



Las Vegas Valley Water District, Nevada OPEB Trust Board of Trustees

Special Meeting
May 10, 2022
10:30 AM

Board of Trustees
John J. Entsminger
Kevin Bethel
Charles Scott

Date Posted: May 3, 2022

Mead Conference Rooms
Las Vegas Valley Water District
1001 S. Valley View Boulevard
Las Vegas, Nevada

The Las Vegas Valley Water District makes reasonable efforts to assist and accommodate persons with physical disabilities who desire to attend the meeting. For assistance, call Kathy Flanagan at (702) 258-3173 at least 24 hours prior to the meeting.

THIS MEETING HAS BEEN PROPERLY NOTICED AND POSTED IN THE FOLLOWING LOCATIONS:

LAS VEGAS VALLEY WATER DISTRICT
1001 S. Valley View Boulevard
Las Vegas, Nevada

CLARK COUNTY GOVERNMENT CENTER
500 S. Grand Central Parkway
Las Vegas, Nevada

SOUTHERN NEVADA WATER AUTHORITY
100 City Parkway, Suite 700
Las Vegas, Nevada

REGIONAL JUSTICE CENTER
200 Lewis Avenue
Las Vegas, Nevada

All items listed on this agenda are for action by the Board of Trustees of the Las Vegas Valley Water District, Nevada OPEB Trust ("Board of Trustees"). Items may be taken out of order. The Board of Trustees may combine two or more agenda items for consideration, and/or remove an item from the agenda or delay discussions relating to an item on the agenda at any time.

COMMENTS BY THE GENERAL PUBLIC

NO ACTION MAY BE TAKEN: This is the period devoted to comments by the general public pertaining to items on this agenda. If you wish to speak to the Board of Trustees about items within its jurisdiction, but not appearing on this agenda, you must wait until the "Comments by the General Public" period listed at the end of this agenda. Please limit your comments to three minutes or less.

ITEM NO.

1. *For Possible Action:* Approve the agenda with the inclusion of any emergency items and/or deletion of items and approve the minutes of the Board of Trustees meeting of April 22, 2021.
2. *For Information Only:* Receive a presentation on the OPEB Trust Fund and direct staff as appropriate.

COMMENTS BY THE GENERAL PUBLIC

NO ACTION MAY BE TAKEN: At this time, the Board of Trustees will hear general comments from the public on matters under the jurisdiction of the subcommittee. Please limit your comments to three minutes or less.

**LAS VEGAS VALLEY WATER DISTRICT
NEVADA OPEB TRUST BOARD OF TRUSTEES
SPECIAL MEETING
APRIL 22, 2021
MINUTES**

CALL TO ORDER 10:00 a.m.
Meeting conducted virtually via Microsoft Teams

TRUSTEES PRESENT John Entsminger
Kevin Bethel
Charles Scott

Unless otherwise indicated, all members present voted in the affirmative.

COMMENTS BY THE GENERAL PUBLIC

There were no persons wishing to speak.

ITEM NO.

- 1. *For Possible Action:* Approve agenda with inclusion of any emergency items and/or deletion of items and approve the minutes of the Board of Trustees meeting of December 3, 2020.**

FINAL ACTION: A motion was made by Charles Scott to approve the agenda for this meeting and the minutes of the Board of Trustees meeting of December 3, 2020. The motion was approved.

- 2. *For Possible Action:* Receive a presentation on the OPEB Trust Fund and direct staff as appropriate.**

Kevin Bethel, Chief Financial Officer, gave an overview of the Other Post-Employment Benefits Trust, including its establishment, funding, contributions, and performance, and noted that no action was needed from the Board at this time. The presentation is attached to these minutes.

COMMENTS BY THE GENERAL PUBLIC

There were no persons wishing to speak.

Adjournment

There being no further business to come before the subcommittee, the meeting adjourned at 10:07 a.m.

Copies of all original agenda items and minutes, including all attachments, are on file in the General Manager's office at the Las Vegas Valley Water District, 1001 South Valley View Boulevard, Las Vegas, Nevada.

Las Vegas Valley Water District
 NEVADA OPEB TRUST BOARD OF TRUSTEES
 April 22, 2021

Other Post-Employment Benefits (OPEB) Trust

1

OPEB Plan

- Under the OPEB Plan, employees who retire directly from the District are eligible for continued health benefits through Clark County, Nevada, the District's insurance provider.
- For retirees who retire with pension benefits unreduced for early retirement, the District pays the full premium for retirees and 85% of the premium for their dependents until the retirees are eligible for Medicare or reach age 65.
- When the retirees are eligible for Medicare, or at 65, the retirees may continue coverage but must pay 100% of the premium.
- Retirees who retire early with reduced pension benefits can stay enrolled but would pay the full premium that Clark County charges.

2

OPEB Trust

- The OPEB Trust was established in March 2019 in accordance with NRS 287.017, which authorized local governments to create an irrevocable trust fund to help fund retiree health benefits.
- The LVVWD Board of Directors approved an initial contribution of up to \$30 million, of which staff has contributed \$20 million.
- 87% of investments are invested with the Nevada Retirement Benefits Investment Trust, as approved by NRS and the Board of Trustees; the remainder is in cash equivalents
- As of June 30, 2020, OPEB liabilities were funded at 64% of projected OPEB liability

3

Summary Net Position

	December 31, 2020	June 30, 2020
ASSETS		
Cash and cash equivalents	\$ 2,626,348	\$ 2,626,042
Nevada Retirement Benefits Investment Trust	20,535,192	18,249,185
Total cash and investments	23,161,540	20,875,227
TOTAL ASSETS	23,161,540	20,875,227
TOTAL LIABILITIES		
	-	-
NET POSITION RESTRICTED FOR POST-EMPLOYMENT BENEFITS	\$ 23,161,540	\$ 20,875,227

4

Nevada RBIF Performance

Retirement Benefits Investment Fund December 31, 2020 Performance										
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	\$361,818,395	50.5%	51.4%	22.1%	18.3%	14.1%	15.2%	13.9%	10.4%	
Market Return				22.2%	18.4%	14.2%	15.2%	13.9%	10.4%	
Int'l Stocks – MSCI World x US Index	\$156,056,261	21.5%	22.2%	21.5%	8.2%	4.6%	7.7%	5.8%	3.4%	
Market Return				21.6%	7.6%	4.2%	7.4%	5.5%	3.3%	
U.S. Bonds – U.S. Bond Index	\$184,507,674	28.0%	26.2%	0.2%	8.7%	5.4%	3.9%	3.6%	3.8%	
Market Return				0.1%	8.6%	5.4%	3.9%	3.4%	3.6%	
	\$1,218,058	0.0%	0.2%							
Total RBIF Fund	\$703,600,388	100.0%	100.0%	15.9%	15.1%	10.3%	10.8%	9.4%	7.5%	
Market Return				15.7%	14.2%	9.9%	10.5%	9.2%	7.5%	

5

OPEB Portfolio Summary – 12/31/2020

Cost vs Market Value	
Market Value	\$23,773,554.26
Book Value	\$20,126,403.54
Variance	\$3,647,150.72
Total Gain/Loss % Since Inception	18.12%
Annualized Return Since Inception (6/30/2019)	11.69%

RBIF Target Allocations	
U.S. Equity	49%
Int'l Equity	21%
U.S. Bonds	30%

Total Asset Allocation

6

OPEB Contribution History - RBIF

Fiscal Year Contributions to RBIF (\$ in millions)				
Month	FY19	FY20	FY21	Total
Jul				
Aug		\$5.0		\$5.0
Sep		2.5		2.5
Oct		2.5		2.5
Nov		2.5		2.5
Dec		2.5		2.5
Jan				
Feb				
Mar				
Apr				
May				
Jun	\$2.5			2.5
Total	\$2.5	\$15.0	\$0.0	\$17.5

LAS VEGAS VALLEY WATER DISTRICT

7



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WATER DISTRICT™**

8

Las Vegas Valley Water District
NEVADA OPEB TRUST BOARD OF TRUSTEES
May 10, 2022

Other Post-Employment Benefits (OPEB) Trust



1

OPEB Plan

- Under the OPEB Plan, employees who retire directly from the District are eligible for continued health benefits through Clark County, Nevada, the District's insurance provider.
- For retirees who retire with pension benefits unreduced for early retirement, the District pays the full premium for retirees and 85% of the premium for their dependents until the retirees are eligible for Medicare or reach age 65.
- When the retirees are eligible for Medicare, or at 65, the retirees may continue coverage but must pay 100% of the premium.
- Retirees who retire early with reduced pension benefits can stay enrolled but would pay the full premium that Clark County charges.

LAS VEGAS VALLEY WATER DISTRICT



2

OPEB Trust

- The OPEB Trust was established in March 2019 in accordance with NRS 287.017, which authorized local governments to create an irrevocable trust fund to help fund retiree health benefits.
- The LVVWD Board of Directors approved an initial contribution of up to \$30 million, of which staff has contributed \$20 million.
- At December 31, 2021, 90.4% of trust assets were invested with the Nevada Retirement Benefits Investment Trust, as allowed by NRS and approved by the Board of Trustees, with the remainder residing in cash or cash equivalents.
- As of June 30, 2021, OPEB liabilities were funded at 79.8% of projected OPEB liability.

LAS VEGAS VALLEY WATER DISTRICT



3

Summary Net Position

	December 31, 2021	June 30, 2021
ASSETS		
Cash and cash equivalents	\$ 2,626,127	\$ 2,626,284
Nevada Retirement Benefits Investment Trust	24,745,247	23,256,736
Total cash and investments	27,371,374	25,883,020
TOTAL ASSETS	27,371,374	25,883,020
TOTAL LIABILITIES	-	-
NET POSITION RESTRICTED FOR POST-EMPLOYMENT BENEFITS	\$ 27,371,374	\$ 25,883,020

LAS VEGAS VALLEY WATER DISTRICT



4

Nevada RBIF Performance

Retirement Benefits Investment Fund December 31, 2021 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	\$428,985,079	50.5%	52.1%	11.7%	28.7%	26.0%	18.4%	16.5%	11.6%
Market Return				11.7%	28.7%	26.1%	18.5%	16.6%	11.6%
Int'l Stocks – MSCI World x US Index	\$171,400,570	21.5%	20.8%	2.5%	12.7%	14.3%	10.1%	8.4%	4.1%
Market Return				2.5%	12.6%	14.1%	9.8%	8.1%	3.9%
U.S. Bonds – U.S. Bond Index	\$219,214,127	28.0%	26.6%	-0.5%	-0.6%	4.9%	3.6%	2.7%	3.5%
Market Return				-0.5%	-0.6%	4.9%	3.6%	2.4%	3.3%
	\$4,064,390	0.0%	0.5%						
Total RBIF Fund	\$823,664,166	100.0%	100.0%	6.4%	17.1%	18.1%	12.9%	10.9%	8.1%
Market Return				6.3%	16.6%	17.7%	12.5%	10.7%	8.1%

LAS VEGAS VALLEY WATER DISTRICT

5

5

OPEB Portfolio Summary – 12/31/2021

Cost vs Market Value

Market Value	\$27,371,374
Book Value	\$20,126,127
Variance	\$7,245,247

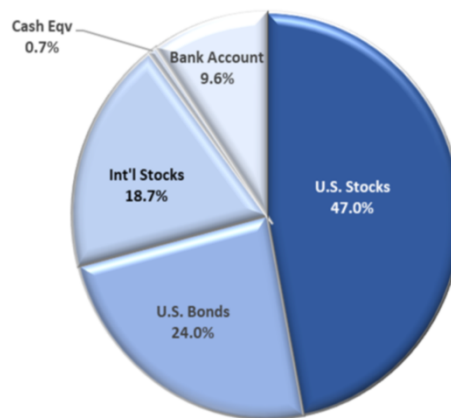
Total Gain/Loss % Since Inception 36.00%

Annualized Return Since Inception (6/30/2019) 13.05%

RBIF Target Allocations

U.S Equity	49%
Int'l Equity	21%
U.S Bonds	30%

Total Asset Allocation



6

6

OPEB Contribution History - RBIF

Fiscal Year Contributions to RBIF (\$ in millions)				
Month	FY19	FY20	FY21	Total
Jul				
Aug		\$5.0		\$5.0
Sep		2.5		2.5
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Nov		2.5		2.5
Dec		2.5		2.5
Jan				
Feb				
Mar				
Apr				
May				
Jun	\$2.5			2.5
Total	\$2.5	\$15.0	\$0.0	\$17.5

7



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8