

§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, October 15, 2024 at 1:00 p.m. Donner 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: 292 457 541 976#

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 July 16, 2024 minutes (**For Possible Action**)
5. Approval of the July 23, 2024 minutes (**For Possible Action**)
6. Discussion and possible direction regarding meeting times and dates for calendar year 2025-
Rosalinda Rodriguez (**For Possible Action**)
7. Update regarding status of trust document revision —Rosalinda Rodriguez*
8. Review of Retirement Benefits Investment Fund (RBIF) performance —Matt Bowman*
9. Human Resources Report—Rosalinda Rodriguez*
10. Trustee comments and requests for future agenda items*
11. Public comment — limited to no more than three minutes per speaker*
12. Adjournment (**For Possible Action**)

NOTES:

1. The announcement of this meeting has been posted at the following locations: Truckee Meadows Water Authority (1355 Capital Blvd., Reno), 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. 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.



Truckee Meadows Water Authority

Post-Retirement Medical Plan & Trust

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Draft July 16, 2024 MINUTES

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

Matt Bowman, Chairman, called the meeting to order at 01:08 P.M.

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

A quorum was present.

Voting Members Present:

Matt Bowman
Kelly McGlynn

Voting Members Absent

Pete Pribyl
Steve Enos

Members Present

Jessica Atkinson
Gus Rossi
Marty Kumle

Members Absent:

Rosalinda Rodriguez

This meeting was canceled as a quorum was not present



Truckee Meadows Water Authority

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Draft July 23, 2024 MINUTES

The meeting of the TMWA Post-Retirement Medical Plan and Trust (Trust) Trustees was held on Tuesday, July 23, 2024 in person and through teleconference.

Matt Bowman, Chairman, called the meeting to order at 12:31 P.M.

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

A quorum was present.

Voting Members Present:

Matt Bowman
Kelly McGlynn
Pete Pribyl
Steve Enos

Voting Members Absent

Members Present

Rosalinda Rodriguez
Jessica Atkinson
Gus Rossi
Marty Kumle

Members Absent:

2. PUBLIC COMMENT

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 APRIL16, 2024 MINUTES

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

5. DISCUSSION AND POSSIBLE DIRECTION ON CHANGING BENEFIT CALCULATION TEMPLATES

Ms. Jessica Atkinson, HR Director advised that HR Staff utilize a benefit calculation template in order to verify eligibility and calculate benefit amounts for the §501-c-9 Post Retirement Benefit Plan & Trust by entering 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 §501-c-9 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 may be modified by the retirees.

Ms. Atkinson presented both Benefit Calculation templates for MPAT, Pre98, and Post98 retirees on how they have been set up and where required entry is input and which information will be presented to Trustee's for approval. Ms. Atkinson recommended Trustee's approve the Benefit Calculation Templates for MPAT, Pre98 and Post 98 retiree's.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the Benefit Calculation Templates for MPAT, Pre98, and Post 98 retirees.

6. REVIEW AND APPROVAL OF POST-RETIREMENT MEDICAL PLAN & TRUST CALCULATION FOR TMWA RETIREE TIM GOMO

Ms. Jessica Atkinson, HR Director, presented the benefits calculation for Tim Gomo. Mr. Gomo retired on June 14, 2024, and with Trustee approval have a benefit effective date of July 1, 2024. Ms. Atkinson confirmed Ms. Rosalinda Rodriguez, HR Technician, met with the retiree and confirmed the information on the benefit calculation form. Mr. Gomo has elected to defer enrollment on health coverages at this time 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 Tim Gomo.

7. REVIEW AND APPROVAL OF POST-RETIREMENT MEDICAL PLAN & TRUST CALCULATION FOR TMWA RETIREE JONATHAN ROUSE.

Ms. Atkinson, presented the benefits calculation for Jonathan Rouse. Mr. Rouse will retire on September 19, 2024, and with Trustee approval have a benefit effective date of October 1, 2024. Ms. Atkinson confirmed she met with the retiree and confirmed the information on the benefit calculation form. Mr. Rouse has elected to continue on TMWA coverages as Retiree and Family for medical, dental and vision coverages. Mr. Rouse has elected for any remaining premium balance to be paid from his PERS check.

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

8. DISCUSSION AND POSSIBLE TRUSTEE DIRECTION REGARDING ELIGIBILITY OF FUTURE BENEFICIARY OF THE PRE98 BENEFIT, SPPC CREDIT POINTS

Ms. Atkinson advised that an error was discovered on the *Sierra Pacific Power Company Retiree Medical Premium % Calculation* ("Inducement Letter") form provided to an IBEW transfer employee hired by Sierra before January 1, 1998 (Attachment 1). Trustees should consider the form provided to the employee, the employee's personnel records regarding dates of hire, and the plan documents regarding dates and eligibility and determine whether the points calculated on the form should be applied to the employee's benefit calculation at the time of retirement.

At the time of the divestiture from Sierra Pacific Power Company, TMWA and IBEW executed a Letter of understanding (Attachment 2), which provided a voluntary retirement bridge for transfer employees. Employees were provided an Inducement Letter from Sierra outlining how each of the bridge options would apply to each employee.

Employee #50040 was provided an Inducement Letter (Attachment 1), which was calculated using a date of hire of December 20, 1990, resulting in a calculation of 3 available points.

Review of this employee's personnel records from Sierra indicate that the employee was:

- Hired on December 24, 1990, as a Contract Laborer and terminated on June 24, 1991, with the reason "END OF TEMP ASSIGNMENT."
- Rehired on June 26, 1991, as a Contract Laborer with a subsequent term date of January 14, 1992, and reason "END OF TEMP ASSIGNMENT."
- Rehired on January 20, 1992. Given Bid #6774 for an Operator, Utility III (9244) position.

These dates and notes above are logged on a Sierra Pacific Power Company form titled, *Pay Roll Record Change* (Attachment 3).

In addition to the Pay Roll Record Change log, there is an employment offer letter in the file dated January 28, 1992 (Attachment 4) and a *Sierra Pacific Power Company 1997 BU employee Benefits Statement* (Attachment 5), which indicates the employee's date of hire is January 20, 1992, and provides a list of benefits offered to include Retirement Benefits. All the above records indicate that the employee's hire date as a regular full-time, benefited employee was January 20, 1992.

Ms. Atkinson's advised that HR staff reviewing information that determines benefit eligibility, reviewing this record, would indicate this employee became full time on January 20, 1992 and this is the date that should be used for eligibility of the post retirement medical plan & trust.

Further review of this employee's personnel records from TMWA indicate that when the employee was initially entered into TMWA's payroll system on 06/11/2001, he was given a Seniority Date of 12/24/1990 (Attachment 6). Then on 07/06/ 2001, the system was updated, and his seniority date was corrected to 01/20/1992 (Attachment 7).

The §501-c-9 plan document (Attachment 8) Section 2.18, defines Service or Years of Service as,

"(a) "For IBEW Transfer Employees and MPAT transfer Employees." "Service" or "Years of Service" include all years of service earned and accumulated by a Participant under the Sierra Plan in accordance with the Sierra Plan."

The Sierra Pacific Resources Retirement Plan document (Attachment 9) Section 1.26 states,

"The following Employees shall not be Eligible Employees: (v) Employees who are classified as "Contingent Workers" as described in Appendix B or as a Temporary Employee as documented in an offer of employment or in Employer personnel or payroll records. Temporary Employee refers to a common-law Employee hired by the Employer to complete a short-term assignment or to fill a position or perform a function that is not part of the Employer's regular operations or that is likely to be eliminated in the foreseeable future because of a change in technology, outsourcing, subcontracting or other reason."

TMWA has 01/20/1992, documented as this employee's date of hire to be used for determining §501-c-9 trust benefits. While this date is consistent with both the §501-c-9 plan document and the Sierra Pacific Resources Retirement Plan document, it does not match the date that was used to create the Inducement Letter provided to the employee.

The 12/20/1990, date used for the hire date on the Inducement Letter appears to be erroneous. All available documentation indicates that the employee was hired as a temporary employee on 12/20/1990, and did not become a regular, benefited employee until 01/20/1992. In accordance with the trust document and the original Sierra Retirement Plan, temporary employees are not considered eligible for the post-retirement benefits.

The employee believes that because 12/20/1990, was used as his hire date in the Inducement Letter and because the Inducement Letter indicated he was eligible for 3 points using the 12/20/1990, date of hire, three points should be credited to him at the time of his retirement from TMWA. The addition of three points added to the employee's age and would increase the amount of the premiums covered by the trust from 80% to 85%.

The available documentation indicates that the employee's actual date of hire for benefit purposes is 01/20/1992, and not 12/20/1990, as presented on the Inducement Letter. Accordingly, TMWA's benefit calculation with a re-engineered Inducement Letter, would not include the 3 points to be added to the employee's age resulting in the trust paying 80% of the employees eligible premiums.

Trustees should consider the Inducement Letter provided to the employee, the employee's personnel records regarding dates of hire, and the plan documents regarding dates and eligibility and determine 1.) the correct date of hire that should be used when calculating the

post-retirement medical benefit and 2.) whether the points calculated on the original Inducement Letter should be applied to the employee's benefit calculation at the time of retirement from TMWA.

Discussion ensued and MR. Bowman summarized his understanding of the facts presented and asked if there were any other potential cases similar to this individual. Ms. Atkinson advised that Pre98 retiree's have been audited and none had temporary employment.

Ms. Rosalinda Rodriguez, HR Technician II, advised that the audit conducted for Pre98 retiree's, current employee's that could be future Pre98 beneficiaries were also audited, and this individual was the only one that had any period of temporary employment.

IBEW 1245 representative Marty Kumle advised has worked for Sierra Pacific Power Company (SPPC) in 1997 and was hired as a temporary employee. The intent he questions in this is that they (SPPC) utilized his temporary status as his probationary period he was in a temporary status for 3 months and they credited him. Mr. Kumle thinks that possibly SPPC may have intended for this to be combined for the employee referenced, so there could be possibly be a discrepancy.

Mr. Bowman advised that there is no way to find out what SPPC's intent was at the time and TMWA must use the records available to make a determination.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees determined that for the employee referenced, the date to utilize for full time benefits and Trust eligibility is January 20, 1992.

9. DISCUSSION AND POSSIBLE TRUSTEE DIRECTION REGARDING RETIREE PREMIUM REIMBURSEMENT POLICY

Mr. Bowman advised that he had in previous meetings, provided feedback received from a retiree in regard to the overall reimbursement process. Mr. Bowman and staff assessed the current process and policy and reviewed it to verify if there were any changes that could be made to the reimbursement process. It was determined that by eliminating the Trustee review and approval and instead placing this approval on the Chief Financial Officer (CFO) that could speed up the process by approximately 30 days. TMWA staff and legal counsel reviewed the relevant Nevada Revised Statutes and plan documents to ensure such changes would not violate and statutory or legal requirements, finding none, Trustee's directed staff to move forward in making a change to the reimbursement procedure.

Ms. Atkinson noted the following updates:

- Clarifying language has been added to the reimbursement request procedure
- Increasing the time frame for which retirees can request reimbursement from twelve (12) months to fifteen (15) months.

- Changed to process reimbursement from Claims received to a Claims period and provided an approximate processing date for payment.
- Clarifying process for submitting reimbursement requests in advance
- The workflow when reimbursement requests are received and removing Trustee's having to review reimbursement requests.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the revised Retiree Reimbursement Request Policy.

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

This item has been removed per approval of the updated Retiree Reimbursement Request procedure.

11. UPDATE REGARDING STATUS OF TRUST DOCUMENT REVISION

During the October 18, 2022, meeting Ms. Stefanie Morris, Director of Legal & Regulatory Affairs discussed interpretation of the VEBA language as it relates to Nevada Revised Statute (NRS) 287.023 and whether an individual needs to be receiving a NV PERS benefit to elect a health plan offered by TMWA. Additionally, Ms. Morris discussed interpretation NRS 287.023 and 287.0205 and whether a retiree can continue group life without being enrolled in group health. Trustees requested that staff review the Trust document to ensure it complies with the NRS and bring back recommended revisions for Trustee consideration.

During the January 17, 2023 meeting, a draft of proposed changes was presented and approved by Trustees pending discussion with the City of Reno Plan administrators on interpretation of NRS 287.023 and 287.0205 relating to retiree life insurance eligibility.

During the July 25, 2023, October 17, 2023, January 16, 2024, April 16, 2024, and July 23, 2024 meetings, Ms. Rodriguez informed Trustees that TMWA staff is still waiting to meet with the City of Reno regarding whether an individual needs to be enrolled in TMWA health plans to continue group life coverage.

For informational purposes only, no action required.

12. REVIEW OF THE ACTUARIAL ANALYSIS

Ms. Veronica Galindo, Sr. Accountant presented the Actuarial Valuation for the Post Retirement Benefit Plan & Trust § 501-c-9. Ms. Galindo advised the primary purpose of this report are to:

- Remeasure the Plan's liabilities as of December 31, 2023,
- 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, 2024.

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

- The Plan covers 148 active employees and 69 retirees.
- The Plan's total OPEB liability is \$10.8 million.
- The Plan's fiduciary net position is \$15.5 million.
- The Plan has a net OPEB asset of \$4.7 million.
- Given the substantial surplus position of the Plan, the actuarial determined contributions are \$0 through June 30, 2026.

For informational purposes only, no action required.

13. REVIEW OF THE FINANCIAL STATEMENT AUDIT

Ms. Galindo presented the audited financial statements dated December 31, 2023.

Ms. Galindo advised 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 \$0.2 million.
- Plan investments at fair value were \$15.4 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 \$15.5 million, which was a \$2.0 million increase from the prior year.

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

Mr. Bowman reviewed the RBIF dated March 31, 2024. Overall the performance has done well, the one (1) year return is at 17.7 % and 7% since inception.

For informational purposes only, no action required.

15. TRUSTEE COMMENTS AND REQUEST FOR FUTURE AGENDA ITEMS*
16. PUBLIC COMMENT
17. ADJOURNMENT

With no further business to discuss, Chairman Bowman adjourned the meeting at 1:40 PM.

Minutes were approved by the Trustees in session on _____.

Respectfully Submitted,

Rosalinda Rodriguez, Recording Secretary



STAFF REPORT

TO: Board of Trustees
FROM: Rosalinda Rodriguez, HR Technician
DATE: October 15, 2024
SUBJECT: Discussion and direction regarding meeting times and dates for 2025

Recommendation

TMWA staff recommends that the Board of Trustees provide input on the schedule proposed for the TMWA §501-c-9 Post-Retirement Medical Plan & Trust meetings as well as confirmation of meeting times.

Discussion

The regular schedule for the TMWA §501-c-9 Post-Retirement Medical Plan & Trust meetings has traditionally been quarterly on the third Tuesday of the month.

Staff recommends continuing with the current reoccurring schedule as follows:

2025 Trustee Meeting Dates Proposed

Tuesday, January 21	1:00 p.m.
Tuesday, April 15	1:00 p.m.
Tuesday, July 15	1:00 p.m.
Tuesday, October 14	1:00 p.m.

Retirement Benefits Investment Fund

June 30, 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	\$ 393,288,987	42.5%	43.4%	24.5%	24.5%	10.0%	15.0%	12.8%	11.0%
Market Return				24.6%	24.6%	10.0%	15.1%	12.9%	10.9%
Int'l Stocks- MSCI World x US Index	\$ 155,683,229	17.5%	17.2%	11.4%	11.4%	3.1%	6.9%	4.7%	3.9%
Market Return				11.2%	11.2%	2.8%	6.6%	4.4%	3.7%
U.S. Bonds- U.S. Bond Index	\$ 248,954,262	28.0%	27.5%	1.6%	1.6%	-1.1%	1.3%	1.9%	2.8%
Market Return				1.6%	1.6%	-1.4%	1.1%	1.8%	2.6%
Short-term Investments*	\$ 108,701,228	12.0%	12.0%	4.9%					4.9%
Market Return				5.0%					5.0%
Total RBIF Fund	\$ 906,627,706	100.0%	100.0%	14.7%	14.7%	5.5%	9.8%	8.2%	7.5%
Market Return				14.8%	14.8%	5.4%	9.5%	8.0%	7.4%

* Inception 8/1/2023



STAFF REPORT

TO: Trustees of the Post Retirement Plan & Trust §501-c-9
From: Rosalinda Rodriguez, HR Technician II
DATE: October 15, 2024
SUBJECT: **Human Resources' Report**

In our commitment of maintaining transparency and keeping our Trustees well-informed, Human Resources will be providing quarterly reports of any relevant information or updates regarding beneficiaries or general notifications that may be pertinent to the section 501-c-9 Trust.

- Update to PRMT retiree beneficiaries:
We received notification that retiree member Craig Nicholas passed away 02/24/2024 of this year. All records have been updated.
- Open Enrollment for plan year 2025 is coming up November 1st – 27th, there are no premium increases for plan year 2025.
- Trustee appointments will be ending 12/31/2024. Trustee appointment selections made by the general manager must be approved by the TMWA Board, this will be presented before the next meeting, and updated trustee appointments will be announced in the January 2025 meeting.