

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

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

AGENDA

§501-c-9 Post-Retirement Medical Plan & Trust Tuesday, July 19, 2022 at 1:00 p.m. Independence Room: 1355 Capital Blvd. Reno, NV 89520 and Teleconference

MEMBERS OF THE PUBLIC MAY ATTEND TELPHONICALLY BY CALLING THE NUMBER LISTED BELOW.
(be sure to keep your phones on mute, and do not place the call on hold)

Phone: (775) 325-5404

Meeting ID: 484463209#

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 19, 2022 minutes **(For Possible Action)**
5. Review and approval of Post-Retirement Medical Plan & Trust calculation for TMWA Retiree Tim Flanagan- Rosalinda Rodriguez **(For Possible Action)**
6. Review and approval of Post-Retirement Medical Plan & Trust calculation for TMWA Retiree Scott Estes- Rosalinda Rodriguez **(For Possible Action)**
7. Review and approval of Post-Retirement Medical Plan & Trust calculation for TMWA Retiree Mark Foree - Rosalinda Rodriguez **(For Possible Action)**
8. Review and consideration for approval of request(s) for reimbursement of premiums. — Rosalinda Rodriguez **(For Possible Action)**
9. Review of the Actuarial Analysis – Sophie Cardinal*
10. Review of the Financial Statement Audit – Sophie Cardinal*
11. Review of Retirement Benefits Investment Fund (RBIF) performance review—Matt Bowman*
12. Update regarding status of trust document subcommittee and revision*--Rosalinda Rodriguez
13. Trustee comments and requests for future agenda items*
14. Public comment — limited to no more than three minutes per speaker*
15. 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), Sparks City Hall (431 Prater Way, Sparks), at <http://www.tmwa.com>, and State of Nevada Public Notice Website, <https://notice.nv.gov/>.
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 (775) 834-8294 at least 24 hours before the meeting date.

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3. Staff reports and supporting material for the meeting are available at TMWA and on the TMWA website at <http://www.tmwa.com/meeting/>. Supporting material is made available to the general public in accordance with NRS 241.020(6).
4. 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.
5. Asterisks (*) denote non-action items.
6. 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.
7. In the event the Chairman and Vice-Chairman are absent, the remaining Board members may elect a temporary presiding officer to preside over the meeting until the Chairman or Vice-Chairman are present (**Standing Item of Possible Action**).
8. Notice of possible quorum of Western Regional Water Commission: Because several members of the Truckee Meadows Water Authority Board of Directors are also Trustees of the Western Regional Water Commission, it is possible that a quorum of the Western Regional Water Commission may be present, however, such members will not deliberate or take action at this meeting in their capacity as Trustees of the Western Regional Water Commission.

Post-Retirement Medical Plan & Trust

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DRAFT April 19, 2022 MINUTES

The meeting of the TMWA Post-Retirement Medical Plan and Trust (Trust) Trustees was held on Tuesday, April 19, 2022 in person and through teleconference.

Matthew Bowman, Chairman, called the meeting to order at 01:01 P.M.

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

A quorum was present.

Voting Members Present:

Matt Bowman
Juan Esparza
James Weingart-Virtual
Steve Enos

Voting Members Absent

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. DISCUSSION AND REQUEST TO APPOINT TMWA SECTION 501-C-9 POST-RETIREMENT MEDICAL PLAN AND TRUST TRUSTEE CHAIRPERSON BASED ON RESIGNATION OF PREVIOUS CHIEF FINANCIAL OFFICER

Ms. Rodriguez advised that the General Manager had appointed Matthew Bowman as a trustee to the § 501-c-9 Post Retirement Medical Plan and Trust through December 31, 2022, and that the TMWA board confirmed the appointment during the March 16, 2022 meeting.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the appointment of Trustee Matthew Bowman to Chairperson through December 31, 2022.

5. APPROVAL OF THE JANUARY 18, 2022 MINUTES

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the January 18, 2022 minutes.

6. REVIEW AND APPROVAL OF POST-RETIREMENT MEDICAL PLAN & TRUST CALCULATIONS FOR TMWA RETIREE PAT NIELSON

Ms. Rodriguez presented the benefits calculation for Pat Nielson. Mr. Nielson will retire on June 03, 2022, with a benefit effective date of July 1, 2022. Ms. Rodriguez met with the retiree and confirmed the information on the benefit calculation form. Mr. Nielson has elected to continue on TMWA coverages as a Retiree only Medical and Retiree and Spouse for dental and vision coverages. Mr. Nielson has elected for any remaining premium balance paid from his RHS or PERS check.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the benefits calculation for Pat Nielson.

7. REVIEW AND APPROVAL OF POST-RETIREMENT MEDICAL PLAN & TRUST CALCULATIONS FOR TMWA RETIREE LISA SIMCOE

Ms. Rodriguez presented the benefits calculation for Lisa Simcoe. Ms. Simcoe will retire on July 05, 2022, with a benefit effective date of August 1, 2022. Ms. Rodriguez met with the retiree and confirmed the information on the benefit calculation form. Ms. Simcoe has elected to accept the benefit calculation as is and will be enrolling in other group health coverages and submit for reimbursement in the future.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the benefits calculation for Lisa Simcoe.

8. REVIEW AND APPROVAL OF POST-RETIREMENT MEDICAL PLAN & TRUST CALCULATIONS FOR TMWA RETIREE BRENT EISERT

Ms. Rodriguez presented the benefits calculation for Brent Eisert. Mr. Eisert will retire on August 02, 2022, with a benefit effective date of September 1, 2022. Ms. Rodriguez met with the retiree and confirmed the information on the benefit calculation form. Mr. Eisert has elected to continue on TMWA coverages as a Retiree only for dental and vision coverages. Mr. Eisert has elected for any remaining premium balance paid from his RHS or PERS check.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the benefits calculation for Brent Eisert.

9. REVIEW AND CONSIDERATION FOR APPROVAL OF REQUEST(S) FOR REIMBURSEMENT OF PREMIUMS

Ms. Rodriguez presented a reimbursement request received for premiums paid for Blue Cross Blue Shield, Metlife and VSP paid directly by the retiree.

Upon motion made and seconded, and carried by unanimous consent by the trustee's present, the reimbursement request for premiums paid for Blue Cross Blue Shield, Metlife and VSP paid directly by the retiree.

Ms. Rodriguez presented a reimbursement request for United Healthcare premiums paid for directly by the retiree.

Upon motion made and seconded, and carried by unanimous consent by the trustee's present, the reimbursement request for United Health Care premiums paid for directly by the retiree were approved

Ms. Rodriguez presented a reimbursement request received for Medicare premiums paid for directly by the retiree through Social Security.

Upon motion made and seconded, and carried by unanimous consent by the trustee's present, the reimbursement request for Medicare premiums paid for directly by the retiree through Social Security was approved

Ms. Rodriguez presented a reimbursement request received for Medicare premiums, Supplemental coverage through AARP Health care and Anthem paid directly by the retiree.

Upon motion made and seconded, and carried by unanimous consent by the trustee's present, the reimbursement request for Medicare premiums, Supplemental coverage through AARP Health care, and Anthem paid for directly by the retiree were approved.

Ms. Rodriguez presented a reimbursement request for Medicare Premiums, supplemental coverage through Humana, and AARP United Healthcare paid for directly by the retiree.

Upon motion made and seconded, and carried by unanimous consent by the trustee's present, the reimbursement request for Medicare premiums, supplemental coverage through Humana, and AARP United Healthcare paid for directly by the retiree were approved.

Ms. Rodriguez presented a reimbursement request for Medicare part B paid for through Social Security by the retiree.

Upon motion made and seconded, and carried by unanimous consent by the trustee's present, the reimbursement request for Medicare premiums paid for through Social Security by the retiree was approved.

Ms. Rodriguez presented a reimbursement request for Medicare premiums paid for through Social Security and for United Healthcare premiums paid for directly by the retiree.

Upon motion made and seconded, and carried by unanimous consent by the trustee's present, the reimbursement request for Medicare premiums paid for through Social Security and for United Healthcare premiums paid for directly by the retiree were approved.

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

Mr. Bowman reviewed the RBIF dated December 31, 2021. The FYTD return was 17.1 %, there is an expected change in the next report based on the market's performance.

For informational purposes only, no action required.

11. UPDATE REGARDING STATUS OF TRUST DOCUMENT REVISIONS

During the April 20, 2021, trust meeting, Ms. Atkinson advised that staff had received an inquiry from an employee considering retirement options asking about premium payment options. Based on this retiree's age, his preference was to defer enrolling in NV PERS to avoid an age penalty. The premium payment policy approved by trustees allows only for premiums to be paid via NV PERS or a Retiree's RHS account. Neither of which will apply to this retiree if indeed enrollment in NV PERS is delayed.

In researching this issue further, staff became aware of language in the Nevada Revised Statutes (NRS) 287.023 as well as in the health plan documents that require a retiree to be enrolled in PERS to continue on TMWA's insurance plan.

Sections 4.1.2, 4.1.3, 4.1.4(a), and 4.1.4(b), of the VEBA document conflict with both the NRS and TMWA's health plan eligibility requirements.

4.1.2 – Specific Post Retirement Benefits for Health Plan Coverage for MPAT Employees. "A participant who was an MPAT Employee at his or her Retirement Date may elect coverage under the Health Plans that are made available to TMWA's active employees who are entitled to receive health and life benefits."

4.1.3 – "All IBEW 1245 Employees hired on or after January 1, 1998, and "IBEW Transfer

Employee's Receiving Sierra Plan Benefits" hired before January 1, 1998, are entitled to receive Post-Retirement Benefits for coverage under the Health Plans made available to Benefited Employees of TMWA or other Health Plans as described in Section 2.5."

4.1.4 (a) – "A Participant who was an IBEW Transfer Employee, was hired by Sierra before January 1, 1998 and is at least age 55 and under age 65 on his or her retirement date, is entitled to receive Post-Retirement benefits only for coverage under a Health Plan that is offered by TMWA to its benefited employees until the Plan Year in which the Participant attains age 65."

4.1.4 (b) – "A Participant who was an IBEW Transfer Employee, was hired by Sierra before January 1, 1998 and is age 65 or over on his retirement date, is eligible to receive Post-Retirement benefits for coverage under Health Plans offered by TMWA to its benefited employees..."

During that meeting, Ms. Atkinson recommended further review and revision of the VEBA document to ensure that there is no conflicting language. Ms. Atkinson also recommended trustees discuss implications of the NRS and health plan language on the intent of the benefits to be provided to retirees and determine if other changes may be necessary.

Trustee's discussed Ms. Atkinson's recommendation and agreed that this should be reviewed and that the VEBA document should be revised to ensure there is no conflicting language with regards to the entire document, so no further revisions are needed. It was determined that a subcommittee would meet, this committee would consist of Human resources staff and Trustee's Juan Esparza and Steve Enos as they may have insight to the document's original intent. Once a draft is ready for review it will be brought before trustees for review and approval to then be presented for approval before the TMWA Board of Trustees.

As of the April meeting, trustee members Steve Enos, and Juan Esparza, along with HR Manager, Jessica Atkinson and HR Coordinator Rosalinda Rodriguez, met to review the current VEBA plan and discuss the original intent of the plan. An agenda item will be added for the next Trustee Meeting and the outcome of the subcommittee meeting will be presented.

As of the January 18, 2022, meeting, there is no update to this item. This is still pending and once an update is available it will be brought to the trustees.

This was for informational purposes only, no action required.

12. TRUSTEE COMMENTS AND REQUEST FOR FUTURE AGENDA ITEMS*

RBIF

Reimbursement Requests

Trust document revision update if available

13. PUBLIC COMMENT

There was no public comment.

14. ADJOURNMENT

With no further business to discuss, Chairman Sullivan adjourned the meeting at 1:22 PM.

Minutes were approved by the Trustees in session on _____.

Respectfully Submitted,

Rosalinda Rodriguez, Recording Secretary



Transaction details

Posting date

Mar 25, 2022

Description

CMS MEDICARE DES:PAYMENT CHECK #:7385
INDN:PUSBXXXXXXXXXX8761 CO ID:XXXXX08003 ARC

Type

Check

Status

Cleared

Check #

7385

Amount

-\$714.30

Description

CMS MEDICARE DES:PAYMENT CHECK #:7385 INDN:PUSBXXXXXXXXXX8761 CO
ID:XXXXX08003 ARC

Merchant name

CENTERS FOR MEDICARE AND MEDICAID SERVICES

Transaction category

Health: Insurance

No image is available for this check because it was processed by the merchant as an electronic transaction.



Adv Relationship Banking - 6222 : Account Activity

Transaction details

Posting date

Apr 4, 2022

Description

WFB HR CORP DES:BENEFITS ID:COB07677748 [REDACTED]

Type

Other Payment

Status

Cleared

Amount

-\$731.26

Description

WFB HR CORP DES:BENEFITS ID:COB07677748 [REDACTED]

Merchant name

WFB HR CORP

Transaction category


Uncategorized: Uncategorized



Adv Relationship Banking - 6222 : Account Activity

View: today: 04/12/2022

Transactions

Posting date	Description	Type	Amount	Available balance
04/11/2022	WINCO FOODS #1 04/10 PURCHASE Reno NV	Debit Card		
Statement as of 04/09/2022				
04/08/2022	Interest Earned	Credit		
04/08/2022	WINCO FOODS #1 04/08 PURCHASE Reno NV	Debit Card		
	 Add this deal. Earn 10% cash back on your Boxed purchases!			
04/05/2022	Check 7389	Check		
04/04/2022	WFB HR CORP DES:BENEFITS ID:COB07677748 INDN [REDACTED]	Other Payment	-\$731.26	
04/04/2022	Check 7388	Check		
04/04/2022	Check 7387	Check		

Posting date	Description	Type	Amount	Available balance
04/04/2022	WINCO FOODS #1 04/03 PURCHASE Reno NV	Debit Card		
03/31/2022	BKOFAMERICA ATM 03/31 #XXXXXX7295 WITHDRWL DOUBLE DIAMOND RENO NV	Withdrawal		
03/29/2022	WINCO FOODS #1 03/29 PURCHASE Reno NV	Debit Card		
	<div><div><div></div></div><div>Add this deal. Earn 10% cash back on your Boxed purchases!</div></div>			
03/28/2022	BANK OF AMERICA - CREDIT CARD Bill Payment	Bill Pay		
03/28/2022		Deposit		
03/25/2022	Check 7386	Check		
03/25/2022	CMS MEDICARE DES:PAYMENT CHECK #:7385 INDN:PUSBXXXXXXXXXX8761 CO...	Check	-\$714.30	
03/24/2022	WINCO FOODS #1 03/24 PURCHASE Reno NV	Debit Card		
	<div><div><div></div></div><div>Add this deal. Earn 10% cash back on your Boxed purchases!</div></div>			

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

RETRIEE INFORMATION:

 DATE RANGE From 4-1-2022
 To 6-1-2022

 Name: [REDACTED]

Employee #: _____

 Address: [REDACTED]

 Phone #: [REDACTED]

Expenses

Date Paid	Description (example: Monthly Premium)	Name of Provider (example: Anthem Blue Cross)	Cost	Total
4-22	Monthly Premium	Medicare	170.10	\$ 170.10
5-22	"	"	"	\$ 170.10
6-22	"	"	"	\$ 170.10
				\$ -
				\$ -
				\$ -
				\$ -
Medicare Eligible? _____ YES _____ NO				Total \$ 0.00 \$ 70.10

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

I certify that the above information is correct. I understand that I will not be reimbursed for medical insurance premiums for any period during which I was not eligible for participation or failed to maintain coverage. I further understand that if I receive reimbursement for premiums for which I was not eligible or did not meet eligibility criteria, the Trust may recover these payments from my future benefit award(s) and I will be liable for all related taxes. I also authorize the Trust, and its designees to contact the insurance company I have listed above to verify coverage and premium amounts paid. I certify that all expenses for which reimbursement or payment is claimed were incurred by myself, my spouse, my eligible dependents, or a spouse beneficiary (after the participant's death only) while eligible to receive benefits under the trust. I also certify as follows: 1.) The premium expenses have not been reimbursed or will not be reimbursed by any other plan, 2.) The premium expenses were not paid by an employer of a participant or an employer of a participant's spouse on a "pre-tax" basis, including, without limitation, a policy or plan offered by an employer under a Code Section 125 plan (commonly referred to as a "Cafeteria Plan"). I understand that I am fully responsible for the sufficiency, accuracy, and veracity of all information relating to this reimbursement request.

 Retiree Signature: [REDACTED]

 Date: 2-19-22

PRMPT Approval*: _____

Date: _____

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

Accounting Approval**: _____

Date: _____

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

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

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

In order for an eligible recipient to receive reimbursement of medical insurance premiums from the Post Retirement Medical Plan & Trust, the eligible participant must submit at least one of the following as proof of payment for the medical insurance premiums:

- A copy of the invoice from the insurance company and copy of the receipt of payment;
- A copy of the invoice from the insurance company and copy of the front and back of the cancelled check made out to the insurance company;
- A copy of a pay stub if the pay stub clearly shows a deduction for medical insurance on a post-tax basis;
- A statement from the eligible recipient's employer listing dates and amounts of premiums deducted from wages on a post-tax basis
- A copy of a bank statement showing deductions for medical insurance if the statement clearly indicates payment to a company that provides only medical insurance;
- A copy of a bank statement showing deductions to an insurance company along with a statement from the insurance company listing dates and amounts of premiums; or
- Other documentation which the Trust, or its designees, determines is sufficient to prove payment for medical insurance.

BENEFICIARY'S NAME: [REDACTED]

Your Social Security benefit will increase by **5.9%** in 2022 because of a rise in the cost of living. You can use this letter as proof of your benefit amount if you need to apply for food, rent, or energy assistance. You can also use it to apply for bank loans or for other business. Keep this letter with your important financial records.

How Much You Will Get	
Your monthly benefit before deductions	[REDACTED]
Deductions:	
Medicare Medical Insurance (If you did not have Medicare as of November 18, 2021 or if someone else pays your premium, we show \$0.00)	-\$170.10
Medicare Prescription Drug Plan (We will notify you if the amount changes in 2022. If you did not elect withholding as of November 1, 2021, we show \$0.00)	-\$0.00
U.S. Federal tax withholding	-\$0.00
Voluntary Federal tax withholding (If you did not elect voluntary tax withholding as of November 18, 2021, we show \$0.00)	[REDACTED]
After we take any other deductions, you will receive the payment you are due for December 2021 on or about January 12, 2022.	[REDACTED]

The information above shows your monthly benefit amount before and after deductions. Please remember, we will pay you in the month following the month for which it is due.

The Treasury Department requires Federal benefit payments to be made electronically. If you still receive a paper check, please visit the Department of the Treasury's Go Direct website at www.godirect.gov to request electronic payments.

If you disagree with any of these amounts, you must file an appeal with us within 60 days from the date you receive this letter. We will assume you got this letter 5 days after the date of the letter, unless you show us that you did not get it within the 5-day period. The fastest and easiest way to file an appeal is to visit <https://secure.ssa.gov/iApp/INMD/start> online.

If You Have Questions

- Visit us at www.ssa.gov online.
- Call us toll-free at **1-800-772-1213** (TTY **1-800-325-0778**).
- Contact your nearest Social Security office.

1170 HARVARD WAY
RENO NV 89502

Other Help For Older Adults and People with Disabilities

The Administration for Community Living offers older adults and people with disabilities a way to connect to a variety of community services and resources.

For Older Adults: Eldercare Locator at **1-800-677-1116** or www.eldercare.acl.gov

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

DATE RANGE From 01/01/2022
To 06/30/2022

RETRIEE INFORMATION:

Name: [REDACTED]Employee #: 50144Address: [REDACTED]Phone #: [REDACTED]

Expenses

Date Paid	Description (example: Monthly Premium)	Name of Provider (example: Anthem Blue Cross)	Cost	Total
12/22/2021	January Premium	United Health Care	414.12/2 = 207.06	\$ 207.06
01/10/2022	February Premium	United Health Care	414.12/2 = 207.06	\$ 207.06
02/09/2022	March Premium	United Health Care	14.28	\$ 14.28
03/09/2022	April Premium	United Health Care	214.20	\$ 214.20
04/13/2022	May Premium	United Health Care	214.20	\$ 214.20
05/11/2022	June Premium	United Health Care	246.86	\$ 246.86
Medicare Eligible? <u> X </u> YES <u> </u> NO				Total <u>\$ 1,103.66</u>

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

I certify that the above information is correct. I understand that I will not be reimbursed for medical insurance premiums for any period during which I was not eligible for participation or failed to maintain coverage. I further understand that if I receive reimbursement for premiums for which I was not eligible or did not meet eligibility criteria, the Trust may recover these payments from my future benefit award(s) and I will be liable for all related taxes. I also authorize the Trust, and its designees to contact the insurance company I have listed above to verify coverage and premium amounts paid. I certify that all expenses for which reimbursement or payment is claimed were incurred by myself, my spouse, my eligible dependents, or a spouse beneficiary (after the participant's death only) while eligible to receive benefits under the trust. I also certify as follows: 1.) The premium expenses have not been reimbursed or will not be reimbursed by any other plan, 2.) The premium expenses were not paid by an employer of a participant or an employer of a participant's spouse on a "pre-tax" basis, including, without limitation, a policy or plan offered by an employer under a Code Section 125 plan (commonly referred to as a "Cafeteria Plan"). I understand that I am fully responsible for the sufficiency, accuracy, and veracity of all information relating to this reimbursement request.

Retiree Signature: [REDACTED]Date: 05/24/2022PRMPT Approval*: [REDACTED]Date: Accounting Approval**: [REDACTED]Date:

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

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

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

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

In order for an eligible recipient to receive reimbursement of medical insurance premiums from the Post Retirement Medical Plan & Trust, the eligible participant must submit at least one of the following as proof of payment for the medical insurance premiums:

- A copy of the invoice from the insurance company and copy of the receipt of payment;
- A copy of the invoice from the insurance company and copy of the front and back of the cancelled check made out to the insurance company;
- A copy of a pay stub if the pay stub clearly shows a deduction for medical insurance on a post-tax basis;
- A statement from the eligible recipient's employer listing dates and amounts of premiums deducted from wages on a post-tax basis;
- A copy of a bank statement showing deductions for medical insurance if the statement clearly indicates payment to a company that provides only medical insurance;
- A copy of a bank statement showing deductions to an insurance company along with a statement from the insurance company listing dates and amounts of premiums; or
- Other documentation which the Trust, or its designees, determines is sufficient to prove payment for medical insurance.

Premium Payment History

Plan name(s): AARP MEDICARE SUPPLEMENT PLAN

From: November 26, 2021

To: May 24, 2022

Payment date	Amount	Status	Payment method
05/11/2022	\$246.86	Processed	Online Bill Pymt
04/13/2022	\$214.20	Processed	Online Bill Pymt
03/09/2022	\$214.20	Processed	Online Bill Pymt
02/09/2022	\$14.28	Processed	Online Bill Pymt
01/10/2022	\$414.12	Processed	Online Bill Pymt
12/22/2021	\$414.12	Processed	Online Bill Pymt
Total amounts	\$1,517.78		

These are combined payments for me and my wife. My amount is 50% of amount shown.

My wife died in January after I had paid her February premium so they did an adjustment in February to reflect that, which is why the amount is so small.

Starting with the February payment all amounts are for me only.

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

DATE RANGE From 01/01/2022
To 06/30/2022

RETRIEE INFORMATION:

Name: [REDACTED]Employee #: 50144Address: [REDACTED]Phone #: [REDACTED]

Expenses

Date Paid	Description (example: Monthly Premium)	Name of Provider (example: Anthem Blue Cross)	Cost	Total
12/22/2021	January Premium	United Health Care	414.12/2 = 207.06	\$ 207.06
01/10/2022	February Premium	United Health Care	414.12/2 = 207.06	\$ 207.06
02/09/2022	March Premium	United Health Care	14.28	\$ 14.28
03/09/2022	April Premium	United Health Care	214.20	\$ 214.20
04/13/2022	May Premium	United Health Care	214.20	\$ 214.20
05/11/2022	June Premium	United Health Care	246.86	\$ 246.86
Medicare Eligible? <u> X </u> YES <u> </u> NO				Total <u>\$ 1,103.66</u>

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

I certify that the above information is correct. I understand that I will not be reimbursed for medical insurance premiums for any period during which I was not eligible for participation or failed to maintain coverage. I further understand that if I receive reimbursement for premiums for which I was not eligible or did not meet eligibility criteria, the Trust may recover these payments from my future benefit award(s) and I will be liable for all related taxes. I also authorize the Trust, and its designees to contact the insurance company I have listed above to verify coverage and premium amounts paid. I certify that all expenses for which reimbursement or payment is claimed were incurred by myself, my spouse, my eligible dependents, or a spouse beneficiary (after the participant's death only) while eligible to receive benefits under the trust. I also certify as follows: 1.) The premium expenses have not been reimbursed or will not be reimbursed by any other plan, 2.) The premium expenses were not paid by an employer of a participant or an employer of a participant's spouse on a "pre-tax" basis, including, without limitation, a policy or plan offered by an employer under a Code Section 125 plan (commonly referred to as a "Cafeteria Plan"). I understand that I am fully responsible for the sufficiency, accuracy, and veracity of all information relating to this reimbursement request.

Retiree Signature: [REDACTED]Date: 05/24/2022PRMPT Approval*: [REDACTED]Date: Accounting Approval**: [REDACTED]Date:

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- A copy of the invoice from the insurance company and copy of the front and back of the cancelled check made out to the insurance company;
- A copy of a pay stub if the pay stub clearly shows a deduction for medical insurance on a post-tax basis;
- A statement from the eligible recipient's employer listing dates and amounts of premiums deducted from wages on a post-tax basis;
- A copy of a bank statement showing deductions for medical insurance if the statement clearly indicates payment to a company that provides only medical insurance;
- A copy of a bank statement showing deductions to an insurance company along with a statement from the insurance company listing dates and amounts of premiums; or
- Other documentation which the Trust, or its designees, determines is sufficient to prove payment for medical insurance.

Premium Payment History

Plan name(s): AARP MEDICARE SUPPLEMENT PLAN

From: November 26, 2021

To: May 24, 2022

Payment date	Amount	Status	Payment method
05/11/2022	\$246.86	Processed	Online Bill Pymt
04/13/2022	\$214.20	Processed	Online Bill Pymt
03/09/2022	\$214.20	Processed	Online Bill Pymt
02/09/2022	\$14.28	Processed	Online Bill Pymt
01/10/2022	\$414.12	Processed	Online Bill Pymt
12/22/2021	\$414.12	Processed	Online Bill Pymt
Total amounts	\$1,517.78		

These are combined payments for me and my wife. My amount is 50% of amount shown.

My wife died in January after I had paid her February premium so they did an adjustment in February to reflect that, which is why the amount is so small.

Starting with the February payment all amounts are for me only.

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

DATE RANGE From April 2022
To June 2022

RETRIEE INFORMATION:

Name: _____

Employee #: 50078

Address: _____

Phone #: _____

Expenses

Date Paid	Description (example: Monthly Premium)	Name of Provider (example: Anthem Blue Cross)	Cost	Total
April & May	Monthly Premium	United Healthcare (Supplemental)	\$187.43 x 2 months	\$ 374.86
				\$ -
				\$ -
June	" "	" "	\$206.81	\$ 206.81
				\$ -
				\$ -
			\$0.00	
Medicare Eligible? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO				Total \$ 581.67

Dollars owed 581.67 = \$479.76

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

I certify that the above information is correct. I understand that I will not be reimbursed for medical insurance premiums for any period during which I was not eligible for participation or failed to maintain coverage. I further understand that if I receive reimbursement for premiums for which I was not eligible or did not meet eligibility criteria, the Trust may recover these payments from my future benefit award(s) and I will be liable for all related taxes. I also authorize the Trust, and its designees to contact the insurance company I have listed above to verify coverage and premium amounts paid. I certify that all expenses for which reimbursement or payment is claimed were incurred by myself, my spouse, my eligible dependents, or a spouse beneficiary (after the participant's death only) while eligible to receive benefits under the trust. I also certify as follows: 1.) The premium expenses have not been reimbursed or will not be reimbursed by any other plan, 2.) The premium expenses were not paid by an employer of a participant or an employer of a participant's spouse on a "pre-tax" basis, including, without limitation, a policy or plan offered by an employer under a Code Section 125 plan (commonly referred to as a "Cafeteria Plan"). I understand that I am fully responsible for the sufficiency, accuracy, and veracity of all information relating to this reimbursement request.

Retiree Signature: _____

Date: 6/14/22

PRMPT Approval*: _____

Date: _____

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

Accounting Approval**: _____

Date: _____

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

Withdrawals and other subtractions - continued

Other subtractions - continued

Date	Description	Amount
03/30/22	STATE FARM BANK Bill Payment	
04/04/22	NV ENERGY Bill Payment	
04/04/22	AT&T LOCAL AND LONG DISTANCE Bill Payment	
04/05/22	NV TLR cash withdrawal from CHK 3201	
04/05/22	UnitedHealthcare DES:PREMIUM ID:3430418891 [REDACTED] D CO ID:1836282001 PPD	-187.43 ✓
04/05/22	SYNCHRONY BANK DES:PAYMENT ID:650172443226603 ID:1061537262 TEL [REDACTED] CO	
04/05/22	UnitedHCMedicare DES:MedInsPymt ID:000001076506276 ID:9000447048 PPD [REDACTED] D CO	-36.00 ✓
04/06/22	TRUCKEE MEADOWS WATER AUTHORITY Bill Payment	
Total other subtractions		

Checks

Date	Check #	Amount	Date	Check #	Amount
03/14/22	6543		03/24/22	6545	
03/25/22	6544		03/24/22	6546	
Total checks			Total # of checks		

Withdrawals and other subtractions - continued

Other subtractions

Date	Description	Amount
04/13/22	CARDMEMBER SERVICE Bill Payment	
04/15/22	Catholic Services Appeal Bill Payment	
04/18/22	CITI CARDS Bill Payment	
04/18/22	EDWARD JONES DES:INVESTMENT ID:26843FXXXXXXXXX [REDACTED] CO ID:9430345812 PPD	
04/18/22	Little Flower Ca DES:DONATION ID: [REDACTED] CO ID:6470751402 WEB	
04/19/22	US TREASURY DES:PAYMENT CHECK #:6551 INDN:PUSB85221070081818 CO ID:2009290085 ARC	
04/21/22	FX Order	
04/25/22	US TREASURY DES:PAYMENT CHECK #:6550 INDN:PUSB85221120167241 CO ID:2009290085 ARC	
04/29/22	STATE FARM BANK Bill Payment	
05/03/22	NV ENERGY Bill Payment	
05/04/22	B's Lawn & Pest Control Svcs Bill Payment	
05/04/22	City of Sparks Bill Payment	
05/05/22	UnitedHealthcare DES:PREMIUM ID [REDACTED] D CO ID:1836282001 PPD	-187.43 ✓
05/05/22	TRUCKEE MEADOWS WATER AUTHORITY Bill Payment	
05/05/22	SYNCHRONY BANK DES:PAYMENT ID:650172443226603 [REDACTED] CO ID:1061537262 TEL	
05/05/22	AT&T LOCAL AND LONG DISTANCE Bill Payment	
05/05/22	UnitedHCMedicare DES:MedInsPymt ID:000001082674434 [REDACTED] D CO ID:9000447048 PPD	-36.00 ✓
05/06/22	MACY'S Bill Payment	
Total other subtractions		

Checks

Date	Check #	Amount
04/14/22	6542	
05/03/22	6547*	
04/11/22	6548	

Date	Check #	Amount
04/11/22	6549	
05/06/22	6552*	
05/05/22	6556*	
Total checks		
Total # of checks		

* There is a gap in sequential check numbers

Withdrawals and other subtractions - continued

Other subtractions - continued

Date	Description	Amount
05/17/22	CITI CARDS Bill Payment	
05/17/22	Little Flower Ca DES:DONATION [REDACTED] CO ID:6470751402 WEB	
05/17/22	Waste Management of Nevada Bill Payment	
05/31/22	NV TLR cash withdrawal from CHK 3201	
05/31/22	NV TLR cash withdrawal from CHK 3201	
05/31/22	BKOFAMERICA BC 05/31 #000001735 TO CHKG 5905 S Virginia S Reno NV	
05/31/22	STATE FARM BANK Bill Payment	
06/03/22	NV ENERGY Bill Payment	
06/03/22	TRUCKEE MEADOWS WATER AUTHORITY Bill Payment	
06/03/22	AT&T LOCAL AND LONG DISTANCE Bill Payment	
06/06/22	UnitedHealthcare DES:PREMIUM ID:3430418891 [REDACTED] D CO ID:1836282001 PPD	-206.81 ✓
06/06/22	SYNCHRONY BANK DES:PAYMENT ID:650172443226603 [REDACTED] CO ID:1061537262 TEL	
06/06/22	UnitedHCMedicare DES:MedInsPynt ID:00000108821835 [REDACTED] D CO ID:9000447048 PPD	-36.00 ✓
Total other subtractions		

Checks

Date	Check #	Amount
05/10/22	6553	
05/09/22	6555*	

Date	Check #
06/06/22	6559*

Total checks
Total # of checks

* There is a gap in sequential check numbers

Service fees

Date	Transaction description	Amount
06/01/22	Stop Payment Fee	

Total service fees

Note your Ending Balance already reflects the subtraction of Service Fees.

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

RETRIEE INFORMATION:

DATE RANGE From April 1, 2022
To June 30, 2022

Name: _____

Employee #: cn50068

Address: _____

Phone # _____

Expenses

Date Paid	Description (example: Monthly Premium)	Name of Provider (example: Anthem Blue Cross)	Cost	Total
April - June	Monthly Premium	Medicare "Part B"	\$170.10 per month X three months	\$510.30 -
				\$0.00 -
				\$0.00 -
				\$0.00 -
				\$0.00 -
				\$0.00 -
				0.00
Medicare Eligible? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO				Total \$510.30 -

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

I certify that the above information is correct. I understand that I will not be reimbursed for medical insurance premiums for any period during which I was not eligible for participation or failed to maintain coverage. I further understand that if I receive reimbursement for premiums for which I was not eligible or did not meet eligibility criteria, the Trust may recover these payments from my future benefit award(s) and I will be liable for all related taxes. I also authorize the Trust, and its designees to contact the insurance company I have listed above to verify coverage and premium amounts paid. I certify that all expenses for which reimbursement or payment is claimed were incurred by myself, my spouse, my eligible dependents, or a spouse beneficiary (after the participant's death only) while eligible to receive benefits under the trust. I also certify as follows: 1.) The premium expenses have not been reimbursed or will not be reimbursed by any other plan, 2.) The premium expenses were not paid by an employer of a participant or an employer of a participant's spouse on a "pre-tax" basis, including, without limitation, a policy or plan offered by an employer under a Code Section 125 plan (commonly referred to as a "Cafeteria Plan"). I understand that I am fully responsible for the sufficiency, accuracy, and veracity of all information relating to this reimbursement request.

Retiree Signature: _____

Date: 07/01/2021

PRMPT Approval*: _____

Date: _____

Accounting Approval**: _____

Date: _____

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

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

TRUCKEE MEADOWS



Social Security Administration Benefit Verification Letter

Date: July 1, 2022

0101BEV521T26SC CCM.M72.BEV52.R220701

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

Information About Current Social Security Benefits

Beginning December 2021, the full monthly Social Security benefit before any deductions is \$ [REDACTED]

We deduct \$170.10 for medical insurance premiums each month. *Medicare "Part B"*

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

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

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

Information About Past Social Security Benefits

From December 2020 to November 2021, the full monthly Social Security benefit before any deductions was [REDACTED]

We deducted \$148.50 for medical insurance premiums each month.

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

Type of Social Security Benefit Information

You are entitled to monthly retirement benefits.

Medicare Information

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

See Next Page

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

DATE RANGE From May, 2022
To July, 2022

RETRIEE INFORMATION:

Name: _____

Employee #: _____

Address: _____

Phone #: _____

Expenses

Date Paid	Description (example: Monthly Premium)	Name of Provider (example: Anthem Blue Cross)	Cost	Total
May - July	Monthly Premium	Medicare	238.10 x 3 months	\$ 714.30
May - July	Part D Premium	United Health Care	36.00 x 3 months	\$ 108.00
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
Medicare Eligible? _____ YES _____ NO				
\$ 805.05 reimbursable				Total \$ 822.30

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

I certify that the above information is correct. I understand that I will not be reimbursed for medical insurance premiums for any period during which I was not eligible for participation or failed to maintain coverage. I further understand that if I receive reimbursement for premiums for which I was not eligible or did not meet eligibility criteria, the Trust may recover these payments from my future benefit award(s) and I will be liable for all related taxes. I also authorize the Trust, and its designees to contact the insurance company I have listed above to verify coverage and premium amounts paid. I certify that all expenses for which reimbursement or payment is claimed were incurred by myself, my spouse, my eligible dependents, or a spouse beneficiary (after the participant's death only) while eligible to receive benefits under the trust. I also certify as follows: 1.) The premium expenses have not been reimbursed or will not be reimbursed by any other plan, 2.) The premium expenses were not paid by an employer of a participant or an employer of a participant's spouse on a "pre-tax" basis, including, without limitation, a policy or plan offered by an employer under a Code Section 125 plan (commonly referred to as a "Cafeteria Plan"). I understand that I am fully responsible for the sufficiency, accuracy, and veracity of all information relating to this reimbursement request.

Retiree Signature: _____

Date: 7/5/2022

PRMPT Approval*: _____

Date: _____
* Indicates _____ the reimbursement

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



Social Security Administration Benefit Verification Letter

Date: June 29, 2022

0101BEV60ISO1R3 CCM.M72.BEV60.R220629



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

Information About Current Social Security Benefits

Beginning December 2021, the full monthly Social Security benefit before any deductions is \$ [REDACTED]

We deduct \$238.10 for medical insurance premiums each month.

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

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

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

Information About Past Social Security Benefits

From April 2021 to November 2021, the full monthly Social Security benefit before any deductions was [REDACTED]

We deducted \$207.90 for medical insurance premiums each month.

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

Type of Social Security Benefit Information

You are entitled to monthly retirement benefits.

Medicare Information

You are entitled to hospital insurance under Medicare beginning April 2021.

See Next Page

Plan Benefits Summary

Select one of your plans to see corresponding details:

Prescription Drug Plan ▼

QUICKLY VIEW:

[Drug Copays & Discounts](#)

[Drug Coverage](#)

[Plan Materials](#)

[Ways to Save Money](#)

AARP MedicareRx Saver Plus (PDP)

PRESCRIPTION DRUG PLAN



Below is an overview of your plan benefits, including information about your monthly premium amounts, copays/coinsurance and out-of-pocket costs.

Member Name:

Member ID:

Effective Date: 04/01/2021

Monthly Premium ⓘ \$36.00

MAKE
PAYMENT </Content/Medicare/Member/Payments/Overview.Html>

Drug Copays & Discounts

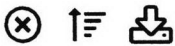
Your copays or coinsurance change based on the drug payment stage you are in.

VIEW YOUR CURRENT PRESCRIPTION DRUG COST SUMMARY AT OPTUMRX.COM (/sso/outbound?outboundTo=optumrx&deepLink=benefitsinformation)

Drug Costs

Select a pharmacy to view your costs.

Withdrawals
from Sema Pacific
Credit Union
checking. May, June, July
2022



Description	Amount	Balance
July 6, 2022		
MedInsPymt UnitedHCMedicare MedInsPymt, 07-06-2022 @	-\$36.00	
June 6, 2022		
MedInsPymt UnitedHCMedicare MedInsPymt, 06-06-2022 @	-\$36.00	
May 5, 2022		
MedInsPymt UnitedHCMedicare MedInsPymt, 05-05-2022 @	-\$36.00	

Post-Retirement Medical Plan & Trust

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



TO: Board of Trustees of the TMWA Post-Retirement Medical Plan and Trust
FROM: Sophia Cardinal, TMWA Principal Accountant
DATE: July 13, 2022
SUBJECT: Present and accept the December 31, 2021 actuarial valuation

Recommendation

TMWA staff recommends the Trustees accept the Truckee Meadows Water Authority Post-Retirement Medical Plan and Trust (the Plan) Actuarial Valuation of Other Post-Employment Benefit Programs as of December 31, 2021.

Discussion

The following report is attached:

- Truckee Meadows Water Authority Post-Retirement Medical Plan and Trust Actuarial Valuation of Other Post-Employment Benefit Programs as of December 31, 2021

The primary purposes of this report are to:

- Remeasure the Plan's liabilities as of December 31, 2021,
- Develop actuarially determined contribution levels for prefunding plan benefits, and
- Provide information required by governmental accounting standards for this plan to be reported in TMWA's financial statements for the fiscal year ending June 30, 2022.

Some highlights of the Plan's report as of December 31, 2021 include:

- The Plan covers 164 active employees and 62 retirees.
- The Plan's total OPEB liability is \$10.0 million.
- The Plan's fiduciary net position is \$16.0 million.
- The Plan has a net OPEB asset of \$6.0 million.
- Given the substantial surplus position of the Plan, the actuarial determined contributions are \$0 through June 30, 2024.

MacLeod Watts

July 1, 2022

Matt Bowman, CPA
Chief Financial Officer
Truckee Meadows Water Authority
1355 Capital Blvd.
Reno, NV 89502

Re: Truckee Meadows Water Authority Post-Retirement Medical Plan and Trust (PRMPT)
December 31, 2021, Actuarial Valuation and GASB 75 Report for Fiscal Year Ending June 30, 2022

Dear Mr. Bowman:

We are pleased to enclose our actuarial report providing financial information about the other post-employment benefit (OPEB) liabilities of the Truckee Meadows Water Authority (TMWA) Post-Retirement Medical Plan and Trust (PRMPT). Separate reports have been prepared to develop the liability for TMWA's Section 115 Plan and TMWA's Implicit Subsidy Only Plan.

The primary purposes of this report are to:

- 1) Remeasure plan liabilities as of December 31, 2021, in accordance with GASB 75's biennial valuation requirement,
- 2) Develop Actuarially Determined Contributions levels for prefunding plan benefits, and
- 3) Provide information required by GASB 75 ("Accounting and Financial Reporting for Postemployment Benefits Other Than Pension") for this plan to be reported in TMWA's financial statements for the fiscal year ending June 30, 2022.

The information included in this report reflects our understanding that TMWA will contribute 100% or more of the Actuarially Determined Contributions each year. We based the valuation on the employee data, details on plan benefits and retiree benefit payments reported to us by TMWA. Please review our summary of this information to be comfortable that it matches your records. *Note that payroll for fiscal year 21/22 shown in this report is an estimate and should be updated once final amounts are known after the close of the year.*

We appreciate the opportunity to work on this analysis and acknowledge the efforts of TMWA staff who provided valuable time and information to enable us to prepare this report. Please let us know if we can be of further assistance.

Sincerely,



Catherine L. MacLeod, FSA, FCA, EA, MAAA
Principal & Consulting Actuary

Enclosure



Truckee Meadows Water Authority
Post-Retirement Medical Plan and Trust

Actuarial Valuation of Other
Post-Employment Benefit Programs
As of December 31, 2021

& GASB 75 Report for the Fiscal Year Ending
June 30, 2022

Revised July 2022

MacLeod Watts

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A. Executive Summary

This report presents the results of the December 31, 2021, actuarial valuation and accounting information regarding the other post-employment benefit (OPEB) program of the Truckee Meadows Water Authority (TMWA) Post-Retirement Medical Plan and Trust (PRMPT). The purposes of this report are to: 1) summarize the results of the valuation; 2) develop Actuarially Determined Contribution (ADC) levels for prefunding plan benefits; and 3) provide disclosure information as required by Statement No. 75 of the Governmental Accounting Standards Board (GASB 75) for the fiscal year ending June 30, 2022. Separate reports have been prepared for the TMWA Section 115 Plan and for the TMWA Implicit Subsidy Only Plan.

Important background information regarding the valuation process can be found in Addendum 1. We recommend users of the report read this information to familiarize themselves with the process and context of actuarial valuations, including the requirements of GASB 75. The pages following this executive summary present exhibits and other information relevant for disclosures under GASB 75.

Absent material changes to this plan, results of the December 31, 2021, valuation will be applied to prepare TMWA's GASB 75 report for the fiscal year ending June 30, 2023. If there are any significant changes in plan members, plan benefits or eligibility and/or OPEB funding policy, an earlier valuation might be required or appropriate.

OPEB Obligations of TMWA

TMWA offers subsidized continuation of medical, dental, vision and life insurance coverage to a closed group of retired employees under the PRMPT. This benefit creates one or more of the following types of OPEB liabilities:

- **Explicit subsidy liabilities:** An "explicit subsidy" exists when the employer contributes directly toward the cost of retiree healthcare. In this program, TMWA contributes a portion of medical, dental, vision, and life insurance premiums for qualifying retirees. These benefits are described in Section 2.
- **Implicit subsidy liabilities:** An "implicit subsidy" exists when premiums are developed using blended active and retiree claims experience. In this program, premiums charged for retirees may not be sufficient to cover expected medical claims¹ and the premiums charged for active employees are said to "implicitly subsidize" retirees. This OPEB program includes implicit subsidy liabilities for retiree coverage both before and after eligibility for Medicare. We believe no implicit liability exists with respect to dental and vision coverage provided to retirees, or that it is insignificant.

We determine explicit subsidy liabilities using the expected direct payments promised by the plan toward retiree coverage. We determine the implicit subsidy liability as the projected difference between (a) retiree medical claim costs by age and (b) premiums charged for retiree coverage. For more information on this process Addendum 2: MacLeod Watts Age Rating Methodology.

¹ In rare situations, premiums for retiree coverage may be high enough that they subsidize active employees' claims.



Executive Summary

(Continued)

OPEB Funding Policy

TMWA's OPEB funding policy affects the calculation of liabilities by impacting the discount rate that is used to develop the plan liability and expense. "Prefunding" is the term used when an agency consistently contributes an amount based on an actuarially determined contribution (ADC) each year. GASB 75 allows prefunded plans to use a discount rate that reflects the expected earnings on trust assets. Pay-as-you-go, or "PAYGO", is the term used when an agency only contributes the required retiree benefits when due. When an agency finances retiree benefits on a pay-as-you-go basis, GASB 75 requires the use of a discount rate equal to a 20-year high grade municipal bond rate.

TMWA continues to prefund its OPEB liability, consistently contributing 100% or more of the Actuarially Determined Contributions each year for the Post-Retirement Medical Plan and Trust. With TMWA's approval, the discount rate used for accounting purposes and to develop Actuarially Determined Contributions for plan funding is 6.0%. For details, see Expected Return on Trust Assets on page 11.

Actuarial Assumptions

The actuarial "demographic" assumptions (i.e., rates of retirement, death, disability or other termination of employment) used in this report were chosen, for the most part, to be the same as the actuarial demographic assumptions used for the most recent valuation² of the retirement plan(s) covering TMWA employees. Other assumptions, such as age-related healthcare claims, healthcare trend, retiree participation rates and spouse coverage, were selected based on demonstrated plan experience and/or our best estimate of expected future experience. All these assumptions, and more, impact expected future benefits. Please note that this valuation has been prepared on a closed group basis. This means that only employees and retirees present as of the valuation date are considered. We do not consider replacement employees for those we project to leave the current population of plan participants until the valuation date following their employment.

We emphasize that this actuarial valuation provides a projection of future results based on many assumptions. Actual results are likely to vary to some extent and we will continue to monitor these assumptions in future valuations. See Section 3 for a description of assumptions used in this valuation.

Important Dates for GASB 75 in this Report

GASB 75 allows reporting liabilities as of any fiscal year end based on: (1) a *valuation date* no more than 30 months plus 1 day prior to the close of the fiscal year end; and (2) a *measurement date* up to one year prior to the close of the fiscal year. The following dates were used for this report:

Fiscal Year End	June 30, 2022
Measurement Date	December 31, 2021
Measurement Period	January 1, 2021, to December 31, 2021
Valuation Date	December 31, 2021

² Nevada PERS actuarial valuation report as of June 30, 2021, issued September 2021



Executive Summary

(Concluded)

Significant Results and Differences from the Prior Valuation

No benefit changes were reported to MacLeod Watts relative to those in place at the time the December 31, 2019, valuation was prepared. We reviewed and updated certain assumptions used to project the OPEB liability. We also collected updated census and premium data and recognized "plan experience", the differences between projected and actual results. Investment experience was recognized, with actual earnings higher than the expected return on trust assets.

The Net OPEB Liability on the current measurement date is lower than that reported one year ago. Section C. presents the new valuation results and provides additional information on the impact of the new assumptions and plan experience. See *Recognition Period for Deferred Resources* on page 12 for details on how these changes are recognized.

Impact on Statement of Net Position and OPEB Expense for Fiscal Year Ending 2022

The plan's impact to Net Position will be the sum of difference between assets and liabilities as of the measurement date plus the unrecognized net outflows and inflows of resources. Different recognition periods apply to deferred resources depending on their origin. The plan's impact on Net Position on the measurement date can be summarized as follows:

Items	For Reporting At Fiscal Year Ending June 30, 2022
Total OPEB Liability	\$ 9,982,768
Fiduciary Net Position	16,007,482
Net OPEB Liability (Asset)	(6,024,714)
Deferred (Outflows) of Resources	(281,193)
Deferred Inflows of Resources	4,621,805
Impact on Statement of Net Position	\$ (1,684,102)
OPEB Expense, FYE 6/30/2022	\$ (1,059,573)

Important Notices

This report is intended to be used only to present the actuarial information relating to other postemployment benefits for TMWA's financial statements. The results of this report may not be appropriate for other purposes, where other assumptions, methodology and/or actuarial standards of practice may be required or more suitable. We note that various issues in this report may involve legal analysis of applicable law or regulations. TMWA should consult counsel on these matters; MacLeod Watts does not practice law and does not intend anything in this report to constitute legal advice. In addition, we recommend TMWA consult with their internal accounting staff or external auditor or accounting firm about the accounting treatment of OPEB liabilities.

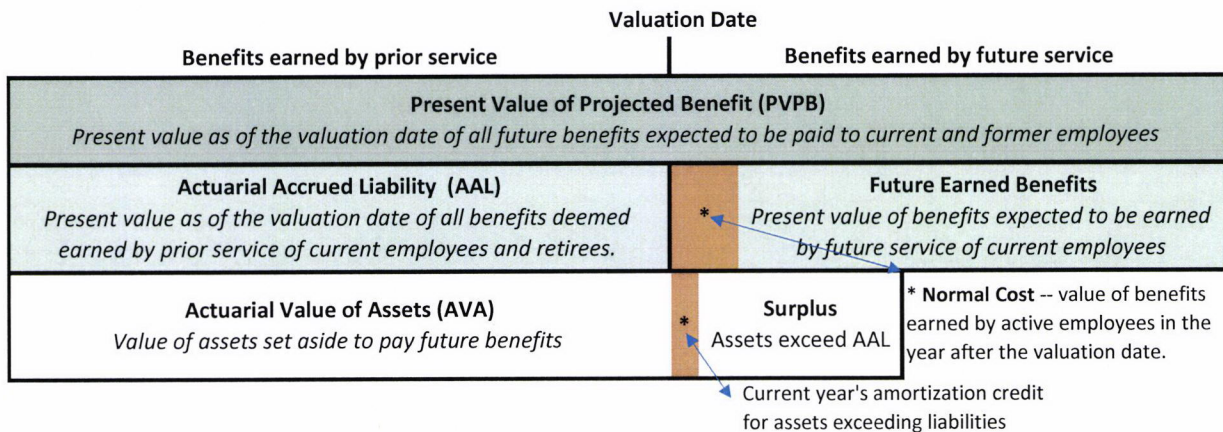


B. Valuation Process

This valuation is based on employee census data and benefits initially submitted to us by TMWA and clarified in various related communications. While individual employee records have been reviewed to verify that they are reasonable in various respects, the data has not been audited and we have otherwise relied on TMWA as to its accuracy. The valuation has been performed in accordance with the process described below using the actuarial methods and assumptions described herein and is consistent with our understanding of Actuarial Standards of Practice.

In projecting benefit values and liabilities, we first determine an expected premium or benefit stream over each current retiree's or active employee's future retirement. Benefits may include both direct employer payments (explicit subsidies) and any implicit subsidies arising when retiree premiums are expected to be partially subsidized by premiums paid for active employees. The projected benefit streams reflect assumed trends in the cost of those benefits and assumptions as to the expected dates when benefits will end. Assumptions regarding the probability that each employee will remain in service to receive benefits and the likelihood the employee will elect coverage for themselves and their dependents are also applied.

We then calculate a present value of these future benefit streams by discounting the value of each future expected employer payment back to the valuation date using the valuation discount rate. This present value is called the **Present Value of Projected Benefits (PVPB)** and represents the current value of all expected future plan payments to current retirees and current active employees. Note that this long-term projection does not anticipate entry of future employees.



The next step in the valuation process splits the Present Value of Projected Benefits into 1) the value of benefits already earned by prior service of current employees and retirees and 2) the value of benefits expected to be earned by future service of current employees. Actuaries employ an "attribution method" to divide the PVPB into prior service liabilities and future service liabilities. For this valuation we used the **Entry Age Normal** attribution method. This method is the most common used for government funding purposes and the only attribution method allowed for financial reporting under GASB 75.

We call the value of benefits deemed earned by prior service the **Actuarial Accrued Liability (AAL)**. Benefits deemed earned by service of active employees in a single year is called the **Normal Cost** of benefits. The present value of all future normal costs (PVFNC) plus the Actuarial Accrued Liability will equal the Present Value of Projected Benefits (i.e. $PVPB = AAL + PVFNC$).



Valuation Process

(Concluded)

TMWA has committed to making regular contributions to a trust in order to prefund plan benefits. Trust contributions and earnings accumulate so that the trust can make benefit payments to retirees (or reimburse TMWA for making those payments directly). The difference between the value of trust assets (i.e. the Market Value of Assets and the Actuarial Accrued Liability yields the **Unfunded Actuarial Accrued Liability (UAAL)**. The UAAL represents, as of the valuation date, the present value of benefits already earned by past service that remain unfunded. A plan is generally considered “fully funded” when the UAAL is zero. The plan sponsor of a fully funded plan will still need to make future contributions for benefits earned by future service of active employees. But in a fully funded plan, the plan sponsor has set aside sufficient assets to pay for benefits that have been earned by past service of current retirees and active employees if all valuation assumptions are realized.

Future contributions by TMWA will fund 1) the value of benefits earned each year by service of active employees (i.e. annual Normal Costs) less 2) an amortized credit of the amount by which assets exceed the actuarial accrued liability. Various strategies might be employed to reflect surplus assets, although it’s recommended that any surplus assets should generally be recognized in contributions over a long period.

Please note that projections of future benefits over such long periods (frequently 70 or more years) which are dependent on numerous assumptions regarding future economic and demographic variables are subject to substantial revision as future events unfold. While we believe that the assumptions and methods used in this valuation are reasonable for the purposes of this report, the costs to TMWA reflected in this report are subject to future revision, perhaps materially. Demonstrating the range of potential future plan costs was beyond the scope of our assignment except to the limited extent of providing liability information at various discount rates.

Certain actuarial terms and GASB 75 terms may be used interchangeably. Some of these are below.

Actuarial Terminology	GASB 75 Terminology
Present Value of Projected Benefits (PVPB)	<i>No equivalent term</i>
Actuarial Accrued Liability (AAL)	Total OPEB Liability (TOL)
Market Value of Assets (MVA)	Fiduciary Net Position
Actuarial Value of Assets (AVA)	<i>No equivalent term</i>
Unfunded Actuarial Accrued Liability (UAAL)	Net OPEB Liability
Normal Cost	Service Cost

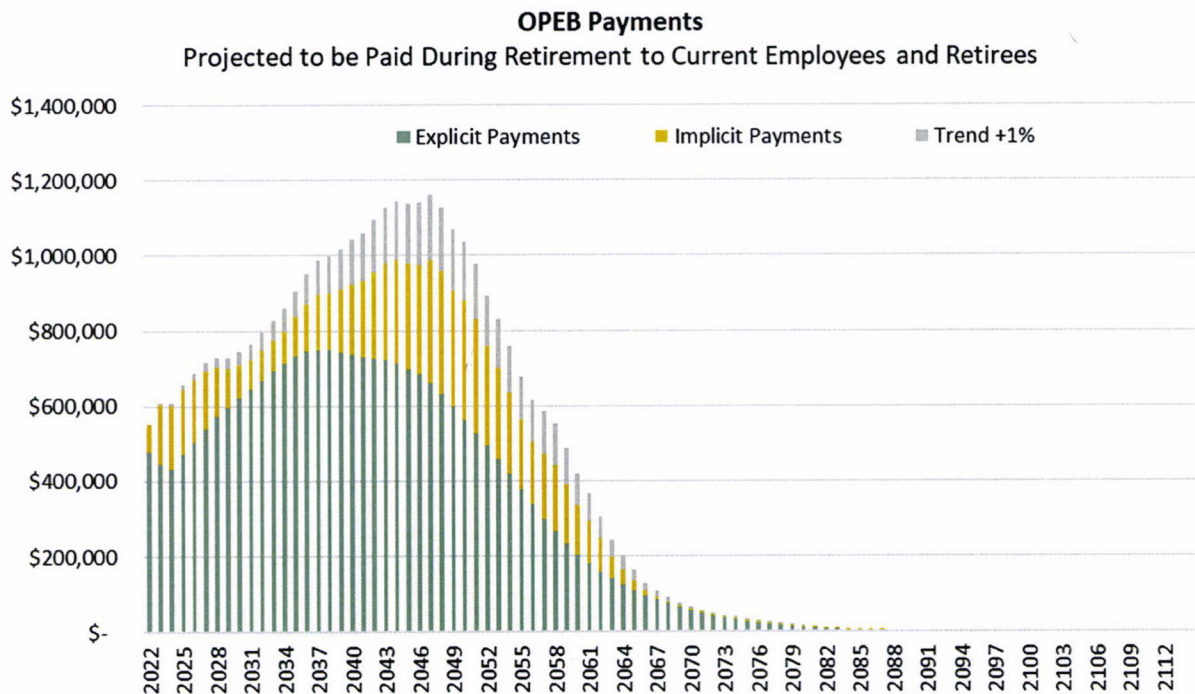


C. Valuation Results as of December 31, 2021

This section presents the basic results of our recalculation of the OPEB liability using the updated employee data, plan provisions and asset information provided to us for the December 2021 valuation. We described the general process for projecting all future benefits to be paid to retirees and current employees in the preceding Section. Expected annual benefits have been projected on the basis of the actuarial assumptions outlined in Supporting Information, Section 3.

Lifetime healthcare benefits are paid for qualifying TMWA retirees. Please see Supporting Information, Section 2 for details.

The following graph illustrates the annual other post-employment benefits projected to be paid on behalf of current retirees and current employees expected to retire from TMWA.



The amounts shown in green reflect the expected payment by TMWA toward retiree medical premiums while those in yellow reflect the implicit subsidy benefits (i.e., the excess of retiree medical and prescription drug claims over the premiums expected to be charged during the year for retirees' coverage). The projections in gray reflect increases in benefit levels if healthcare trend were 1% higher.

The first 15 years of benefit payments from the graph above are shown in tabular form on page 19.

Liabilities relating to these projected benefits are shown beginning on the following page.



December 31, 2021, Valuation, Funding and GASB 75 Report for the Fiscal Year Ending June 30, 2022

Valuation Results as of December 31, 2021

(Continued)

This chart compares the results measured as of December 31, 2020, based on the prior valuation, with the results measured as of December 31, 2021, based on the current valuation.

Valuation Date	12/31/2019			12/31/2021		
Fiscal Year Ending	6/30/2021			6/30/2022		
Measurement Date	12/31/2020			12/31/2021		
Discount rate	6.00%			6.00%		
Number of Covered Employees						
Actives	190			164		
Retirees	46			62		
Total Participants	236			226		
OPEB Subsidy Type	Explicit	Implicit	Total	Explicit	Implicit	Total
Actuarial Present Value of Projected Benefits						
Actives	\$ 6,871,251	\$ 2,051,929	\$ 8,923,180	\$ 4,044,170	\$ 2,666,019	\$ 6,710,189
Retirees	4,300,329	(781,333)	3,518,996	5,086,214	(112,813)	4,973,401
Total APVPB	11,171,580	1,270,596	12,442,176	9,130,384	2,553,206	11,683,590
Total OPEB Liability (TOL)						
Actives	6,049,748	1,023,999	7,073,747	3,374,940	1,634,427	5,009,367
Retirees	4,300,329	(781,333)	3,518,996	5,086,214	(112,813)	4,973,401
TOL	10,350,077	242,666	10,592,743	8,461,154	1,521,614	9,982,768
Fiduciary Net Position			14,041,609			16,007,482
Net OPEB Liability (Asset)			(3,448,866)			(6,024,714)
Service Cost						
For the period following the measurement date	130,440	98,840	229,280	86,247	95,062	181,309

Net OPEB Liability has decreased by \$2,575,848 from that reported one year ago, widening the surplus position of this program. Some of the change was expected and some was unexpected. Reasons for the change in the NOL are discussed on the following page.



December 31, 2021, Valuation, Funding and GASB 75 Report for the Fiscal Year Ending June 30, 2022

Valuation Results as of December 31, 2021
(Concluded)

Expected changes: The NOL was expected to decrease by \$4,521. The expected change reflects additional service and interest costs accruing for the period and decrease by benefits paid to retirees.

Unexpected changes further decreased the NOL by \$2,571,327 and fall into one of these categories:

- *Plan experience* recognizes results which are different than expected based on the prior valuation data and assumptions. Plan experience decreased the NOL by \$760,853 from what was previously projected. The primary cause of the decrease was some retirees dropping some coverages.
- *Assumption changes* collectively decreased the NOL by \$271,660. The majority of the decrease relates to updated demographic assumptions caused by a new experience study published by NVPERS. More on the changes is provided on the last page in Supporting Information, Section 3.
- *Investment experience* Trust asset return exceeded the expected earnings by \$1,538,814.

This chart reconciles the change in the NOL from December 31, 2020, to December 31, 2021.

Reconciliation of Changes During Measurement Period	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (c)=(a)-(b)
Balance at Fiscal Year Ending 6/30/2021 <i>Measurement Date 12/31/2020</i>	\$ 10,592,743	\$ 14,041,609	\$ (3,448,866)
Expected Changes During the Period:			
Service Cost	229,280		229,280
Interest Cost	636,038		636,038
Expected Investment Income		830,396	(830,396)
Employer Contributions		63,156	(63,156)
Auditing Fees		(18,775)	18,775
Investment & Administrative Fees		(4,938)	4,938
Retiree Contributions		110,022	(110,022)
Retiree Portion of Premiums		(110,022)	110,022
Benefit Payments (employer paid)	(442,780)	(442,780)	-
Total Expected Changes During the Period	422,538	427,059	(4,521)
Expected at Fiscal Year Ending 6/30/2022 <i>Measurement Date 12/31/2021</i>	\$ 11,015,281	\$ 14,468,668	\$ (3,453,387)
Unexpected Changes During the Period:			
<i>Plan Experience:</i>			
Premiums and estimated claims other than expected	(176,699)		(176,699)
Demographic experience other than expected	83,616		83,616
Retirees dropping all coverage but life insurance	(406,563)		(406,563)
Other plan experience	(261,207)		(261,207)
<i>Assumption Changes:</i>			
Change in demographic assumptions	(269,522)		(269,522)
Change in healthcare trend	(2,138)		(2,138)
<i>Investment Income More Than Expected</i>		1,538,814	(1,538,814)
Total Unexpected Changes During the Period	(1,032,513)	1,538,814	(2,571,327)
Balance at Fiscal Year Ending 6/30/2022 <i>Measurement Date 12/31/2021</i>	\$ 9,982,768	\$ 16,007,482	\$ (6,024,714)



D. Accounting Information (GASB 75)

The following exhibits are designed to satisfy the reporting and disclosure requirements of GASB 75 for the fiscal year end June 30, 2022.

Components of Net Position and Expense

The exhibit below shows the development of Net Position and Expense as of the Measurement Date.

Plan Summary Information for FYE June 30, 2022

Measurement Date is December 31, 2021

TMWA PRMPT

Items Impacting Net Position:

Total OPEB Liability	\$ 9,982,768
Fiduciary Net Position	16,007,482
Net OPEB Liability (Asset)	(6,024,714)

Deferred (Outflows) Inflows of Resources Due to:

Assumption Changes	36,553
Plan Experience	2,046,058
Investment Experience	2,334,038
Deferred Contributions	(76,037)
Net Deferred (Outflows) Inflows of Resources	4,340,612

Impact on Statement of Net Position, FYE 6/30/2022 **\$ (1,684,102)**

Items Impacting OPEB Expense:

Service Cost	\$ 229,280
Cost of Plan Changes	-
Interest Cost	636,038
Expected Earnings on Assets	(830,396)
Auditing Fees	18,775
Investment & Administrative Fees	4,938
Retiree Contributions	(110,022)
Retiree Portion of Premiums	110,022

Recognized Deferred Resource items:

Assumption Changes	2,255
Plan Experience	(298,815)
Investment Experience	(821,648)

OPEB Expense, FYE 6/30/2022 **\$ (1,059,573)**



December 31, 2021, Valuation, Funding and GASB 75 Report for the Fiscal Year Ending June 30, 2022

Accounting Information
(Continued)

Change in Net Position During the Fiscal Year

The exhibit below shows the year-to-year changes in the components of Net Position.

For Reporting at Fiscal Year End Measurement Date	6/30/2021 12/31/2020	6/30/2022 12/31/2021	Change During Period
Total OPEB Liability	\$ 10,592,743	\$ 9,982,768	\$ (609,975)
Fiduciary Net Position	14,041,609	16,007,482	1,965,873
Net OPEB Liability (Asset)	(3,448,866)	(6,024,714)	(2,575,848)
<i>Deferred Resource (Outflows) Inflows Due to:</i>			
Assumption Changes	(237,362)	36,553	273,915
Plan Experience	1,584,020	2,046,058	462,038
Investment Experience	1,616,872	2,334,038	717,166
Deferred Contributions	(62,408)	(76,037)	(13,629)
Net Deferred (Outflows) Inflows	2,901,122	4,340,612	1,439,490
Impact on Statement of Net Position	\$ (547,744)	\$ (1,684,102)	\$ (1,136,358)

Change in Net Position During the Fiscal Year

Impact on Statement of Net Position, FYE 6/30/2021	\$ (547,744)
OPEB Expense (Income)	(1,059,573)
Employer Contributions During Fiscal Year	(76,785)
Impact on Statement of Net Position, FYE 6/30/2022	\$ (1,684,102)

OPEB Expense

Employer Contributions During Fiscal Year	\$ 76,785
Deterioration (Improvement) in Net Position	(1,136,358)
OPEB Expense (Income), FYE 6/30/2022	\$ (1,059,573)



December 31, 2021, Valuation, Funding and GASB 75 Report for the Fiscal Year Ending June 30, 2022

Accounting Information

(Continued)

Change in Fiduciary Net Position During the Measurement Period

Description	Trust Assets	Accruals	Fiduciary Net Position
Balance as of December 31, 2020	\$ 14,095,021	\$ (53,413)	\$ 14,041,609
<i>Income</i>			
Employer Contribution to trust	-	-	-
Investment Income	2,369,210		2,369,210
Plan Members Contribution	118,406	(8,384)	110,022
Total Income	2,487,616	(8,384)	2,479,232
<i>Expense</i>			
Audit Fees	18,990	(215)	18,775
Administrative Fees	4,938		4,938
Legal Fees	-		-
Retiree health premiums	430,004	47,648	477,652 *
Retiree life premiums	11,994		11,994
Total Expense	465,926	47,433	513,358
Net Change During the Period	2,021,690	(55,817)	1,965,873
Balance as of December 31, 2021	\$ 16,116,712	\$ (109,230)	\$ 16,007,482

* Includes \$367,630 employer portion and \$110,022 retiree copay

Expected Long-term Return on Trust Assets

TMWA indicated that their long term expected return on assets is 6.0% per year. Plan assets held by the trust were in the following two accounts as of December 31, 2021:

Retirement Benefits Investment Fund	\$ 16,072,517
Wells Fargo (Checking Account)	44,195
Total Invested	\$ 16,116,712

The expected long-term return on trust assets of 6.0% was approved by TMWA and was derived from information provided by the Retirement Benefits Investment Fund (RBIF).

Retirement Benefits Investment Fund		
December 31, 2021		
Asset Class	Target Allocation	Actual Allocation
U.S. Stocks- S&P 500 Index	50.5%	52.1%
Market Return		
Int'l Stocks- MSCI World x US Index	21.5%	20.8%
Market Return		
U.S. Bonds- U.S. Bond Index	28.0%	26.6%
Market Return		
Cash & Cash Equivalents	0.0%	0.5%
Total RBIF Fund	100.0%	100.0%



December 31, 2021, Valuation, Funding and GASB 75 Report for the Fiscal Year Ending June 30, 2022

Accounting Information

(Continued)

Recognition Period for Deferred Resources

Liability changes due to plan experience which differs from what was assumed in the prior measurement period and/or from assumption changes during the period are recognized over the plan's Expected Average Remaining Service Life ("EARSL"). The EARSL of 9.07 years is the period used to recognize such changes in the OPEB Liability arising during the current measurement period.

When applicable, changes in the Fiduciary Net Position due to investment performance different from the assumed earnings rate are always recognized over 5 years.

Liability changes attributable to benefit changes occurring during the period, if any, are recognized immediately.

Deferred Resources as of Fiscal Year End and Expected Future Recognition

The exhibit below shows deferred resources as of the fiscal year end June 30, 2022.

PRMPT Trust	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 205,156	\$ 241,709
Differences Between Expected and Actual Experience	-	2,046,058
Net Difference Between Projected and Actual Earnings on Investments	-	2,334,038
Deferred Contributions	76,037	-
Total	\$ 281,193	\$ 4,621,805

In addition, future recognition of these deferred resources is shown below.

For the Fiscal Year Ending June 30	Recognized Net Deferred Outflows (Inflows) of Resources
2023	\$ (927,286)
2024	(1,162,993)
2025	(825,677)
2026	(604,322)
2027	(296,560)
Thereafter	(599,811)



December 31, 2021, Valuation, Funding and GASB 75 Report for the Fiscal Year Ending June 30, 2022

Accounting Information
(Continued)

Sensitivity of Liabilities to Changes in the Discount Rate and Healthcare Cost Trend Rate

The discount rate used for accounting purposes for the fiscal year end 2022 is 6.0%. Healthcare Cost Trend Rate was assumed to start at 5.8% (increase effective January 1, 2023) and grade down to 3.9% for years 2076 and later. The impact of a 1% increase or decrease in these assumptions is shown in the chart below.

Sensitivity to:			
Change in Discount Rate	Current - 1% 5.00%	Current 6.00%	Current + 1% 7.00%
Total OPEB Liability	\$ 11,064,599	\$ 9,982,768	\$ 9,053,453
Increase (Decrease)	1,081,831		(929,315)
% Increase (Decrease)	10.8%		-9.3%
Net OPEB Liability (Asset)	\$ (4,942,883)	\$ (6,024,714)	\$ (6,954,029)
Increase (Decrease)	1,081,831		(929,315)
% Increase (Decrease)	18.0%		-15.4%
Change in Healthcare Cost Trend Rate	Current Trend - 1%	Current Trend	Current Trend + 1%
Total OPEB Liability	\$ 9,253,113	\$ 9,982,768	\$ 10,845,164
Increase (Decrease)	(729,655)		862,396
% Increase (Decrease)	-7.3%		8.6%
Net OPEB Liability (Asset)	\$ (6,754,369)	\$ (6,024,714)	\$ (5,162,318)
Increase (Decrease)	(729,655)		862,396
% Increase (Decrease)	-12.1%		14.3%



December 31, 2021, Valuation, Funding and GASB 75 Report for the Fiscal Year Ending June 30, 2022

Accounting Information
(Continued)

Schedule of Changes in TMWA's Net OPEB Liability and Related Ratios

GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. Results for years since GASB 75 was implemented (fiscal years 2018 through 2022) are shown in the table.

Fiscal Year Ending	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Measurement Date	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Discount Rate on Measurement Date	6.00%	6.00%	6.00%	6.00%	6.00%
Total OPEB liability					
Service Cost	\$ 229,280	\$ 222,602	\$ 307,252	\$ 295,437	\$ 284,073
Interest	636,038	609,728	682,186	648,751	612,850
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(760,853)	-	(2,013,876)	-	-
Changes of assumptions	(271,660)	-	301,774	-	-
Benefit payments (employer paid)	(442,780)	(358,251)	(442,363)	(355,168)	(264,699)
Net change in total OPEB liability	(609,975)	474,079	(1,165,027)	589,020	632,224
Total OPEB liability - beginning	10,592,743	10,118,664	11,283,691	10,694,671	10,062,447
Total OPEB liability - ending (a)	\$ 9,982,768	\$ 10,592,743	\$ 10,118,664	\$ 11,283,691	\$ 10,694,671
Plan fiduciary net position					
Contributions - employer	\$ 63,156	\$ 131,267	\$ 258,430	\$ 324,529	\$ 445,063
Net investment income	2,369,210	1,845,954	2,301,207	(524,654)	1,515,031
Benefit payments (employer paid)	(442,780)	(358,251)	(442,363)	(355,168)	(264,699)
Auditing Fees	(18,775)	(18,490)	(12,600)	(18,545)	(15,500)
Investment & Administrative Fees	(4,938)	(2,954)	(3,206)	(3,441)	(2,612)
Legal Fees	-	-	(1,750)	(5,250)	(19,268)
Retiree Contributions	110,022	111,103	103,249	117,015	93,172
Retiree Portion of Premiums	(110,022)	(111,103)	(103,249)	(117,015)	(93,172)
Net change in plan fiduciary net position	1,965,873	1,597,526	2,099,718	(582,529)	1,658,015
Plan fiduciary net position - beginning	14,041,609	12,444,083	10,344,365	10,926,894	9,268,879
Plan fiduciary net position - ending (b)	\$ 16,007,482	\$ 14,041,609	\$ 12,444,083	\$ 10,344,365	\$ 10,926,894
Net OPEB liability - ending (a) - (b)	\$ (6,024,714)	\$ (3,448,866)	\$ (2,325,419)	\$ 939,326	\$ (232,223)
Covered-employee payroll	\$ 21,664,461	\$ 19,385,303	\$ 21,658,320	\$ 20,579,301	\$ 15,993,551
Net OPEB liability as a percentage of covered-employee payroll	-27.81%	-17.79%	-10.74%	4.56%	-1.45%



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Accounting Information
(Continued)

Schedule of Contributions

The chart below shows the Actuarially Determined Contribution (ADC), TMWA's contribution, and the excess or shortfall. *Covered employee payroll for the fiscal year ending 2022 are estimates and should be updated when known.*

Fiscal Year Ending	2022	2021	2020	2019	2018
Actuarially Determined Contribution	\$ 63,677	\$ 56,323	\$ 50,113	\$ 298,076	\$ 284,883
Contributions in relation to the actuarially determined contribution	76,785	60,499	127,724	258,430	324,529
Contribution deficiency (excess)	\$ (13,108)	\$ (4,176)	\$ (77,611)	\$ 39,646	\$ (39,646)
Covered employee payroll	\$ 22,314,395	\$ 20,118,991	\$ 21,402,817	\$ 21,399,449	\$ 15,993,551
Contributions as a percentage of covered employee payroll	0.34%	0.30%	0.60%	1.21%	2.03%

Notes to Schedule - assumptions used to develop the Actuarially Determined Contributions

Valuation Date	12/31/2019	12/31/2017
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level % of Pay	Level % of Pay
Amortization period	23 years closed 24 years closed 25 years closed	26 years closed 27 years closed
Asset valuation method	Market Value	Market Value
Inflation	2.50%	2.75%
Healthcare cost trend rates	7.0% in 2021, fluctuating to an ultimate rate of 4% in 2076	6.25% in 2019, step down .5% per year to 5.0% by 2024
Salary increases	3.00%	4.00%
Investment rate of return	6.00%	6.00%
Retirement age	45-75	45-75
Mortality	NV PERS June 2017 Valuation	NV PERS June 2016 Valuation
Mortality Improvement	MW Scale 2018	MW Scale 2017



December 31, 2021, Valuation, Funding and GASB 75 Report for the Fiscal Year Ending June 30, 2022

Accounting Information

(Continued)

Detail of Changes to Net Position

The chart below details changes to all components of Net Position.

PRMPT Trust	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)	(d) Deferred Outflows (Inflows) Due to:				Impact on Statement of Net Position (e) = (c) - (d)
				Assumption Changes	Plan Experience	Investment Experience	Deferred Contributions	
Balance at Fiscal Year Ending 6/30/2021 <i>Measurement Date 12/31/2020</i>	\$ 10,592,743	\$ 14,041,609	\$ (3,448,866)	\$ 237,362	\$ (1,584,020)	\$ (1,616,872)	\$ 62,408	\$ (547,744)
Changes During the Period:								
Service Cost	229,280		229,280					229,280
Interest Cost	636,038		636,038					636,038
Expected Investment Income		830,396	(830,396)					(830,396)
Employer Contributions		63,156	(63,156)					(63,156)
Changes of Benefit Terms	-		-					-
Auditing Fees		(18,775)	18,775					18,775
Investment & Administrative Fees		(4,938)	4,938					4,938
Retiree Contributions		110,022	(110,022)					(110,022)
Retiree Portion of Premiums		(110,022)	110,022					110,022
Benefit Payments (employer paid)	(442,780)	(442,780)	-					-
Assumption Changes	(271,660)		(271,660)	(271,660)				-
Plan Experience	(760,853)		(760,853)		(760,853)			-
Investment Experience		1,538,814	(1,538,814)			(1,538,814)		-
Recognized Deferred Resources				(2,255)	298,815	821,648	(63,156)	(1,055,052)
Employer Contributions in Fiscal Year							76,785	(76,785)
Net Changes in Fiscal Year 2021-2022	(609,975)	1,965,873	(2,575,848)	(273,915)	(462,038)	(717,166)	13,629	(1,136,358)
Balance at Fiscal Year Ending 6/30/2022 <i>Measurement Date 12/31/2021</i>	\$ 9,982,768	\$ 16,007,482	\$ (6,024,714)	\$ (36,553)	\$ (2,046,058)	\$ (2,334,038)	\$ 76,037	\$ (1,684,102)



December 31, 2021, Valuation, Funding and GASB 75 Report for the Fiscal Year Ending June 30, 2022

Accounting Information

(Continued)

Schedule of Deferred Outflows and Inflows of Resources

A listing of all deferred resource bases used to develop the Net Position and OPEB Expense is shown below. Deferred Contributions are not shown.

Measurement Date: December 31, 2021

Deferred Resource						Recognition of Deferred Outflow or Deferred (Inflow) in Measurement Period:						
Date Created	Created Due To	Initial Amount	Period (Yrs)	Annual Recognition	Balance as of Dec 31, 2021	2021 (FYE 2022)	2022 (FYE 2023)	2023 (FYE 2024)	2024 (FYE 2025)	2025 (FYE 2026)	2026 (FYE 2027)	Thereafter
12/31/2017	Investment Earnings	Greater than Expected	\$ (954,609)	5.00	\$ (190,922)	\$ -	\$ (190,921)	\$ -	\$ -	\$ -	\$ -	\$ -
12/31/2018	Investment Earnings	Less than Expected	1,178,531	5.00	235,706	235,707	235,706	235,707	-	-	-	-
12/31/2019	Plan Experience	Decreased Liability	(2,013,876)	9.37	(214,928)	(1,369,092)	(214,928)	(214,928)	(214,928)	(214,928)	(214,928)	(294,452)
12/31/2019	Assumption Changes	Increased Liability	301,774	9.37	32,206	205,156	32,206	32,206	32,206	32,206	32,206	44,126
12/31/2019	Investment Earnings	Greater than Expected	(1,686,590)	5.00	(337,318)	(674,636)	(337,318)	(337,318)	-	-	-	-
12/31/2020	Investment Earnings	Greater than Expected	(1,106,762)	5.00	(221,352)	(664,058)	(221,352)	(221,352)	(221,352)	-	-	-
12/31/2021	Plan Experience	Decreased Liability	(760,853)	9.07	(83,887)	(676,966)	(83,887)	(83,887)	(83,887)	(83,887)	(83,887)	(257,531)
12/31/2021	Assumption Changes	Decreased Liability	(271,660)	9.07	(29,951)	(241,709)	(29,951)	(29,951)	(29,951)	(29,951)	(29,951)	(91,954)
12/31/2021	Investment Earnings	Greater than Expected	(1,538,814)	5.00	(307,763)	(1,231,051)	(307,763)	(307,763)	(307,763)	(307,762)	-	-



December 31, 2021, Valuation, Funding and GASB 75 Report for the Fiscal Year Ending June 30, 2022

Accounting Information
(Continued)

Detail of TMWA Contributions to the Plan

TMWA contributions to the Plan occur as benefits are paid to or on behalf of retirees. Benefit payments may occur in the form of direct payments for premiums ("explicit subsidies") and/or indirect payments to retirees in the form of higher premiums for active employees ("implicit subsidies"). Note that the implicit subsidy contribution does not represent cash payments to retirees, but rather the reclassification of a portion of active healthcare expense to be recognized as a retiree healthcare cost. For details, see Addendum 1 – Important Background Information.

Benefits and other contributions paid by TMWA during the measurement period are shown below.

Benefit Payments During the Measurement Period, Jan 1, 2021 thru Dec 31, 2021	TMWA PRMPT
Benefits Paid by Trust	\$ 379,624
Benefits Paid by Employer (not reimbursed by trust)	3,460
Implicit benefit payments	59,696
Total Benefit Payments During the Measurement Period	\$ 442,780

Employer Contributions During the Measurement Period, Jan 1, 2021 thru Dec 31, 2021	TMWA PRMPT
Employer Contributions to the Trust	\$ -
Employer Contributions in the Form of Direct Benefit Payments (not reimbursed by trust)	3,460
Implicit contributions	59,696
Total Employer Contributions During the Measurement Period	\$ 63,156

Benefits to be paid by TMWA in the year following the measurement period but prior to the end of the fiscal year are shown below.

Employer Contributions During the Fiscal Year, Jul 1, 2021 thru Jun 30, 2022	TMWA PRMPT
Employer Contributions to the Trust	\$ -
Employer Contributions in the Form of Direct Benefit Payments (not reimbursed by trust)	1,497
Implicit contributions	75,288
Total Employer Contributions During the Fiscal Year	\$ 76,785



December 31, 2021, Valuation, Funding and GASB 75 Report for the Fiscal Year Ending June 30, 2022

Accounting Information

(Continued)

Projected Benefit Payments (15-year projection)

The following is an estimate of other post-employment benefits to be paid on behalf of current retirees and current employees expected to retire from TMWA. Expected annual benefits have been projected on the basis of the actuarial assumptions outlined in Section 3.

Projected Annual Benefit Payments							
Fiscal Year Ending June 30	Explicit Subsidy			Implicit Subsidy			Total
	Current Retirees	Future Retirees	Total	Current Retirees	Future Retirees	Total	
2022	\$ 446,203	\$ 31,462	\$ 477,665	\$ 20,780	\$ 54,508	\$ 75,288	\$ 552,953
2023	398,012	47,546	445,558	130,169	31,257	161,426	606,983
2024	351,922	81,355	433,277	110,231	57,592	167,823	601,099
2025	356,732	113,875	470,607	91,411	83,101	174,511	645,118
2026	360,587	144,644	505,231	66,402	100,366	166,768	671,999
2027	364,013	177,446	541,459	35,511	118,590	154,101	695,560
2028	368,668	204,918	573,586	4,771	124,508	129,279	702,865
2029	372,339	224,427	596,765	(27,349)	129,900	102,551	699,316
2030	375,055	246,019	621,074	(47,826)	137,407	89,581	710,654
2031	377,306	266,290	643,596	(56,431)	136,282	79,851	723,446
2032	378,211	289,170	667,380	(67,213)	148,802	81,590	748,970
2033	377,642	317,139	694,781	(74,576)	154,202	79,626	774,407
2034	375,739	337,153	712,892	(76,227)	162,666	86,439	799,330
2035	372,855	358,827	731,682	(78,079)	183,772	105,693	837,374
2036	369,333	375,568	744,900	(77,315)	204,294	126,979	871,879

The amounts shown in the Explicit Subsidy section of the table reflect the expected payment by TMWA toward retiree medical premiums in each of the years shown. The amounts are shown separately, and in total, for those retired on the valuation date ("current retirees") and those expected to retire after the valuation date ("future retirees"). **The explicit subsidy benefit amount shown for FYE 2022 is currently an estimate and will be replaced with the actual amount, once known.**

The amounts shown in the Implicit Subsidy table reflect the expected excess of retiree medical and prescription drug claims over the premiums expected to be charged during the year for retirees' coverage. These amounts are also shown separately and in total for those currently retired on the valuation date and for those expected to retire in the future.

These projections do not include any benefits expected to be paid on behalf of current active employees *prior to* retirement, nor do they include any benefits for potential *future employees* (i.e., those who might be hired in future years).



December 31, 2021, Valuation, Funding and GASB 75 Report for the Fiscal Year Ending June 30, 2022

Accounting Information
(Concluded)**Sample Journal Entries****Beginning Account Balances**

As of the fiscal year beginning 7/1/2021

	Debit	Credit
Net OPEB Liability	3,448,866	
Deferred Resource -- Assumption Changes	237,362	
Deferred Resource -- Plan experience		1,584,020
Deferred Resource -- Investment Experience		1,616,872
Deferred Resource -- Contributions	62,408	
Net Position		547,744

* The entries above assume nothing is on the books at the beginning of the year. So to the extent that values already exist in, for example, the Net OPEB Liability account, then only the difference should be adjusted. The entries above represent the values assumed to exist at the start of the fiscal year.

Journal entry to recharacterize retiree benefit payments as OPEB Expense.

	Debit	Credit
OPEB Expense	1,497	
Premium Expense		1,497

* This entry assumes a prior journal entry was made to record the payment for retiree premiums. This entry assumes the prior entry debited an account called "Premium Expense" and credited Cash. This entry reverses the prior debit to "Premium Expense" and recharacterizes that entry as an "OPEB Expense".

Journal entries to record implicit subsidies during the fiscal year

	Debit	Credit
OPEB Expense	75,288	
Premium Expense		75,288

* This entry assumes that premiums for active employees were recorded to an account called "Premium Expense". This entry reverses the portion of premium payments that represent implicit subsidies and assigns that value to OPEB Expense.

Journal entries to record account activity during the fiscal year

	Debit	Credit
Net OPEB Liability	2,575,848	
Deferred Resource -- Assumption Changes		273,915
Deferred Resource -- Plan experience		462,038
Deferred Resource -- Investment Experience		717,166
Deferred Resource -- Contributions	13,629	
OPEB Expense		1,136,358



E. Funding Information

The employer's OPEB funding policy and level of contributions to an irrevocable OPEB trust directly affects the discount rate which is used to calculate the OPEB liability to be reported in the employer's financial statements. Prefunding (setting aside funds to accumulate in an irrevocable OPEB trust) has certain advantages, one of which is the ability to (potentially) use a higher discount rate in the determination of liabilities for GASB 75 reporting purposes. Prefunding also improves the security of benefits for current and potential future recipients and contributes to intergenerational taxpayer equity by better matching the cost of the benefits to the service years in which they are "earned" and which correspond to years in which taxpayers benefit from those services.

Paying Down the UAAL

Once an employer decides to prefund, a decision must be made about how to pay for benefits related to accumulated prior service that have not yet been funded (the UAAL³). This is most often, though not always, handled through structured amortization payments. The period and method chosen for amortizing this unfunded liability can significantly affect the Actuarially Determined Contribution (ADC) or other basis selected for funding the OPEB program.

Much like paying off a mortgage, when the AAL exceeds plan assets, choosing a longer amortization period to pay off the UAAL means smaller payments, but the payments will be required for more years; plan investments will have less time to work toward helping reduce required contribution levels. When the plan is in a surplus position, the reverse is true, and a longer amortization period is usually preferable.

There are several ways the amortization payment can be determined. The most common methods are calculating the amortization payment as a level dollar amount or as a level percentage of payroll. The employer might also choose to apply a shorter period when the UAAL only when it is positive, i.e., when trust assets are lower than the AAL, but opt for a longer period or to exclude amortization of a negative UAAL, when assets exceed the AAL. The entire UAAL may be amortized as one single component or may be broken into multiple components reflecting the timing and source of each change, such as those arising from assumption changes, benefit changes and/or liability or investment experience.

The amortization period(s) should not exceed the number of years which would allow current trust assets plus future contributions and earnings to be sufficient to pay all future benefits and trust expenses each year. Prefunding of OPEB is optional and contributions at any level are permitted. However, if trust sufficiency is not expected, a discount rate other than the assumed trust return will likely be required for accounting purposes.

Funding and Prefunding of the Implicit Subsidy

An implicit subsidy liability is created when retiree medical and prescription drug claims are expected to exceed the premiums charged for retiree coverage. Recognition of the estimated implicit subsidy each year is handled by an accounting entry, reducing the amount paid for active employees and shifting that amount to be treated as a retiree healthcare expense/contribution (see Sample Journal Entries). The implicit subsidy is a true benefit to the retiree but can be difficult to see when medical premiums are set as a flat rate for both actives and pre-Medicare retirees.

³ We use actuarial, rather than accounting, terminology to describe the components used to develop the ADCs.



Funding Information

(Continued)

This might lead some employers to believe the benefit is not real or is merely an accounting construct, and thus to forgo prefunding of retiree implicit benefits.

Consider what would happen if the retiree premiums were based only on expected retiree claims experience. Almost certainly, retiree premiums would increase while premiums for active employees would go down if the active premiums no longer had to help support the higher retiree claims. *Who would pay the increases in retiree premiums?* Current plan documents and bargaining agreements would have to be consulted. Depending on circumstances, the increase in retiree premiums might remain the responsibility of the employer, pass entirely to the retirees, or some blending of the two. The answer would determine whether separate retiree-only premium rates would result in a higher or lower employer OPEB liability. In the current premium structure, with blended active and pre-Medicare retiree premiums, the employer is clearly, though indirectly, paying the implicit retiree cost.

The prefunding decision is complex. OPEB materiality, budgetary concerns, desire to use the full trust rate in developing the liability for GASB 75, and other factors must be weighed by each employer. Since prefunding OPEB benefits is not required, each employer's OPEB prefunding strategy will depend on how they balance these competing perspectives.

Development of the Actuarially Determined Contributions

TMWA has approved development of ADCs based on the following two components, which are then adjusted with interest to each fiscal year end:

- The amounts attributed to service performed in the current fiscal year (the normal cost) and
- Amortization of the unfunded actuarial accrued liability (UAAL) with level dollar payments over an open 30-year period for the ADC's calculated in this valuation.

Actuarially Determined Contributions, developed as described above for TMWA's fiscal years ending June 30, 2023 and 2024 are shown the exhibit on the next page. These ADCs incorporate both explicit (cash benefit) and implicit subsidy benefit liabilities. Contributions credited toward meeting the ADC will be comprised of:

- 1) direct payments to insurers toward retiree premiums, to the extent not reimbursed to TMWA by the trust; plus
- 2) each year's implicit subsidy payment; and
- 3) contributions to the OPEB trust.

ADCs determined on this basis should provide for trust sufficiency, based on the current plan provisions and census data, provided all assumptions are exactly realized and if TMWA contributes 100% or more of the ADC each year. When an agency commits to funding the trust at or above the ADC, the expected long-term trust return may be used as the discount rate in determining the plan liability for accounting purposes. Trust sufficiency cannot be guaranteed to a certainty, however, because of the non-trivial risk that the assumptions used to project future benefit liabilities may not be realized.



December 31, 2021, Valuation, Funding and GASB 75 Report for the Fiscal Year Ending June 30, 2022

Funding Information

(Continued)

We develop the Actuarially Determined Contributions (ADCs) for fiscal years ending June 30, 2023 and June 30, 2024 from the results of this valuation. The ADC for fiscal year end June 30, 2022, was developed from the prior (2019) valuation and we have included this for reference as well.

Valuation date	12/31/2019	12/31/2021	
Discount rate	6.00%	6.00%	
Number of Covered Employees			
Actives	190	164	
Retirees	46	62	
Total Participants	236	226	
For fiscal year ending	6/30/2022	6/30/2023	6/30/2024
Actuarial Present Value of Projected Benefits	\$ 12,851,015	\$ 12,066,507	\$ 12,197,303
Actuarial Accrued Liability (AAL)			
Actives	7,451,316	5,379,793	5,791,844
Retirees	3,556,938	4,979,672	4,793,947
Total AAL	11,008,254	10,359,465	10,585,791
Actuarial Value of Assets	13,281,521	16,310,739	16,664,189
Unfunded AAL (UAAL)	(2,273,267)	(5,951,274)	(6,078,398)
UAAL Amortization method	Level Dollar	Level Dollar	Level Dollar
Remaining amortization period (years)	23	30	30
Amortization Factor	13.0416	14.5907	14.5907
Actuarially Determined Contribution (ADC)			
Normal Cost	236,158	\$ 186,748	\$ 192,350
Amortization of UAAL	(174,309)	(407,881)	(416,593)
Interest to fiscal year end	1,828	(31,212)	(31,225)
Total ADC	63,677	-	-

Funding of the ADC

Accounting recognition of current year implicit subsidy	\$ 75,288	\$ 161,426	\$ 167,823
Trust contribution (refund) needed to equal ADC	(11,611)	(161,426)	(167,823)

Retiree benefits (explicit) are paid from the trust.

Given the substantial surplus position of the plan, ADCs are \$0 through June 30, 2024. We encourage TMWA to consider taking a reimbursement of each year's implicit subsidy amount to reduce the likelihood that this surplus will continue to widen.

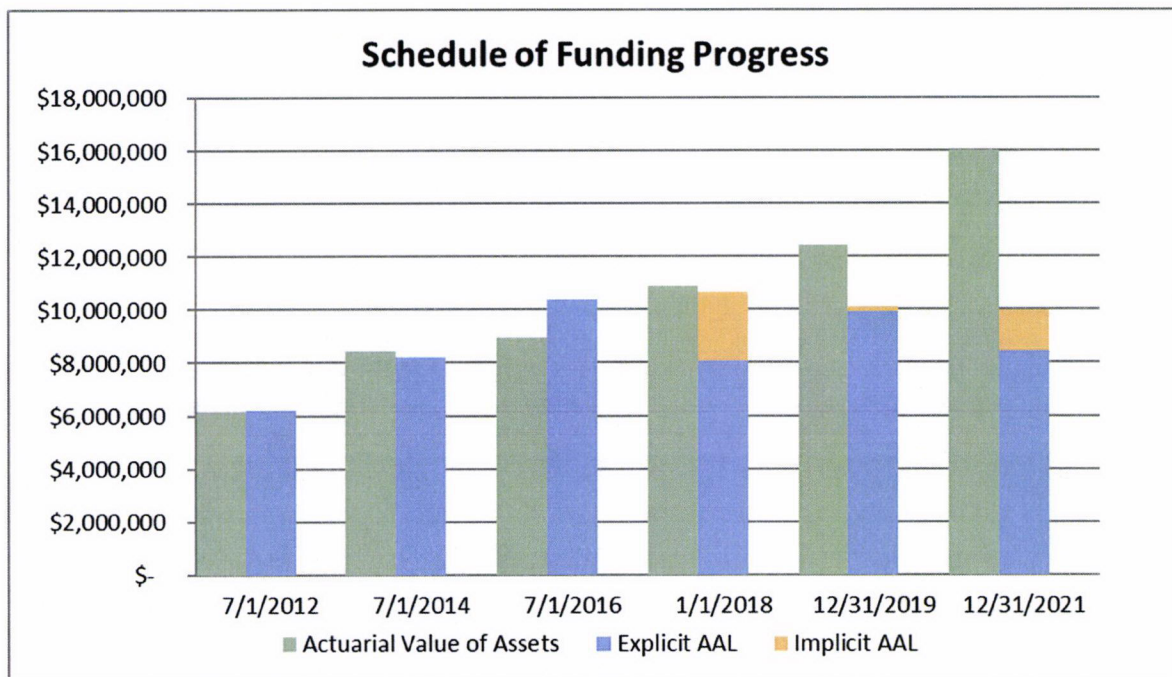


December 31, 2021, Valuation, Funding and GASB 75 Report for the Fiscal Year Ending June 30, 2022

Funding Information
(Concluded)

In this section, we provide a review of key components of valuation results from 2012 through 2021.

Schedule of Funding Progress							
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (Asset) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)	Discount Rate
7/1/2012	\$ 6,181,506	\$ 6,228,631	\$ 47,125	99.2%	\$ 11,618,408	0.4%	6.5%
7/1/2014	\$ 8,443,923	\$ 8,196,010	\$ (247,913)	103.0%	\$ 12,941,448	-1.9%	6.5%
7/1/2016	\$ 8,948,929	\$ 10,407,569	\$ 1,458,640	86.0%	\$ 13,944,136	10.5%	6.0%
1/1/2018	\$ 10,926,894	\$ 10,694,671	\$ (232,223)	102.2%	\$ 15,993,551	-1.5%	6.0%
12/31/2019	\$ 12,444,083	\$ 10,118,664	\$ (2,325,419)	123.0%	\$ 18,016,608	-12.9%	6.0%
12/31/2021	\$ 16,007,482	\$ 9,982,768	\$ (6,024,714)	160.4%	\$ 21,664,461	-27.8%	6.0%



Significant changes in recent years include:

- *January 1, 2018:* Increase in liability from change in cost method from Projected Unit Credit to Entry Age Normal; largely offset by a net of assumption changes, notably changes in demographic assumptions and assumed spouse coverage.
- *December 31, 2019:* Continued favorable plan experience, primarily from lower than expected premiums and expected retiree claim costs; partially offset by assumption changes, including the updates to demographic assumptions and future healthcare trend. Plan is closed to new entrants and assets increased more than expected, with result that the plan is now in a surplus position.
- *December 31, 2021:* Higher than expected return on trust assets and lower healthcare premiums and projected claims than previously projected.



F. Certification

The primary purposes of this report are: (1) to provide actuarial information of the other postemployment benefits (OPEB) provided by the Truckee Meadows Water Authority (TMWA) Post-Retirement Medical Plan and Trust (PRMPT) in compliance with Statement 75 of the Governmental Accounting Standards Board (GASB 75); and (2) to provide Actuarially Determined Contributions for prefunding of this program in conformity with the District's OPEB funding policy. TMWA is not required to contribute the ADC shown in this report and we make no representation that it will, in fact, fund the OPEB trust at any particular level).

In preparing this report we relied without audit on information provided by TMWA. This information includes, but is not limited to, plan provisions, census data, and financial information. We performed a limited review of this data and found the information to be reasonably consistent. The accuracy of this report is dependent on this information and if any of the information we relied on is incomplete or inaccurate, then the results reported herein will be different from any report relying on more accurate information.

We consider the actuarial assumptions and methods used in this report to be individually reasonable under the requirements imposed by GASB 75 and taking into consideration reasonable expectations of plan experience. The results provide an estimate of the plan's financial condition at one point in time. Future actuarial results may be significantly different due to a variety of reasons including, but not limited to, demographic and economic assumptions differing from future plan experience, changes in plan provisions, changes in applicable law, or changes in the value of plan benefits relative to other alternatives available to plan members.

Alternative assumptions may also be reasonable; however, demonstrating the range of potential plan results based on alternative assumptions was beyond the scope of our assignment except to the limited extent required by GASB 75 and in accordance with TMWA's stated OPEB funding policy. Results for accounting purposes may be materially different than results obtained for other purposes such as plan termination, liability settlement, or underlying economic value of the promises made by the plan.

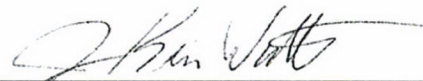
This report is prepared solely for the use and benefit of TMWA and may not be provided to third parties without prior written consent of MacLeod Watts. Exceptions are: TMWA may provide copies of this report to their professional accounting and legal advisors who are subject to a duty of confidentiality, and TMWA may provide this work to any party if required by law or court order. No part of this report should be used as the basis for any representations or warranties in any contract or agreement without the written consent of MacLeod Watts.

The undersigned are unaware of any relationship that might impair the objectivity of this work. Nothing within this report is intended to be a substitute for qualified legal or accounting counsel. The signing actuaries are members of the American Academy of Actuaries and meet the qualification standards for rendering this opinion.

Signed: July 1, 2022



Catherine L. MacLeod, FSA, FCA, EA, MAAA



J. Kevin Watts, FSA, FCA, MAAA



December 31, 2021, Valuation, Funding and GASB 75 Report for the Fiscal Year Ending June 30, 2022

G. Supporting Information

Section 1 - Summary of Employee Data

TMWA reported 190 active employees in the data provided to us for the December 2021 valuation of the PRMPT.⁴ Age and service values as of the valuation date are summarized in the chart below, first in total and then separately for the IBEW and MPAT bargaining units.

Distribution of Benefits-All Eligible Active Employees								
Current Age	Years of Service						Total	Percent
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 & Up		
Under 25		2					2	1%
25 to 29		5	4				9	5%
30 to 34		5	8	1			14	9%
35 to 39		10	12	2	3		27	16%
40 to 44		3	13	5	5	1	27	16%
45 to 49		3	5	6	3	6	23	14%
50 to 54		2	4		11	4	21	13%
55 to 59		1	2	1	2	13	19	12%
60 to 64			6	1	2	7	16	10%
65 to 69		1			1	2	4	2%
70 & Up				1		1	2	1%
Total	0	32	54	17	27	34	164	100%
Percent	0%	20%	33%	10%	16%	21%	100%	

Valuation	December 2019	December 2021
Average Attained Age for Actives	46.1	46.5
Average Years of Service	12.0	13.0

The chart below summarizes the census data for active employees by bargaining unit and hire date:

Bargaining Unit	Number	Average Age	Average Service	Payroll
MPAT	74	48.9	13.0	\$ 8,871,280
Hired before 1/1/1998	7	57.5	31.3	\$ 1,198,536
Hired after 12/31/1997	67	48.0	11.1	\$ 7,672,744
IBEW	90	44.4	12.9	\$ 8,418,771
Hired before 1/1/1998	10	59.4	32.5	\$ 1,012,315
Hired after 12/31/1997	80	42.6	10.5	\$ 7,406,456
All	164	46.5	13.0	\$ 17,290,051
Hired before 1/1/1998	17	58.6	32.0	\$ 2,210,852
Hired after 12/31/1997	147	45.1	10.8	\$ 15,079,200

⁴ The active employee count excludes 47 employees who were hired between December 14, 2018 and the valuation date (December 31, 2021). Employees hired after December 13, 2018 are ineligible for direct (explicit) benefits from the PRMPT in retirement. Should any of these employees retire from TMWA, they will have continued access to the healthcare and life insurance coverage provided they pay the full premiums. This coverage, if elected, may result in an implicit subsidy liability. This liability is presented in a separate report.



December 31, 2021, Valuation, Funding and GASB 75 Report for the Fiscal Year Ending June 30, 2022

Supporting Information

(Continued)

Section 1 - Summary of Employee Data

(continued)

MPAT: Distribution of Benefits-Eligible Active Employees								
Current Age	Years of Service						Total	Percent
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 & Up		
Under 25							0	0%
25 to 29							0	0%
30 to 34		2	4	1			7	4%
35 to 39		6	5		1		12	7%
40 to 44			6	3	1		10	6%
45 to 49		1	4	4	2	1	12	7%
50 to 54		1			4	3	8	5%
55 to 59		1	2		2	7	12	7%
60 to 64			5		2	3	10	6%
65 to 69		1			1		2	1%
70 & Up				1			1	1%
Total	0	12	26	9	13	14	74	45%
Percent	0%	7%	16%	5%	8%	9%	45%	

IBEW: Distribution of Benefits-Eligible Active Employees								
Current Age	Years of Service						Total	Percent
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 & Up		
Under 25		2					2	1%
25 to 29		5	4				9	5%
30 to 34		3	4				7	4%
35 to 39		4	7	2	2		15	9%
40 to 44		3	7	2	4	1	17	10%
45 to 49		2	1	2	1	5	11	7%
50 to 54		1	4		7	1	13	8%
55 to 59				1		6	7	4%
60 to 64			1	1		4	6	4%
65 to 69						2	2	1%
70 & Up						1	1	1%
Total	0	20	28	8	14	20	90	55%
Percent	0%	12%	17%	5%	9%	12%	55%	



December 31, 2021, Valuation, Funding and GASB 75 Report for the Fiscal Year Ending June 30, 2022

Supporting Information

(Continued)

Section 1 - Summary of Employee Data

(continued)

There are also 62 retirees receiving benefits under this program, including 1 former MPAT employee who is temporarily deferring their benefit. Ages and service values for the current retirees are summarized in the chart below:

Retirees by Age								
Current Age	MPAT			IBEW			All Retirees	Percent
	Hired before 1998	Hired after 1997	Total MPAT	Hired before 1998	Hired after 1997	Total IBEW		
Below 55	None currently						0	
55 to 59	0	1	1	5	2	7	8	13%
60 to 64	2	5	7	8	4	12	19	31%
65 to 69	5	1	6	6	1	7	13	21%
70 to 74	1	6	7	3	1	4	11	18%
75 to 79	0	2	2	5	2	7	9	15%
80 & up	0	1	1	1	0	1	2	3%
Total	8	16	24	28	10	38	62	100%
Average Age:								
On 12/31/2021	66.7	68.8	68.1	67.5	66.2	67.2	67.5	
At retirement	61.9	62.9	62.6	61.4	62.1	61.6	62.0	
Average Service at Retirement	31.0	13.5	19.3	33.3	14.6	28.4	24.9	

The chart below compares the numbers of active and retired employees included in the December 2019 and December 2021 valuations:

Change in Number Included in Valuation			
Status	Actives	Retirees	Total
Number included in December 31, 2019 valuation	190	46	236
MPAT	85	20	105
IBEW	105	26	131
Number included in December 31, 2021 valuation	164	62	226
MPAT	74	24	98
IBEW	90	38	128
Increase (decrease) from 2019 to 2021	(26)	16	(10)
MPAT	(11)	4	(7)
IBEW	(15)	12	(3)
% change from 2019 to 2021	-14%	35%	-4%
MPAT	-13%	20%	-7%
IBEW	-14%	46%	-2%



Supporting Information (Continued)

Section 2 - Summary of Retiree Benefit Provisions

PRMPT OPEB provided: TMWA reported that the following OPEB are provided: retiree medical, dental, vision and life insurance coverage for employees hired by TMWA prior to December 15, 2018.

Access to coverage: Employees who retire from TMWA are eligible to continue their coverage under the health plans offered by TMWA to its active employees. The only conditions to be eligible for coverage are satisfaction of the service and retirement guidelines consistent with eligibility for receiving retirement benefits from Nevada PERS.

Healthcare Subsidies under the PRMPT: Employees who retire from TMWA on or after age 55 with at least 10 years of service are eligible for a subsidy toward the cost of their health and life insurance premiums. Service at Sierra Pacific Resources (SPR) may be applied toward OPEB eligibility if the employee elected to have assets transferred from the SPR VEBA to the TMWA VEBA Trust.

Surviving spouses of (a) IBEW retirees hired before 1998 and (b) MPAT retirees are eligible to continue coverage for 12 months following the retiree's death. No other survivors are permitted to retain coverage in TMWA plans, except as required by COBRA.

Benefits vary by bargaining unit as follows:

IBEW

- **Hired before 1998:** The PRMPT pays a percentage of the retiree and eligible dependents' premiums for TMWA-sponsored medical, dental and vision coverage, based on the retiree's age and years of service at retirement as shown below:

PRMPT Paid % for IBEW Pre-1998 Hires					
Years of Service	% Paid by PRMPT		Years of Service	% Paid by PRMPT	
	Under 65	Over 65		Under 65	Over 65
< 10	0%	0%	15	60%	65%
10	40%	45%	16	64%	69%
11	44%	49%	17	68%	73%
12	48%	53%	18	72%	77%
13	52%	57%	19	76%	81%
14	56%	61%	20+	80%	85%

A surviving spouse is eligible to continue coverage and receive the same level of subsidy provided to the retiree for the first 12 months following the retiree's death.

- **Hired after 1997 and prior to December 15, 2018:** Upon retirement, the PRMPT makes a one-time deposit equal to \$1,250 times years of service to the employee's Retiree Health Savings (RHS) account. The RHS funds may be applied, at the retiree's discretion, toward qualifying healthcare expenses not paid by TMWA, including dependent premiums, whether covered by TMWA-sponsored plans or other coverage.

The retiree may continue coverage on TMWA plans after the RHS is exhausted, provided he or she makes timely payment of all premiums, for the retiree and any covered dependents.



Supporting Information

(Continued)

Section 2 - Summary of Retiree Benefit Provisions

(continued)

MPAT: The PRMPT makes an annual contribution to retiree's Retiree Health Savings (RHS) account. RHS funds may be applied, at the retiree's discretion, toward qualifying healthcare expenses, including TMWA-sponsored medical, dental and vision plans. The amount of the annual contribution varies by age and service at follows:

- If employee retires on or after age 62:
 - Prior to age 65, PRMPT provides an annual allowance equal to \$235 times years of service, up to \$7,050 per year (30 years of credited service).
 - For ages 65 and above, PRMPT provides an annual allowance equal to \$105 times years of service, up to \$3,675 per year (35 years of credited service).
- If employee retires before age 62, the PRMPT reduces the amount of the annual allowances described above by 5% for each full year retirement precedes age 62. For example, an employee retiring at age 60 would receive 90% of \$235 times years of service; upon reaching age 65 the retiree would receive 90% of \$105 times years of service. This reduction factor is waived for those who retire earlier but who elect to defer their benefits until age 62 or later.

A surviving spouse is eligible to continue coverage and receive the same level of subsidy provided to the retiree for the first 12 months following the retiree's death.

Current premium rates: The 2022 monthly healthcare premiums for plans available to TMWA retirees are shown in the chart below:

2022 Healthcare Rates for TMWA Retirees				
Plan	Retiree Only	Retiree & Spouse	Retiree & Child(ren)	Retiree & Family
Medical	\$ 747.54	\$ 1,307.61	\$ 1,240.53	\$ 1,630.27
Vision	6.56	10.50	10.72	17.30
Dental	77.46	130.34	123.00	168.52

Life Insurance: Both MPAT and IBEW retirees who qualify for healthcare subsidies are eligible for fully-subsidized life insurance coverage. The premium rate for \$1,000 in coverage is \$0.24 plus an additional \$0.03 for AD&D coverage. The face amount of the policy varies by age as follows:

- Before age 70: 100% of life insurance coverage on retirement date (100% of annual salary)
- Ages 70-74: 50% of life insurance coverage on retirement date
- Ages 75+: \$2,000

A retiree may elect \$1,500 of life insurance coverage for his or her spouse in TMWA's life insurance plan by paying 100% of the applicable premium. The premium for spouse life insurance is \$0.48 per month.

Employees excluded from this valuation: Employees hired after December 14, 2018 may have access to coverage but receive no premium benefit from TMWA. These employees are not included in this valuation; their liability is provided in a separate valuation report for implicit subsidy liability.



Supporting Information (Continued)

Section 3 - Actuarial Methods and Assumptions

The ultimate real cost of an employee benefit plan is the value of all benefits and other expenses of the plan over its lifetime. These payments depend only on the terms of the plan and the administrative arrangements adopted. Actuarial assumptions are used to estimate the cost of these benefits; the funding method spreads the expected costs on a level basis over the life of the plan.

Important Dates

Valuation Date	December 31, 2021
Fiscal Year End	June 30, 2022
GASB 75 Measurement Date	December 31, 2021

Valuation Methods

Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market value of assets
Participants Valued	Only current active employees and retired participants and covered dependents are valued. This plan is now closed.
Development of Age-related Medical Premiums	<p>Actual premium rates for retirees and their spouses were adjusted to an age-related basis by applying medical claim cost factors developed from the data presented in the report, "Health Care Costs – From Birth to Death", sponsored by the Society of Actuaries. See Addendum 1 MacLeod Watts's Age Rating Methodology for a description of the use of claims cost curves.</p> <p>The monthly baseline premium costs were set equal to the active employee-only premiums shown in the chart at the end of Section 2. The overall average number of children assumed per employee (subscriber) covering children is 1.85 and the average age of children covered is 11.6.</p> <p>Representative claims costs are shown in the chart on the following page.</p>



December 31, 2021, Valuation, Funding and GASB 75 Report for the Fiscal Year Ending June 30, 2022

Supporting Information
(Continued)

Section 3 - Actuarial Methods and Assumptions

Development of Age-related
Medical Premiums (continued)

HHP			Reno Plan		
Retiree Age	Males	Females	Retiree Age	Males	Females
48	\$ 612	\$ 793	48	\$ 502	\$ 649
53	809	934	53	663	765
58	1,031	1,056	58	844	865
63	1,278	1,241	63	1,047	1,016
68	523	505	68	428	414
73	577	557	73	473	456
78	612	588	78	501	482
83	622	603	83	509	494
88	595	596	88	487	488
93	581	584	93	476	478
98	580	577	98	475	472

Economic Assumptions

Long Term Return on Assets/
Discount Rate

6.0 % as of December 31, 2021, and 6.0% as of December 31,
2020, net of plan investment and trust expenses

General Inflation Rate

2.5% per year

Salary Increase

3.0% per year; since benefits do not depend on salary, this is
used to allocate the cost of benefits between service years.

Healthcare Trend

Medical plan premiums and claims costs by age are assumed to
increase once each year. Increases over the prior year's levels
were derived using the Getzen model and are assumed to be
effective on the dates shown in the chart below.

Effective January 1	Premium Increase	Effective January 1	Premium Increase
2022	Actual	2044-2049	4.7%
2023	5.8%	2050-2059	4.6%
2024	5.6%	2060-2066	4.5%
2025	5.4%	2067-2068	4.4%
2026-2027	5.2%	2069-2070	4.3%
2028-2029	5.1%	2071	4.2%
2030-2038	5.0%	2072-2073	4.1%
2039	4.9%	2074-2075	4.0%
2040-2043	4.8%	2076 & later	3.9%



Supporting Information

(Continued)

Section 3 - Actuarial Methods and Assumptions

Healthcare Trend

(continued)

The healthcare trend shown above was developed using the Getzen Model 2022_b published by the Society of Actuaries using the following settings: CPI 2.5%; Real GDP Growth 1.4%; Excess Medical Growth 1.0%; Expected Health Share of GDP in 2028 20.3%; Resistance Point 20%; Year after which medical growth is limited to growth in GDP 2075.

Dental and vision premiums are assumed to increase by 4% per year.

The rate per \$1,000 in life insurance coverage is assumed to remain fixed at the current rate.

Employer Cost Sharing Levels

IBEW Pre-1998 Hires: Increases in the PRMPT-paid portion of healthcare premiums are assumed to increase at the same rates as medical trend (described above).

IBEW Post-1997 Hires: The \$1,250 service multiplier is assumed to remain fixed at its current level in all future years. Retirees are expected to exhaust the lifetime allowance 4 years following retirement.

MPAT: The \$235 (pre-65) and \$105 (post-65) service multipliers are assumed to remain fixed at their current level in all future years.

Medicare Eligibility

Absent contrary data, all individuals are assumed to be eligible for Medicare Parts A and B at 65. Retirees over age 65 who are not eligible for Medicare are assumed to remain ineligible.

Participant Election Assumptions

Participation Rates

and Medical Plan Elections

Future retirees: 100% of qualifying future retirees are assumed to receive benefits. MPAT employees retiring before age 62 are assumed to defer their benefits until reaching age 62. All other retirees are assumed to receive benefits immediately upon retirement.

Future retirees are assumed to elect coverage in TMWA plans as follows:

IBEW Pre-1998 Hires: All future retirees are assumed to elect coverage in TMWA-sponsored coverage. Coverage is assumed to be continued for the retiree's lifetime.



Supporting Information (Continued)

Section 3 - Actuarial Methods and Assumptions

Participation Rates and

Medical Plan Elections (continued)

MPAT and Post-1997 IBEW: The percentage of future retirees assumed to elect TMWA coverage in retirement is as follows:

- **Prior to age 65:** If eligible for subsidies from the PRMPT, the percentage of future retirees assumed to elect TMWA coverage is 40% with 10 years of service, increasing by 3% per year of service until reaching 100% at 30 years of service.
If not eligible for subsidies from PRMPT, only 15% are assumed to elect coverage and self-pay the full cost.
- **Ages 65 and older:** All are assumed to elect coverage in non-TMWA plans upon reaching age 65.

For both IBEW and MPAT, *of those assumed to elect TMWA coverage*, 2/3 (66.7%) of retirees are assumed to elect coverage in the Reno Plan; the remaining 1/3 (33.3%) are assumed to elect coverage in the Hometown Health Plan.

Retired participants: Existing medical plan elections are assumed to be continued until retiree's death.

Spouse Coverage

Active employees: 75% of pre-1998 IBEW employees and 40% of all other employees are assumed to be married and elect coverage for their spouse in retirement. Surviving spouses are assumed to retain coverage until their death. Husbands are assumed to be 3 years older than their wives.

Retired participants: Existing elections for spouse coverage are assumed to be continued until the spouse's death. Actual spouse ages are used, where known; if not, husbands are assumed to be 3 years older than their wives.



Supporting Information

(Continued)

Section 3 - Actuarial Methods and Assumptions

Demographic Assumptions

The demographic actuarial assumptions used in this valuation are based on the most recently published report of the Nevada Public Employees Retirement System dated June 30, 2021 which covers the employees included in this valuation except for a different basis used to project future mortality improvements.

Mortality: The rates described below were described in the June 30, 2021, actuarial valuation of the Nevada PERS program as being reasonably representative of mortality experience as of that measurement date.

Non-disabled life rates for Regular employees & future survivors:

Males: Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 30%

Females: Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 15%

Pre-retirement life rates for Regular employees:

Males & Females: Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table

Mortality Improvement The mortality rates described on the above were adjusted to anticipate future mortality improvement by applying MacLeod Watts Scale 2022 on a generational basis from 2010 forward (see Addendum 3 for details).

Termination Rates

Years of Service	Regular Employees	Years of Service	Regular Employees
0	15.75%	13	2.75%
1	12.75%	14	2.25%
2	10.25%	15	2.25%
3	8.25%	16	2.25%
4	7.50%	17	2.00%
5	6.50%	18	1.75%
6	5.75%	19	1.75%
7	5.25%	20	1.75%
8	4.75%	21	1.75%
9	4.50%	22	1.75%
10	4.25%	23	1.75%
11	3.25%	24	1.50%
12	3.00%	& Over	1.50%



Supporting Information

(Continued)

Section 3 - Actuarial Methods and Assumptions

Retirement Rates

Regular Employees Hired before January 1, 2010						
Age	Years of Service					
	5-9	10-19	20-24	25-27	28-29	30 or more
45	0%	0%	0%	1%	20%	20%
50	0.2%	0.6%	0.7%	2.0%	20%	20%
55	0.8%	1.5%	3%	3%	20%	20%
60	5.0%	11%	18%	25%	21%	21%
65	18%	19%	22%	22%	25%	25%
70	20%	20%	25%	30%	30%	30%
75 & Over	100%	100%	100%	100%	100%	100%

Regular Employees Hired before July 1, 2015 but on or after January 1, 2010						
Age	Years of Service					
	5-9	10-19	20-24	25-27	28-29	30 or more
45	0%	0%	0%	0%	20%	20%
50	0.0%	0.0%	0.0%	0.0%	20%	20%
55	0.2%	1.0%	2%	2%	20%	20%
60	2.0%	4%	6%	10%	21%	21%
65	17%	18%	21%	21%	25%	25%
70	19%	19%	23%	28%	30%	30%
75 & Over	100%	100%	100%	100%	100%	100%

Regular Employees Hired on or after July 1, 2015						
Age	Years of Service					
	5-9	10-19	20-24	25-29	30-33	33 or more
45	0%	0%	0%	0%	7%	20%
50	0.0%	0.0%	0.0%	0.0%	13%	20%
55	0.2%	0.9%	2%	2%	18%	20%
60	1.8%	4%	5%	9%	19%	21%
65	15%	16%	19%	19%	23%	25%
70	17%	17%	21%	25%	27%	30%
75 & Over	100%	100%	100%	100%	100%	100%



Supporting Information (Continued)

Section 3 - Actuarial Methods and Assumptions

Software and Models Used in the Valuation

ProVal - MacLeod Watts utilizes ProVal, a licensed actuarial valuation software product from Winklevoss Technologies (WinTech) to project future retiree benefit payments and develop the OPEB liabilities presented in this report. ProVal is widely used by the actuarial community. We review results at the plan level and for individual sample lives and find them to be reasonable and consistent with the results we expect. We are not aware of any material inconsistencies or limitations in the software that would affect this actuarial valuation.

Age-based premiums model – developed internally and reviewed by an external consultant at the time it was developed. See discussion on Development of Age-Related Medical Premiums and Addendum 3.

Getzen model – published by the Society of Actuaries; used to derive medical trend assumptions described earlier in this section.

Changes in assumptions or methods since the prior Measurement Date

Demographic assumptions	Updated assumed rates of mortality, retirement and other separation (termination) of service to reflect the assumptions applied in the NV PERS June 30, 2021 Valuation report The mortality improvement scale was updated from MacLeod Watts Scale 2018 to MacLeod Watts Scale 2020, reflecting continued updates in available information (see Addendum 3).
Healthcare Trend	Updated the base healthcare trend scale from Getzen Model 2019_b to Getzen Model 2021_b, as published by the Society of Actuaries



Appendix 1: Basic Valuation Results by Tier

The chart below summarizes the results as of the December 31, 2021, measurement date for the MPAT and IBEW groups. Results are further split between those hired before and after January 1, 1998. Amounts in the Total column correspond to those shown in the Total column on page 7.

Valuation Date	12/31/2021						
Fiscal Year Ending	6/30/2022						
Measurement Date	12/31/2021						
Discount rate	6.00%						
Group	MPAT Pre 98	MPAT Post 97	All MPAT	IBEW Pre 98	IBEW Post 97	All IBEW	Grand Total
Number of Covered Employees							
Actives	7	67	74	10	80	90	164
Retirees	8	16	24	28	10	38	62
Total Participants	15	83	98	38	90	128	226
Actuarial Present Value of Projected Benefits							
Actives	\$ 525,933	\$ 1,928,997	\$ 2,454,930	\$ 2,007,195	\$ 2,248,064	\$ 4,255,259	6,710,189
Retirees	382,323	369,066	751,389	4,063,086	158,926	4,222,012	4,973,401
Total APVPB	908,256	2,298,063	3,206,319	6,070,281	2,406,990	8,477,271	11,683,590
Total OPEB Liability (TOL)							
Actives	489,047	1,272,349	1,761,396	1,862,494	1,385,477	3,247,971	5,009,367
Retirees	382,323	369,066	751,389	4,063,086	158,926	4,222,012	4,973,401
TOL	871,370	1,641,415	2,512,785	5,925,580	1,544,403	7,469,983	9,982,768
Service Cost							
For the period following the measurement date	8,235	6,660	14,895	29,930	76,484	106,414	121,309



Addendum 1: Important Background Information**General Types of Other Post-Employment Benefits (OPEB)**

Post-employment benefits other than pensions (OPEB) comprise a part of compensation that employers offer for services received. The most common OPEB are medical, prescription drug, dental, vision, and/or life insurance coverage. Other OPEB may include outside group legal, long-term care, or disability benefits outside of a pension plan. OPEB does not generally include COBRA, vacation, sick leave (unless converted to defined benefit OPEB), or other direct retiree payments.

A direct employer payment toward the cost of OPEB benefits is referred to as an “explicit subsidy”. In addition, if claims experience of employees and retirees are pooled when determining premiums, retiree premiums are based on a pool of members which, on average, are younger and healthier. For certain types of coverage such as medical insurance, this results in an “implicit subsidy” of retiree premiums by active employee premiums since the retiree premiums are lower than they would have been if retirees were insured separately. GASB 75 and Actuarial Standards of Practice generally require that an implicit subsidy of retiree premium rates be valued as an OPEB liability.

Expected retiree claims		
Premium charged for retiree coverage		Covered by higher active premiums
Retiree portion of premium	Agency portion of premium Explicit subsidy	Implicit subsidy

This chart shows the sources of funds needed to cover expected medical claims for pre-Medicare retirees. The portion of the premium paid by the Agency does not impact the amount of the implicit subsidy.

Valuation Process

The valuation was based on employee census data and benefits provided by TMWA. A summary of the employee data is provided in Section 1 and a summary of the benefits provided under the Plan is provided in Section 2. While individual employee records have been reviewed to verify that they are reasonable in various respects, the data has not been audited and we have otherwise relied on TMWA as to its accuracy. The valuation was also based on the actuarial methods and assumptions described in Section 3.

In developing the projected benefit values and liabilities, we first determine an expected premium or benefit stream over the employee’s future retirement. Benefits may include both direct employer payments (explicit subsidies) and/or an implicit subsidy, arising when retiree premiums are expected to be subsidized by active employee premiums. The projected benefit streams reflect assumed trends in the cost of those benefits and assumptions as to the expected date(s) when benefits will end. We then apply assumptions regarding:

- The probability that each individual employee will or will not continue in service to receive benefits.
- The probability of when such retirement will occur for each retiree, based on current age, service and employee type; and



Important Background Information

(Continued)

- The likelihood that future retirees will or will not elect retiree coverage (and benefits) for themselves and/or their dependents.

We then calculate a present value of these benefits by discounting the value of each future expected benefit payment, multiplied by the assumed expectation that it will be paid, back to the valuation date using the discount rate. These benefit projections and liabilities have a very long time horizon. The final payments for currently active employees may not be made for many decades.

The resulting present value for each employee is allocated as a level percent of payroll each year over the employee's career using the entry age normal cost method and the amounts for each individual are then summed to get the results for the entire plan. This creates a cost expected to increase each year as payroll increases. Amounts attributed to prior fiscal years form the "Total OPEB Liability". The OPEB cost allocated for active employees in the current year is referred to as "Service Cost".

Where contributions have been made to an irrevocable OPEB trust, the accumulated value of trust assets ("Fiduciary Net Position") is applied to offset the "Total OPEB Liability", resulting in the "Net OPEB Liability". If a plan is not being funded, then the Net OPEB Liability is equal to the Total OPEB Liability.

It is important to remember that an actuarial valuation is, by its nature, a projection of one possible future outcome based on many assumptions. To the extent that actual experience is not what we assumed, future results will differ. Some possible sources of future differences may include:

- A significant change in the number of covered or eligible plan members
- A significant increase or decrease in the future premium rates
- A change in the subsidy provided by the Agency toward retiree premiums
- Longer life expectancies of retirees
- Significant changes in expected retiree healthcare claims by age, relative to healthcare claims for active employees and their dependents
- Higher or lower returns on plan assets or contribution levels other than were assumed, and/or
- Changes in the discount rate used to value the OPEB liability



Important Background Information (Continued)

Requirements of GASB 75

The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition, and disclosure of OPEB expense and related liabilities (assets), note disclosures, and, required supplementary information (RSI) in the financial reports of state and local governmental employers.

Important Dates

GASB 75 requires that the information used for financial reporting falls within prescribed timeframes. Actuarial valuations of the total OPEB liability are generally required at least every two years. If a valuation is not performed as of the Measurement Date, then liabilities are required to be based on roll forward procedures from a prior valuation performed no more than 30 months and 1 day prior to the most recent year-end. In addition, the net OPEB liability is required to be measured as of a date no earlier than the end of the prior fiscal year (the "Measurement Date").

Recognition of Plan Changes and Gains and Losses

Under GASB 75, gains and losses related to changes in Total OPEB Liability and Fiduciary Net Position are recognized in OPEB expense systematically over time.

- *Timing of recognition:* Changes in the Total OPEB Liability relating to changes in plan benefits are recognized immediately (fully expensed) in the year in which the change occurs. Gains and Losses are amortized, with the applicable period based on the type of gain or loss. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.
- *Deferred recognition periods:* These periods differ depending on the source of the gain or loss.

Difference between projected
and actual trust earnings:

5 year straight-line recognition

All other amounts:

Straight-line recognition over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits, determined as of the beginning of the Measurement Period. In determining the EARSL, all active, retired and inactive (vested) members are counted, with the latter two groups having 0 remaining service years.



December 31, 2021, Valuation, Funding and GASB 75 Report for the Fiscal Year Ending June 30, 2022

Important Background Information

(Continued)

Implicit Subsidy Plan Contributions

An implicit subsidy occurs when expected retiree claims exceed the premiums charged for retiree coverage. When this occurs, we expect part of the premiums paid for active employees to cover a portion of retiree claims. This transfer represents the current year's "implicit subsidy". Because GASB 75 treats payments to an irrevocable trust *or directly to the insurer* as employer contributions, each year's implicit subsidy is treated as a contribution toward the payment of retiree benefits.

The following hypothetical example illustrates this treatment:

Hypothetical Illustration of Implicit Subsidy Recognition	For Active Employees	For Retired Employees
<i>Prior to Implicit Subsidy Adjustment</i>		
Premiums Paid by Agency During Fiscal Year	\$ 411,000	\$ 48,000
Accounting Treatment	Compensation Cost for Active Employees	Contribution to Plan & Benefits Paid from Plan
<i>After Implicit Subsidy Adjustment</i>		
Premiums Paid by Agency During Fiscal Year	\$ 411,000	\$ 48,000
Implicit Subsidy Adjustment	(23,000)	23,000
Accounting Cost of Premiums Paid	\$ 388,000	\$ 71,000
Accounting Treatment Impact	Reduces Compensation Cost for Active Employees	Increases Contributions to Plan & Benefits Paid from Plan

The example above shows that total payments toward active and retired employee healthcare premiums is the same, but for accounting purposes part of the total is shifted from actives to retirees. This shifted amount is recognized as an OPEB contribution and reduces the current year's premium expense for active employees.



Important Background Information

(Continued)

Discount Rate

When the financing of OPEB liabilities is on a pay-as-you-go basis, GASB 75 requires that the discount rate used for valuing liabilities be based on the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). When a plan sponsor makes regular, sufficient contributions to a trust in order to prefund the OPEB liabilities, GASB 75 allows use of a rate up to the expected rate of return of the trust. Therefore, prefunding has an advantage of potentially being able to report overall lower liabilities due to future expected benefits being discounted at a higher rate.

Actuarial Funding Method and Assumptions

The “ultimate real cost” of an employee benefit plan is the value of all benefits and other expenses of the plan over its lifetime. These expenditures are dependent only on the terms of the plan and the administrative arrangements adopted, and as such are not affected by the actuarial funding method.

The actuarial funding method attempts to spread recognition of these expected costs on a level basis over the life of the plan, and as such sets the “incidence of cost”. GASB 75 specifically requires that the actuarial present value of projected benefit payments be attributed to periods of employee service using the Entry Age Actuarial Cost Method, with each period’s service cost determined as a level percentage of pay.

The results of this report may not be appropriate for other purposes, where other assumptions, methodology and/or actuarial standards of practice may be required or more suitable.



Addendum 2: MacLeod Watts Age Rating Methodology

Both accounting standards (e.g. GASB 75) and actuarial standards (e.g. ASOP 6) require that expected retiree claims, not just premiums paid, be reflected in most situations where an actuary is calculating retiree healthcare liabilities. Unfortunately, the actuary is often required to perform these calculations without any underlying claims information. In most situations, the information is not available, but even when available, the information may not be credible due to the size of the group being considered.

Actuaries have developed methodologies to approximate healthcare claims from the premiums being paid by the plan sponsor. Any methodology requires adopting certain assumptions and using general studies of healthcare costs as substitutes when there is a lack of credible claims information for the specific plan being reviewed.

Premiums paid by sponsors are often uniform for all employee and retiree ages and genders, with a drop in premiums for those participants who are Medicare-eligible. While the total premiums are expected to pay for the total claims for the insured group, on average, the premiums charged would not be sufficient to pay for the claims of older insureds and would be expected to exceed the expected claims of younger insureds. An age-rating methodology takes the typically uniform premiums paid by plan sponsors and spreads the total premium dollars to each age and gender intended to better approximate what the insurer might be expecting in actual claims costs at each age and gender.

The process of translating premiums into expected claims by age and gender generally follows the steps below.

1. *Obtain or Develop Relative Medical Claims Costs by Age, Gender, or other categories that are deemed significant.* For example, a claims cost curve might show that, if a 50 year old male has \$1 in claims, then on average a 50 year old female has claims of \$1.25, a 30 year male has claims of \$0.40, and an 8 year old female has claims of \$0.20. The claims cost curve provides such relative costs for each age, gender, or any other significant factor the curve might have been developed to reflect. Section 3 provides the source of information used to develop such a curve and shows sample relative claims costs developed for the plan under consideration.
2. *Obtain a census of participants, their chosen medical coverage, and the premium charged for their coverage.* An attempt is made to find the group of participants that the insurer considered in setting the premiums they charge for coverage. That group includes the participant and any covered spouses and children. When information about dependents is unavailable, assumptions must be made about spouse age and the number and age of children represented in the population. These assumptions are provided in Section 3.
3. *Spread the total premium paid by the group to each covered participant or dependent based on expected claims.* The medical claims cost curve is used to spread the total premium dollars paid by the group to each participant reflecting their age, gender, or other relevant category. After this step, the actuary has a schedule of expected claims costs for each age and gender for the current premium year. It is these claims costs that are projected into the future by medical cost inflation assumptions when valuing expected future retiree claims.

The methodology described above is dependent on the data and methodologies used in whatever study might be used to develop claims cost curves for any given plan sponsor. These methodologies and assumptions can be found in the referenced paper cited as a source in the valuation report.



Addendum 3: MacLeod Watts Mortality Projection Methodology

Actuarial standards of practice (e.g., ASOP 35, Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations, and ASOP 6, Measuring Retiree Group Benefits Obligations) indicate that the actuary should reflect the effect of mortality improvement (i.e., longer life expectancies in the future), both before and after the measurement date. The development of credible mortality improvement rates requires the analysis of large quantities of data over long periods of time. Because it would be extremely difficult for an individual actuary or firm to acquire and process such extensive amounts of data, actuaries typically rely on large studies published periodically by organizations such as the Society of Actuaries or Social Security Administration.

As noted in a recent actuarial study on mortality improvement, key principles in developing a credible mortality improvement model would include the following:

- (1) Short-term mortality improvement rates should be based on recent experience.
- (2) Long-term mortality improvement rates should be based on expert opinion.
- (3) Short-term mortality improvement rates should blend smoothly into the assumed long-term rates over an appropriate transition period.

The **MacLeod Watts Scale 2022** was developed from a blending of data and methodologies found in two published sources: (1) the Society of Actuaries Mortality Improvement Scale MP-2021 Report, published in October 2021 and (2) the demographic assumptions used in the 2021 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published August 2021.

MacLeod Watts Scale 2022 is a two-dimensional mortality improvement scale reflecting both age and year of mortality improvement. The underlying base scale is Scale MP-2021 which has two segments – (1) historical improvement rates for the period 1951-2017 and (2) an estimate of future mortality improvement for years 2018-2020 using the Scale MP-2021 methodology but utilizing the assumptions used in generating Scale MP-2015. The MacLeod Watts scale then transitions from the 2020 improvement rate to the Social Security Administration (SSA) Intermediate Scale linearly over the 10-year period 2021-2030. After this transition period, the MacLeod Watts Scale uses the constant mortality improvement rate from the SSA Intermediate Scale from 2030-2044. The SSA's Intermediate Scale has a final step in 2045 which is reflected in the MacLeod Watts scale for years 2045 and thereafter. Over the ages 95 to 117, the age 95 improvement rate is graded to zero.

Scale MP-2021 can be found at the SOA website and the projection scales used in the 2021 Social Security Administrations Trustees Report at the Social Security Administration website.



Glossary

Actuarial Funding Method – A procedure which calculates the actuarial present value of plan benefits and expenses, and allocates these expenses to time periods, typically as a normal cost and an actuarial accrued liability

Actuarial Present Value of Projected Benefits (APVPB) – The amount presently required to fund all projected plan benefits in the future. This value is determined by discounting the future payments by an appropriate interest rate and the probability of nonpayment.

Defined Benefit (DB) – A pension or OPEB plan which defines the monthly income or other benefit which the plan member receives at or after separation from employment

Deferred Contributions – When an employer makes contributions after the measurement date and prior to the fiscal year end, recognition of these contributions is deferred to a subsequent accounting period by creating a deferred resource. We refer to these contributions as Deferred Contributions.

Defined Contribution (DC) – A pension or OPEB plan which establishes an individual account for each member and specifies how contributions to each active member's account are determined and the terms of distribution of the account after separation from employment

Discount Rate – Interest rate used to discount future potential benefit payments to the valuation date. Under GASB 75, if a plan is prefunded, then the discount rate is equal to the expected trust return. If a plan is not prefunded (pay-as-you-go), then the rate of return is based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Expected Average Remaining Service Lifetime (EARSL) – Average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees), beginning in the current period

Entry Age Actuarial Cost Method – An actuarial funding method where, for each individual, the actuarial present value of benefits is levelly spread over the individual's projected earnings or service from entry age to the last age at which benefits can be paid

Explicit Subsidy – The projected dollar value of future retiree healthcare costs expected to be paid directly by the Employer, e.g., the Employer's payment of all or a portion of the monthly retiree premium billed by the insurer for the retiree's coverage

Fiduciary Net Position – The value of trust assets used to offset the Total OPEB Liability to determine the Net OPEB Liability.

Government Accounting Standards Board (GASB) – A private, not-for-profit organization which develops generally accepted accounting principles (GAAP) for U.S. state and local governments; like FASB, it is part of the Financial Accounting Foundation (FAF), which funds each organization and selects the members of each board

Health Care Trend – The assumed rate(s) of increase in future dollar values of premiums or healthcare claims, attributable to increases in the cost of healthcare; contributing factors include medical inflation, frequency or extent of utilization of services and technological developments.



Glossary

(Continued)

Implicit Subsidy – The projected difference between future retiree claims and the premiums to be charged for retiree coverage; this difference results when the claims experience of active and retired employees are pooled together and a ‘blended’ group premium rate is charged for both actives and retirees; a portion of the active employee premiums subsidizes the retiree premiums.

Net OPEB Liability (NOL) – The liability to employees for benefits provided through a defined benefit OPEB. Only assets administered through a trust that meet certain criteria may be used to reduce the Total OPEB Liability.

Net Position – The Impact on Statement of Net Position is the Net OPEB Liability adjusted for deferred resource items

OPEB Expense – The OPEB expense reported in the Agency’s financial statement. OPEB expense is the annual cost of the plan recognized in the financial statements.

Other Post-Employment Benefits (OPEB) – Post-employment benefits other than pension benefits, most commonly healthcare benefits but also including life insurance if provided separately from a pension plan

Pay-As-You-Go (PAYGO) – Contributions to the plan are made at about the same time and in about the same amount as benefit payments and expenses coming due

Plan Assets – The value of cash and investments considered as ‘belonging’ to the plan and permitted to be used to offset the AAL for valuation purposes. To be considered a plan asset, GASB 75 requires (a) contributions to the OPEB plan be irrevocable, (b) OPEB assets to dedicated to providing OPEB benefit to plan members in accordance with the benefit terms of the plan, and (c) plan assets be legally protected from creditors, the OPEB plan administrator and the plan members.

Public Agency Miscellaneous (PAM) – Non-safety public employees.

Select and Ultimate – Actuarial assumptions which contemplate rates which differ by year initially (the select period) and then stabilize at a constant long-term rate (the ultimate rate)

Service Cost – Total dollar value of benefits expected to be earned by plan members in the current year, as assigned by the actuarial funding method; also called normal cost

Total OPEB Liability (TOL) – Total dollars required to fund all plan benefits attributable to service rendered as of the valuation date for current plan members and vested prior plan members; a subset of “Actuarial Present Value”

Vesting – As defined by the plan, requirements which when met make a plan benefit nonforfeitable on separation of service before retirement eligibility



Post-Retirement Medical Plan & Trust
a single employer plan sponsored by
Truckee Meadows Water Authority



TO: Board of Trustees of the TMWA Post-Retirement Medical Plan and Trust
FROM: Sophia Cardinal, TMWA Principal Accountant
DATE: July 13, 2022
SUBJECT: Present and accept the December 31, 2021 audited financial statements

Recommendation

TMWA staff recommends the Trustees accept the December 31, 2021 audited financial statements of the Truckee Meadows Water Authority Post-Retirement Medical Plan and Trust (the Plan).

Discussion

The following report is attached:

- December 31, 2021 Financial Statements of the Truckee Meadows Water Authority Post-Retirement Medical Plan and Trust

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, 2021 include:

- Operating cash balances were \$44 thousand.
- Plan investments at fair value were \$16.1 million
- Net investment income, including realized and unrealized gains and losses, was \$2.4 million.
- There were no employer contributions during the year.
- Net position totaled \$16.0 million, which was a \$2.0 million increase from the prior year.

July 8, 2022

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

We have audited the financial statements of Truckee Meadows Water Authority Post-Retirement Medical Plan and Trust (the Plan) as of and for the year ended December 31, 2021, and have issued our report thereon dated July 8, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated March 31, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

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

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

Planned Scope and Timing of the Audit

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

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

As stated in our auditor's report, professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as "significant risks". We have identified the following as significant risks.

- Risk of management override of controls
- Improper revenue recognition risk
- OPEB liability risk

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Plan is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

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

The most sensitive accounting estimates affecting the financial statements are:

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

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Plan's financial statements relate to the net OPEB liability.

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

Disagreements with Management

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

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We did not identify and circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated July 8, 2022.

Management's Consultations with Other Accountants

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

Other Significant Matters, Findings, or Issues

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

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

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

Reno, Nevada



Financial Statements
December 31, 2021

Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust

Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust (the Plan), which comprise the statement of fiduciary net position as of December 31, 2021, and the related statement of changes in fiduciary net position, for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective fiduciary net position of the Plan, as of December 31, 2021, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the net OPEB liability and related ratios, schedule of contributions, and schedule of investment returns be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2022, on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

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

Reno, Nevada
July 8, 2022

Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust

Management's Discussion & Analysis

Year Ended December 31, 2021

Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust (the Plan) 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, 2021 and 2020. This narrative is intended as a supplement and should be read in conjunction with the financial statements.

Effective December 13, 2018, Truckee Meadows Water Authority's (TMWA) Board of Directors adopted a resolution to close the Plan to any employees hired on or after December 13, 2018. Existing employees and plan participants currently receiving benefits were not impacted by this resolution.

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 Net Position* presents the Plan's assets and liabilities and the net position, with the assets being held in trust for beneficiary postemployment benefits. This statement measures the Plan's investments, cash and other short-term assets and liabilities as of the year ended December 31, 2021.

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 investment income and deductions for payments for the benefit of retirees and administrative expenses for the year ended December 31, 2021.

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

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

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

Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust
Management's Discussion & Analysis
Year Ended December 31, 2021

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, 2021 are as follows:

- Operating cash balances at year end were approximately \$44 thousand
- Plan investments at fair value at year end were approximately \$16.1 million
- Net investment income was approximately \$2.4 million

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 approximately \$27 thousand
- Plan investments at fair value at year end were approximately \$14.1 million
- Net investment income were approximately \$1.8 million
- Employer contributions to the Plan were approximately \$69 thousand

Plan Analysis

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

	2021	2020	Change 2021 v 2020
Assets			
Cash	\$ 44,195	\$ 26,777	\$ 17,418
Receivables from plan members	9,833	18,217	(8,384)
Investments, at fair value	16,072,517	14,068,245	2,004,272
Total assets	16,126,545	14,113,239	2,013,306
Liabilities			
Accounts payable	119,063	71,630	47,433
Net position restricted for postemployment benefits other than pensions	<u>\$ 16,007,482</u>	<u>\$ 14,041,609</u>	<u>\$ 1,965,873</u>

As of December 31, 2021, Plan assets of \$16.1 million were comprised primarily of investments at fair value. Also included in Plan assets were \$44 thousand in operating cash and \$10 thousand in Plan member receivables. Plan assets increased by \$2 million as compared to December 31, 2020 due mostly to an increase in fair value of Plan investments.

Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust
Management's Discussion & Analysis
Year Ended December 31, 2021

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

	2021	2020	Change 2021 v 2020
Additions			
Net investment income	\$ 2,364,272	\$ 1,843,000	\$ 521,272
Employer contributions	-	69,289	(69,289)
Total additions	2,364,272	1,912,289	451,983
Deductions			
Benefit payments	379,624	296,273	83,351
Administrative expenses	18,775	18,490	285
Total deductions	398,399	314,763	83,636
Change in net position	1,965,873	1,597,526	368,347
Net position restricted for postemployment benefits other than pensions			
Beginning of year	14,041,609	12,444,083	1,597,526
End of year	<u>\$ 16,007,482</u>	<u>\$ 14,041,609</u>	<u>\$ 1,965,873</u>

Net position is restricted for future benefit payments to retirees.

As of December 31, 2021, the Net Position of the Plan was \$16 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 \$2 million in 2021. This was primarily due to an increase in fair value of investments of \$2 million from 2020 to 2021, related to higher returns from the investment portfolio. Employer contributions were \$-0- in 2021 compared to \$69 thousand in 2020 as a result of the actuarial analysis dated December 31, 2020. Benefits paid, net of plan member contributions of \$110 thousand, of \$380 thousand in 2021 increased from the previous year due primarily due to increased health insurance premiums paid and more retirees. Administrative expenses remained relatively flat year over year.

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 Mr. Matt Bowman, Chief Financial Officer/Treasurer of TMWA at P.O. Box 30013, Reno, Nevada 89509-3013.

Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust
Statement of Fiduciary Net Position
December 31, 2021

Assets	
Cash	\$ 44,195
Receivables from plan members	9,833
Investments, at fair value	<u>16,072,517</u>
Total assets	<u>16,126,545</u>
Liabilities	
Accounts payable	<u>119,063</u>
Net position restricted for postemployment benefits other than pensions	<u><u>\$ 16,007,482</u></u>

Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust
Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2021

Additions

Investment income

Net increase in fair value of investments	\$ 2,128,775
Interest and dividends	240,434
Investment expense	<u>(4,937)</u>

Total additions	<u>2,364,272</u>
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Deductions

Benefit payments	379,624
Administrative expenses	<u>18,775</u>

Total deductions	<u>398,399</u>
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Net increase in net position	1,965,873
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Net position restricted for postemployment benefits other than pensions

Beginning of year	<u>14,041,609</u>
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End of year	<u><u>\$ 16,007,482</u></u>
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Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust

Notes to Financial Statements

December 31, 2021

Note 1 - Significant Accounting Policies

Reporting Entity

Truckee Meadows Water Authority (TMWA) established a Voluntary Employee Benefit Association pursuant to Internal Revenue Service (IRS) Code 501(c)9 which is referred to as the Truckee Meadows Water Authority Post-Retirement Benefit Plan & Trust (the Plan), a single-employer defined benefit other postemployment benefit (OPEB) Plan. Tax exempt status was granted by the IRS on May 25, 2007. This Plan provides TMWA retirees with postemployment group health, 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 includes the Plan's net earnings from its participation in the State of Nevada's Retirement Benefits Investment Fund (RBIF), an external investment pool. The Plan's net earnings from the external investment pool is based on the Plan's original investment plus a monthly allocation of investment income, including realized and unrealized gains and losses, which is the same as the value of the pool shares.

Contributions

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

Payment of Benefits

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

Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust

Notes to Financial Statements

December 31, 2021

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 postemployment health, including medical, dental, vision, and life insurance coverage. Pursuant to Nevada State Administrative Regulations, adopted in September 2008, 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 have at least ten years of credited service with TMWA and must be at least 55 years of age. When eligible, retirees must enroll in and pay the cost of Medicare Part B or Medicare Part C. Once participants exhaust their medical benefits, they will continue to be eligible for life benefits under the Plan.

Life Benefits

TMWA retiree coverage continues at the same coverage amount in force at the time of retirement (one times basic annual earnings) until age 70, at which time coverage reduces to one-half of that amount. At age 75, coverage is reduced to \$2,000. The retiree bears no cost of the premiums for this coverage amount. However, retirees do have the opportunity to purchase optional life insurance, the cost of which is paid by the retiree. A retiree may also elect \$1,500 of life insurance coverage for his or her spouse by paying 100% of the applicable premium.

Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust

Notes to Financial Statements

December 31, 2021

Membership of the Plan

As of December 31, 2021, membership of the Plan consisted of the following:

Retirees currently receiving medical benefits	41
Retirees currently receiving life benefits	58
Retirees entitled to, but not yet receiving benefits	1
Active Plan Members	
IBEW members	90
MPAT members	74

The Plan is a closed plan that will provide future benefits to eligible TMWA employees.

Contributions and Benefits Provided

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

1. IBEW group hired on or before January 1, 1998: Retirees in this classification receive a benefit as a percentage of the total group health premiums, dependent upon credited years of service and their age at retirement. The maximum subsidy is 85% of the health care premium with a minimum of 20 years of credited service. Retirees with 20 or more years of credited service electing the Medicare Risk Contract can receive a subsidy of 100%. Retirees may elect the employer-offered medical plan of their choice for themselves and qualified dependents.
2. IBEW group hired on or after January 1, 1998 and before December 13, 2018: Retirees in this classification will receive a lifetime lump-sum subsidy toward their chosen health coverage and the coverage of qualified dependents. The subsidy is a total of \$1,250 multiplied for each adjusted Post-Retirement Medical Plan & Trust year of service. This amount does not grow with interest and once exhausted a retiree is responsible for paying the full cost of health premiums.
3. MPAT personnel hired before December 13, 2018: Retirees in this classification are eligible to receive an annual subsidy towards the cost of health premiums calculated at \$235 multiplied by credited years of service, up to 30 years for retirees age 55 through 64; and \$105 multiplied by credited years of service up to 35 years, for retirees age 65 and above. The subsidy is reduced by 5% for each year or partial year that the individual is under age 62 as of his or her retirement date. There is no extra subsidy for spousal or dependent coverage.

TMWA shall annually contribute to the Plan an amount which TMWA determines is necessary to fund the benefits due pursuant to a qualified actuarial analysis. During the year ended December 31, 2021, TMWA contributed \$-0- to the Plan. Retiree contributions were \$110,022 which were netted with benefit payments.

Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust

Notes to Financial Statements

December 31, 2021

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, 2021, retirees' share of health premiums and costs ranged from \$4 to \$1,339 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, 2021.

Note 3 - Cash and Investments

At December 31, 2021, the Plan's bank balance and carrying amount was \$44,195. 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 287. 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. The Plan's investment in RBIF was \$16,072,517 as of December 31, 2021. Complete financial information on RBIF as of June 30, 2021 can be obtained by contacting Public Employees Retirement System at 693 W. Nye Lane, Carson City, NV, 89703.

Investments at fair value as of December 31, 2021:

RBIF	<u>\$ 16,072,517</u>
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For the year ended December 31, 2021, the annual money-weighted rate of return on investments net expenses was 17.02%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust

Notes to Financial Statements

December 31, 2021

Note 4 - Net OPEB Asset of TMWA

The components of the net OPEB asset of TMWA as of December 31, 2021 were as follows:

Total OPEB liability	\$ 9,982,768
Plan fiduciary net position	<u>16,007,482</u>
Net OPEB asset	<u><u>\$ (6,024,714)</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	160.35%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, 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*	5.80% in 2022; 3.90% ultimate 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 2022, 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-2021 Report, published in October 2021 and (2) the demographic assumptions used in the 2021 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published August 2021.

The actuarial assumptions used in the actuarial valuation as of December 31, 2021 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	52.10%
MSCI World x US Index	20.80%
U.S. Bond Index	26.60%
Cash & Cash Equivalents	<u>0.50%</u>
	<u><u>100.00%</u></u>

Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust

Notes to Financial Statements

December 31, 2021

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 OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

The following presents the net OPEB asset of TMWA, as well as what TMWA's net OPEB asset 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 asset	\$ (4,942,883)	\$ (6,024,714)	\$ (6,954,029)

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

The following presents the net OPEB asset of TMWA, as well as what TMWA's net OPEB asset would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.80 percent decreasing to 2.90 percent) or 1-percentage-point higher (6.80 percent decreasing to 4.90 percent) than the current healthcare cost trend rates:

	1% Decrease (4.80% decreasing to 2.90%)	Healthcare Cost Trend Rate (5.80% decreasing to 3.90%)	1% Increase (6.80% decreasing to 4.90%)
Net OPEB asset	\$ (6,754,369)	\$ (6,024,714)	\$ (5,162,318)



Required Supplementary Information

Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust

Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust
Schedule of Changes in the Net OPEB Liability and Related Ratios
Last Ten Years*

	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ 229,280	\$ 222,602	\$ 307,252	\$ 295,437	\$ 284,073
Interest cost	636,038	609,728	682,186	648,751	612,850
Differences between expected and actual experience	(760,853)	-	(2,013,876)	-	-
Changes of assumptions	(271,660)	-	301,774	-	-
Benefit payments	(442,780)	(358,251)	(442,363)	(355,168)	(264,699)
Net change in total OPEB liability	(609,975)	474,079	(1,165,027)	589,020	632,224
Total OPEB liability - beginning	10,592,743	10,118,664	11,283,691	10,694,671	10,062,447
Total OPEB liability - ending (a)	<u>\$ 9,982,768</u>	<u>\$ 10,592,743</u>	<u>\$ 10,118,664</u>	<u>\$ 11,283,691</u>	<u>\$ 10,694,671</u>
Plan fiduciary net position					
Employer contributions	\$ -	\$ 69,289	\$ 138,578	\$ 222,531	\$ 445,063
Employer contributions - implicit subsidy	63,156	61,978	119,852	101,996	-
Net investment income	2,364,272	1,843,000	2,298,001	(526,210)	1,510,048
Benefit payments	(379,624)	(296,273)	(322,511)	(253,172)	(264,699)
Benefit payments - implicit subsidy	(63,156)	(61,978)	(119,852)	(101,996)	-
Auditing fees	(18,775)	(18,490)	(12,600)	(18,545)	(15,500)
Administrative fees	-	-	-	(382)	(517)
Legal fees	-	-	(1,750)	(5,250)	(19,268)
Retiree contributions in	110,022	111,103	93,673	117,015	93,172
Retiree contributions out	(110,022)	(111,103)	(93,673)	(117,015)	(93,172)
Net change in plan fiduciary net position	1,965,873	1,597,526	2,099,718	(581,028)	1,655,127
Plan fiduciary net position - beginning	14,041,609	12,444,083	10,344,365	10,925,393	9,270,266
Plan fiduciary net position - ending (b)	<u>\$ 16,007,482</u>	<u>\$ 14,041,609</u>	<u>\$ 12,444,083</u>	<u>\$ 10,344,365</u>	<u>\$ 10,925,393</u>
TMWA's net OPEB (asset)/liability - ending (a) - (b)	<u>\$ (6,024,714)</u>	<u>\$ (3,448,866)</u>	<u>\$ (2,325,419)</u>	<u>\$ 939,326</u>	<u>\$ (230,722)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	160.35%	132.56%	122.98%	91.68%	102.16%
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A
TMWA's net OPEB (asset)/liability as a percentage of covered-employee payroll	N/A	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 in benefits: Effective December 13, 2018, TMWA's Board of Directors adopted a resolution to close the Plan to any employees hired on or after December 13, 2018.

Changes of assumptions: In the 2019 actuarial valuation, 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. In the 2021 actuarial valuation, mortality tables were updated from MacLeod Watts Scale 2018 to MacLeod Watts Scale 2022.

Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust
Schedule of Contributions
Last Ten Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 60,100	\$ 53,218	\$ 174,095	\$ 291,480	\$ 364,973
Contributions in relation to the actuarially determined contribution	<u>-</u>	<u>69,289</u>	<u>138,578</u>	<u>222,531</u>	<u>445,063</u>
Contribution deficiency (excess)	<u>\$ 60,100</u>	<u>\$ (16,071)</u>	<u>\$ 35,517</u>	<u>\$ 68,949</u>	<u>\$ (80,090)</u>
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	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, 2021.

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	23 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. In the 2019 actuarial valuation, mortality tables were updated from MacLeod Watts Scale 2017 to MacLeod Watts Scale 2018.

Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust
Schedule of Investment Returns
Last Ten Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	17.02%	1.29%	1.72%	-0.38%	15.53%

* 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.

**Independent Auditor's Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Truckee Meadows Water Authority Post-Retirement Medical Plan & Trust (the Plan), which comprise the statement of fiduciary net position as of and December 31, 2021, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements and have issued our report thereon dated July 8, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Plan's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Reno, Nevada
July 8, 2022

Retirement Benefits Investment Fund

March 31, 2022

Performance Gross of Fees

Asset Class	Market Value	Target Allocation	Actual Allocation	FYTD Return	One Year	3 Years	5 Years	10 Years	Since Inception (2008)
U.S. Stocks- S&P 500 Index	\$ 409,358,396	50.5%	52.0%	6.5%	15.6%	18.9%	16.0%	14.6%	11.0%
Market Return				6.5%	15.7%	18.9%	16.0%	14.6%	11.0%
Int'l Stocks- MSCI World x US Index	\$ 163,300,941	21.5%	20.7%	-2.4%	3.3%	8.9%	7.5%	6.8%	3.7%
Market Return				-2.5%	3.0%	8.6%	7.2%	6.5%	3.5%
U.S. Bonds- U.S. Bond Index	\$ 213,871,942	28.0%	27.2%	-2.9%	-2.9%	3.3%	2.9%	2.4%	3.2%
Market Return				-3.0%	-3.1%	3.3%	2.9%	2.2%	3.1%
	\$ 1,055,128	0.0%	0.1%						
Total RBIF Fund	\$ 787,586,407	100.0%	100.0%	2.2%	8.0%	13.0%	10.9%	9.6%	7.7%
Market Return				2.0%	7.6%	12.6%	10.6%	9.5%	7.6%