

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

**MINUTES**

**December 9, 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  
Mary C. Higgins, Asst. Retirement Plan Manager  
Monette Carranceja, Asst. Retirement Plan Manager  
Jeremy Wolfson, Chief Investment Officer  
Alexander Lee, Investment Officer  
Melissa Soo Hoo, Investment Officer  
Mary E. Alvarez, Utility Executive Secretary  
Joni J. Quinn, Sr. Clerk Typist

**Others Present:**

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 there were no requests for public comment.

1. **Request for Approval of Minutes of November 18, 2015, Special Meeting**
2. **a) Termination of Monthly Allowance from the November 2015 Retirement Roll  
b) Termination of Alan D. Collier from November 2015 Permanent Total Disability Roll  
c) Termination of Jorge A. Galan from November 2015 Permanent Total Disability 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 October 2015**

4. **Notice of Deaths for October 2015**

5. **Investment Reports for October 2015**
  - a) **Summary of Investment Returns as of October 31, 2015**
  - b) **Market Value of Investments by Fund and Month as of October 31, 2015**
  - c) **Market Value of the Retirement, Death, and Disability Funds and Retiree Health Care Fund as of October 31, 2015**
  - d) **Summary of Contract Expirations**
6. **Report on Status of Insurance as of November 30, 2015**
7. **Manager Presentation Schedule for 2016**

*Mr. Hemming moved that the Board approve Items 3 through 7; seconded by Ms. Bogin.*

*Ayes: Bogin, Hemming, Poole, Romero*

*Nays: None*

*Absent: Edwards, Ignacio, Levine*

*THE MOTION CARRIED*

8. **Annual Actuarial Valuations – Presentation by Segal Consulting**
  - a) **Disability Fund as of July 1, 2015**
  - b) **Death Benefit Fund as of July 1, 2015**

Ms. Higgins introduced John Monroe of Segal Consulting, who presented the Annual Actuarial Valuations for both the Disability and Death Benefit Funds for July 1, 2015.

*Mr. Hemming moved that the Board approve Resolution No. 16-39 and Resolution No. 16-40; seconded by Ms. Bogin.*

*Ayes: Bogin, Hemming, Poole, Romero*

*Nays: None*

*Absent: Edwards, Ignacio, Levine*

*THE MOTION CARRIED*

9. **Discussion on Clarification to the Plan's Investment Policy**

Mr. Wolfson introduced Ryan Sullivan, RVK Consultant, who discussed the proposed changes to the Plan's Hedge Fund Policy concerning commodity exposure.

*Mr. Poole moved that the Board approve Resolution No. 16-41; seconded by Mr. Hemming.*

*Ayes: Bogin, Hemming, Poole, Romero*

*Nays: None*

*Absent: Edwards, Ignacio, Levine*

*THE MOTION CARRIED*

**10. Annual Presentation by Gateway Investment Advisors, LLC – Covered Calls Manager**

Mr. Wolfson introduced Michael T. Buckius, Gateway representative, who discussed the Covered Call Replication program and an Active Index Covered Call mandate, for the Retirement Plan and the Health Plan.

**11. Annual Presentation by Western Asset Management Company – Global Inflation Linked Securities Manager**

Mr. Wolfson introduced representatives for Western Asset Management Company, Frances L. Coombes and Paul E. Wynn, who made the annual presentation of the Global Inflation Linked Securities mandate within the Real Return portfolio.

**12. Annual Presentation by Glass Lewis & Co., LLC – Proxy Service Provider**

Mr. Wolfson introduced Glass Lewis & Co., LLC, consultants, Anna Willis and Robert McCormick. Ms. Willis and Mr. McCormick made the annual presentation on the proxy service provider mandate. They will be corroborating with staff in terms of evaluating guidelines for potential enhancements and addressing any developing issues.

**13. Discussion of Recommendation by the Audit Committee Regarding the Request for Proposal for Services to Conduct Annual Audits of Financial Statements and Perform Related Advisory Services for the Water and Power Employees' Retirement Plan.**

The item was continued to the Special Retirement Board Meeting of December 16, 2015.

**14. Discussion of the Recommendation of the Audit Committee Regarding Insured Lives Death Benefit Fund for Noncontributing Members and the Applicable Governmental Accounting Standards Board Statement.**

The item was continued to the Special Retirement Board Meeting of December 16, 2015.

**15. Discussion of the Plan's Annual Audit Report and Related Financial Statements as of June 30, 2015, Presented at the Audit Committee Meeting.**

The item was continued to the Special Retirement Board Meeting of December 16, 2015.

**16. Presentation by Pension Consulting Alliance, Inc. – Private Equity Fees and Expenses Education**

Mr. Wolfson introduced Tad Fergusson and Andrew Brad of Pension Consulting Alliance, LLC, who presented educational training on Private Equity Fees and Expenses.

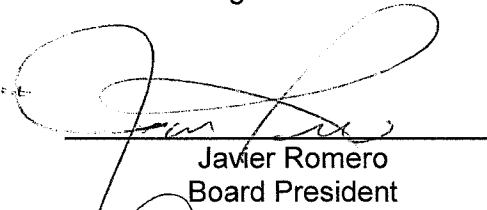
The Retirement Board entered Closed Session at 10:26 a.m. to discuss the following:

**17. CLOSED SESSION – PURSUANT TO GOVERNMENT CODE SECTION 54956.81 to Consider the Purchase of One Particular, Specific Pension Fund Investment; and Possible Board Action**

- 18. **CLOSED SESSION – PURSUANT TO GOVERNMENT CODE SECTION 54956.81** to Consider the Purchase of One Particular, Specific Pension Fund Investment; and Possible Board Action
- 19. **CLOSED SESSION – PURSUANT TO SUBDIVISIONS (a) AND (d) OF 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 Retirement Board reconvened in Open Session at 11:28 a.m.

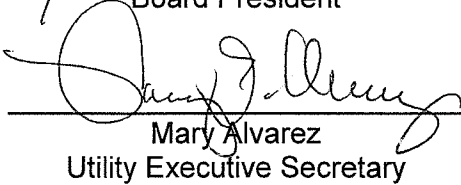
There being no further business, the meeting adjourned at 11:29 a.m.

  
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Javier Romero  
Board President

11/27/16  
Date

  
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Linda P. Le  
Retirement Plan Manager

11/27/16  
Date

  
\_\_\_\_\_  
Mary Alvarez  
Utility Executive Secretary

11/27/16  
Date