



Post-Retirement Medical Plan & Trust

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

DRAFT April 17, 2012 MINUTES

The meeting of the TMWA Post-Retirement Medical Plan and Trust (Trust) Trustees was held on Tuesday, April 17, 2012 in the Truckee Meadows Water Authority Independence Room, 1355 Capital Blvd., Reno, Nevada.

Chairman Tissier called the meeting to order at 1:02 p.m.

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

A quorum was present.

Voting Members Present:

Steve Enos
Juan Esparza
Jeff Tissier

Voting Members Absent:

Michael Nevarez

Staff Members Present

Jessica Wiley
Gus Rossi, Legal Counsel

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 25, 2012 MINUTES

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the January 25, 2011 minutes.

5. PRESENTATION AND APPROVAL OF AUDITED FINANCIAL STATEMENTS FOR CALENDAR YEAR 2011

Chairman Tissier introduced Kristin Burgess with Kafoury, Armstrong & Co. (Kafoury). He stated that he had prepared the financial statements. The Trust had twenty retirees currently requesting benefits. Based on the last actuarial evaluation, the Trust had approximately \$1.5 million in assets greater than the accrued actuarial liability. The Trust will engage Bill Bush in August or September 2012 to perform another actuarial analysis to comply with the new accounting rules requiring a Trust to have an actuarial evaluation synchronized with the fiscal year end.

Ms. Burgess stated that Kafoury had performed an independent audit of the financial statements of plan net assets, the changes of plan net assets and the footnotes disclosures that accompany them. The financial statements are the responsibility of the Trust's management while Kafoury's responsibility is to express an opinion on these financial statements based on the audit. Kafoury conducted the audit in accordance with general accepted accounting principles and used a process of materiality meaning that not every transaction was audited. They issued an unqualified opinion for the year ended December 31, 2011 and 2010 as these are comparative financial statements, meaning there were no material issues with the presentation of the financial statements.

Ms. Burgess reviewed the required-communication letter sent by Kafoury to the Trustees providing the following findings: The auditors encountered no significant difficulties in performing the audit; there were no contentious items or issues with management; and there were no material weaknesses in the entity's internal controls. Kafoury made no adjusting entries. She pointed out that the financial statements include a rather large estimate in connection with the funded status and funding progress of the Trust based on actuarial valuations made by the Trust's Actuary. Also, given the nature of the Trust's assets and its operations, a significant portion of the audit and financial statements are actually looked at because obviously the base assets are the investments in the RBIF. Kafoury does an independent valuation testing of the Retirement Benefits Investment Fund (RBIF) to confirm their most-current audited financial statements because a significant portion of the base assets of the Trust are the investments in the RBIF. The RBIF issues its financial statements on a fiscal-year basis and the Trust's financials are issued on a calendar year basis.

Ms. Burgess pointed out that it is important for the Trustees to read footnote 3 on the Funded Status and Funding Progress of the Trust or what the Actuary sees as the long-term obligation relative to the assets that actually currently are in the Trust. She noted that the footnote is based

on the most current actuarial valuation which was March, 2010 even though assets are growing and things are changing with the Trust itself. The Trust is required to get new evaluations on a periodic basis so that the information provided is current and up-to-date but at the same time cost-effective.

The Trustees discussed the Public Employees Retirement System (PERS), RBIF investments and returns, distributions and the current participants in the RBIF.

A motion was made and seconded, and by unanimous consent of the members present, the Board approved the audited financial statements for Calendar 2011.

6. PRESENTATION OF THE TENTATIVE BUDGET FOR CALENDAR YEAR 2012

Chairman Tissier reported that although there is no Nevada Revised Statute requiring the Trust to file a budget with the Nevada Department of Taxation, a budget was created primarily for internal purposes. The Trustees agreed that an annual budget should be prepared. The annual budget includes expected revenues (contributions) and anticipated expenses. He noted that benefits will increase as the Trust continues to add new members. He said that believing that investment income will remain consistent with the prior year, the contributions to the Trust should be sufficient to meet the benefits and administrative expenses for the next year and could result in a net increase in net assets if the fair value of those assets remains constant.

A motion was made and seconded, and by unanimous consent of the members present, the Board approved the Calendar Year 2012 budget.

7. REVIEW AND APPROVAL OF POST-RETIREMENT MEDICAL TRUST BENEFIT CALCULATION FOR TMWA RETIREE(S)

Ms. Wiley presented the benefit calculations for Tim Grover. Mr. Grover will retire on June 29, 2012 and is requesting Trust benefits beginning July, 2012. Ms. Wiley met with the retiree and confirmed the information on the benefit calculation form and Mr. Grover signed all paperwork. As Mr. Grover will be over the age of 65 at the age of retirement, he will have benefits at the reduced rate of \$105 per month. He has elected to PPO insurance coverage for the retiree only and declined the supplemental spouse coverage at this point in time. He will be required to provide proof of Medicare coverage prior to his departure from TMWA.

Upon motion made and seconded, and carried by unanimous consent, the Board approved providing the benefits as calculated for Tim Grover.

8. REVIEW AND APPROVAL OF RETIREE WORKSHOP PRESENTATION

Ms. Wiley presented this item. The Trustees had requested a presentation for TMWA employees and for retirees. During the month of February and March, the employees were given the presentation as part of TMWA's annual safety training.

Ms. Wiley said that as several retirees are no longer living in-state so having them come to a presentation at TMWA did not seem feasible so she created a Frequently Asked Question (FAQ) sheet. She compiled a list of questions and answers based off the feedback she received when talking to retirees and put it into a newsletter format that she suggested be sent to all participants in the Trust. In addition to the questions and answers, the FAQ sheet lists meeting dates and times and the names of the Trustees.

After reviewing the FAQ sheet, the Trustees made some minor corrections and revisions. Ms. Wiley said she would make these edits and send the FAQ sheet to all Trust participants.

Upon motion made and seconded, and carried by unanimous consent, the Board approved the Frequently Asked Questions newsletter with requested edits.

9. TRUSTEE COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

There were no comments.

10. PUBLIC COMMENT

There was no public comment.

11. ADJOURNMENT

With no further business to discuss, Chairman Tissier adjourned the meeting at 1:37 p.m.

Minutes were approved by the Trustees in session on _____.

Respectfully Submitted,

Corinne Cassell, Recording Secretary