



TRUCKEE MEADOWS WATER AUTHORITY
Section §115 Other Post-Employment Benefit Plan & Trust
Trustee Meeting
AGENDA
Tuesday July 16, 2024 at 12:30 p.m.
Independence Conference Room:
1355 Capital Blvd. Reno NV 89520 and by 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: 238 089 551 619#

1. Roll call*
2. Public comment-limited to no more than three minutes per speaker*
3. Approval of the agenda **(For Possible Action)**
4. Approval of the April 16, 2024 minutes **(For Possible Action)**
5. Review of current PEBS subsidy calculations – Jessica Atkinson **(For Possible Action)**
6. Discussion and possible direction on changing Benefit Calculation templates—Jessica Atkinson **(For Possible Action)**
7. Review and consideration for approval of request(s) for reimbursement of premiums— Jessica Atkinson **(For Possible Action)**
8. Review of the Actuarial Analysis – Veronica Galindo*
9. Review of the Financial Statement Audit – Veronica Galindo*
10. Discussion and possible direction on revision to reimbursement of premiums process – Matt Bowman **(For Possible Action)**
11. Review of Retirement Benefits Investment Fund (RBIF) performance review – Matt Bowman*
12. Trustee comments and requests for future agenda items*
13. Public comment-limited to no more than three minutes per speaker*
14. Adjournment **(For Possible Action)**

NOTES:

1. The announcement of this meeting has been posted at the following locations: Truckee Meadows Water Authority (1355 Capital Blvd., Reno), Reno City Hall (1 E. First St., Reno), Sparks City Hall (431 Prater Way, Sparks), Sparks Justice Court (1675 E. Prater Way, Sparks), Washoe County Courthouse (75 Court St., Reno), Washoe County Central Library (301 South Center St., Reno), Washoe County Administration (1001 East Ninth St., Reno), and at <http://www.tmwa.com>.
2. In accordance with NRS 241.020, this agenda closes three working days prior to the meeting. We are pleased to make reasonable accommodations for persons who are disabled and wish to attend meetings. If you require special arrangements for the meeting, please call 834-8002 before the meeting date.
3. The Board may elect to combine agenda items, consider agenda items out of order, remove agenda items, or delay discussion on agenda items. Arrive at the meeting at the posted time to hear item(s) of interest.
4. Asterisks (*) denote non-action items.
5. Public comment is limited to three minutes and is allowed during the public comment periods. The public may sign-up to speak during the public comment period or on a specific agenda item by completing a "Request to Speak" card and submitting it to the clerk. In addition to the public comment periods, the Chairman has the discretion to allow public comment on any agenda item, including any item on which action is to be taken.



Section 115 Post-Retirement Medical Plan & Trust

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

DRAFT April 16, 2024 MINUTES

The meeting of the TMWA Section 115 Post-Retirement Medical Plan and Trust (Trust) Trustees was held on Tuesday, April 16, 2024 through in person and teleconference.

Matt Bowman, Chairman, called the meeting to order at 12:33 p.m.

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

A quorum was present.

Voting Members Present:

Matt Bowman
Charles Atkinson
Randall Vanhoozer

Voting Members Absent:

Sandra Tozi

Members Present

Rosalinda Rodriguez
Gus Rossi

Members Absent:

Jessica Atkinson
Mike Venturino

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL OF THE AGENDA

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the agenda.

4. APPROVAL OF THE JANUARY 16, 2024 MINUTES

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the January 16, 2024 meeting minutes.

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

Ms. Rodriguez, presented a reimbursement request received for Medicare Part B premiums paid directly by the member through Social Security.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the reimbursement request for Medicare Part B premiums paid directly by the member through Social Security.

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

Mr. Bowman reviewed the RBIF dated December 31, 2023. Overall, the performance did well, the Fiscal Year to Date return was 6%.

For informational purposes only, no action required.

7. TRUSTEE COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

RBIF review

Reimbursement requests if applicable

Consider a change to the reimbursement of premiums, it would still be in compliance with the Trust and Standard Operating Procedure.

Audit

Valuation

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

There was no public comment.

9. ADJOURNMENT

With no further business to discuss, Chairperson Bowman adjourned the meeting at 12:39 p.m.

Minutes were approved by the Trustees in session on _____.

Respectfully Submitted,

Rosalinda Rodriguez, Recording Secretary



STAFF REPORT

TO: Trustees of the §115 Other Post Employment Benefits Trust
THRU: Jessica Atkinson, HR Director
DATE: July 16, 2024
SUBJECT: **Review of proposal for Tier II Subsidy Schedule**

Recommendation

1. Approve the subsidy schedule for §115 tier II retirees under the age of 65 as presented in attachment 5A for fiscal year 2025.
2. Approve Exchange -HRA Table for §115 tier II retirees age 65 and older as presented in attachment 5B for fiscal year 2025.

Summary

Beginning in fiscal year 2016, the Public Employee Benefit Program (PEBP) changed their methodology for determining non-state retiree subsidies. As a result, In November of 2017, trustees decided to use the Statewide EPO/HMO monthly base subsidy for non-state retirees to determine the total allowable subsidy for §115 tier II retirees under age 65. This subsidy table is updated annually to coincide with the new fiscal year and the new base subsidy amount. The FY25 base subsidy for the Statewide EPO/HMO Non-state Retirees and Survivors is \$658.60 (Attachment 5C) for retiree only coverage. This subsidy rate has been applied to the PEBS State and Non-State Retiree Years of Service Subsidy Schedule. Trustees should review and approve the subsidy table for FY25 (Attachments 5A and 5B)

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

Background

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

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

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

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

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

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

For §115 tier II retirees age 65 and older, the PEBP has continued to publish annually a Medicare Exchange – HRA Contribution Table. The FY2025-Exchange – HRA Contribution Table is included as attachment D and it is recommended that trustees approve this subsidy schedule for §115 tier II retirees age of 65 and older for fiscal year 2025.

We currently have four Tier II retirees; they are all over the age of 65 and three request reimbursements from the trust. Once these new tables are approved by trustees they will be eligible to receive reimbursements based on their years of service according the FY25 schedule.

State and Non-State Retirees - Plan Year 2025 Rates

Base Subsidy Retiree Only Statewide EPO/HMO Plan

\$ 658.60

YOS	ADJUSTMENT	TOTAL SUBSIDY
5	\$ 400.50	\$ 258.10
6	\$ 360.45	\$ 298.15
7	\$ 320.40	\$ 338.20
8	\$ 280.35	\$ 378.25
9	\$ 240.30	\$ 418.30
10	\$ 200.25	\$ 458.35
11	\$ 160.20	\$ 498.40
12	\$ 120.15	\$ 538.45
13	\$ 80.10	\$ 578.50
14	\$ 40.05	\$ 618.55
15	\$ -	\$ 658.60
16	\$ (40.05)	\$ 698.65
17	\$ (80.10)	\$ 738.70
18	\$ (120.15)	\$ 778.75
19	\$ (160.20)	\$ 818.80
20	\$ (200.25)	\$ 858.85

**Exchange -HRA Contribution for Medicare Retirees Enrolled in the
Medicare Exchange - Plan Year 2025**

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



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

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

Monthly Rates Effective July 1, 2024 - June 30, 2025	Nationwide PPO			Nationwide PPO			Statewide EPO/HMO		
	Consumer Driven Health Plan (CDHP-PPO)			Low Deductible (LD-PPO)			Exclusive Provider Organization Plan (EPO) and Health Plan of Nevada (HPN – HMO)		
	Unsubsidized Rate	*Base Subsidy	Participant Premium	Unsubsidized Rate	*Base Subsidy	Participant Premium	Unsubsidized Rate	*Base Subsidy	Participant Premium
Retiree only	\$990.86	\$718.74	\$263.82	\$1,056.92	\$745.98	\$293.82	\$1,068.64	\$658.60	\$389.80
Retiree + Spouse	\$1,973.51	\$1,317.51	\$635.73	\$2,105.62	\$1,371.98	\$695.72	\$2,129.06	\$1,197.22	\$887.69
Retiree + Child(ren)	\$1,359.35	\$943.29	\$403.27	\$1,450.18	\$980.74	\$444.52	\$1,466.30	\$860.58	\$576.52
Retiree + Family	\$2,341.99	\$1,542.05	\$775.19	\$2,498.90	\$1,606.74	\$846.44	\$2,526.72	\$1,399.20	\$1,074.41
Surviving/Unsubsidized Dependent	\$990.86	-	\$990.86	\$1,056.92	-	\$1,056.92	\$1,068.64	-	\$1,068.64
Surviving/Unsubsidized Spouse + Child(ren)	\$1,359.36	-	\$1,359.36	\$1,450.18	-	\$1,450.18	\$1,466.30	-	\$1,466.30

- For participants who retired before January 1, 1994, the participants subsidized premium for the selected plan and tier is shown above.
- For those who retired on or after January 1, 1994, refer to the [Plan Year 2025 State and Non-State Retiree Years of Service Subsidy table on page 17](#). Locate your years of service and add or subtract the corresponding subsidy to or from the participant premium.
- Those retirees with less than 15 Years of Service, who were hired by their last employer between January 1, 2010, and December 31, 2011, do not receive a Years of Service Subsidy or Base Subsidy and do not qualify for a Medicare Exchange HRA unless they retire under a disability.
- Those retirees who were initially hired on or after January 1, 2012, do not receive a Years of Service Subsidy or Base Subsidy.
- Retirees on the PEBP CDHP, LD, EPO or HMO plan who are enrolled in Medicare Part B, subtract *up to* an additional \$135.50 from the participant premium.

* Does not include rate adjustments paid/credited with PEBP reserves.



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

Retiree Medicare Exchange HRA Contribution

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

- Participants who retired **BEFORE January 1, 1994**, receive the 15-year (\$195) base contribution.
- Participants who retired **ON OR AFTER January 1, 1994**, the contribution is \$13 per month per year of service beginning with 5 years (\$65) to a maximum of 20 years (\$260).
- Those retirees with less than 15 years of service, who were hired by their last employer **BETWEEN January 1, 2010, and December 31, 2011**, and who are not disabled do not receive an Exchange HRA contribution.
- Employees who were initially hired **ON OR AFTER January 1, 2012**, do not receive an Exchange HRA.

Plan Year 2025 Monthly PEBP Dental Rates Medicare Retirees Enrolled with Via Benefits		
Effective July 1, 2024 – June 30, 2025	State Retiree	Non-State Retiree
Retiree only	\$50.66	\$44.99
Retiree + Spouse/DP*	\$101.32	\$89.98
Surviving/Unsubsidized Spouse/DP*	\$50.66	\$44.99

*Spouse/DP must also be enrolled in Medicare in order to elect PEBP dental.



STAFF REPORT

TO: Trustees of the §115 Other Post Employment Benefits Trust
THRU: Jessica Atkinson, HR Director
DATE: July 16, 2024
SUBJECT: **Proposal to update Benefit Calculation Templates**

Recommendation

Approve the revised Benefit Calculation Templates for:

- Tier I transfer employees from Washoe County, hired on or before September 16, 1997
- Tier II transfer employees from Washoe County, hired after September 16, 1997

Summary

To verify eligibility and calculate benefit amounts for the §115 Other Post-Employment Benefit Plan & Trust, staff utilizes Benefit Calculation templates to enter information necessary to determine the trust benefit as well as identify retiree group health, dental, vision, and life insurance plan elections and any remaining retiree premium obligations.

The current templates combine the trust benefit, retiree elections and obligations into one page and do not have parameters set up to flag if someone does not meet eligibility criteria, which may result in providing misinformation to employees.

Staff has worked with the finance department to revise the benefit calculation templates for each benefit tier of the §115 trust. These proposed templates are designed to minimize manual data input and have built in formulas to verify eligibility and calculate benefits and retiree premium obligations where possible. Additionally, the proposed templates create a distinct page to depict trust eligibility and benefit amounts, which are approved by Trustees and a second page to show retiree elections and premium obligations, which may change over time and are not approved by Trustees.

The proposed templates improve the current process and separate the sections approved by Trustees from those that maybe be modified by the retirees.

Attachments:

Attachment 1 Benefit Calculation Template for Tier I employees hired on or before September 16, 1997

Attachment 2 Benefit Calculation Template for Tier II employees hired after September 16, 1997

DRAFT The following premium calculation was prepared and reflects estimates as of:

7/3/2024

Retiree Information:

Retiree Name:	Retiree Testing
Date of Retirement:	08/03/25
Enrollment on TMWA Medical coverage:	Retiree Only
Enrollment on TMWA Dental Coverage:	Retiree Only
Enrollment on TMWA Vision Coverage:	Retiree Only
Spouse Life coverage	Yes

TMWA Insurance Premium Costs:

<u>Retiree Monthly Coverage 2024</u>	<u>Medical</u>	<u>Dental</u>	<u>Vision</u>
No coverage	\$ -	\$ -	\$ -
Retiree Only	\$ 747.54	\$ 78.56	\$ 5.46
Retiree & Spouse	\$ 1,307.61	\$ 132.10	\$ 8.74
Retiree & Child(ren)	\$ 1,240.53	\$ 124.76	\$ 8.93
Retiree & Family	\$ 1,630.27	\$ 171.40	\$ 14.42

Elected Premium Amounts	\$ 747.54	\$ 78.56	\$ 5.46
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Retiree Premium and Credit Amounts:

	<u>Annual Amounts</u>	<u>Monthly Amounts</u>	<u>Spouse Life Premium:</u>	
Premium Amount	\$ 9,978.72	\$ 831.56		\$ 0.48
Subtract Trust Credit:	\$ 4,989.36	\$ 415.78		
Amount Due:	\$ 4,989.36	\$415.78		

Total monthly due will come from: **NV PERS** Retiree Total Monthly Due: **\$416.26**

Important Information: Retirees who continue on TMWA coverage must provide proof of Medicare Enrollment at the time the retiree and or the retiree's spouse turn 65 and for each subsequent year they are covered. Benefit resolutions are subject to change as directed by the TMWA Board of Directors. All health and life premium calculations and Trust benefit awards are subject to change.

All premium costs and trust benefit credits shown above are subject to change.

Retiree Acknowledgement:

Retiree Signature _____

Date _____

DRAFT The following trust benefit calculation was prepared and reflects amounts as of:

07/03/24

Applicable Plan Section: §115 OPEB Post Retirement Medical Benefit Tier I Retirees

General Information:

Retiree Name:	Retiree Testing
Date of Birth:	09/19/63
Date of Hire:	08/15/10
Date of Retirement:	08/03/25
Date of Benefit Request:	09/01/25
Age at Benefit Request:	61.9521
Years of Service:	14.9678

Tier I Benefit Schedule

Years of Service	% of Retiree Premium Paid by Trust
0-9	0%
10-14	50%
15-19	75%
20+	100%
% Eligible for:	50%

Trust Benefit Information:

Benefit 50% of the premium attributable for retiree medical, dental and vision coverage

Life Insurance:

Retiree Coverage: Trust Subsidized in accordance with benefit resolution. **No cost for retiree**

Spouse Coverage: \$0.48/month

Coverage Elected: Yes

Employees are responsible for reviewing the calculations above for accuracy in accordance with the OPEB plan document. Minimum eligibility includes transferring from Washoe County effective 01/01/2015 and exiting TMWA with at least 10 years. This benefit is only considered approved once signed off on by the Other Post-Employment Benefit Trust Board of Trustees below.

Retiree Acknowledgement:

(Initial) I have reviewed the above calculation and accept the TMWA §115 Other Post-Employment Benefit Plan & Trust benefit(s). I understand I will have to request reimbursement credit or pay my portion of any outstanding premium in accordance with Trust polices and guidelines.

(Initial) I choose to **waive** my TMWA Post Medical Plan benefit(s). **I understand this waiver is permanent.**

Retiree Signature _____

Date _____

Company Approval:

TMWA HR Administrator _____

Date _____

Trustee Approval:

Chairperson - Post Retirement Medical Plan & Trust _____

Date _____

Vice-Chairperson - Post Retirement Medical Plan & Trust _____

Date _____

DRAFT The following trust benefit calculation was prepared and reflects amounts as of:

07/03/24

Applicable Plan Section: §115 OPEB Post Retirement Medical Benefit Tier II Retirees

General Information:		Trust Benefit Information:		
Retiree Name:	Retiree Testing	Years of Service	PRE65 Subsidy Amount	65+ Subsidy Amount
Date of Birth:	09/19/57	5	\$ 258.10	\$ 65.00
Date of Hire:	05/01/00	6	\$ 298.15	\$ 78.00
Date of Retirement:	08/02/12	7	\$ 338.20	\$ 91.00
Date of Benefit Request:	09/01/25	8	\$ 378.25	\$ 104.00
Age at Benefit Request:	67.9507	9	\$ 418.30	\$ 117.00
Years of Service:	12.2546	10	\$ 458.35	\$ 130.00
		11	\$ 498.40	\$ 143.00
		12	\$ 538.45	\$ 156.00
		13	\$ 578.50	\$ 169.00
		14	\$ 618.55	\$ 182.00
		15	\$ 658.60	\$ 195.00
		16	\$ 698.65	\$ 208.00
		17	\$ 738.70	\$ 221.00
		18	\$ 778.75	\$ 234.00
		19	\$ 818.80	\$ 247.00
		20	\$ 858.85	\$ 260.00
		Monthly Amount Eligible at Benefit Request:	\$	156.00

Life Insurance:

Retiree Coverage: Not Eligible per Trust document, retiree must be enrolled in TMWA medical coverage to be eligible

Employees are responsible for reviewing the calculations above for accuracy in accordance with the OPEB plan document. This benefit is only considered approved once signed off on by the Other Post-Employment Benefit Trust Board of Trustees below.

Retiree Acknowledgement:

(Initial) I have reviewed the above calculation and accept the TMWA §115 Other Post-Employment Benefit Plan & Trust benefit(s). I understand I will have to request reimbursement credit or pay my portion of any outstanding premium in accordance with Trust polices and guidelines.

(Initial) I choose to **waive** my TMWA Post Medical Plan benefit(s). **I understand this waiver is permanent.**

Retiree Signature

Date

Company Approval:

TMWA HR Administrator

Date

Trustee Approval:

Chairperson - Post Retirement Medical Plan & Trust

Date

Vice-Chairperson - Post Retirement Medical Plan & Trust

Date

DRAFT The following premium calculation was prepared and reflects estimates as of:

07/03/24

Retiree Information:

Retiree Name:	Retiree Testing
Date of Retirement:	08/02/12
Enrollment on TMWA Medical coverage:	Retiree & Child(ren)
Enrollment on TMWA Dental Coverage:	Retiree & Spouse
Enrollment on TMWA Vision Coverage:	Retiree Only

TMWA Insurance Premium Costs:

<u>Retiree Monthly Coverage 2024</u>	<u>Medical</u>	<u>Dental</u>	<u>Vision</u>
No coverage	\$ -	\$ -	\$ -
Retiree Only	\$ 747.54	\$ 78.56	\$ 5.46
Retiree & Spouse	\$ 1,307.62	\$ 132.10	\$ 8.74
Retiree & Child(ren)	\$ 1,240.54	\$ 124.80	\$ 8.94
Retiree & Family	\$ 1,630.28	\$ 171.40	\$ 14.42
Elected Medical Premium	\$ 1,240.54	\$ 132.10	\$ 5.46

Retiree Premium and Credit Amounts:

	<u>Annual Amounts</u>	<u>Monthly Amounts</u>
Premium Amount:	\$ 16,537.20	\$ 1,378.10
Subtract Trust Credit:	\$ 1,872.00	\$ 156.00
	\$ 14,665.20	\$1,222.10

Total monthly due will come from:

Retiree will request reimbursements from Trust

Retiree Total Monthly Due:

\$1,222.10

Important Information: Retirees who continue on TMWA coverage must provide proof of Medicare Enrollment at the time the retiree and or the retiree's spouse turn 65 and for each subsequent year they are covered. Benefit resolutions are subject to change as directed by the TMWA Board of Directors. All health and life premium calculations and Trust benefit awards are subject to change.

All premium costs and trust benefit credits shown above are subject to change.

Retiree Acknowledgement:

Retiree Signature _____

Date _____

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 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: 1/5/2024

OPEB 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: OPEB c/o TMWA Human Resources, PO Box 30013, Reno, NV 89520

§115 OPEB Trust - Medical and/or Vision 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:

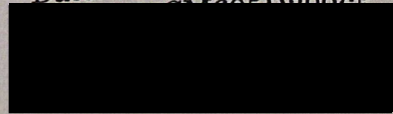
- A copy of the invoice from the insurance company and copy of the receipt of payment;
- A copy of the invoice from the insurance company and copy of the front and back of the cancelled check made out to the insurance company;
- A copy of a pay stub if the pay stub clearly shows a deduction for medical 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.



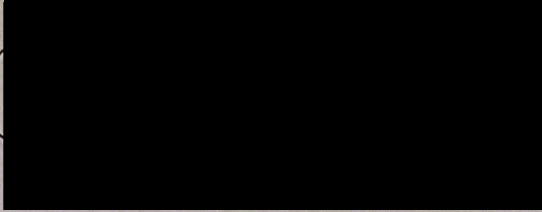
Social Security Administration Benefit Verification Letter

07/16/2024 OPEB §115 Agenda Item 07

Date: January 5, 2024



03/10/24 09:09:07 * OCM/MT2 BEV05.R240105



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 2023, the full monthly Social Security benefit before any deductions is [REDACTED]

We deduct \$174.70 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 second Wednesday of each month.

Information About Past Social Security Benefits

From December 2022 to November 2023, the full monthly Social Security benefit before any deductions was \$ [REDACTED]

We deducted \$164.90 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.

See Next Page

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



TO: Board of Trustees of the TMWA Section 115 OPEB Trust
FROM: Veronica Galindo, Senior Accountant
DATE: July 9, 2024
SUBJECT: **Present and accept the December 31, 2023 actuarial valuation**

Recommendation

TMWA staff recommends the Trustees accept the Truckee Meadows Water Authority Section 115 Trust Plan (the Plan) Actuarial Valuation of Other Post-Employment Benefit Programs as of December 31, 2023.

Discussion

The following report is attached:

- Truckee Meadows Water Authority Section 115 Trust Plan Actuarial Valuation of Other Post-Employment Benefit Programs as of December 31, 2023

The primary purposes of this report are to:

- Remeasure the Plan's liabilities as of December 31, 2023,
- Develop actuarially determined contribution (ADC) 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, 2024.

Some highlights of the Plan's report as of December 31, 2023 include:

- The Plan covers 12 active employees and 10 retirees.
- The Plan's total OPEB liability is \$2.4 million.
- The Plan's fiduciary net position is \$1.7 million.
- The Plan has a net OPEB liability of \$648 thousand.
- To meet the ADC funding level for the fiscal years ended June 30, 2024, 2025, and 2026, Truckee Meadows Water Authority will need to contribute \$36,421, \$71,666, and \$71,127, respectively.

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



TO: Board of Trustees of the TMWA Section 115 OPEB Trust
FROM: Veronica Galindo, Senior Accountant
DATE: July 8, 2024
SUBJECT: Present and accept the December 31, 2023 audited financial statements

Recommendation

TMWA staff recommends the Trustees accept the December 31, 2023 audited financial statements of the Truckee Meadows Water Authority OPEB Trust Fund (the Plan).

Discussion

The following report is attached:

- December 31, 2023 Financial Statements of the Truckee Meadows Water Authority OPEB Trust Fund

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

The Plan's basic financial statements include the following components:

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

In addition, required supplementary information is provided in three additional schedules.

Some highlights of the Plan's report as of and for the year ended December 31, 2023 include:

- Operating cash balances were \$27 thousand.
- Plan investments at fair value were \$1.7 million.
- Net investment income, including realized and unrealized gains and losses, was \$0.3 million.
- Employer contributions to the Plan were \$34 thousand.
- Net position totaled \$1.7 million, which was a \$0.2 million increase from the prior year.



Financial Statements
December 31, 2023

Truckee Meadows Water Authority OPEB Trust Fund

A Fiduciary Component Unit of Truckee Meadows Water
Authority

Truckee Meadows Water Authority OPEB Trust Fund

Table of Contents
December 31, 2023

Independent Auditor’s Report	1
Management’s Discussion & Analysis	4
Basic Financial Statements	
Statement of Fiduciary Net Position.....	8
Statement of Changes in Fiduciary Net Position	9
Notes to Financial Statements	10
Required Supplementary Information	
Schedule of Changes in the Net OPEB Liability and Related Ratios	18
Schedule of Contributions.....	19
Schedule of Investment Returns	20
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 <i>Government Auditing Standards</i>	21



Independent Auditor's Report

To the Board of Trustees
Truckee Meadows Water Authority
OPEB Trust Fund
Reno, Nevada

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Truckee Meadows Water Authority OPEB Trust Fund (the "Plan"), a fiduciary component unit of Truckee Meadows Water Authority, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Plan, as of December 31, 2023, and the respective changes in financial 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 (*Government Auditing Standards*). 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 opinion. 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 on pages 4-7, schedule of changes in the net OPEB liability and related ratios on page 18, schedule of contributions on page 19, and schedule of investment returns on page 20, 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 GAAS, 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 June 14, 2024 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
June 14, 2024

Truckee Meadows Water Authority OPEB Trust Fund
Management's Discussion & Analysis
Year Ended December 31, 2023

Truckee Meadows Water Authority OPEB Trust Fund (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, 2023 and 2022. This narrative is intended as a supplement and should be read in conjunction with the financial statements.

The Plan was established in 2015 as a result of the transfer of operations to Truckee Meadows Water Authority (TMWA) of Washoe County, Nevada's water utility services (transfer of utility operations). As a result of the transfer of operations, TMWA agreed to preserve post-employment benefits for transferred employees only, and the Plan is closed to any additional employees.

Overview of the Financial Statements

The Plan's financial statements include the following components:

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

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

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

The *Statement of Fiduciary Net Position* presents the Plan's assets and liabilities and the net position, with the assets being held in trust for beneficiary post-employment benefits. This statement measures the Plan's investments at fair value, cash, and other short-term assets and liabilities as of the year ended December 31, 2023.

The *Statement of Changes in Fiduciary Net Position* presents information showing how the Plan's net position changed during the reporting year. This statement includes additions for employer contributions, investment income (loss) and deductions for payments for the benefit of retirees and administrative expenses for the year ended December 31, 2023.

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.

Truckee Meadows Water Authority OPEB Trust Fund
Management's Discussion & Analysis
Year Ended December 31, 2023

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

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

Financial Highlights

Financial highlights of the Plan as of and for the year ended December 31, 2023 are as follows:

- Operating cash balances at year end were \$26,657
- Plan investments at fair value at year end were \$1.7 million
- Net investment income was \$0.3 million
- Employer contributions to the Plan were \$33,596

Financial highlights of the Plan as of and for the year ended December 31, 2022 are as follows:

- Operating cash balances at year end were \$55,240
- Plan investments at fair value at year end were \$1.5 million
- Net investment loss was \$0.2 million
- Employer contributions to the Plan were \$46,494

Plan Analysis

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

	<u>2023</u>	<u>2022</u>	<u>Change 2023 v 2022</u>
Assets			
Cash	\$ 26,657	\$ 55,240	\$ (28,583)
Receivables from plan members	1,543	1,545	(2)
Investments, at fair value	<u>1,731,235</u>	<u>1,467,726</u>	<u>263,509</u>
Total assets	1,759,435	1,524,511	234,924
Liabilities			
Accounts payable	<u>9,771</u>	<u>6,191</u>	<u>3,580</u>
Net position restricted for postemployment benefits other than pensions	<u>\$ 1,749,664</u>	<u>\$ 1,518,320</u>	<u>\$ 231,344</u>

Truckee Meadows Water Authority OPEB Trust Fund
Management's Discussion & Analysis
Year Ended December 31, 2023

At December 31, 2023, Plan assets of \$1.8 million were comprised primarily of investments at fair value. Also included in Plan assets were \$26,657 in operating cash and \$1,543 in Plan member receivables. Plan assets increased by \$0.2 million as compared to December 31, 2022 due mostly to an increase in fair value of Plan investments.

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

	2023	2022	Change 2023 v 2022
Additions			
Net investment income (loss)	\$ 273,508	\$ (234,899)	\$ 508,407
Employer contributions	33,596	46,494	(12,898)
Total additions	<u>307,104</u>	<u>(188,405)</u>	<u>495,509</u>
Deductions			
Benefit payments	58,360	50,386	7,974
Administrative expenses	17,400	19,687	(2,287)
Total deductions	<u>75,760</u>	<u>70,073</u>	<u>5,687</u>
Change in net position	231,344	(258,478)	489,822
Net position restricted for postemployment benefits other than pensions			
Beginning of year	<u>1,518,320</u>	<u>1,776,798</u>	<u>(258,478)</u>
End of year	<u>\$ 1,749,664</u>	<u>\$ 1,518,320</u>	<u>\$ 231,344</u>

Net position is restricted for future benefit payments to retirees.

As of December 31, 2023, the Net Position of the Plan was \$1.7 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 \$0.2 million in 2023. This was primarily due to an increase in fair value of investments of \$0.2 million from 2022 to 2023, related to higher returns from the investment portfolio. Employer contributions were \$33,596 in 2023 compared to \$46,494 in 2022 as a result of the actuarial valuations dated December 31, 2023 and 2021. Benefits paid, net of plan member contributions, of \$58,360 in 2023 increased from the previous year due primarily to an increase in premiums paid. Administrative expenses totaling \$17,401 in 2023 were slightly lower than in 2022 due to decreased legal fees.

To ensure that funds are accumulated on a regular and systematic basis, it is the practice of TMWA to contribute sufficient amounts to the Plan to ensure that the Plan's assets are sufficient to cover the Total OPEB Liability which is disclosed in Note 4 to the financial statements.

Truckee Meadows Water Authority OPEB Trust Fund
Management's Discussion & Analysis
Year Ended December 31, 2023

Economic Outlook

The Federal Reserve continues to monitor economic indicators including inflation and unemployment with the goal of lowering inflation to 2%. The Federal Reserve is expected to lower the Federal Funds target rate during 2024. Market reaction to Federal Reserve decisions and/or other external factors could impact investment performance of the Plan.

Requests for Information

Questions concerning the information provided in this report or requests for additional financial information should be addressed to Matt Bowman, TMWA Chief Financial Officer/Treasurer at P.O. Box 30013, Reno, NV 89509-3013.

Truckee Meadows Water Authority OPEB Trust Fund
Statement of Fiduciary Net Position
December 31, 2023

Assets	
Cash	\$ 26,657
Receivables from plan members	1,543
Investments, at fair value	<u>1,731,235</u>
Total assets	1,759,435
Liabilities	
Accounts payable	<u>9,771</u>
Net position restricted for postemployment benefits other than pensions	<u><u>\$ 1,749,664</u></u>

Truckee Meadows Water Authority OPEB Trust Fund
Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2023

Additions	
Net investment income	\$ 273,508
Employer contributions	<u>33,596</u>
Total additions	<u>307,104</u>
Deductions	
Benefit payments	58,360
Administrative expenses	<u>17,400</u>
Total deductions	<u>75,760</u>
Net increase in net position	231,344
Net position restricted for postemployment benefits other than pensions	
Beginning of year	<u>1,518,320</u>
End of year	<u>\$ 1,749,664</u>

Truckee Meadows Water Authority OPEB Trust Fund

Notes to Financial Statements

December 31, 2023

Note 1 - Significant Accounting Policies

Reporting Entity

Truckee Meadows Water Authority (TMWA) established a governmental trust under Section 115 of the Internal Revenue Code (IRC) of 1986, as amended, which is referred to as the Truckee Meadows Water Authority OPEB Trust Fund (the Plan), a fiduciary component unit of TMWA and a single-employer defined benefit other post-employment benefit plan (OPEB). The Plan is intended to provide the means to fund all or a portion of the post-retirement benefits to be provided to those former employees of Washoe County, Nevada (Washoe County) who became employees of TMWA as a result of the transfer of Washoe County's water utility service operations to TMWA effective January 1, 2015. Tax exempt status is automatically granted to governmental trusts established under IRC Section 115. This Plan provides future TMWA retirees eligible for coverage under the Plan with post-employment group health, including medical, dental, vision, and life insurance coverage. The Plan's financial reporting period ends December 31, while TMWA's financial reporting period ends June 30.

These statements have also been prepared in accordance with the reporting standards as promulgated by the Governmental Accounting Standards Board (GASB). GASB has set forth criteria to be considered in GASB Statement No. 84, Fiduciary Activities and in GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. These standards require the inclusion in TMWA's financial statements of fiduciary components if TMWA has control of the assets and if the following criteria are met:

1. If TMWA appoints a voting majority and either has financial burden (legally or assumed) to make contributions or has imposition of will.
2. If TMWA does not appoint a voting majority and has both a financial burden (legally or assumed) to make contributions and there is fiscal dependency on TMWA.

Therefore, due to the above criteria, the Plan is considered to be a fiduciary component unit of TMWA.

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.

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

Truckee Meadows Water Authority OPEB Trust Fund

Notes to Financial Statements

December 31, 2023

income consists of the Plan's net earnings from its participation in the State of Nevada's Retirement Benefits Investment Fund (RBIF), an external investment pool. The Plan's net earnings (losses) 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.

Administrative Expenses

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

Net Position Classification

Restricted Net Position – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Net position is restricted for postemployment benefits other than pension by the TMWA Section 115 Plan and Trust Agreement.

Note 2 - Plan Description and Contribution Information

Plan Description

The Plan, a single-employer defined benefit OPEB plan, was established to provide eligible TMWA retirees with post-employment group health, including medical, dental, vision, and life insurance coverage. Pursuant to Nevada State Administrative Regulations, adopted in September 2008, as amended, the Plan will be governed by not less than three but not more than five trustees. Four trustees were appointed by the TMWA Board of Directors, two members from non-represented positions and two members from represented employees. The TMWA General Manager has been given authority to appoint the two non-represented employee trustees and accept the nomination of represented employee trustees by the International Brotherhood of Electrical Workers (IBEW) Local 1245.

Eligibility requirements, benefit levels, and TMWA contributions are established and amended through TMWA's collective bargaining agreement for its represented employees (IBEW) and by the TMWA Board of Directors with respect to non-represented Management, Professional, Administrative, and Technical employees (MPAT).

Truckee Meadows Water Authority OPEB Trust Fund

Notes to Financial Statements

December 31, 2023

Retiree Healthcare Coverage Plan Options

During the year ended December 31, 2023, TMWA retirees could choose between a Preferred Provider Organization, or an Employer Health Maintenance Organization health plan coverage option administered by the City of Reno. These health plan coverage options are the same health plan coverage options offered to active employees of TMWA. Effective January 1, 2024, the City of Reno offers only a Preferred Provider Organization health plan coverage option. TMWA retirees may choose to participate in a health plan coverage option not provided by the City of Reno. The amount paid by the Plan for participation in health plan coverage options other than those offered by the City of Reno are limited to the amount otherwise payable had the participant selected one of the City of Reno plans.

In order to be eligible for benefits, retirees must meet the following requirements:

1. The retiree must be a former Washoe County employee who transferred to TMWA as part of the Transfer of Water Utility Operations,
2. The retiree must receive monthly retirement payments under the Public Employees Retirement System of Nevada (PERS), and
3. The retiree must complete such forms to enroll for benefits from the Plan as the Trustees may require from time to time.

Life Benefits

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

Membership of the Plan

As of the actuarial valuation date of December 31, 2023, membership of the Plan consisted of the following:

Retirees currently receiving medical benefits	9
Retirees currently receiving life benefits	7
Retirees entitled to, but not yet receiving benefits	1
Active Plan Members	
IBEW members	8
MPAT members	4

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

Truckee Meadows Water Authority OPEB Trust Fund

Notes to Financial Statements

December 31, 2023

Contributions and Benefits Provided

Post-employment benefits available to retirees under the Plan vary depending upon whether eligible retirees are classified as a “Tier I Retiree” or a “Tier II Retiree”. Tier I Retirees include those employees hired by Washoe County on or before September 16, 1997, and Tier II Retirees include those employees hired by Washoe County after September 16, 1997 and before July 1, 2010. Employees hired by Washoe County on July 1, 2010 or after are not eligible for benefits. Retiree healthcare benefits vary depending on whether a retiree is classified as a Tier I Retiree or a Tier II Retiree, and years of employment attained at the time of retirement, as described below.

Tier I Retirees

1. For Tier I Retirees with at least ten years but less than fifteen years of combined full-time employment with Washoe County and/or TMWA, the maximum benefits payable by the Plan will be 50% of the premium attributable for coverage of such retirees under the benefit plans.
2. For Tier I Retirees with at least fifteen years but less than twenty years of combined full-time employment with Washoe County and/or TMWA, the maximum benefits payable by the Plan will be 75% of the premium attributable for coverage of such retirees under the benefit plans.
3. For Tier I Retirees with twenty or more years of combined full-time employment with Washoe County and/or TMWA, the maximum benefits payable by the Plan will be 100% of the premium attributable for coverage of such retirees under the benefit plans.

For Tier I Retirees who were hired by Washoe County on or after January 13, 1981, these provisions are applicable, except that in order to receive the benefits, the retiree must have been an employee of TMWA immediately prior to receiving benefits from the Plan.

In addition to the above requirements, when eligible to enroll in Medicare, Tier I Retirees must enroll in and pay the cost of Medicare Part A and Medicare Part B or Medicare Part C coverage. TMWA benefit plans will become the secondary payer regardless of whether or not the retiree enrolls in the Medicare program.

Tier II Retirees

The maximum benefits to be paid by the Plan to Tier II Retirees who have not attained age 65 is to be the same amount of the premium paid for group health coverage by an employer for coverage of non-state employees under the Nevada State Public Employee Benefit Plan (PEBP) Retiree Health Insurance plan. The PEBP Master Plan Document can be obtained by writing to the Nevada Public Employees Medical Program, 901 South Stewart Street, Suite 1001, Carson City, NV 89701 or visiting their website www.pebp.state.nv.us. Additionally, Tier II Retirees who have attained the Medicare eligibility age or older will instead receive the equivalent of the State of Nevada’s Medicare Exchange Retiree HRA contribution subsidy based upon the combined number of years of service with Washoe County and/or TMWA and must elect to participate in Medicare. In order to receive the benefits afforded to Tier II Retirees under the Plan’s terms, the retiree must be an employee of TMWA immediately prior to drawing retirement benefits.

Once participants exhaust their medical benefits, they will continue to be eligible for life benefits under the Plan.

Truckee Meadows Water Authority OPEB Trust Fund

Notes to Financial Statements

December 31, 2023

Annual contributions to the Plan total an amount which TMWA determines as necessary to fund the benefits due pursuant to a qualified actuarial analysis. During the year ended December 31, 2023, TMWA contributed \$33,596 to the Plan.

Retiree contributions are required for the portion of the premiums and costs in excess of the subsidies provided by TMWA as discussed above. During the year ended December 31, 2023, retirees' share of health premiums and costs ranged from \$77 to \$694 a month per retiree. Retiree contributions were \$18,520 which were net against benefit payments in the Statement of Changes in Fiduciary Net Position.

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, 2023.

Note 3 - Cash and Investments

Deposits

As of December 31, 2023, the Plan's bank balance was \$32,118 and carrying amount was \$26,657. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. All of the bank balance was covered by the FDIC.

Investments

The Board of Trustees has established an investment policy for the Plan. Under the policy, the Plan's assets are limited to investments in the State of Nevada's 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 (losses) and expenses according to their proportional share in RBIF. Bank of New York, Mellon determines the fair value of the RBIF monthly. Complete financial information on RBIF as of June 30, 2023 can be obtained by contacting Public Employees Retirement System at 693 W. Nye Lane, Carson City, Nevada, 89703.

Truckee Meadows Water Authority OPEB Trust Fund

Notes to Financial Statements

December 31, 2023

Investments at fair value as of December 31, 2023:

RBIF	<u>\$ 1,731,235</u>
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For the year ended December 31, 2023, the annual money-weighted rate of return on investments net expenses was 17.98%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 4 - Net OPEB Liability of TMWA

The components of the net OPEB liability of TMWA as of December 31, 2023 were as follows:

Total OPEB liability	\$ 2,398,130
Plan fiduciary net position	<u>1,749,664</u>
Net OPEB liability	<u>\$ 648,466</u>
Plan fiduciary net position as a percentage of the total OPEB liability	72.96%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2023 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*	6.50% in 2025; 3.90% ultimated for 2075 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, 2023 were based on actual census data.

Truckee Meadows Water Authority OPEB Trust Fund

Notes to Financial Statements

December 31, 2023

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>Target Allocation</u>	<u>Asset Allocation</u>
S&P 500 Index	49.50%	49.90%
MSCI World x US Index	19.50%	19.20%
U.S. Bond Index	28.00%	27.40%
Cash & Cash Equivalents	3.00%	3.50%
	<u>100.00%</u>	<u>100.00%</u>

The discount rate used to measure the total OPEB liability was 6.00%. 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 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 Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in Assumptions

The healthcare cost trend rate was updated for the year ended December 31, 2023 for projecting medical premiums and expected claims from Getzen Model 2022_b to Getzen Model 2023, as published by the Society of Actuaries. Dental premium rate increases were lowered from 4.0% per year to 3.5% per year and vision premium rate increases were lowered from 4.0% per year to 2.5% per year, following a review of rate changes over the past 6 years.

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

The following presents the net OPEB liability of TMWA, as well as what TMWA's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00 percent) or 1-percentage-point higher (7.00 percent) than the current discount rate:

	<u>1% Decrease (5.00%)</u>	<u>Discount Rate (6.00%)</u>	<u>1% Increase (7.00%)</u>
Net OPEB liability	\$ 947,460	\$ 648,466	\$ 396,607



Required Supplementary Information

Truckee Meadows Water Authority OPEB Trust Fund

A Fiduciary Component Unit of Truckee Meadows Water
Authority

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

	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability							
Service cost	\$ 30,475	\$ 29,587	\$ 35,820	\$ 34,777	\$ 59,239	\$ 56,960	\$ 54,769
Interest cost	133,487	128,719	122,661	117,350	119,591	111,978	103,644
Differences between expected and actual experience	47,606	-	61,652	-	(179,517)	-	-
Changes of assumptions	34,186	-	(39,674)	-	44,279	-	-
Benefit payments	(83,879)	(75,573)	(70,936)	(58,361)	(54,605)	(34,065)	(9,334)
Net change in total OPEB liability	161,875	82,733	109,523	93,766	(11,013)	134,873	149,079
Total OPEB liability - beginning	2,236,255	2,153,522	2,043,999	1,950,233	1,961,246	1,826,373	1,677,294
Total OPEB liability - ending (a)	<u>\$ 2,398,130</u>	<u>\$ 2,236,255</u>	<u>\$ 2,153,522</u>	<u>\$ 2,043,999</u>	<u>\$ 1,950,233</u>	<u>\$ 1,961,246</u>	<u>\$ 1,826,373</u>
Plan fiduciary net position							
Employer contributions	\$ 33,596	\$ 46,494	\$ 97,848	\$ 68,634	\$ 107,623	\$ 107,945	\$ 103,441
Employer contributions - implicit subsidy	25,519	25,187	20,073	17,109	14,175	11,421	-
Net investment income (loss)	273,508	(234,899)	247,557	193,211	220,508	(46,729)	125,822
Benefit payments	(58,360)	(50,386)	(50,863)	(41,252)	(40,430)	(22,644)	(9,334)
Benefit payments - implicit subsidy	(25,519)	(25,187)	(20,073)	(17,109)	(14,175)	(11,421)	-
Auditing fees	(15,300)	(14,800)	(14,000)	(14,000)	(12,100)	(13,690)	(6,000)
Administrative fees	-	-	-	-	-	(500)	(598)
Legal fees	(2,100)	(4,887)	-	-	(4,288)	(5,863)	(788)
Retiree contributions in	18,520	20,741	23,102	22,947	20,475	5,244	930
Retiree contributions out	(18,520)	(20,741)	(23,102)	(22,947)	(20,475)	(5,244)	(930)
Net change in plan fiduciary net position	231,344	(258,478)	280,542	206,593	271,313	18,519	212,543
Plan fiduciary net position - beginning	1,518,320	1,776,798	1,496,256	1,289,663	1,018,350	999,831	787,288
Plan fiduciary net position - ending (b)	<u>\$ 1,749,664</u>	<u>\$ 1,518,320</u>	<u>\$ 1,776,798</u>	<u>\$ 1,496,256</u>	<u>\$ 1,289,663</u>	<u>\$ 1,018,350</u>	<u>\$ 999,831</u>
TMWA's net OPEB liability - ending (a) - (b)	<u>\$ 648,466</u>	<u>\$ 717,935</u>	<u>\$ 376,724</u>	<u>\$ 547,743</u>	<u>\$ 660,570</u>	<u>\$ 942,896</u>	<u>\$ 826,542</u>
Plan fiduciary net position as a percentage of the total OPEB liability	72.96%	67.90%	82.51%	73.20%	66.13%	51.92%	54.74%
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TMWA's net OPEB liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A - OPEB plan is not based on a measure of pay and there are no active employees covered under the Plan.

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

Notes to schedule:

Changes of assumptions: 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. In the 2023 actuarial valuation, the healthcare cost trend rate was updated for projecting medical premiums and expected claims from Getzen Model 2022_b to Getzen Model 2023, as published by the Society of Actuaries. Dental premium rate increases were lowered from 4.0% per year to 3.5% per year and vision premium rate increases were lowered from 4.0% per year to 2.5% per year, following a review of rate changes over the past 6 years.

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

	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 56,754	\$ 71,847	\$ 87,109	\$ 86,278	\$ 103,771	\$ 120,582	\$ 111,404
Contributions in relation to the actuarially determined contribution	<u>33,596</u>	<u>46,494</u>	<u>97,848</u>	<u>68,634</u>	<u>107,623</u>	<u>107,945</u>	<u>103,441</u>
Contribution deficiency (excess)	<u>\$ 23,158</u>	<u>\$ 25,353</u>	<u>\$ (10,739)</u>	<u>\$ 17,644</u>	<u>\$ (3,852)</u>	<u>\$ 12,637</u>	<u>\$ 7,963</u>
Covered-employee payroll	N/A	N/A	N/A	N/A	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	N/A

N/A - OPEB plan is not based on a measure of pay and there are no active employees covered under the Plan.

* 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, 2023.

Methods and assumptions used to determine contribution rates are as follows:

Actuarial cost method	Entry age normal cost
Amortization method	Level percent of pay
Amortization period	21 years, closed
Asset valuation method	Market value of assets
Inflation	2.50%
Salary increases	3.00%
Healthcare cost trend rates*	6.50% in 2025 3.90% ultimated for 2075 and later years
Investment rate of return/ discount rate	6.00%
Retirement age	45-75
Mortality	Mortality rates were based on the MacLeod Watts Scale 2022, 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 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. In the 2023 actuarial valuation, the healthcare cost trend rate was updated for projecting medical premiums and expected claims from Getzen Model 2022_b to Getzen Model 2023, as published by the Society of Actuaries. Dental premium rate increases were lowered from 4.0% per year to 3.5% per year and vision premium rate increases were lowered from 4.0% per year to 2.5% per year, following a review of rate changes over the past 6 years.

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

	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	17.98%	-13.77%	17.03%	1.29%	1.28%	-0.38%	15.56%

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



**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
OPEB Trust Fund
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 (*Government Auditing Standards*), the financial statements of Truckee Meadows Water Authority OPEB Trust Fund (the “Plan”), a fiduciary component unit of Truckee Meadows Water Authority, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Plan’s basic financial statements and have issued our report thereon dated June 14, 2024.

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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 Plan'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 Plan's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Reno, Nevada
June 14, 2024

Retirement Benefits Investment Fund

March 31, 2024

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	\$ 377,161,491	42.5%	42.5%	19.4%	29.8%	11.5%	15.0%	12.9%	10.8%
Market Return				19.4%	29.9%	11.5%	15.1%	13.0%	10.8%
Int'l Stocks- MSCI World x US Index	\$ 156,270,929	17.5%	17.6%	11.8%	15.4%	5.1%	7.7%	5.1%	4.0%
Market Return				11.9%	15.3%	4.9%	7.5%	4.9%	3.8%
U.S. Bonds- U.S. Bond Index	\$ 248,684,102	28.0%	28.0%	1.5%	0.1%	-1.2%	1.9%	2.1%	2.8%
Market Return				1.5%	0.1%	-1.4%	1.7%	1.9%	2.6%
Cash	\$ 106,108,259	12.0%	12.0%						3.5%
Market Return									3.6%
Total RBIF Fund	\$ 888,224,781	100.0%	100.0%	12.5%	17.9%	6.8%	10.2%	8.5%	7.5%
Market Return				12.4%	17.7%	6.5%	9.9%	8.2%	7.4%