

Post-Retirement Medical Plan & Trust

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



APRIL 15, 2014 MINUTES

The meeting of the TMWA Post-Retirement Medical Plan and Trust (Trust) Trustees was held on Tuesday, April 15, 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 (participated telephonically)

Voting Members Absent:

Staff Members Present

Gus Rossi
Mary Bennett
Jessica Wiley
Cara Rives

Staff Members Absent:

Pat Waite

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 21, 2014 MINUTES

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the January 21, 2014 minutes.

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

Ms. Wiley presented the benefit calculations for retiree Robert (Bob) White. Mr. White's hire date was October 5, 1971 and his retirement date is June 14, 2014, and he is requesting trust benefits beginning July 1, 2014. Ms. Wiley met with the retiree and confirmed the information on the benefit calculation form and Mr. White signed all paperwork. Mr. White is not under the age of 62 so there is no penalty deduction. He has 42.6 years of uninterrupted employment and will be providing Ms. Wiley with his inducement letter to gain an extra 5 points which will make him eligible for 85 percent benefit payment. He has elected to continue EPO retiree and spouse coverage and will request reimbursement from the Trust. He has also elected life insurance coverage for himself and his spouse.

A motion was made and seconded, and by unanimous consent of the members present, the Trustees approved the benefit calculations for Mr. White.

6. INVESTMENT REVIEW

Jeff Tissier presented this item. He stated that he reviews the investment performance quarterly. The current review is for December 31, 2013, which is the end of the fiscal year. There is currently \$220 million in the Retirement Benefit Investment Fund (RBIF) ; with major participants in the trust being TMWA, Washoe County, Washoe County School District and the Tahoe Douglas Fire District. Performance has been excellent, with a 34 percent increase in the total equity valuation from \$115.8 million to \$155.7 million, mostly reflective of returns on investments over the past four years. 70 percent of the fund's investments are in equities and 28 percent are in fixed income, the balance of approximately \$1.9 million is in cash. Most of the equities are in US securities, followed by Euro-based securities, British securities and Japanese securities. All investments are in the positive with the exception of securities based in Israel and Singapore, but those are both less than one percent of the trust. Equity investments are extremely diversified; which Mr. Tissier stated is very prudent. He also stated that there might be a need to think about drawing off some funds to transfer to an operating account at a future date.

7. DRAFT FINANCIALS FOR DECEMBER 31, 2013

Mr. Tissier also presented this item. He explained that the auditors just completed their audit last week, and he is not aware of any adjustments to the financials. He said that 2013 was a very good year for the Trust, with a \$1.3 million dollar increase in the fund. The Trust is extremely well funded and exceeds the liability requirement by almost \$2 million. He said that we will be engaging Bill Bush for actuarial services soon. He also explained that there are very significant and sweeping changes coming up with the new Pension Accounting Rules, but because of the strong funding of our trust, there will not be as many effects for TMWA or the Trust.

8. TRUSTEE COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Mr. Tissier stated that with the merger with Washoe County Water Utility and South Truckee Meadows General Improvement District (STMGID) in full swing, it is expected that TWMA will need about 31 positions, which will be filled with employees from Washoe County. Two thirds of that will be represented IBEW 1245 positions; the remainder is management professional and administrative and technical (MPAT). Washoe County has Post-Retirement Medical benefits, but only for pre-1997 hires and 1997-2010 hires who have a different benefit. Their Trust is appears to be approximately 60 percent funded; TMWA is 120 percent funded. This leads to a potential funding disconnect; the degree of which will not be known until the demographics of the new hires is known. The details will then need to be worked out.

10. PUBLIC COMMENT

There was no public comment.

11. ADJOURNMENT

With no further business to discuss, Chairman Tissier adjourned the meeting at 2:00 p.m.

Minutes were approved by the Trustees in session on July 15, 2014.

Respectfully Submitted,

Cara Rives, Recording Secretary