

Post Retirement Medical Plan & Trust

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

MAY 5, 2011 MINUTES

The meeting of the TMWA Post Retirement Medical Plan and Trust Trustees (Trust) was held on Wednesday, May 5, 2011 in the Truckee Meadows Water Authority Independence Room, 1355 Capital Blvd., Reno, Nevada.

Chairman Tissier called the meeting to order at 1:06 p.m.

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

A quorum was present.

Voting Members Present:

Steve Enos
Juan Esparza
Michael Nevarez
Jeff Tissier

Voting Members Absent:

None

Staff Members Present

Mary Bennett
Dennis Bergstrom
Nanette Quitt
Jeff Westwood
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, the Trustees approved the agenda.

4. APPROVAL OF THE FEBRUARY 23, 2011 MINUTES

Upon motion made and seconded, and carried by unanimous consent, the Trustees approved the February 23, 2011 minutes.

5. APPROVAL OF RECORDS CERTIFICATE OF DESTRUCTION FOR GENERAL CORRESPONDENCE

Tiffani Allison, TMWA Records Coordinator, recommended the Trustees approve destruction of the eligible general correspondence records from October 17, 2003 through June 18, 2008 in conjunction with the Trust approved record retention schedule. .

Upon motion made and seconded, and by unanimous consent, the Trustees approved the Records Certificate of Destruction for General Correspondence.

6. REVIEW AND APPROVAL OF POST RETIREMENT MEDICAL TRUST BENEFIT CALCULATION FOR TMWA RETIREES

Nanette Quitt introduced Mary Hefner, future TMWA retiree. Ms. Quitt stated that TMWA sponsored a Voluntary Separation Program and to date ten agreements had been executed which resulted in a number of benefit calculations for the Trustees to approve during this meeting and in the next few meetings. She explained that the calculations were based on the TMWA Monthly Health Insurance Premium Rate Schedule effective July 1, 2010 through June 30, 2011 and the Trust plan document. She has met with all the retirees and confirmed with them the information on the benefit calculation form. She presented the benefit calculations for Kenneth Briscoe, Mary Hefner, Gregory Krzysiak, Larry Martin, Robert McElroy, William Summy III and Glen Morris.

Ms. Quitt then stated that two additional retirees, Karl Katt and Severina Dimaisip, are not eligible to petition the Trust for benefits as they do not meet the requirements of having been a TMWA employee for 10 years and having reached the age of 55. They are both aware that they are not eligible for PRMPT benefits.

Ms. Quitt said that there will be additional benefit calculations for the Trustees to approve at the May 19, 2011 meeting.

Upon motion made and seconded, and by unanimous consent, the Trustees approved the benefit calculations for the following retirees: Kenneth Briscoe, Mary Hefner, Gregory Krzysiak, Larry Martin, Robert McElroy, William Summy III and Glen Morris and acknowledged that Severina Dimaisip and Karl Katt are retiring but are ineligible to receive benefits.

7. REVIEW AND APPROVAL OF VEBA PLAN DOCUMENT REVISIONS

Ms. Quitt stated that as TMWA was anticipating and preparing for an influx of retirees into the Trust, she and Gus Rossi, Legal Counsel, began to more closely review the VEBA plan document (document) and determined that revisions to the language needed to occur. She explained the changes are not intended to reduce the scope of retiree benefits and not a request to change or reduce annual credits or pre-98 subsidies. It is simply to clean up the language based

on the legal advice from Gus Rossi, Legal Counsel, as well as Bill Bush, Actuarial provider.

One large change is to include the life insurance benefit for retirees in the document. Both the Collective Bargaining Agreement (CBA) for union employees and TMWA Resolution 6 for management, professional, administrative and technical employees reference a life insurance benefit for retirees. As those documents are subject to change, TMWA is amenable to begin to include this benefit in the VEBA plan document. This will allow TMWA to accrue its annual required contributions for both the medical liability and the life insurance liability and transfer to the Trust in one payment.

Ms. Quitt and Mr. Rossi distributed the redlined version of the document and discussed line-by-line the revisions and the intent behind the changes. The discussion included Article 1 through Article 4, Section 4.1.5. The Trustees concurred with all changes in the redlined version with the exception of the following changes or recommendations:

Section 2:12 Participant. Delete the words “*is eligible to and*” after the word **who**

Section 2.13 Permanent Waiver. Add the words “*or eligible employee*” after the word **Participant** wherever it occurs.

Section 2.18 Service or Years of Service. The discussion focused on the proration of benefits based on developing rational methodology and language to clearly define this term. The Trustees suggested for this language “*a service year would be the number of hours worked by the employee divided by a full time equivalent (FTE) year of 2080 hours.*”

Section 3.1 Eligibility and commence of Coverage. Ms. Quitt suggested that the wording of this section leaves it open to the Trustees to develop a policy on eligibility and commencement of coverage if they want one otherwise actuarially, the Trust will always have to account for anybody who ever worked at TMWA.

Section 3.2 Termination of Participation. In the last sentence, after the words **first day of the**, delete the words “*subsequent open enrollment period*” and replace them with “*commencement of coverage.*”

Section 4.1.5 Surviving Spouse Death Benefits. In the 5th line delete the word “*Employer*” to “*Trust*”. The Trustees asked Mr. Rossi and Ms. Quitt to review this section and bring back language to clarify that the intent of this article is to recognize that an employee who defers their benefit runs the risk of losing the benefit for their spouse and/or dependents if he/she dies prior to commencement of coverage. It was suggested that a place to initial this understanding be included on the benefit calculations form.

Mr. Rossi suggested that a comprehensive motion be made on all changes after the entire document has been reviewed and discussed.

Upon motion made and seconded and carried by unanimous consent, the Trustees continued Agenda Item 7 to the May 19, 2011 meeting and asked Ms. Quitt and Mr. Rossi to prepare the changes to the language in the items discussed.

8. TRUSTEE COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

There were no comments.

9. ADJOURNMENT

With no further business to discuss, Chairman Tissier adjourned the meeting at 3: 02 p.m.

Minutes were approved by the Trustees in session on May 19, 2011.

Respectfully Submitted,

Corinne Cassell, Recording Secretary