

MINUTES OF BOARD OF DIRECTORS MEETING
WITH RETIREMENT COMMITTEE
ORANGE COUNTY WATER DISTRICT
February 23, 2016 @ 8:00 a.m.

Director Dewane called the Retirement Committee meeting to order in Conference Room C-2 at the District office. The Assistant District Secretary called the roll and reported a quorum as follows:

DIRECTORS

Shawn Dewane
Roger Yoh (not present)
Phil Anthony

ALTERNATES

Jordan Brandman (not present)
Denis Bilodeau
Jan Flory (not present)
Dina Nguyen
Roman Reyna (arrived 8:05 a.m.)
Steve Sheldon (not present)
Cathy Green (not present)

STAFF MEMBERS

Jason Dadakis (not present)
Phil Harrington

STAFF ALTERNATES

Dave Bolin
Roy Herndon (arrived 8:05 a.m.)

EMPLOYEE ADVISORY CTE

John Bonsangue
John Bruns
Rita Hintlian
Jana Safarik
Kevin O'Toole (not present)
Vishav Sharma

OCWD STAFF

Mike Markus, General Manager
Stephanie Dosier, Plan Secretary
Judy-Rae Karlsen, Assistant District Secretary
Kim Dusky, John Souza, Lisa Wirtz

OTHERS

Scott Sutherland, Sutherland Retirement
Amy McCarthy, Prudential

CONSENT CALENDAR

The Consent Calendar was approved upon motion by Philip Anthony, seconded by Phil Harrington and carried (5-0) as follows.

[Yes – Dewane, Anthony, Bilodeau, Harrington, Bolin /No-0]

1. Minutes of Previous Meeting

The Minutes of the January 26, 2016 Retirement Committee meeting are approved as presented.

2. Retirement Committee "Employee" Vacancy Appointments

Recommended by Committee for approval at March 2 Board meeting: Approve the appointments of the following employees on the Retirement Committee: 1. Sitting Member – Phil Harrington (re-appointed for another two year term); 2. First Alternate – Dave Bolin (appointed for another one year term); and 3. Second Alternate – Roy Herndon (re-appointed for another one year term).

MATTER FOR CONSIDERATION

3. Specialty Fund – Precious Metals Participant Memorandum

Director of Human Resources Stephanie Dosier reported the Retirement Committee requested that staff draft a memo to alert employees about the investment risk regarding the Precious Metals Specialty Funds. The Committee briefly reviewed the draft memo and recommended that it be distributed to all plan participants. After a brief discussion the Committee took the following action.

Upon motion by Phil Harrington, seconded by Director Anthony and carried [5-0], the Committee recommended that the Board at its March 2 Board meeting: Transmit memorandum to all plan participants advising that due to this Fund's investment performance, the Committee is considering whether to impose a limit on the amount any individual participant can invest

into that fund category, freeze this fund to any new contributions, or take other appropriate action it deems prudent.

[Yes – Dewane, Anthony, Bilodeau, Harrington, Bolin /No-0]

Director Reyna and Roy Herndon arrived during the following discussion.

INFORMATIONAL ITEMS

4. Prudential Retirement - OCWD Executive Summary

Prudential Managing Director Amy McCarthy presented the 2015 Year End Executive Summary Report for the 401(a) Money Purchase Retirement Plan and the 457 (b) Deferred Compensation Plan dated December 31, 2015. She reviewed the Executive Summary Report and provided statistics on plan demographics, net flow and participation, asset allocations trends, contribution statistics, participant transaction statistics and participant behavior statistics. Ms. McCarthy reported on the increased use of the employee loan program and she responded to Committee questions. She noted both investment portfolios are well diversified and District employees are using the Prudential Website tools and they also consulting with the District's retirement advisor Scott Sutherland. Director Bilodeau advised that a few of the District funds were missing from the Executive Report and the Committee requested that Prudential provide an updated report that will list all of the investment funds available.

5. Prudential Retirement Performance Incentive Review

Ms. Dosier reported the Prudential Retirement Performance Incentive Report for the 4rd Quarter of 2015 is in the packet.

DETERMINATION OF ITEMS TO BE AGENDIZED FOR THE MARCH 2 BOARD MEETING

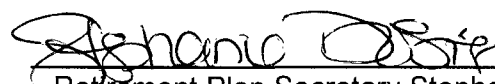
The Committee determined that Item No. 2-3 be placed on the Consent Calendar for the March 2 Board meeting.

DIRECTOR COMMENTS

Director Dewane recommended a few changes to the meeting Agenda. He recommended moving some items to the Consent Calendar and adding a subject of interest for discussion at each meeting. Mr. Dewane requested the retirement advisor present the "Importance of Dividends" at the April Committee meeting. The Committee concurred with the proposed Agenda changes.

ADJOURNMENT

There being no further business, the meeting was adjourned at 8:50 a.m.


Retirement Plan Secretary Stephanie Dosier