

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

MINUTES

June 10, 2015

Board Members Present:

Javier Romero, President
Barry Poole, Vice President
LaTanya Bogin, Regular Member
Timothy Hemming, Retiree Member

Board Members Absent:

Marcie L. Edwards, General Manager
Mario Ignacio, Ch. Accounting Employee
Mel Levine, LADWP Commissioner

Staff Present:

Linda P. Le, Retirement Plan Manager
Monette Carranceja, Asst. Retirement Plan Manager
Mary C. Higgins, Asst. Retirement Plan Manager
Jeremy Wolfson, Chief Investment Officer
Carlo Manjikian, Senior Investment Officer
Ravi Sharma, Investment Officer
Mary E. Alvarez, Utility Executive Secretary
Lori Lee, Senior Clerk Typist

Others Present:

Marie McTeague, Deputy City Attorney
James Napier, Deputy City Attorney

Mr. Romero called the meeting to order at 9:04 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

Ms. Alvarez stated no requests for public comment were received.

Mr. Romero stated Item No. 7 should be part of the Regular agenda items as opposed to the Received and Filed items; and therefore, would be considered with the Regular agenda items.

1. Request for Approval of Minutes:

- a) **May 13, 2015, Regular Meeting**
- b) **May 28, 2015, Special Meeting**

2. Termination of Monthly Allowance from the May 2015 Retirement Roll

Mr. Hemming moved that the Board approve Items 1 and 2; seconded by Ms. Bogin.

Ayes: Bogin, Hemming, Poole, Romero

Nays: None

Absent: Edwards, Ignacio, Levine

THE MOTION CARRIED.

3. Report of Payment Authorizations for April 2015

4. **Notice of Deaths for April 2015**
5. **Investment Reports for April 2015**
 - a) **Summary of Investment Returns as of April 30, 2015**
 - b) **Market Value of Investments by Fund and Month as of April 30, 2015**
 - c) **Market Value of the Retirement, Death, and Disability Funds and Retiree Health Care Fund as of April 30, 2015**
 - d) **Summary of Contract Expirations**
6. **Report on Status of Insurance as of May 18, 2015**

Mr. Hemming moved that the Board approve Items 3 through 6; seconded by Mr. Poole.

Ayes: Bogin, Hemming, Poole, Romero

Nays: None

Absent: Edwards, Ignacio, Levine

THE MOTION CARRIED.

7. Discussion of Request to Approve a Professional Services Contract for the Development of Software Functionalities in the FileNet Document Imaging System

Ms. Carranceja presented the report to request approval for a professional services contract with RGB Projects (RGB) for a one-year term for the development of software functionalities in the FileNet document imaging system.

Ms. Bogin inquired if it would be a single-source contract with RGB.

Ms. Carranceja stated that it would.

Mr. Hemming moved that the Board approve Resolution No. 15-76; seconded by Mr. Poole.

Ayes: Bogin, Hemming, Poole, Romero

Nays: None

Absent: Edwards, Ignacio, Levine

THE MOTION CARRIED.

8. Discussion of Request for Information for Fiduciary Audit Services

Ms. Higgins presented the report to request that the Retirement Board interview the four respondents to the Plan's request for information (RFI) for comprehensive actuarial consulting services.

Mr. Romero inquired if the fees quoted in the proposals were flexible.

Ms. Higgins stated that information on the flexibility of the fees was not requested at the time the RFI was issued.

Mr. Romero stated the Retirement Board would make the inquiry when the firms were interviewed.

Mr. Hemming moved that the Board approve Item 8; seconded by Ms. Bogin.

Ayes: Bogin, Hemming, Poole, Romero

Nays: None

Absent: Edwards, Ignacio, Levine

THE MOTION CARRIED.

9. Discussion of Request for Proposal Responses for the Small Cap Growth Equity Mandate

Mr. Wolfson presented the report on the Request for Proposal (RFP) responses for the Small Cap Growth Equity Mandate.

Mr. Manjikian provided a background on the RFP, stating that the incumbent manager, Frontier Capital (Frontier), had been on long-term watch since 2013 due to underperformance.

Mr. Sharma provided a summary of the responses to the RFP, and discussed the five finalists that staff and RVK, Inc., the Plan's general consultant, were recommending for interview.

Mr. Romero requested that the item be held for consideration at the next Retirement Board meeting.

10. Annual Presentation by Delaware Investment Advisers – Active Global Credit / Global High-Yield Manager

Skip Corkran of Delaware Investment Advisers (DIA) presented an overview of the firm and its staff.

Chris Testa of DIA discussed the firm's investment strategy, performance history, and portfolio position.

11. Annual Presentation by Neuberger Berman Fixed Income LLC – Active Global Credit / Global High-Yield Manager

Jennifer Michel of Neuberger Berman LLC (Neuberger) provided an overview of the firm and highlighted the staff that would be involved with the Plan's portfolio.

Dave Brown of Neuberger discussed the firm's investment strategy and portfolio position, and reviewed how Neuberger made its asset allocation decisions.

12. Annual Presentation by Pacific Asset Management – Active U.S. Bank Loans Manager

Joe Reid of Pacific Asset Management (PAM) presented an overview of the firm and an update on the firm's staffing.

Dominic Nolan of PAM discussed the firm's investment strategy and process.

JP Leasure of PAM provided an update on the bank loan market and discussed portfolio positioning and characteristics.

13. Presentation by RVK, Inc. – 2015 First Quarter Performance Report

Ryan Sullivan of RVK, Inc. (RVK), discussed the capital market environment in the first quarter of 2015.

Becky Gratsinger of RVK provided an update on the watch list, and discussed the Plan’s asset allocation and portfolio performance.

Mr. Poole inquired as to what dates the Fiscal Year to Date reports covered.

Mr. Sullivan stated it was as of June 30th, and Ms. Gratsinger clarified that the reports covered nine months.

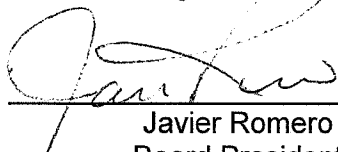
14. Retirement Plan Manager’s Comments

Ms. Le reported that the Retirement Plan Office would be presenting the proposed Plan amendments to the Department of Water and Power Board of Commissioners at their regular meeting on June 16, 2015, and would bring the amendments back to the Retirement Board if they were approved.

15. Future Agenda Items

There were no requests for future agenda items.

There being no further business, the meeting adjourned at 10:09 a.m.



Javier Romero
Board President

6/24/15

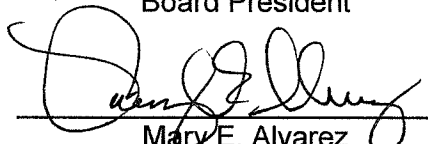
Date



Linda P. Le
Retirement Plan Manager

6/24/15

Date



Mary E. Alvarez
Utility Executive Secretary

6/24/15

Date