- Has agreed to comply with the Policy;
- Has agreed to disclose any possible personal, familial, or business relationships that reasonably could give rise to a conflict of interest; and
- Understand that the Trust is exempt from Federal Income taxes and in order to maintain its federal tax-exempt status it must engage in activities which accomplish one or more of its tax-exempt purposes.

Policy:

General Policy Statement Defining Conflicts of Interest:

In addition to the specific circumstances that may be prohibited by federal or state law, the following situations may constitute an actual or potential conflict of interest:

- An interested person (as defined in Definition Section above) has a direct or indirect financial interest (as defined in Definition Section above) in a transaction involving the Trust;
- An interested person has a material financial interest in a transaction involving the Trust. This includes entities in which the interested person and all individuals or entities having significant relationships with the interested person own, in the aggregate, more than five (5) percent;
- An action by an interested person involving the Trust where the interested person may receive a personal gain or advantage;
- An action or transaction involving the Trust which has or may have an adverse effect or impact on the Trust and results or may result in the personal gain of an interested person or family member of an interested person;
- An action or transaction involving the Trust, where an interested person obtains or assists in obtaining for a third party an improper gain from, or an unfair advantage, of the Trust; and
- An interested person or family member serves on the governing board of another private or governmental entity or organization which directly or indirectly has oversight over Trust investments.

Disclosure and Procedures Relating Thereto:

- Duty to Disclose - In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the actual or possible conflict of interest and be given the opportunity to disclose all material facts to the Trustees of the proposed transaction or arrangement, even if such interest, relationship or responsibility has otherwise generally been disclosed to the Trust. In addition, an interested person is required to disclose any adjudication of bankruptcy within the most previous five (5) years.
- Determining Whether a Conflict of Interest Exists - After disclosure of the actual or potential conflict of interest and all other material facts, and after any discussion with the interested person who makes the disclosure, he/she shall leave the Board while the determination of a conflict of interest is discussed and voted upon. The remaining members of the Board shall decide if a conflict of interest exists.
- Procedures for Addressing the Conflict of Interest.
 - An interested person may make a presentation at the Board meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - The Chairperson of the Board may, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - After exercising due diligence, the Board shall determine whether the Trust can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
 - If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine by a majority vote of the disinterested Trustees whether the transaction or arrangement is in the Trust's best interest, for its own benefit, and whether to enter into the transaction or arrangement. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

Violations of the Policy:

If the Board or committee has reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, it shall inform the interested person of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or committee determines the interested person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Resignation:

In circumstances where an interested person has a significant, ongoing and irreconcilable conflict, and where such personal or outside interest, relationship or responsibility significantly impedes the interested person's ability to carry out his or her fiduciary responsibility to the Trust, resignation from the Trust or termination of the conflicting interest may be appropriate and/or required. Should an ongoing and irreconcilable conflict arise, the Trustees have the authority to remove an interested person from office as a Trustee before the 60 days indicated in the Trust plan document entitled "Removal and Resignation of Trustee."

Records of Proceedings:

The minutes of the governing board and all committees with board delegated powers shall contain:

- Names of persons who disclosed or had a financial interest - The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's decision as to whether a conflict of interest in fact existed.
- Names of Persons Present for Discussions - The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Compensation:

- Trustee Precluded on Voting on own Compensation - A Trustee who receives compensation, directly or indirectly, from the Trust for services is precluded from voting on matters pertaining to that member's compensation.
- Committee Member Precluded on Voting on own Compensation - A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Trust for services is precluded from voting on matters pertaining to that member's compensation.
- Prohibition from Providing Compensation Information - A Trustee or voting member of a committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Trust, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Periodic Reviews:

To ensure the Trust operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- Compensation Arrangements and Benefits - Whether compensation arrangements and benefits, if any are reasonable, based on competent survey information, and the result of arm's length bargaining.
- Arrangements Conform to Trust's Policies, etc. - Whether partnerships, joint ventures, and arrangements with other organizations conform to the Trust's written policies, are properly recorded, reflect reasonable investment or payments for goods and services,

further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

- Use of Outside Experts – When conducting the periodic reviews as provided for above, the Trust may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

APPROVAL(S):



Michele Sullivan, Chairperson, OPEB
Board of Trustees

APPROVAL(S):



Chuck Atkinson, Vice Chairperson,
OPEB Board of Trustees

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§115 OPEB Plan and Trust

Board of Trustees Annual Pledge of Personal Commitment/Disclosure Form

It is mandatory that the OPEB Plan and Trust has a disclosure on file at least once each year for each Trustee. Should there occur a change in status during the year, an amended disclosure form should be filed.

1. Have you been provided with a copy of the Policy?
☐ Yes ☐ No
2. Have you read and do you understand the Policy?
☐ Yes ☐ No
3. Do you agree to comply with the Policy, including the disclosure of any personal, familial, or business relationships that could give rise to a conflict of interest?
☐ Yes ☐ No
4. Do you understand that the Trust is exempt from Federal Income taxes and in order to maintain such status it must engage in activities which further its exempt purpose?
☐ Yes ☐ No
5. Is there any direct or indirect business relationship with the Trust between yourself or a member of your family that may represent a conflict of interest?
☐ Yes ☐ No
 - If Yes, please list or elaborate such relationships and the details of annual or potential financial benefit as you can best estimate them:
6. Did you or a member of your family receive, during the past 12 months, any gifts or loans from any source from which Trust goods or services or otherwise has significant business dealings?
☐ Yes ☐ No
 - If Yes, please list such loans or gifts, their source, and their approximate value:
7. Please identify your main employer and any consulting contracts or board seats you may have with Trust business partners, members or sponsors:
8. Please identify an business relations you may have with other Trustees and the nature of those:

Trustee Print Name

Date

Trustee Signature

Post-Retirement Medical Plan & Trust

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



TO: Board of Trustees of the TMWA Section 115 OPEB Trust
FROM: Sophia Cardinal, TMWA Principal Accountant
DATE: January 18, 2022
SUBJECT: Discussion and direction regarding ACH transfers as a payment method

Recommendation

TMWA staff recommends the Trustees approve using ACH transfers as a payment method to retirees.

Discussion

TMWA staff recently received a few complaints from retirees regarding the turnaround time for reimbursement requests. To expedite the payment process, staff would like to disburse funds through ACH transfers rather than paper checks. Dual trustee authorization for payment would still be required.

The switch would result in an increase in transaction costs associated with ACH transfers and a decrease in transaction costs associated with check issuances. Staff believes the net difference would be negligible.

Overall, staff believes using ACH transfers as a payment method to retirees could reduce the overall wait time for reimbursement requests by one to two weeks. Further, TMWA is implementing a new Human Resources Information System which will likely also provide process improvements in the future.

Background

The Section 115 OPEB Trust does not explicitly outline which payment methods are acceptable and which are not.

§115 Post- Retirement Medical Plan & Trust

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TO: Board of Trustees of the TMWA §115 Post-Retirement Medical Plan & Trust
FROM: Sophia Cardinal, TMWA Principal Accountant
DATE: January 18, 2022
SUBJECT: **Presentation of the Budget for Calendar Year 2022**

Recommendation

TMWA staff recommends the Trustees approve the calendar year 2022 budget.

Discussion

The following report is attached:

- Truckee Meadows Water Authority Section 115 Post-Retirement Medical Plan & Trust (Section 115) Budget for Calendar Year 2022

The budget reflects expected additions to and deductions from Section 115 during the year. The following items are noteworthy for 2022:

- The budget for Employer Contributions is \$64,109 per the most recent actuarial valuation. TMWA conducts an actuarial analysis every two years to make sure funding levels are adequate.
- Net Appreciation (Depreciation) in Fair Value of Investment is not budgeted as unrealized gains and losses are difficult to accurately predict.
- The budget for Benefits Paid is \$75,400 and covers health premiums, life insurance premiums, and reimbursements to retirees for outside coverage.
- Trust activity is projected to result in a net increase of \$22,334.
- As of December 2021, Section 115 provides benefits to 7 retirees.

Truckee Meadows Water Authority
Section 115 Post-Retirement Medical Plan & Trust
Budget for Calendar Year 2022

Additions

Contributions	
Employer	\$ 64,109
Plan Members	23,000
Total Contributions	87,109
Investment Income	
Net appreciation (depreciation) in fair value of investment	-
Investment income	26,000
Less investment expenses	(375)
Net investment income	25,625
Total Additions	112,734

Deductions

Benefits paid	75,400
Administrative expenses	15,000
Total Deductions	90,400
Net Increase (Decrease)	\$ 22,334

Attachment A