

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

MINUTES

October 12, 2016

Board Members Present:

Javier Romero, President
Barry Poole, Vice President
LaTanya Bogin, Regular Member
Timothy Hemming, Retiree Member
David H. Wright, General Manager

Board Members Absent:

Mario Ignacio, Chief Accounting Employee
Mel Levine, LADWP Commissioner

Staff Present:

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

Others Present:

James Napier, Deputy City Attorney
Alan Manning, Assistant City Attorney

President Romero called the meeting to order at 9:02 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 expressed his condolences to Mr. Wright on the passing of his father.

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

1. Approval of the Minutes of September 28, 2016

Mr. Romero requested the minutes be amended to reflect that Mr. Poole was not present at the meeting of September 28, 2016.

Mr. Hemming moved that the Board approve Item 1, as amended; seconded by Mr. Wright.

Ayes: Bogin, Hemming, Poole, Romero, Wright

Nays: None

Absent: Ignacio, Levine

THE MOTION CARRIED.

2. Investment Reports for August 2016

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

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

Ayes: Bogin, Hemming, Poole, Romero, Wright

Nays: None

Absent: Ignacio, Levine

THE MOTION CARRIED.

3. Discussion of Request for Funding with Simpson and Simpson, CPAs, for Auditing Services Associated with Government Accounting Standard 68; and Possible Action

Ms. Carrenceja presented the report to request approval of funding for additional auditing services for Government Accounting Standard 68 (GAS 68) for Fiscal Year Ending June 30, 2016. All costs applicable to this work will be reimbursed by the Financial Services Organization.

Mr. Hemming moved that the Board approve Resolution No. 17-22; seconded by Ms. Bogin.

Ayes: Bogin, Hemming, Poole, Romero, Wright

Nays: None

Absent: Ignacio, Levine

THE MOTION CARRIED.

4. Annual Presentation by Blackrock Institutional Trust Company – International Developed Passive Equity Manager

Mr. Wolfson acknowledged Jeremy Watt, Director, and Timothy Murray, Managing Director, of Blackrock Institutional Trust Company. Mr. Watt presented an overview of the firm, stating that Ms. Amy Schioldager, Global Head of Beta Strategies, would be retiring in the first quarter of 2017. Mr. Murray presented the firm's investment process, the market overview, and summarized the performance of the Portfolio.

5. Annual Presentation by FIAM, LLC – International Developed Growth Equity Manager

Mr. Wolfson introduced Sue Curran, Senior Vice President, and Brian Hoesly, Portfolio Manager, of FIAM, LLC. Ms. Curran announced that the firm is no longer using the name Pyramis and is now Fidelity Institutional Asset Management (FIAM). Ms. Curran also stated it was publicly announced that Chris Steward, co-lead Portfolio Manager, would be leaving the firm, effective December 31, 2016. She stated that Mr. Hoesly would now be the lead Portfolio Manager. Ms. Curran proceeded to present an overview of the firm, its clients and assets.

Mr. Hoesly discussed the Portfolio Manager transition assuring it would be a seamless process, and proceeded to present detailed information on the investment team process. Mr. Hoesly also discussed the Portfolio performance and the market overview.

Mr. Wolfson advised there would be further discussions with FIAM and that staff would return to the Retirement Board with a recommendation for organizational watch.

6. Annual Presentation by MFS Institutional Advisors – International Developed Value Equity Manager

Mr. Wolfson introduced Carolyn Lucey, Relationship Manager, and Camille Humphries Lee, Portfolio Manager, of MFS International Advisors. Ms. Lucey presented an overview of the firm, personnel updates, and announced that Robert Manning, Chairman and Co-CEO, would be relinquishing his responsibilities beginning January 2017, and that Michael Roberge, who shared the responsibility, would maintain responsibility as CEO. Ms. Humphries presented the market and Portfolio overview.

7. Discussion of Selection Process for Assistant Retirement Plan Manager

Ms. Le presented the report discussing the background and current selection process for the Assistant Retirement Plan Manager position. She proceeded to introduce Wendy Ganz, Deputy City Attorney, Deitra Fernandez, Director of Labor Relations, Shannon Pascual, Director of Human

Relations, and Michael DeAndrea, Manager of Employment Services, and advised that they were available to answer any follow-up questions.

Discussion ensued regarding the past management hiring process and the Retirement Board's position on the matter. Mr. Poole presented a motion to uphold Mr. Romero's panel appointees that he made two meetings ago and move forward with the process. Mr. Wright requested further clarification on the matter.

Ms. Ganz provided clarification on the City Attorney opinion regarding employee relations and labor relations aspects. She also advised that any type of attorney/client privilege information would need to be discussed in closed session or waived by the Retirement Board. Ms. Fernandes provided background information on the current settlement agreement with the Management Employees' Association (MEA). Mr. Pascual discussed concerns in deviating from the Letter of Agreement (LOA) and what actions would be taken moving forward and how to proceed with the selection process. Discussion ensued.

Although there was no motion before the Board, Mr. Poole moved that the Board uphold Mr. Romero's panel appointees that he made two meetings ago and move forward with this process; seconded by Ms. Bogin.

Ayes: Bogin, Poole, Romero
Nays: Hemming, Wright
Absent: Ignacio, Levine

The vote being three to two, discussion ensued regarding the votes necessary for an action by the Board.

The Retirement Board requested staff to research the matter and provide follow-up discussion at the next meeting.

8. Retirement Plan Manager's Comments

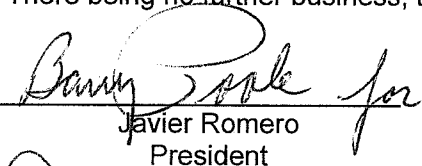
Ms. Le reported the following Benefits Committee Appeals:

- Charles Doble appeal for Tier 1 status was denied.
- Richard Wight appeal for registration of his domestic partnership after retirement was approved.

9. Future Agenda Items

There were no requests for future agenda items.

There being no further business, the meeting adjourned at 10:23 a.m.



Javier Romero
President

11/9/16

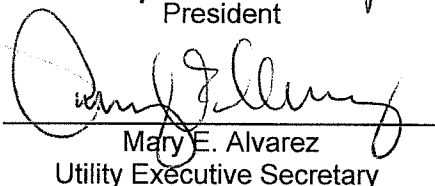
Date



Linda P. Le
Retirement Plan Manager

11/9/16

Date



Mary E. Alvarez
Utility Executive Secretary

11/9/16

Date