

**REGULAR MEETING OF THE BOARD OF ADMINISTRATION OF THE
WATER AND POWER EMPLOYEES' RETIREMENT PLAN**

MINUTES

January 14, 2015

Board Members Present:

Javier Romero, President
Barry Poole, Vice President
Mario Ignacio, Chief Accounting Employee
Robert Rozanski, Retiree Member

Board Members Absent:

LaTanya Bogin, Regular Member
Marcie L. Edwards, General Manager
Mel Levine, LADWP Commissioner

Staff Present:

Linda P. Le, Retirement Plan Manager
Mary C. Higgins, Assistant Retirement Plan Manager
Monette Carranceja, Assistant Retirement Plan Manager
Jeremy Wolfson, Chief Investment Officer
Mary E. Alvarez, Utility Executive Secretary

Others Present:

Marie McTeague, Asst. City Attorney

President Romero called the meeting to order at 9:06 a.m.

Ms. Le stated a quorum of the Board of Administration (Retirement Board) of the Water and Power Employees' Retirement Plan (Plan) was present.

Public Comments

Mr. Romero introduced the new Retirement Plan Manager, Linda Le, who returned to the Retirement Plan Office effective January 12, 2015, after 5 years with the Water System. He welcomed her to, and on behalf of, the Retirement Board. He then introduced Sonia Lajas, who returned to the Retirement Plan Office as a Principal Clerk Utility effective December 15, 2014, after 6 years with the Power System.

Mr. Romero recognized the retirement of Carl Taylor and presented a certificate of appreciation to Mr. Taylor for his 15 years of service to the Retirement Plan Office, and his total of 39.8 years of service to the Department. On behalf of the Board, he wished Mr. Taylor the best in this new chapter of his life.

Mr. Romero welcomed consulting firm RVK, Inc. (RVK), investment consultants, to the Plan.

- 1. Approval of Minutes of the July 23, 2014, Regular Meeting**
- 2. Termination of Nick Roberto Banuelos from the December 2014 Permanent Total Disability Roll**

Mr. Rozanski moved that the Board approve Items 1 and 2; seconded by Mr. Poole.

Ayes: Ignacio, Poole, Romero, Rozanski

Nays: None

Absent: Bogin, Edwards, Levine

THE MOTION CARRIED.

3. 2015 Manager and Service Provider Presentations Schedule

Mr. Wolfson indicated that the November 11th meeting was scheduled on a holiday, so the presentations would need to be rescheduled.

Mr. Rozanski moved that the Board approve Item 3; seconded by Mr. Ignacio.

Ayes: Ignacio, Poole, Romero, Rozanski

Nays: None

Absent: Bogin, Edwards, Levine

THE MOTION CARRIED.

4. Demonstration of New Retirement Website Capability

Ms. Carranceja recognized the hard work and efforts of Retirement Plan Office staff, most especially the Systems Section, in developing and testing the new Retirement Information System (RIS), which is now available on the Department website. She introduced Veronica Salumbides, manager of the Retirement section, who demonstrated the capabilities of the new RIS application and explained the caveats of the program.

Ms. Carranceja stated that the RIS is currently only available on the Intranet. Ms. Salumbides stated that the application currently only calculates the full allowance.

5. Discussion of Travel Policy and Procedures

Mr. Romero requested that the default be a cash advance when a Board member is required to travel, so long as there is sufficient notice. Board members are responsible for turning in their receipts and relevant documentation in a reasonable amount of time upon return from travel, and staff should process the expense reports in the same manner.

6. Discussion of Contract Extension for Gateway Investment Advisors, LLC, Covered Calls Mandate; and Possible Action

Mr. Wolfson presented the report to recommend that the contract with Gateway Investment Advisors, LLC (Gateway), be extended for three years beginning April 1, 2015, through March 31, 2018. Staff and RVK agreed that a continued relationship with Gateway would be beneficial to the Plan, as it has demonstrated consistent outperformance of its benchmark.

Mr. Rozanski moved that the Board approve Resolution No. 15-45; seconded by Mr. Ignacio.

Ayes: Bogin, Poole, Romero, Rozanski

Nays: None

Absent: Edwards, Ignacio, Levine

THE MOTION CARRIED.

7. CLOSED SESSION – PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) – To Confer with Legal Counsel Regarding Pending Litigation in the United States District Court Case of *In re Bank of New York Mellon*, Case Number 12 MD 2335 LAK (SDNY)

This item was held to later in the meeting.

8. Retirement Plan Manager's Comments

Ms. Le reported on the following:

- Item approved in previous Closed Session:
 - Ares Special Situations Fund IV, L.P., was approved on November 12, 2014, by unanimous vote. Closing documents were executed on December 11, 2014.
- Annual accomplishments will be deferred to the next meeting
- A contract for the Management Audit to begin February 2015 was currently being finalized
- There is an agenda item for the election of the three members of the Retirement Board for the January 20, 2015, LADWP Board of Commissioners meeting.

9. Future Agenda Items

Mr. Romero discussed concerns regarding the Management Audit and what was included and not included. He wanted to ensure that the mandate within the audit was the same as what was provided to the Contractor. He requested discussion on this matter before the audit potentially begins in February 2015.

Ms. Higgins stated that the Management Audit would be paid for from the General Fund, since the audit is mandated by the City Charter.

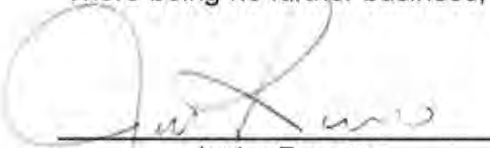
The Board met in Closed Session at 9:48 a.m. to discuss the following:

- 7. CLOSED SESSION – PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a)** to Confer with Legal Counsel Regarding Pending Litigation in the United States District Court Case of *In re Bank of New York Mellon*, Case Number 12 MD 2335 LAK (SDNY)

The Board reconvened in Open Session at 10:19 a.m.

Mr. Romero reported that the Retirement Board took no action in Closed Session.

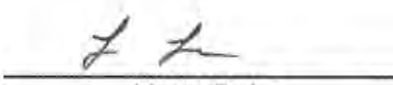
There being no further business, the meeting adjourned at 10:20 a.m.



 Javier Romero
 Board President

3/11/15

 Date



 Linda P. Le
 Retirement Plan Manager

3/11/15

 Date



 Mary E. Alvarez
 Utility Executive Secretary

3/11/15

 Date