

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

**MINUTES**

**July 22, 2015**

**Board Members Present:**

Javier Romero, President  
Barry Poole, Vice President  
LaTanya Bogin, Regular Member  
Marcie L. Edwards, General Manager  
Timothy Hemming, Retiree Member  
Mario Ignacio, Chief Accounting Employee

**Board Members Absent:**

Mel Levine, LADWP Commissioner

**Staff Present:**

Linda P. Le, Retirement Plan Manager  
Monette Carranceja, Asst. Retirement Plan Manager  
Carlo Manjikian, Senior Investment Officer  
Will Feng, Senior Accountant  
Mary E. Alvarez, Utility Executive Secretary

**Others Present:**

James Napier, Deputy City Attorney

Mr. Romero called the meeting to order at 9:05 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.

1. **Request for Approval of Minutes of June 24, 2015, Regular Meeting**
2. **a) Termination of Monthly Allowance from the July 2015 Retirement Roll  
b) Termination of Janet M. Douglas from July 2015 Permanent Total Disability Roll  
c) Termination of Lucrecia Segundo from July 2015 Permanent Total Disability Roll**

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

*Ayes: Bogin, Edwards, Hemming, Ignacio, Poole, Romero*

*Nays: None*

*Absent: Levine*

**THE MOTION CARRIED.**

3. **Report of Payment Authorizations for June 2015**
4. **Notice of Deaths for June 2015**
5. **Investment Reports for June 2015**
  - a) **Summary of Investment Returns as of June 30, 2015**
  - b) **Market Value of Investments by Fund and Month as of June 30, 2015**

- c) **Market Value of the Retirement, Death, and Disability Funds and Retiree Health Care Fund as of June 30, 2015**
- d) **Summary of Contract Expirations**

**6. Report on Status of Insurance as of July 9, 2015**

*Mr. Bogin moved that the Board approve Items 3 through 6; seconded by Mr. Ignacio.*

*Ayes: Bogin, Edwards, Hemming, Ignacio, Poole, Romero*

*Nays: None*

*Absent: Levine*

**THE MOTION CARRIED.**

**7. Discussion of Nominations and Appointment of Officers of the Board of Administration of the Water and Power Employees' Retirement Plan**

Mr. Romero called for nomination of the Officers for the Retirement Board.

**a) Nominations and Election of President and Vice-President**

*Mr. Poole nominated Mr. Romero as Board President; seconded by Ms. Edwards and carried unanimously after the following vote:*

*Ayes: Bogin, Edwards, Hemming, Ignacio, Poole, Romero*

*Nays: None*

*Absent: Levine*

*Ms. Bogin nominated Mr. Poole as Board Vice-President; seconded by Mr. Ignacio and carried unanimously after the following vote:*

*Ayes: Bogin, Edwards, Hemming, Ignacio, Poole, Romero*

*Nays: None*

*Absent: Levine*

Mr. Romero motioned that the representatives on the following Committees remain the same and requested Mr. Hemming to fill the vacant positions on the respective Committees; there being no objection, the motion carried.

**b) Appointment of Chair and Members of Audit Committee**

Mr. Poole was appointed as Chair of the Audit Committee and Mr. Ignacio and Mr. Hemming as Committee Members.

**c) Appointment of Chair and Members of Benefits Committee**

Ms. Bogin was appointed as Chair of the Benefits Committee and Mr. Poole and Mr. Romero as Committee Members.

**d) Appointment of Chair and Members of Governance Committee**

The Governance Committee is a Committee-of-the Whole. Mr. Poole was appointed as Chair of this Committee.

**e) Appointment of Chair and Members of Legislative Committee**

Mr. Hemming was appointed as Chair of the Legislative Committee and Mr. Poole and Ms. Bogin as Committee Members.

**8. Discussion of Changes to Presentation of Payment Authorization Information**

Ms. Higgins presented the report on changes to presentation of payment authorization information.

The Retirement Board concurred with staff to only include a summary of payment authorization information in all future Retirement Board packages, beginning August 2015.

**9. Discussion of Mortality Tables**

Ms. Le presented the report to approve the resolution to adopt the adjustments to mortality tables as required under Plan Section III C (9).

*Mr. Hemming moved that the Board approve Resolution No. 16-04; seconded by Mr. Poole.*

*Ayes: Bogin, Edwards, Hemming, Ignacio, Poole, Romero*

*Nays: None*

*Absent: Levine*

*THE MOTION CARRIED.*

**10. Discussion of Actuarial Audit Services**

Ms. Higgins and Mr. Feng introduced the item to interview four firms who responded to the Request for Information (RFI) for Actuarial Audit Services. Mr. Feng stated staff objectively scored all responses from the RFI and he presented the detailed results of the evaluation of the RFI.

The Retirement Board then interviewed the following candidates:

- a) Bolton Partners (Bolton) – Interviewed telephonically.
- b) Gabriel, Roeder, Smith & Co (GRS)

The Retirement Board temporarily closed this item.

The Retirement Board met in Closed Session at 9:40 a.m. to discuss the following:

**12. CLOSED SESSION PURSUANT TO SUBDIVISIONS (a) AND (d)(1) OF GOVERNMENT CODE SECTION 54956.9 to Confer with Legal Counsel Regarding Pending Litigation. Case: Official Committee of Unsecured Creditors of Motors Liquidation Company fka General Motors Corporation vs. JPMorgan Chase NA, Individually and as Administrative Agent, et al. [United States Bankruptcy Court, Southern District of New York, Chapter 11 Case No. 09-50025 (REG), Adversary Case No. 09-00504 (REG)]**

The Retirement Board reconvened in Open Session at 9:46 a.m.

## 10. Discussion of Actuarial Audit Services (cont'd)

The Retirement Board continued to interview the following candidates:

- c) Bartel Associates, LLC

The Retirement Board recessed at 10:08 a.m. and reconvened at 10:20 a.m. Ms. Edwards left the meeting.

- d) Cheiron, Inc.

Upon conclusion of the interviews, discussion ensued among the Retirement Board Members and staff regarding the interviews and the individual Board Member choices.

*Mr. Poole moved that the Board approve Resolution No. 16-05 to select Cheiron, Inc., subject to the successful negotiation of fees; seconded by Mr. Ignacio.*

*Ayes: Bogin, Hemming, Ignacio, Poole, Romero*

*Nays: None*

*Absent: Edwards, Levine*

*THE MOTION CARRIED.*

The Retirement Board recessed the meeting at 10:25 a.m. and reconvened at 10:30 a.m.

## 11. Discussion of U.S. Small Cap Growth Equity Mandate

Mr. Manjikian and Mr. Matthew Sturdivan of RVK, Inc. (RVK) introduced the item to interview six candidates for the Plan's Private Equity Consulting Services. Mr. Manjikian stated that staff and RVK objectively scored all responses from the RFP and proceeded to present the detailed results of the evaluation of the RFP.

At 10:46 a.m. Mr. Romero left the meeting.

The Board then interviewed the following candidates:

- a) CastleArk Management
- b) EAM Investors
- c) Emerald Advisers

The Retirement Board recessed the meeting at 11:59 a.m. and reconvened at 12:04 p.m. Mr. Romero returned to the meeting.

- d) Frontier Capital Management
- e) Peregrine Capital Management
- f) Wellington Management

Upon conclusion of the interviews, discussion ensued among the Retirement Board Members and staff regarding the interviews and the individual Board Member choices.

*Mr. Hemming moved that the Board approve Resolution No. 16-06 to select Emerald Advisers, subject to successful negotiation of fees; seconded by Mr. Ignacio.*

Ayes: Bogin, Hemming, Ignacio, Poole, Romero  
Nays: None  
Absent: Edwards, Levine

THE MOTION CARRIED.

### 13. Retirement Plan Manager's Comments

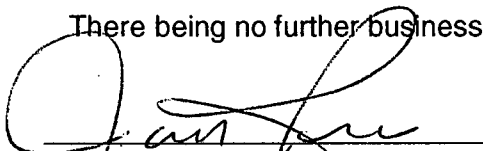
Ms. Le reported on the following:

- At its regular meeting held on April 8, 2015, the Retirement Board unanimously approved a private equity mandate for Blackstone Tactical Opportunities Fund II, which was now completed and fully committed with \$50 million from the Retirement Fund and \$10 million from the Retiree Health Benefits Fund.
- Staff is in the process of preparing to send out the Annual Member Statement; however, with the new Retirement Information System (RIS), much of the information is currently available online that will allow employees to also access the information directly.
- Update on implementation of Plan amendments
  - Annual Member Statement will include a special message.
  - Staff is available to go out to the field with a laptop to allow employees to log into RIS for employees to access their information.
  - A Contact article will be distributed with the paychecks to explain a money purchase, and thereafter an article explaining the additional annuity and how the plan amendments affect the calculations.
  - RIS has been updated.
  - Retirement training classes have been updated to provide a 30-minute presentation on the Plan amendments and how they affect money purchases and additional annuity.
- Met with the City Controller's Office regarding Tier 2 clarification issue, and technical amendments that will be presented to the Retirement Board at the end of August.
- An informational scanning report will be presented to the Retirement Board at the end of August.
- The request for IPADS is currently with IT and will go through a contract bidding process.

### 14. Future Agenda Items

There were no requests for future agenda items.

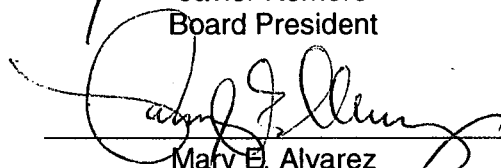
There being no further business, the meeting adjourned at 1:24 p.m.

  
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Javier Romero  
Board President

8/19/15  
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Date

  
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Linda P. Le  
Retirement Plan Manager

8/19/15  
\_\_\_\_\_  
Date

  
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Mary E. Alvarez  
Utility Executive Secretary

8/19/15  
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Date