

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

**MINUTES**

**September 12, 2018**

**Board Members Present:**

LaTanya Bogin, President  
Barry Poole, Vice President  
Adolfo Felix, Member  
Timothy Hemming, Retiree Member  
David H. Wright, LADWP, General Manager

**Board Members Absent:**

Mario Ignacio, Chief Accounting Employee  
Aura Vasquez, 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  
Ligia Johnson, Sr. Administrative Clerk

**Others Present:**

Joshua Geller, Deputy City Attorney

President Bogin called the meeting to order at 9:08 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 August 8, 2018, Regular Meeting**
- 2. a) Termination of Monthly Allowance from the August 2018 Retirement Roll  
b) Termination of Carlos L. Serrano from May 2018 Permanent Total Disability Roll  
c) Termination of Stanley E. Seymore from May 2018 Permanent Total Disability Roll  
d) Termination of Aman Jasper from June 2018 Permanent Total Disability Roll  
e) Termination of Michael E. Coscia from June 2018 Permanent Total Disability Roll  
f) Termination of Peter C. Lau from June 2018 Permanent Total Disability Roll**

*Mr. Wright moved that the Board approve Item 1 and 2; seconded by Mr. Poole.*

*Ayes: Bogin, Felix, Hemming, Poole, Wright*

*Nays: None*

*Absent: Ignacio, Vasquez*

*THE MOTION CARRIED.*

**3. Report of Payment Authorizations for July 2018**

**4. Notice of Deaths for July 2018**

5. **Investment Reports for July 2018**
  - a) **Summary of Investment Returns as of July 31, 2018**
  - b) **Market Value of Investments by Fund and Month as of July 31, 2018**
  - c) **Market Value of the Retirement, Death, and Disability Funds and Retiree Health Care Fund as of July 31, 2018.**
6. **Summary of Contract Expirations for August 2018**
7. **Report on Status of Insurance for August 2018**
8. **Articles of Interest**
9. **Report on Fidelity Institutional Asset Management – On-Site Due Diligence Visit**
10. **Report on Wellington Management, Inc. – On-Site due Diligence Visit**

*Mr. Hemming moved that the Board receive and file Items 3 through 10; seconded by Mr. Poole.*

*Ayes: Bogin, Felix, Hemming, Poole, Wright*

*Nays: None*

*Absent: Ignacio, Vasquez*

*THE MOTION CARRIED*

11. **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.

12. **Consideration of Outside Tax Counsel for Three Year Contract(s) Effective September 21, 2018**

Mr. Geller presented the report to authorize the City Attorney's Office to negotiate and the Retirement Plan Manager to execute contracts with Reed Smith LLP, Ice Miller LLP, and Best Best & Krieger LLP to assist the City Attorney in providing tax law advice to the Water and Power Employee's Retirement Plan for three years beginning September 21, 2018. Mr. Geller conveyed a correction to the Recommendation of the report to reflect the Water and Power Employees' Retirement Plan, and not the Los Angeles City Employees' Retirement System.

*Mr. Felix moved that the Board approve Resolution No. 19-21; seconded by Mr. Hemming.*

*Ayes: Bogin, Felix, Hemming, Poole, Wright*

*Nays: None*

*Absent: Ignacio, Vasquez*

*THE MOTION CARRIED.*

### **13. Discussion of Consent to Assignment of Contract with Emerald Advisers, LLC, for U.S. Small-Cap Growth Equity**

Mr. Wolfson briefly discussed the item and introduced Ravi Sharma, staff, who provided a presentation on the consent to assignment of contract with Emerald Advisers, Inc., to Emerald Advisers, LLC, for U.S. small-cap growth equity investment management services on existing contract terms. Accordingly, Ryan Sullivan and Becky Gratsinger of RVK, Inc. (RVK), the Plan's general consultant concurred and stated they would continue to monitor the modification.

*Mr. Hemming moved that the Board approve Resolution No. 19-22; seconded by Mr. Felix.*

*Ayes: Bogin, Felix, Hemming, Poole, Wright*

*Nays: None*

*Absent: Ignacio, Vasquez*

*THE MOTION CARRIED.*

### **14. Discussion of Global Equity Request for Proposal**

Mr. Wolfson and Mr. Sharma presented the report providing the draft Request for Proposal (RFP) for the Global Equity mandate, as requested by the Retirement Board at their meeting on November 8, 2017.

### **15. Discussion of Rule 144A Securities Restriction in the Death and Disability Funds Managed by Wells Capital Management**

Mr. Wolfson briefly discussed the item and introduced Fahad Haider, staff, Mr. Sullivan and Ms. Gratsinger of RVK who presented the report to rescind the side letter with Wells Capital Management (WCM) limiting the investment manager's commingled fund allocation to Rule 144A securities.

Mr. Felix inquired on the necessity of the side letter in 2006. Mr. Haider and Mr. Sullivan, explained that in 2006 market conditions were significantly different for Rule 144A and limits on investment percentages were necessary.

*Mr. Poole moved that the Board approve Resolution No. 19-23; seconded by Mr. Felix.*

*Ayes: Bogin, Felix, Hemming, Poole, Wright*

*Nays: None*

*Absent: Ignacio, Vasquez*

*THE MOTION CARRIED.*

### **16. Report on In-Kind Distribution Managers**

Jonathan True, Senior Associate, and Wes Ogburn, Portfolio Analytics and Reporting Director, of StepStone Group (StepStone), the Plan's private equity consultant, presented an update on status of the in-kind distribution manager process. Since inception of the private equity portfolio, the Plan has received no in-kind distributions, however, StepStone recommended establishing a bench of qualified distribution managers in the event the process is necessary.

Mr. Wolfson and staff agreed and stated that the matter would be presented at a future meeting. Mr. Felix inquired and Mr. Wolfson confirmed that the item would go through the RFP process.

**17. Annual Presentation by J.P. Morgan Investment Management, Inc. – Principal Protection Manager**

Lara Clarke, Managing Director, Joseph Hisdorf, Portfolio Manager, and Andy Melchiorre, Portfolio Manager, of J.P. Morgan Investment Management, Inc., presented the annual report on the Principal Protection Manager.

**18. Annual Presentation by Wells Capital Management, Inc. – Principal Protection Manager**

Daniel Anderson, Client Relations Director, and Jarad Vasquez, Senior Portfolio Manager, of Wells Capital Management, Inc., presented the annual report on the Principal Protection Manager.

**19. Presentation by StepStone – 2018 First Quarter Private Equity Performance**

Mr. True and Mr. Ogburn of StepStone presented the 2018 First Quarter Private Equity Portfolio Performance report.

**Retirement Plan Manager's Comments**

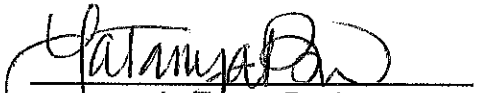
Ms. Le reported on the following:

- The Retirement Board meeting on September 26, 2018, would include the first part of the education on actuarial valuations and stress testing of the assumptions.
- The full-day Retirement Board education session scheduled to be held on October 24, 2018, would include basic overview for the new members.
- Notice was posted to fill the position of Assistant Retirement Plan Manager; staff will present the item to the Retirement Board for an Ad Hoc Committee.

**Future Agenda Items**

Mr. Poole requested a future item for travel education and policy review.


There being no further business, the meeting adjourned at 10:12 a.m.

  
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LaTanya Bogin  
Board President

9/26/18  
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Date

  
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Linda P. Le  
Retirement Plan Manager

9/26/18  
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Date

  
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Mary E. Alvarez  
Utility Executive Secretary

9/26/18  
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Date