

AGENDA
MEETING OF THE RETIREMENT COMMITTEE
WITH BOARD OF DIRECTORS*
ORANGE COUNTY WATER DISTRICT
18700 Ward Street, Fountain Valley, CA (714) 378-3200
Tuesday, August 27, 2024 – 12:00 p.m.

The OCWD Retirement Committee meeting is noticed as a joint meeting with the Board of Directors for the purpose of strict compliance with the Brown Act and to allow all Board members to hear the presentations and participate in the discussions. OCWD Directors receive no additional compensation or stipend as a result of simultaneously convening this Board of Directors meeting. Items recommended for approval at this meeting will be placed on **September 4, 2024** Board meeting Agenda for approval.

This meeting will be held in person. As a convenience for the public, the meeting may also be accessed by Zoom Webinar and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the Zoom component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

Teleconference Sites:
10382 Bonnie Drive, Garden Grove
1454 Madison Street, Tustin
20 Civic Center Plaza, Room 813, Santa Ana
1502 North Broadway, Santa Ana
100 S. Main Street, Los Angeles

* Members of the public may attend and participate at all locations.

Computer Audio: You can join the Zoom meeting by clicking on the following link:
<https://ocwd.zoom.us/j/87475375352>

Telephone: US: +1 213 338 8477

Webinar ID: 874 7537 5352

ROLL CALL

VISITOR PARTICIPATION

Members of the audience wishing to address the Committee/Board on items of interest to the public are requested to identify themselves. If the matter on which they wish to comment is an Agenda item, the visitor will be called on when that matter comes up for consideration.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

RECOMMENDATION: Determine need to take action on item(s) which arose subsequent to posting of the Agenda (Adoption of this recommendation requires two-thirds vote of the Board/Committee, or, if less than two-thirds of the members are present, a unanimous vote)

CONSENT CALENDAR (ITEM NO. 1)

1. MINUTES OF RETIREMENT COMMITTEE MEETING HELD JULY 23, 2024

RECOMMENDATION: Approve minutes as presented
END OF CONSENT CALENDAR

MATTER FOR CONSIDERATION

2. STABLE VALUE FUND OPTIONS

RECOMMENDATION: Agendize for September 4 Board meeting: Take action as appropriate

**CHAIR DIRECTION AS TO WHICH ITEMS TO BE AGENDIZED ON CONSENT CALENDAR AT
SEPTEMBER 4 BOARD MEETING**

ANNOUNCEMENTS/REPORTS

ADJOURNMENT

RETIREMENT COMMITTEE MEMBERS

DIRECTORS

Valerie Amezcuca, Chair
Erik Weigand, Vice Chair
Denis Bilodeau

ALTERNATES

Roger Yoh
Bruce Whitaker
Natalie Meeks
Dina Nguyen
Van Tran
Steve Sheldon
Cathy Green

STAFF MEMBERS

Jason Dadakis
Kevin O'Toole

STAFF ALTERNATES

Roy Herndon (1st Alternate)
Bill Leever (2nd Alternate)

EMPLOYEE ADVISORY COMMITTEE

Rita Hintlian
Jeremy Davis
Nic Nguyen
Jana Safarik

In accordance with the requirements of California Government Code Section 54954.2, this agenda has been posted at the guard shack entrance and in the main lobby of the Orange County Water District, 18700 Ward Street, Fountain Valley, CA and on the OCWD website not less than 72 hours prior to the meeting date and time above. All written materials relating to each agenda item are available for public inspection in the office of the District Secretary. Backup material for the Agenda is available at the District offices for public review and can be viewed online at the District's website: www.ocwd.com.

Pursuant to the Americans with Disabilities Act, persons with a disability who require a disability-related modification or accommodation in order to participate in a meeting, including auxiliary aids or services, may request such modification or accommodation from the District Secretary at (714) 378-3234, by email at cfuller@ocwd.com or by fax at (714) 378-3373. Notification 24 hours prior to the meeting will enable District staff to make reasonable arrangements to assure accessibility to the meeting.

As a general rule, agenda reports or other written documentation has been prepared or organized with respect to each item of business listed on the agenda, and can be reviewed at www.ocwd.com. Copies of these materials and other disclosable public records distributed to all or a majority of the members of the Board of Directors in connection with an open session agenda item are also on file with and available for inspection at the Office of the District Secretary, 18700 Ward Street, Fountain Valley, California, during regular business hours, 8:00 am to 5:00 pm, Monday through Friday. If such writings are distributed to members of the Board of Directors on the day of a Board meeting, the writings will be available at the entrance to the Board of Directors meeting room at the Orange County Water District office.

MINUTES OF BOARD OF DIRECTORS MEETING
WITH RETIREMENT COMMITTEE
ORANGE COUNTY WATER DISTRICT
July 23, 2024, @ 12:00 p.m.

Director Weigand called the Retirement Committee meeting to order at 12:00 p.m. in the District Conference Room C-2. Public access was also provided via Zoom webinar. The Secretary called the roll and reported a quorum as follows:

DIRECTORS

Erik Weigand
Valerie Amezcua
Denis Bilodeau

STAFF MEMBERS

Jason Dadakis
Kevin O’Toole

OCWD STAFF

John Kennedy, General Manager
Stephanie Dosier, Plan Secretary
Natasha Issak, Sr. HR Specialist
Vien Le, Human Resources Specialist
Ben Smith, Director of Recharge
Leticia Villarreal, Asst. District Secretary

ALTERNATES

Roger Yoh
Bruce Whitaker Arrived 12:03
Natalie Meeks (absent)
Dina Nguyen (absent)
Van Tran
Steve Sheldon
Cathy Green

STAFF ALTERNATES

Roy Herndon
Bill Leever

EMPLOYEE ADVISORY CTE

Rita Hintlian
Jeremy Davis
Nic Nguyen
Jana Safarik

CONSENT CALENDAR

The Consent Calendar was approved upon motion by Jason Dadakis, seconded by Kevin O’Toole and carried (5-0) as follows.

Yes – Amezcua, Weigand, Bilodeau, Dadakis, O’Toole

1. Minutes of Previous Meeting

The minutes of the April 23, 2024 Retirement Committee meeting are approved as presented.

2. Money Purchase Plan Updated Plan Document

Recommended for approval at August 7 Board Meeting: Approve the Amended and Restated Money Purchase Plan Document effective January 1, 2024.

MATTERS FOR CONSIDERATION

3. Money Purchase Plan Investment Line-Up AND 457(b) Plan Red Flag Review

Scott Sutherland of Sutherland Group discussed market trends and performance indicators for funds in the Money Purchase Plan Investment Line-Up and 457 (b) Retirement Plan Red Flag Fund review. He presented benchmarks and performance metrics and offered recommendations for review.

Upon motion by Kevin O’Toole, seconded by Jason Dadakis and carried [5-0], the Committee recommended that the Board at its August 7 Board meeting: Approve the following actions:

INVESTMENT FUNDS	SYMBOL	ACTION
401 (a) Review		
American Funds New Perspective R6	RNPGX	Red Flag
Carillon Scout Mid Cap I	UMBMX	Keep Red Flag

457 (b) Review	SYMBOL	ACTION
Delaware Ivy Mid Cap Growth R6	IGRFX	Keep Red Flag

Ayes: Amezcua, Weigand, Bilodeau, Dadakis, O'Toole

INFORMATIONAL ITEM

4. Stable Value Fund Options – Statue Update

Mr. Sutherland shared that he is still in the process of obtaining information from the vendors that are approved to have stable value options on the Fidelity platform. He anticipates having final options for the committee to consider at the August 27 Retirement Committee meeting.

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:49 p.m.

Retirement Plan Secretary Stephanie Dosier

AGENDA ITEM SUBMITTAL

Meeting Date: August 27, 2024

To: Retirement Committee
Board of Directors

From: John Kennedy

Staff Contact: S. Dosier

Budgeted: N/A

Budgeted Amount: N/A

Cost Estimate: N/A

Funding Source: N/A

Program/ Line Item No. N/A

General Counsel Approval: N/A

Engineers/Feasibility Report: N/A

CEQA Compliance: N/A

Subject: STABLE VALUE FUND OPTIONS

SUMMARY

Back in July, staff informed the committee that we would return in August with stable value fund options to add to both the Money Purchase Plan and 457(b) Deferred Compensation Plan. Our advisor, Scott Sutherland, has been working diligently to obtain proposals from vendors approved to hold stable value options on Fidelity's platform. Scott has prepared a presentation which will outline his progress and identify next steps and considerations for the committee.

Attachment: Stable Value Options Presentation

RECOMMENDATION

Agendize for September 4 Board meeting: Take action as appropriate.

Stable Value Fund Options

for the

Orange County Water District Defined Contribution Plans



PRESENTED BY:

SCOTT T. SUTHERLAND

MANAGING DIRECTOR – INVESTMENTS
SENIOR INSTITUTIONAL CONSULTANT
INSTITUTIONAL PLAN FIDUCIARY CONSULTANT

SUTHERLAND
RETIREMENT GROUP
of Wells Fargo Advisors

RFI Responses

RFI Sent To:

John Hancock
Invesco
Morley via Principal
Columbia via Ameriprise
MetLife via Great Gray
Galliard
New York Life
Putnam-Franklin-Templeton
The Standard
Goldman Sachs
Federated Hermes
T. Rowe Price
PIMCO

Responses From:

John Hancock
Invesco
Morley via Principal
Columbia via Ameriprise
MetLife via Great Gray
New York Life
The Standard
Federated Hermes
T. Rowe Price

Round One - Eliminations

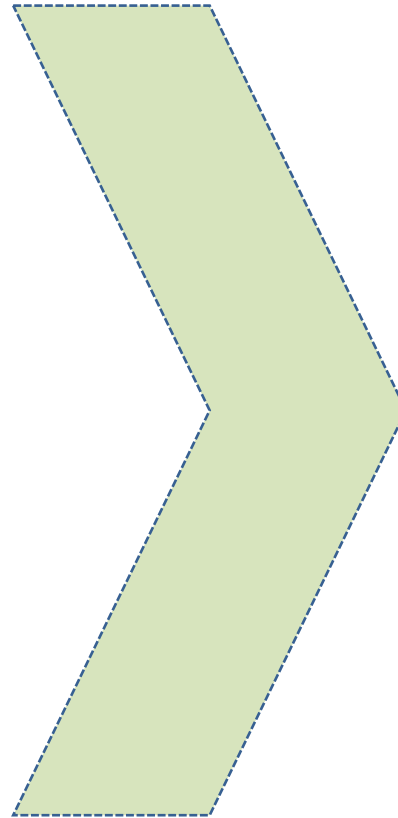
Lack of track record

Limited asset base

Duration too short-term

Questionnaire non-responsive

Benefit responsiveness is questionable



- **Great Gray / MetLife**
- **The Standard**
- **John Hancock**
- **Federated Hermes**

Remaining Bidders



T. Rowe
Price

Columbia /
Ameriprise

Invesco

New York
Life

Morley /
Principal

All Bidders Have the Following Features

- 1 Available on Fidelity's record keeping platform
- 2 Are not affiliated with Fidelity
- 3 Are benefit-responsive to participant withdrawals and exchanges
- 4 Exit provision is a 12-month put. Money released at book value with up to a 12-month delay after written notice.

All Bidders Have the Following Features

-
- 5 Are portable to other recordkeeping platforms
 - 6 Have at least 10 years experience in the tax-exempt market
 - 7 Allow OCWD to continue to offer Vanguard Federal Money Market (VMFXX)
 - 8 Product is zero revenue share

Features for the Committee to Consider



Single Providers vs. Wrap Providers

Highest credit ratings vs. more credit risk

Total Stable Value assets currently managed

Expense Ratio / Wrap Expense

Current Yield and Yield to Maturity

Market Value to Book Value

Portfolio Duration

Features for the Committee to Consider



Experience of Firm in Stable Value

Experience of Management Team

Inception Date of Stable Value Fund

Depth of Research Resources

Strength of Parent Company

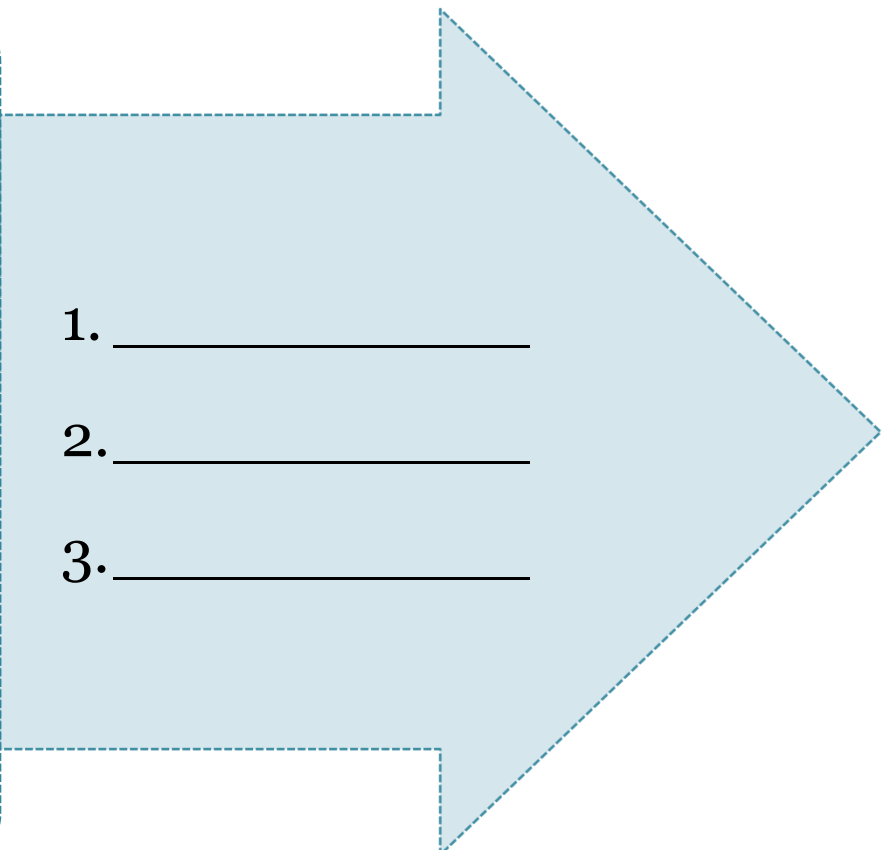
Internal Management vs. Sub-advisors

Minimum Interest Rate

Round Two – Select Finalists



1. T. Rowe Price
2. Columbia/Ameriprise
3. Invesco
4. New York Life
5. Morley/Principal

- 
1. _____
 2. _____
 3. _____