

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

MINUTES

August 9, 2017

Board Members Present:

Javier Romero, President
Barry Poole, Vice President
Timothy Hemming, Retiree Member
Mario Ignacio, Chief Accounting Employee
David H. Wright, General Manager

Board Members Absent:

LaTanya Bogin, Regular Member
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
Sandra Turner, Senior Administrative Clerk

Others Present:

Joshua Geller, Deputy 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

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

- 1. Approval of Minutes of July 26, 2017, Regular Meeting**
- 2. Termination of Gail Bowser-Webb From August 2017 Permanent Total Disability Roll**

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

Ayes: Hemming, Ignacio, Poole, Romero, Wright

Nays: None

Absent: Bogin, Levine

THE MOTION CARRIED.

- 3. Investment Reports for June 2017**
 - a) Summary of Investment Returns as of June 30, 2017**
 - b) Market Value of Investments by Fund and Month as of June 30, 2017**
 - c) Market Value of the Retirement, Death, and Disability Funds and Retiree Health Care Fund as of June 30, 2017.**

Mr. Wolfson commented that the Plan performed well for the Fiscal Year, net of fee and flat to the benchmark.

- 4. Report on Emerald Advisers, Inc. – On Site Due Diligence Visit**

5. Report on MFS Investment Management – On Site Due Diligence Visit

Mr. Hemming moved that the Board approve Items 3 through 5; seconded by Mr. Ignacio.

Ayes: Hemming, Ignacio, Poole, Romero, Wright

Nays: None

Absent: Bogin, Levine

THE MOTION CARRIED.

6. Presentation by RVK, Inc. – Educational Program on Global Equity

Mr. Wolfson introduced the Educational Program on Global Equity presented by Jeremy Miller of RVK, Inc. (RVK), the Plan's general consultant. Discussion ensued regarding White Paper, the number of companies investing (U.S. only), evaluating benchmark, diversification (style drift), and tracking performance of managers in Global Equity.

7. Discussion of Management Audit of the Los Angeles Water and Power Employees' Retirement Plan Part I – Completed Recommendations

Ms. Carranceja presented Part I of the 50 recommendations provided by Aon Hewitt from the 2017 Management Audit of the Water and Power Employees' Retirement Plan presented at the July 26, 2017, Retirement Board meeting. She stated that Part I of these recommendations had been completed, and staff would continue to breakdown the recommendations into sections of five to ten items. The sections would continue to be brought back to the Retirement Board in a series for consideration.

8. Discussion of Contract Terms with The Northern Trust Company

Mr. Wolfson presented an update as requested by the Retirement Board on the contract terms with The Northern Trust Company. Mr. Wolfson stated that the fees were negotiated to stay the same as the current fees, saving the Plan one million dollars in proposed fees over a five year period.

9. Discussion of Contract Consideration for a Search Service Agency to Locate Missing Members/Participants and Beneficiaries

Veronica Mendez, staff, presented the report for a Search Service Agency. Ms. Mendez stated a search service agency with additional resources would allow the Plan to increase the number of members/participants and beneficiaries located, and continue to support the Retirement Board's fiduciary responsibility with tax regulations. Discussion ensued regarding regulatory tax compliance, fiduciary responsibility, and fees for contracting services.

Mr. Wright moved that the Board approve Resolution No. 18-11; seconded by Mr. Ignacio.

Ayes: Hemming, Ignacio, Poole, Romero, Wright

Nays: None

Absent: Bogin, Levine

THE MOTION CARRIED.

10. Discussion of Contract Extension for Macquarie Investment Management (formerly Delaware Investments) Active Extended Global Credit

Fahad Haider, staff, presented the request for contract extension for Macquarie Investment Management for an additional three years beginning February 1, 2018 through January 31, 2021.

Mr. Wright moved that the Board approve Resolution No. 18-12; seconded by Mr. Poole.

Ayes: Hemming, Ignacio, Poole, Romero, Wright

Nays: None

Absent: Bogin, Levine

THE MOTION CARRIED.

11. Discussion of Contract Extension for Neuberger Berman, Active Extended Global Credit

Mr. Haider presented the request for contract extension for Neuberger Berman Fixed Income, LLC, for an additional three years beginning February 1, 2018 through January 31, 2021.

Mr. Hemming moved that the Board approve Resolution No. 18-13; seconded by Mr. Wright.

Ayes: Hemming, Ignacio, Poole, Romero, Wright

Nays: None

Absent: Bogin, Levine

THE MOTION CARRIED.

12. Discussion of Contract Extension for RVK, Inc., for General Consulting Services

Melissa Soo Hoo, staff, presented the request for contract extension for RVK for an additional three years beginning December 1, 2017 through November 30, 2020, pending negotiation of contract terms.

Mr. Ignacio moved that the Board approve Resolution No. 18-14; seconded by Mr. Wright.

Ayes: Hemming, Ignacio, Poole, Romero, Wright

Nays: None

Absent: Bogin, Levine

THE MOTION CARRIED.

13. Annual Presentation by Dimensional Fund Advisors – Active Global Real Estate Securities Manager

Joe Young and Joe Chi of Dimensional Fund Advisors presented the annual report on Active Global Real Estate Securities Manager.

14. Annual Presentation by Heitman Real Estate Securities, LLC – Active Global Real Estate Securities Manager

John Mancuso and Jerry Ehlinger of Heitman presented the annual report on Active Global Real Estate Securities Manager.

15. Annual Presentation by Invesco – Active Commodities Manager

Delia Roges and Michael McHugh of Invesco presented the annual report on Active Commodities Manager.

16. CLOSED SESSION - PURSUANT TO SUBDIVISIONS (a) AND (d)(1) OF GOVERNMENT CODE SECTION 54956.9 to Confer with, or Receive Advice from, Legal Counsel Regarding the Consolidated Class Action Against Lendingclub Corporation Pending in the United States District Court, Northern District of California

No discussion held.

17. Investment Reports for May 2017

- a) Summary of Investment Returns as of May 31, 2017
- b) Market Value of Investments by Fund and Month as of May 31, 2017
- c) Market Value of the Retirement, Death, and Disability Funds and Retiree Health Care Fund as of May 31, 2017.

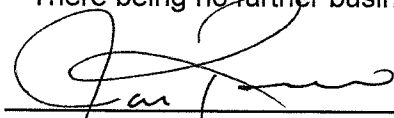
18. Retirement Plan Manager’s Comments

- Audit Committee met on August 9, 2017, to discuss the Audit Program for the Fiscal Year ending June 30, 2017. They will return to the Audit Committee in October for the presentation of the financial statements.
- The Retirement Plan Office will send out the Annual Member Statements at the end of August. The Newsletter for active members is scheduled to be mailed, as well.

19. Future Agenda Items

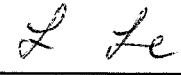
There were no requests for future agenda items.

There being no further business, the meeting adjourned at 10:48 a.m.



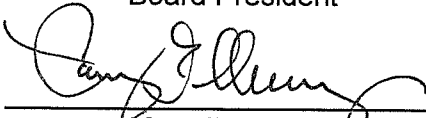
Javier Romero
Board President

9/13/17
Date



Linda P. Le
Retirement Plan Manager

9/13/17
Date



Mary E. Alvarez
Utility Executive Secretary

9/13/17
Date