WASHINGTON STATE INVESTMENT BOARD
Board Meeting Minutes
February 21, 2008

The Washington State Investment Board met in open public session at 9:44 a.m. in the Boardroom at 2100 Evergreen Park Drive SW, Olympia, Washington.

Present:	Glenn Gorton, Chair Sandy Matheson, Vice Chair Charlie Kaminski John Magnuson George Masten Treasurer Mike Murphy Bob Nakahara David Nierenberg Mason Petit Mike Ragan Jeff Seely
Absent:	Senator Lisa Brown Pat McElligott Judy Schurke Representative Helen Sommers
Also Present:	Joe Dear, Executive Director Gary Bruebaker, Chief Investment Officer Theresa Whitmarsh, Chief Operating Officer Steve Draper, Senior Investment Officer – Real Estate Bill Kennett, Senior Investment Officer – Fixed Income Tom Ruggels, Senior Investment Officer – Private Equity Diana Will, Senior Investment Officer – Asset Allocation Philip Paroian, Senior Investment Officer – Public Equity Kate Sandboe, Corporate Governance Officer Shawna Killman, Internal Audit Director Kristi Haines, Executive Assistant Paul Silver, Assistant Attorney General Marguerite Young, Service Employees International Union George Dockins, Public School Employees of Washington George Roberts, Kohlberg Kravis Roberts and Co. Mike Michelson, Kohlberg Kravis Roberts and Co. Dominique Hansen, Kohlberg Kravis Roberts and Co. Bill Cornog, Capstone Scott Daniels, Conning Asset Management David Woolford, Capital Dynamics Michael Humphrey, Courtland Partners

[Names of other individuals attending the meeting are attached.]

Chair Gorton called the meeting to order and roll call was taken.

FIXED INCOME ANNUAL PORTFOLIO REVIEW

Mr. Kennett presented the 2007 fixed income portfolio review. Housing was the big story of the year. Residential investment was down 23.9 percent on an annualized rate for the fourth quarter of 2007. Year-over-year in December, pending home sales were down 24 percent, housing starts were down 38 percent, permits were down 34 percent, and foreclosures were up 97 percent. He noted that mortgage lending standards have tightened significantly.

The global credit crunch also began in 2007, affecting among other things subprime mortgages, asset-backed commercial paper, structured investment vehicles, collateralized debt obligations, and leveraged loans. Write-downs have totaled $150 billion and could grow to $500 billion. The WSIB does not have any of theses types of investments within its fixed income portfolios.

In 2007, U.S. gross domestic product grew by 2.2 percent which is the weakest since 2002. U.S. unemployment rose to 5 percent. Mr. Kennett reviewed the 10-year treasury yield, investment grade credit spreads, interest rate changes, and the yield curve changes. He observed that emerging markets continued their rapid growth. Mr. Kennett reviewed the returns for the Lehman Aggregate Index, the most widely used benchmark for fixed income managers; and Lehman Universal Index.

[Vice Chair Matheson arrived at 10:05 a.m.]

Mr. Kennett said he expects global growth to slow in 2008 and global inflation to head higher. He anticipates a decline in personal consumption given the credit and housing problems. The unwinding of leverage in the system will reduce liquidity. If the economy goes into recession, he expects that it will rebound somewhat by year end.

Mr. Kennett reviewed the WSIB fixed income portfolios, which are comprised of 14 actively managed funds totaling $26.5 billion, mostly within the retirement fund and Labor and Industries funds. He also reviewed the fixed income sector allocation. Mr. Kennett reviewed performance of the retirement, Labor and Industries, Permanent, and Intermediate Bond funds. Members congratulated the fixed income team on their outstanding results. Mr. Nierenberg suggested that staff look at the potential to short stocks within the Innovation Fund where opportunities exist.

ADOPTION OF THE JANUARY 17, 2008, MINUTES

Vice Chair Matheson moved to adopt the January 17, 2008, Board meeting minutes. Treasurer Murphy seconded, and the motion carried unanimously.

PUBLIC COMMENT

Ms. Marguerite Young of the Service Employees International Union Capital Stewardship Program and Mr. George Dockins, President of the Public School Employees of Washington, shared

concerns on behalf of their members who are participants in the state pension plan, relating to buyout firm investments. Specifically, they expressed concerns with the practices of Kohlberg Kravis Roberts and Co. (KKR) and their effect on communities, workers and retirement security. Ms. Young provided specific examples contained within materials she distributed to the Board concerning taxes and working conditions. Mr. Dockins said that while the Board's responsibility is to maximize returns to the portfolio, it also has an obligation to mitigate risk. He asked the Board to adopt of set of clear principles relating to the risks and impacts of private equity investments and urged members to ask KKR to increase its transparency and responsibility on these issues.

[The Board recessed at 10:45 a.m. and reconvened at 10:49 a.m.]

KKR ANNUAL REPORT

Ms. Hansen and Messrs. Roberts, Michelson, and Cornog introduced themselves.

Mr. Roberts provided an update on 2007 activities and discussed what KKR sees for the future. The WSIB has invested $5.7 billion with KKR since 1982. KKR has returned over $7.5 billion in realized profits, created $5.2 billion in profits, generated a 20 percent IRR, and a 1.9x multiple on invested equity capital for the WSIB.

During 2007, KKR continued to build and strengthen its team, completed 15 transactions, and exited some investments which returned $4.4 billion to limited partners. Mr. Roberts noted there will be decreased ability to exit investments over the next 12-24 months based on market conditions.

Mr. Michelson said the 15 transactions completed last year had a total transaction value of $140 billion; KKR equity in these transactions totaled $13.5 billion. KKR uses an industry focused approach to investing and seeks propriety opportunities. The lower cost of capital in 2007 provided KKR flexibility to buy large, quality companies, such as Biomet and First Data. KKR has returned $2 billion in distributions to the WSIB over the past three years.

Mr. Roberts said that KKR's strategy is to operate globally as one firm, with deep industry knowledge and expertise. Its disciplined and focused investment approach requires substantial financial capital and strong business and human capital. He said that KKR deals are 43 percent propriety, 21 percent auction, and 36 percent involve a limited auction process. Capstone, KKR's operational group, is a key ingredient to KKR's strategy, by assisting with due diligence and implementation of operational improvements at portfolio companies.

Mr. Cornog of Capstone introduced himself. He said that its team was created in 2000 and co-locates in KKR's Menlo Park, New York, and Hong Kong offices. Its primary objective is to create value over the life of an investment and to support the due diligence process of potential deals, industry attractiveness, and opportunities to improve performance. Mr. Cornog reviewed Capstone's 2007 initiatives and highlighted Capstone's recent efforts within two portfolio companies.

Mr. Roberts said the current difficulties in credit markets play to KKR's strengths, providing an opportunity for KKR to show what it can do and differentiate itself. He said $1.5 billion of KKR's

own money is involved in its investments. He said KKR recently completed a thorough analysis of portfolio values.

A discussion ensued on the effect of currency on investments. Mr. Roberts said that KKR has hedges that protect it. Vice Chair Matheson encouraged KKR to keep the Board informed of its analysis of current conditions and what is ahead.

PRIVATE EQUITY PORTFOLIO REVIEW

Chair Gorton announced that the Board would go into executive session to discuss financial and commercial information relating to an investment since public knowledge regarding the discussion would result in loss to the funds managed by the WSIB or would result in private loss to the providers of the information. He said the executive session was expected to last until 12:40 p.m., at which time the Board would reconvene in open session.

[The Board went into executive session at 12:29 p.m.]
[Mr. Seely left the meeting at 12:29 p.m.]
[The executive session concluded at 12:54 p.m.]
[The Board recessed at 12:54 p.m. and reconvened in open session at 1:20 p.m.]

ADMINISTRATIVE COMMITTEE REPORT

Executive Director Evaluation

Chair Gorton announced that the Board would go back into executive session to review and discuss the performance of a public employee. He said the executive session was expected to last until 1:35 p.m., at which time the Board would reconvene in open session.

[The Board went into executive session at 1:20 p.m. and reconvened in open session at 1:42 p.m.]

Vice Chair Matheson described the Department of Retirement Systems' (DRS) 2007 Summary Annual Financial Report distributed to Board members.

Vice Chair Matheson moved that the Board accept the executive director's evaluation as written. Mr. Ragan seconded, and the motion carried unanimously.

Vice Chair Matheson moved that the Board approve increasing the executive director's salary to $223,110. Mr Ragan seconded the motion.

Vice Chair Matheson confirmed the salary increase is effective immediately.

The above motion carried unanimously.

2008 Recommended Conferences List

Vice Chair Matheson moved that the Board approve the 2008 Recommended Conferences list. Treasurer Murphy seconded, and the motion carried unanimously.

Iran Resolution
Mr. Dear reported that the Administrative Committee considered a resolution regarding divestment in Iran and recommends Board adoption. WSIB staff has met with a number of advocacy groups and legislators concerned with Iran acquiring nuclear weapons and its President's statements regarding Israel. Staff met with Representative Chandler, who sponsored legislation to divest from Iran, and Senator Zarelli, who encouraged staff to seek a non-legislative approach. The resolution is limited to fixed income investments only and does not mandate divestment. Principles 1 and 2 within the resolution place reliance on the U.S. government for determining which companies are conducting business with Iran that are directly related to terrorism. Mr. Dear said the resolution details appropriate ways to respond as a good owner that cares about where its money is at work without compromising the investment decision making process.

> **Vice Chair Matheson moved that the WSIB approve the Resolution to ensure that Washington public pension investments are not used to support businesses and government actions linked to terrorist activities in Iran. Chair Gorton seconded the motion.**

Treasurer Murphy recently learned of legislative action taken in other states in response to the Iran issue. He prefers the resolution approach and supports the motion.

> **The above motion carried unanimously.**

SUDAN RESOLUTION ANNUAL REPORT
Chair Gorton reported that the Administrative Committee postponed discussion of the Sudan Resolution Annual Report to the next Board meeting.

Assistant Attorney General's Report
Chair Gorton said there was nothing to report.

AUDIT COMMITTEE REPORT
State Auditor's Office Fiscal Year 2007 Accountability Audit Report
Mr. Petit said that the Audit Committee met on February 5 and received a briefing from the State Auditor's Office (SAO) on the accountability and compliance work it does for the WSIB. The SAO presented the results of the 2007 audit. The WSIB achieved its 16th consecutive year with no audit findings.

> **Mr. Petit moved that the Board approve the 2006-2007 State Auditor's Office Accountability Audit Report No. 6699. Mr. Ragan seconded the motion.**

Vice Chair Matheson complimented staff on their good work.

> **The above motion carried unanimously.**

Internal Audit Report – 2008, 01, Daily Funds Processing
Mr. Petit said Internal Audit presented their review of the Daily Funds Transaction Processing, Pricing, and Unitization. The overall assessment of the Daily Valued Funds (DVF) processing was good; however, two recommendations were made, both related to a need for written agreements between the WSIB and external parties to be updated.

> **Mr. Petit moved that the Board accept the Daily Funds Transaction Processing, Pricing, Unitization Audit Report 2008-01. Mr. Ragan seconded, and the motion carried unanimously.**

PUBLIC MARKETS COMMITTEE REPORT
Mr. Masten reported that the Public Markets Committee met on February 5 to consider the selection of Alliance Bernstein as the manager for the new Target Date Funds offered to participants in the defined contribution, deferred compensation, and judicial retirement programs. The Committee also heard presentations from the three U.S. equity enhanced index managers: Barclays Global Investors; State Street Global Advisors; and Western Asset Management Company. Staff is conducting a review of the U.S. enhanced index mandate and the managers that are currently employed and will bring a recommendation to the Public Markets Committee in April.

Target Date Fund Manager Selection

> **Mr. Masten moved that the Board select Alliance Bernstein as the apparently successful firm for the Target Date Fund Manager search, subject to continued due diligence and successful negotiation of terms and conditions. Mr. Petit seconded the motion.**

Mr. Masten said that the WSIB worked in concert with the DRS during 2007 and conducted a search for a manager to provide defined contribution participants with convenient, cost effective exposure across major global asset classes within a series of target date retirement investment options. These options will replace the Horizon Funds currently offered to participants.

Target date funds are structured to automatically adjust to the optimal allocation for a participant based on their expected retirement age thereby providing a solution to many participants' inertia in adjusting their investment strategy. The target date fund manager search process started with 31 firms and through quantitative and qualitative screens by Callan Associates, a manager search committee review, and detailed evaluation by a five member evaluation team, the prospective candidates were narrowed down to eight firms. WSIB and DRS staff conducted comprehensive video interviews with five firms and further narrowed the search to two finalists. A five member team comprised of WSIB, DRS, and Callan Associates staff conducted on site due diligence visits with the two finalists. Alliance Bernstein was the unanimous selection of the evaluation team and the Public Markets Committee. Alliance Bernstein employs a flexible construction in their target date funds that will allow the flexibility to leverage areas were the Board has competitive advantages such as low cost indexing and active internal fixed income management. Alliance also offers a glide path allocation that is better for those in their retirement years and comprehensive participant education program. They were also the lower cost provider of the two finalists.

Vice Chair Matheson said she strongly supports the motion. She said it is a great time to introduce the funds, as current market turmoil creates uncertainty among plan members which raises their interest level. It is helpful to provide investment guidance and easier choices. She hopes to reach as many members as possible to reacquaint them to their investment choices.

The above motion carried unanimously.

PRIVATE MARKETS COMMITTEE REPORT

Chair Gorton reported that the Private Markets Committee met on February 7 to discuss three investment recommendations and the Tangible Asset Annual Plan. In addition, the Committee reviewed the Private Equity Portfolio.

Private Equity Investment Recommendation – TPG Partners VI, L.P.

Chair Gorton moved that the Board invest up to $750 million, plus fees and expenses, in TPG Partners VI, L.P., subject to continuing due diligence and final negotiation of terms and conditions. Vice Chair Matheson seconded the motion.

Chair Gorton said that TPG Partners VI will be an $18 to $20 billion private equity fund that will invest in large and mega-cap companies on a global basis. The WSIB has invested in four prior TPG funds. The proposed investment is consistent with the private equity annual plan approved by the Board in January 2008. This recommendation is based, in part, on TPG's strong historical performance; global reach; excellent reputation; extensive networks; exceptional senior leadership; substantial operating resources; and proven, diversified investment strategy.

Mr. Nierenberg recused himself from discussion of the TPG investment recommendation.

Treasurer Murphy said he is in favor of the motion, but he raised concerns about the projections that show the WSIB going over the allocation before coming back down to the target in the later years. He noted that funds are coming back every two years recently and that, if this continues, the Board will drastically overshoot the target allocation unless reductions are made to the commitments. Mr. Magnuson urged adoption of the investment recommendation. He suggested the Board observe how well TPG does in deploying $20 billion in capital over the next two to four years, and whether they were able to capture the market as they intended when they presented to the Private Markets Committee.

In response to questions from members, Mr. Bruebaker said that staff anticipates reaching its 25 percent allocation level to private equity in early 2010. The plan should take the allocation to just over 27 percent for a short time, and then back to 25 percent in 2017. George Masten reminded the Board that the private equity allocation is 25 percent, plus or minus 4 percent. Treasurer Murphy said he did not agree with the allocation decision but believes staff should aim for the 25 percent target, not 29. He noted that scenarios staff has provided go over the target and he advises caution. Mr. Bruebaker affirmed this deal was contemplated in the pacing schedule.

The above motion carried unanimously.

Private Equity Investment Recommendation – Advent International GPE VI L.P.

> **Chair Gorton moved that the Board invest up to €100 million, plus fees and expenses, in Advent International GPE VI L.P., subject to continuing due diligence and final negotiation of terms and conditions. Mr. Petit seconded the motion.**

Chair Gorton said that GPE VI, with a target size of €5 billion, will pursue control positions in buyout, recapitalization, and growth equity opportunities in upper middle-market companies with enterprise values of €200 million to €1 billion, primarily in Europe and North America. The WSIB invested in one Advent International fund, Advent Latin America Private Equity Fund IV, L.P., in September 2007. The proposed investment is consistent with the private equity annual plan approved by the Board in January 2008. This recommendation is based, in part, on Advent International's experience, expertise, global presence, proven investment strategy, successful 18-year performance, strong sector focus, and excellent fit in the WSIB private equity portfolio.

Treasurer Murphy said his comments on the TPG investment recommendation also apply to the Advent recommendation, but he supports it.

> **The above motion carried unanimously.**

Real Estate Investment Recommendation – Morgan Stanley Real Estate Special Situations Fund III, L.P. Follow-on Investment

> **Chair Gorton moved that the Board invest up to $250 million, plus fees and expenses, in Morgan Stanley Real Estate Special Situations Fund III, L.P., to be invested over the next 18 months as the Fund is re-opened, subject to continuing due diligence and final negotiation of terms and conditions. Mr. Petit seconded the motion.**

Chair Gorton said the proposed investment is an additional allocation in an open-ended fund. The Board approved an initial investment of $150 million in April 2006 and a further allocation of $200 million in March 2007. The net IRR from WSIB's first investment to September 30, 2007, after fees, is 47.1 percent. The fund invests primarily in minority positions of real estate operating companies globally in three strategic categories: companies in growth or emerging markets, firms operating in distressed markets, and developed markets where a public-private or private-public arbitrage exists. This recommendation is based, in part, on Morgan Stanley's proven management team, attractive strategy, substantial pipeline, and performance.

Treasurer Murphy encouraged staff to try to negotiate a reduction of the fund's 25 percent carried interest term.

> **The above motion carried unanimously.**

Tangible Assets Annual Plan
Chair Gorton announced that the Board would go into executive session to discuss financial and commercial information relating to an investment since public knowledge regarding the discussion would result in loss to the funds managed by the WSIB or would result in private loss to the providers of the information. He said the executive session was expected to last until 2:25 p.m., at which time the Board would reconvene in open session.

[The Board went into executive session at 2:13 p.m. and reconvened in open session at 2:41 p.m.]

> **Mr. Gorton moved that the Board adopt the confidential 2008 Tangible Asset Annual Plan that was presented and discussed in executive session. Treasurer Murphy seconded, and the motion carried unanimously.**

AUDIT COMMITTEE REPORT (CONTINUED)
Mr. Petit continued his report of the February 5 Audit Committee meeting. The Committee received the quarterly Audit Recommendation Status Report, which contains four outstanding prior audit recommendations. Two management letter recommendations made by the financial auditors, Peterson Sullivan, are being monitored and relate to Alternative Investment Valuation documentation and Investment Risk Disclosures. In addition, staff continues to work on revised performance reporting preparation and review processes. The Committee heard the DVF annual report; no errors occurred above the tolerance level that impacted any of the five DVFs closing unit prices. It also received reports on Enterprise Risk Management, and private equity compliance efforts. The Committee also provided input on the internal audit director's evaluation.

[Mr. Nakahara left the meeting at 2:44 p.m.]

LABOR AND INDUSTRIES' STRATEGIC ASSET ALLOCATION STUDY AND INSURANCE FUNDS POLICY 2.20.100 REVISION
Ms. Will introduced herself and Mr. Daniels of Conning Asset Management. Mr. Daniels presented Conning's strategic recommendation for the Labor and Industries (L&I) portfolios. He described the dynamic financial analysis tool used in analyzing the differing liabilities, payouts, and exposures within the Accident and Pension Reserve Funds, and the Medical Aid Fund. Conning worked with L&I staff over the past two years on various inputs to the model, testing different strategies to meet L&I goals within reasonable risk tolerance levels. L&I's goal is to keep premium rates low and stable, minimize risk volatility, and maintain a strong balance sheet. The investment strategy set with L&I in 2004 was updated based on the new L&I priorities and actuarial assumptions and inputs to the model.

Specific recommendations for the Accident and Pension Reserve Funds are to reduce the fixed income duration target from 9 to 7; target 10 percent TIPs for inflation protection, maintain the equity target at 10 percent, and increase the non-U.S. equities from 15 to 40 percent of total equities. For the Medical Aid Fund, the recommendations are to maintain the duration target at 6, target 20 percent TIPs, reduce the equity target from 30 to 15 percent, and increase non-U.S. equities from 15 to 40 percent of total equities. Mr. Daniels said that Conning's recommendations for asset allocation changes have been approved by L&I.

Ms. Will said the Board's policy on Labor and Industries' Insurance funds, 2.20.100, is revised to incorporate Conning's recommendations. Staff seeks Board approval of Conning's recommendations and changes to the Board's policy.

Mr. Dear reported that Ms. Schurke was unable to attend the Board meeting but sent a statement relating to Conning's presentation. She said "this recommendation came about as the result of L&I, WSIB, and Conning staff, with the assistance of a stakeholder advisory committee, putting a lot of analysis into L&I's allocation strategies to achieve the goal of maintaining rate stability." She is "confident in the work that has gone into the recommendation and supports Conning's target recommendations."

Treasurer Murphy moved that the Board approve Conning Asset Management's recommendation regarding the Labor and Industries funds' strategic asset allocation, update the Labor and Industries Insurance Funds Policy 2.20.100 to reflect those changes, and instruct staff to implement the changes. Vice Chair Matheson seconded the motion.

In response to Mr. Kaminski's question, Mr. Daniels said the measured duration liability for the Accident and Pension Reserve Funds is approximately 11, and approximately 7 or 8 for the Medical Aid Fund.

The above motion carried unanimously.

[Treasurer Murphy left the meeting at 3:00 p.m.]

EXECUTIVE DIRECTOR'S REPORT

Mr. Dear provided his monthly report for February on Board governance, staff, budget, investments, operations, public affairs, and open procurement activities. He said the supplemental budget presented in the House of Representatives yesterday includes all funds requested by the WSIB, as well as an additional amount requested for the agency request legislation, if passed by the Legislature. Mr. Dear said staff is appreciates the invaluable assistance received from Representative Sommers and Senator Brown.

QUARTERLY DISCUSSION OF MARKETS

Discussion

Mr. Bruebaker reported that performance during the fourth quarter did not beat the implementation value added benchmark for the CTF, but the CTF returns outperformed in all of the longer periods. During the quarter, the manager decision lost 150 bps. The underperformance was partially offset by the outstanding performance in fixed income. Mr. Nierenberg observed that is still respectable performance given the performance of other funds.

Private Equity

Mr. Ruggels noted the quarterly private equity report for the period ended September 30, 2007, was distributed in the Board packet. Mr. Woolford introduced his discussion of current market conditions. He discussed how debt is intermediated through securities markets and depository

institutions and described the host of debt structures in place that invest across different tranches with different exposure rates.

The relevance of current market conditions for private equity is that investments and distributions have slowed. Money is more expensive and difficult to obtain. Mr. Woolford said that mezzanine investments had a very strong fourth quarter. A discussion ensued on high yield spreads and overhangs, and how the leverage problem must be solved before private equity markets can move forward. Mr. Nierenberg asked staff serving on advisory boards to encourage funds to slow the pace of new investments and focus instead on adding value to the existing portfolios.

Real Estate

Mr. Draper noted the quarterly real estate report for the period ended September 30, 2007, was distributed in the Board packet. Mr. Humphrey was introduced to discuss current market conditions.

The one-, three, five-, and ten-year net returns of the real estate portfolio were 25.5, 25.9, 19.5, and 15.2 percent respectively, which is significant outperformance. There were unprecedented amounts of capital inflows to real estate during 2004-2006, which is expected to slow dramatically under current market conditions. Pricing differentials are significant and more capital is required to complete transactions. Mr. Humphrey said that the oversupply and foreclosures within residential market is impacting the commercial side. Losses resulting from problems from subprime mortgages are estimated to reach $200-400 billion, with major financial institution write-offs.

Mr. Magnuson said that new money entering the market should improve fundamentals on existing properties, which is good for the WSIB. He recommends retaining holdings and reaping cash flow rewards. Values will take care of themselves Mr. Humphrey said that widening spreads on debt issuances present attractive opportunities going forward and illiquidity is something to take advantage of.

Mr. Humphrey said he anticipates Federal Reserve interest rate reductions during 2008-2009, and higher inflation is likely. Real estate may provide a hedge against inflation in the current environment. There has been a significant decline in office vacancy rates, but with a negative absorption for the first time in four years last quarter. The highest vacancy rate is within housing.

Mr. Humphrey provided statistics on foreclosures rates in the top ten metropolitan markets. He noted that Washington State is doing well compared to other states. Courtland Partners is monitoring foreclosures and will measure whether these involve people losing their homes, versus secondary or homes purchased as investments. Mr. Magnuson expects that foreclosure numbers also include developers who abandoned the market. In response to questions from Mr. Kaminski and Mr. Nierenberg, Mr. Draper noted existing general partners who are in position to take advantage of current market opportunities. Mr. Nierenberg said conditions are ripe to increase commitments to distressed investments and staff should ensure it is positioned to move quickly to take advantage of opportunities.

BOARD DISCUSSION

Vice Chair Matheson reported that, as a result of the Board's consideration of staff's request for delegation, she suggested examining what information the Board should receive that would provide a level of comfort in making such a transition. She has looked into the matter further with Messrs. Kaminski and Nierenberg and suggests that the Board engage a consultant to work with Board members to help the members better define the work of the Board. She believes the delegation issue would naturally be examined as part of that work. She envisions that the Board would work with staff on interviewing and developing criteria for a request for proposals, and added that it makes sense to start the process now, if the Board wants discussion at the July retreat. A discussion ensued on consultant selection, Board involvement, and focus areas. Mr. Magnuson shared his concern with spending time trying to fix something that is not broken; Mr. Masten agreed.

Vice Chair Matheson said the Board should resolve the delegation issue with staff. Mr. Nierenberg spoke in support of moving forward and emphasized the importance of framing the work and hiring the right consultant.

OTHER ITEMS

There was no further business to come before the Board. The meeting adjourned at 4:07 p.m.

Glenn Gorton
Chair

ATTEST

Joseph A. Dear
Executive Director

Washington State Investment Board Meeting
February 21, 2008

Name	Representing	Do You Wish To Provide Public Comment? Yes	No	Subject of Public Comment (optional)
Diana Will	WSIB	☐	☒	
Steve Lerch	WSIB	☐	☒	
Rachel Berkson	SEIU WA State Council	☐	☒	
Isabelle Towen	WSIB	☐	☒	
Janet Kruzel	WSIB	☐	☒	
Dave Woolford	Cap. Dynamics	☐	☒	
Tom Ruggels	WSIB	☐	☒	
Marg Brennan	WSIB	☐	☒	
Jevon Eckstein	WSIB	☐	☒	
Lisa Won	OSA	☐	☒	
Troy Dempsey	OSA	☐	☒	
[illegible]	RPEC	☐	☒	
Dev Hermanson	RPEC	☐	☒	
Dana Bower	WSIB	☐	☒	
Carmen Matsumoto	WSIB	☐	☒	
Beth Vanley	WSIB	☐	☒	
Maria Rosen	WSIB	☐	☒	
Tricia Schroeder	SEIU	☐	☒	
Alyssa Barada	WSIB	☐	☒	
[illegible]	WSIB	☐	☐	
Gianna Killman	WSIB	☐	☒	
Marguerite Young	SEIU	☒	☐	
Emily Paulin	SEIU	☐	☒	
MARCUS Johnson	SEIU		X	
SUERSCHOOK	WSIB		X	

Washington State Investment Board Meeting
February 21, 2008

Name	Representing	Do You Wish To Provide Public Comment? Yes	No	Subject of Public Comment (optional)
Marcus Johnson	S.E.I.U	☐	☒	
Michelle Schmidt	SEIU	☐	☑	
Donna May Ong		☐	☑	
Donata Crub	WSIB	☐	☑	
Michael Yip	WSIB	☐	☑	
Gregg Dodds	PSE/SEIU	☐	☐	
Jay Walls	TCG	☐	☑	
Robert Malotky	L&I	☐	☑	
MF Mercier	L&I	☐	☒	
Scott Daniels	Conning	☐	☒	
Tom Bosworth	WSIB	☐	☑	
C. Walker	WSIB	☐	☑	
Jonathan Griffith		☐	☒	
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