

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

**MINUTES**

**July 13, 2016**

**Board Members Present:**

Javier Romero, President  
Barry Poole, Vice President  
LaTanya Bogin, Regular Member  
Timothy Hemming, Retiree Member  
Mario Ignacio, Chief Accounting Employee

**Board Members Absent:**

Marcie L. Edwards, General Manager  
Mel Levine, LADWP Commissioner

**Staff Present:**

Linda P. Le, Retirement Plan Manager  
Monette Carranceja, Asst. Retirement Plan Manager  
Katie S. Zordilla, Interim Asst. Retirement Plan Manager  
Scott Vargas, Senior Investment Officer  
Mary E. Alvarez, Utility Executive Secretary  
Izabella Hovhanisian, Senior Administrative Clerk

**Others Present:**

James Napier, Deputy City Attorney

President Romero called the meeting to order at 9:01 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. Approval of the Minutes of June 22, 2016**

*Mr. Poole moved that the Board approve Item 1; seconded by Mr. Ignacio.*

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

*Nays: None*

*Absent: Edwards, Levine*

*THE MOTION CARRIED.*

**2. Investment Reports for May 2016**

- a) Summary of Investment Returns as of May 31, 2016
- b) Market Value of Investments by Fund and Month as of May 31, 2016
- c) Market Value of the Retirement, Death, and Disability Funds and Retiree Health Care Fund as of May 31, 2016

*Mr. Hemming moved that the Board Receive and File Item 2; seconded by Mr. Ignacio.*

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

*Nays: None*

*Absent: Edwards, Levine*

*THE MOTION CARRIED.*

**3. 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. Bogin and carried unanimously after the following vote:*

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

*Nays: None*

*Absent: Edwards, Levine*

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

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

*Nays: None*

*Absent: Edwards, Levine*

Mr. Romero motioned that the representatives on the following Committees remain the same with possible changes in the next few months; 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.

**4. Discussion of Contract Extension for Heitman Real Estate Securities, Global Real Estate Securities Mandate**

Mr. Vargas introduced Melissa Soo Hoo, Investment Officer, who presented the report to extend the contract with Heitman Real Estate Securities for the Global Real Estate Securities mandate for three years, beginning October 1, 2016, through September 30, 2019.

*Mr. Hemming moved that the Board approve Resolution No. 17-02; seconded by Mr. Ignacio.*

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

*Nays: None*

*Absent: Edwards, Levine*

*THE MOTION CARRIED.*

**5. Annual Presentation by Zeno Consulting Group – Transaction Cost Analysis Provider**

Mr. Vargas introduced Warren Chun, CFA, Senior Consultant, of Zeno Consulting Group who presented the Transaction Cost Analysis and Annual Review.

**6. Presentation by RVK, Inc. – 2016 First Quarter Portfolio Performance Report**

Mr. Vargas introduced Rebecca Gratsinger and Jim Voytko, of RVK, Inc. (RVK), the Plan's general consultant, who presented the 2016 First Quarter Investment Performance Analysis.

**7. Presentation by RVK, Inc. – 2016 First Quarter Real Return Portfolio Performance Report**

Ms. Gratsinger and Mr. Voytko presented the 2016 First Quarter Real Return and Hedge Funds Performance Analysis.

**8. Discussion of Outside Investment and Real Estate Counsel; and Possible Action**

Mr. Vargas presented the report recommending approval to contract with outside investment counsel for the alternative markets, including: Nossaman and Jackson Walker.

Mr. Ignacio inquired about cost and how it was determined which firm would be used at a given time. Mr. Vargas confirmed Jackson Walker does have Real Estate specialty; however, both firms were highly qualified in Private Equity and Hedge Funds.

*Mr. Hemming moved that the Board approve Resolution No. 17-03; seconded by Mr. Ignacio.*

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

*Nays: None*

*Absent: Edwards, Levine*

*THE MOTION CARRIED.*

**9. Retirement Plan Manager's Comments**

Ms. Le reported the following:

- Industry Ventures Secondary Fund VIII, L.P. – At the May 11, 2016, meeting the Retirement Board met in closed session to discuss investment in Industry Ventures Secondary Fund VIII. The Retirement Board voted unanimously to approve the investment. The contract was executed on June 17, 2016, with \$37.5 million invested from the Retirement Fund, and \$7.5 million invested from the Retiree Health Benefit Fund.

- Industry Ventures Special Opportunities Fund III-A, L.P. – At the May 11, 2016, meeting the Retirement Board met in closed session to discuss investment in Industry Ventures Special Opportunities Fund III-A. The Retirement Board voted unanimously to approve the investment. The contract was executed on June 17, 2016, with \$22.5 million invested from the Retirement Fund, and \$4.5 million invested from the Retiree Health Benefit Fund.
- Plan amendments that were recommended by the Retirement Board at their last meeting to address issues with the administration of Tier 2 benefits would be presented to LADWP Board of Commissioners on July 19, 2016, and then again on August 2, 2016.

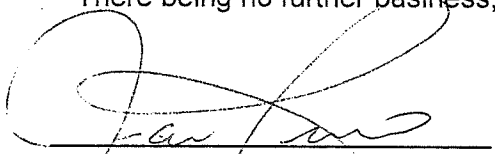
Mr. Poole inquired when the next update would be regarding the Lendingclub Corp. litigation. Ms. Le stated that staff is preparing to follow-up at the next meeting.

Mr. Poole also inquired on follow-up for the Emerging Manager Program. Ms. Le stated that the first step in the process would be presented at the next Board meeting.


**10. Future Agenda Items**

There were no requests for future agenda items.

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

  
 \_\_\_\_\_  
 Javier Romero  
 President

9/14/16  
 \_\_\_\_\_  
 Date

  
 \_\_\_\_\_  
 Linda P. Le  
 Retirement Plan Manager

9/14/16  
 \_\_\_\_\_  
 Date

  
 \_\_\_\_\_  
 Mary E. Alvarez  
 Utility Executive Secretary

9/14/16  
 \_\_\_\_\_  
 Date