

Post-Retirement Medical Plan & Trust

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



AUGUST 22, 2014 MINUTES

The meeting of the TMWA Post-Retirement Medical Plan and Trust (Trust) Trustees was held on Friday, August 22, 2014 in the Truckee Meadows Water Authority Independence Room, 1355 Capital Blvd., Reno, Nevada.

Jeff Tissier, Chairman, called the meeting to order at 1:30 p.m.

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

A quorum was present.

Voting Members Present:

Jeff Tissier
Steve Enos
Juan Esparza
Michael Nevarez

Voting Members Absent:

Staff Members Present

Jessica Atkinson
Mary Bennett
Cara Rives

Staff Members Absent:

Pat Waite
Gus Rossi

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 AUGUST 22, 2014 MINUTES

Steve Enos noted that there was an error in the July 15, 2014 minutes, which stated that Pat Waite was in attendance, but he was not. Cara Rives will make that correction.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the corrected July 15, 2014 minutes.

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

Ms. Atkinson presented the benefit calculations for retirees Steve Dobyms and Ron Penrose. Mr. Dobyms' hire date was April 7, 1980, his retirement date is September 26, 2014, and he is requesting trust benefits beginning October 1, 2014. Ms. Atkinson met with the retiree and confirmed the information on his benefit calculation form and Mr. Dobyms signed all paperwork. Mr. Dobyms will have no reduction in his benefits for retiring under the age of 62 per his IBEW contract. He has 34.47 years of uninterrupted employment and while he was unable to locate his inducement letter, it was able to be recreated. Mr. Dobyms qualifies for an additional five point credit per the terms of the recreated Sierra Pacific inducement letter; these five points have been added to his actual age of 60.05, bringing him to an adjusted age of 65; and this allows him benefit payments at an 85 percent rate. He has elected to continue EPO retiree only coverage and has elected life insurance for himself and declined life insurance for his spouse.

Mr. Penrose's hire date was April 28, 1975, and his retirement date is December 30, 2014. He is requesting trust benefits beginning January 1, 2015. Age at retirement will be 63, so he will have no penalty for the age 62 requirement. He also will have 39.67 years of continuous employment, meaning there is no penalty for less than 20 years of service. He has elected to continue PPO retiree coverage for himself only, and has declined spouse Life Insurance coverage. Mr. Penrose also met with Ms. Atkinson and signed all paperwork.

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the benefit calculations for Mr. Dobyms and Mr. Penrose.

6. REVIEW OF PRELIMINARY ACTUARY RESULTS FOR TMWA'S ANNUAL REQUIRED CONTRIBUTION

Jeff Tissier reported that Bill Bush, TMWA's actuary, did a preliminary actuarial analysis for 2015 and 2016. He ran scenarios, based on different funding options. Mr. Tissier then passed out a handout entitled "Preliminary Actuarial Analysis Valuation as of June 30, 2014". He explained that based on the handout, and based on the valuation, the trust is 99 percent funded. It then gave three scenarios, which Mr. Tissier explained briefly. The scenarios are based on: 1. the new 2014 mortality tables, and 2. a new table based on a very conservative 6 percent return. A decision will be made soon as to which scenario they will follow for the future.

7. REDEMPTION OF RBIF UNITS BASED ON RESULTS OF THE PRELIMINARY ACTUARIAL ANALYSIS

Mr. Tissier also presented this item to the trustees. He stated that this was a proposal to allow the redemption of some of the units of the Retirement Benefits Investment Fund (RBIF). There is a five day window to do this, and he recommends going forward with the proposal in light of current market trends. He explained that current Federal Reserve policies on short term interest rates are expected to expire in mid-2015. When the policy changes, if the interest rates increase as is expected, the equity markets are then expected to react unfavorably. This in turn will affect the RBIF, potentially eroding the "cushion" that has been built up. The requested redemption is a fairly small amount and will help avoid realized losses and meet upcoming obligations for the next several years. yet leave enough in the trust to meet future obligations.

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

8. REVIEW OF JUNE 30, 2014 RBIF INVESTMENT PERFORMANCE

Mr. Tissier gave an update on the RBIF. He referred to the handout and stated that this quarter (ending June 30, 2014) the fund is at approximately 70 percent equities and 29 percent fixed income. Of that, 78 percent of those equities are US equities. Upon review of the investments all appear to be fairly high quality and it is in good shape overall. The fund is also very well diversified. While he does anticipate more volatility in the next few years, it is overall a very stable fund.

9. TRUSTEE COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

There were no trustee comments.

10. PUBLIC COMMENT

There was no public comment.

11. ADJOURNMENT

With no further business to discuss, Chairman Tissier adjourned the meeting at 1:58 p.m.

Minutes were approved by the Trustees in session on December 16, 2014.

Respectfully Submitted,

Cara Rives, Recording Secretary