



Legal and Claims Committee

Approve Changes to the Deferred Compensation Plans

Item 7-11

February 13, 2024

Item 7-11 Establish Committee and Amend Plan Documents

Subject

Establish an investment committee and amend the Plans and Code

Purpose

Delegate investment matters to a committee and conform the Plans and Code to this change and to current law, practices and regulations

Recommendation and Fiscal Impact

Approve: (1) changes to the MWD 457(b) and 401(k) deferred compensation plans to establish an investment committee and adopt investment committee bylaws; and (2) amendments necessary to conform the plans and the MWD Administrative Code to the proposed changes, current law, practices, and regulations.

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Investment
Committee
Members

- HR Group Manager
- AGM/CFO or Finance Group Manager
- Treasury and Debt Manager
- AGM/Operations
- General Auditor
- Risk Manager
- One appointee from each bargaining unit (4 total)
- One qualified plan retiree

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Investment- Related Decisions

- Review and update the investment policy
- Evaluate core fund line up
- Determine investment-related features
- Evaluate service provider fees and expenses
- Voting proxy votes

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Plan
Administrator
Duties

- Review and update the Plans
- Design communication campaigns
- Procure/monitor plan service providers
- Decide death benefit claims
- Offer non-investment features

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No Change to Board Role

- Retains ultimate authority
- Delegates its fiduciary duties
- Approves major amendments

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Plan and Code Amendments

- Conform plans to federal laws
- Establish Roth accounts
- Dissolve current governance structure
- Establish investment committee
- Clarify and update plan rules

Item 7-11 Board Options

Option # 1

Approve: (1) changes to the Metropolitan Water District 457(b) and 401(k) deferred compensation plans to establish an investment committee and adopt investment committee bylaws; and (2) amendments necessary to conform the plans and the Metropolitan Administrative Code to the proposed changes, current law, practices, and regulations.

Option # 1

Do not approve

