

**California's Valued Trust
Board Meeting Minutes
February 11, 2010**

CALL TO ORDER

The meeting was called to order by Chair, Nancy Smith at 9:00 a.m.

MEMBERS PRESENT

Nancy Smith, Chair
Michael Parks, Co-Chair
Elaine Cash
Lee Coelho
Caryn Coss
Sue Eustice
Carole Anne Luckenbach
Anthony Parreira
John Pestorich
Larry Yeghoian
Elizabeth Zulueta

MEMBERS ABSENT

Ramiro Carreon

OTHERS PRESENT

David B. Vaughn Ed. D., Executive Director
Joy Turner, Administrative Assistant
Robert Powers, Director of Financial Services
Valerie Cornuelle, Director of Operations
Laura Thompson, Director of Marketing and Business Development
Tierney O'Brien, Wellness Coordinator
Marci Burns, Consultant
Gary Ward, Consultant
Hirsch Adell, General Counsel

ADDITIONS AND APPROVAL OF AGENDA

After a request for Mercer to give an update on the EAP RFP, Anthony Parreira (L) moved to approve the agenda. Larry Yeghoian (M) seconded. Approved

PUBLIC COMMENT

There were no public comments.

APPROVAL OF CONSENT AGENDA ITEM

A. December 11, 2009 Board Meeting Minutes

Larry Yeghoian (M) moved to approve the consent agenda item. Anthony Parreira (L) seconded. Approved

DIRECTOR OF FINANCIAL SERVICES

A. Finance Report for December

Elizabeth Zulueta (M) moved to approve the financial statement as presented. Anthony Parreira (L) seconded. Approved

MERCER

A. WELLNESS PLAN

Mercer reviewed the plan design features and explained the requirements and incentive approach of the proposed Wellness Plan. After discussion, the Board gave their endorsement of the concept to move forward with finalization of the structure and pricing.

B. CONSOLIDATION OF PPO PLANS

After discussion it was decided not to consolidate plans but there was a request for Mercer to bring back to the March Retreat an 8.5 Plan between Plans 8 & 9.

C. TIERED RATE STRUCTURE

Mercer presented changing the rate ratio on 2-tier and 3-tier rate structures. After discussion there was no motion to change. It will continue to be looked at but will stay the way it is for now.

PBM MARKET CHECK

The Market check conducted by CVS/Caremark and validated by Burchfield was discussed.

STRATEGIC PLAN – 1996 ORIGINAL AND 2010

Dave Vaughn gave an overview of an updated Strategic Plan. The results of the progress and accomplishments will be provided in the State of The Trust in September 2010.

WELLNESS COORDINATOR

Tierney O'Brien updated the board on her ongoing wellness activities.

COALITION REPORTS

CHCC members Michael Parks, Nancy Smith and Caryn Coss plus David Vaughn and Valerie Cornuelle attended the annual retreat. Plans for the future were discussed. Nancy Smith and Michael Parks added that there will be a board member election in May. There are three management and three labor Board positions open. They are also looking for an interim CEO. The annual dues are now being billed.

COMMITTEE STRUCTURE DISCUSSION

The Audit and Investment Committees were combined. Also, the Vendor Selection Committee will absorb the PBM responsibilities for the current RFP process. Committee member assignments were realigned with 2 Management and 2 Labor Trustees on each committee. It

was decided that an absent committee member has the responsibility to contact a replacement to attend. Also reiterated is the invitation for any interested board member to attend.

DIRECTOR OF OPERATIONS

Valerie Cornuelle gave an overview of updated subscriber information slides.

DIRECTOR OF BUSINESS DEVELOPMENT AND MARKETING

Laura Thompson gave a business development activity summary and reported on ongoing marketing projects.

GENERAL COUNSEL UPDATE

General Counsel introduced Stacy Shin, a new attorney in their firm. He spoke to the new privacy requirements under ARRA, resolutions required by the new 990 form and gave an update on the Lodi Memorial Hospital lawsuit.

EXECUTIVE SESSIONS

The Succession Plan and the white paper for future reorganization were discussed.

ADJOURNMENT

Chair Nancy Smith adjourned the meeting at 2:20 p. m.