

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

MINUTES – April 2, 2008

Board Members Present:

Javier Romero	President
Michael Moore	Retiree Member
Cindy Coffin	Board Member
Eugene K. Canzano	Board Member

Board Members Absent:

David H. Nahai	General Manager
Forescee Hogan-Rowles	Commissioner
Ron Vazquez	Chief Financial Officer

Others Present:

Sangeeta Bhatia	Retirement Plan Manager
Mary Higgins	Assistant Retirement Plan Manager
Ramonette Carranceja	Assistant Retirement Plan Manager
Jeremy Wolfson	Senior Investment Officer
Julie Escudero	Recording Secretary
Sarah Bernstein	Pension Consulting Alliance (PCA)
Michael Moy	Pension Consulting Alliance
Tad Fergusson	Pension Consulting Alliance
Michael Wilkinson	Deputy City Attorney

President Romero called the meeting to order at 9:42 a.m. after the Pledge of Allegiance.

Ms. Bhatia indicated a quorum of the Board was present.

President Romero welcomed new employee, Kimloan Tran, to the Retirement Office.

PUBLIC COMMENTS

None

- 1. Annual Performance Review Presentation as of December 31, 2007, by BlackRock, Passive Index Investment Manager**

President Romero recognized Mr. Anthony Freitas, Managing Director, and Ms. Debbie Jelilian, Director, of Blackrock.

The Blackrock representatives presented their annual performance review.

2. Annual Performance Review Presentation as of December 31, 2007, by T. Rowe Price, Large Cap Investment Manager

President Romero recognized Messrs. John Plowright, Vice President, and Timothy Noel, Portfolio Specialist, of T. Rowe Price.

The T. Rowe Price representatives presented their annual performance review.

3. Annual Performance Review Presentation as of December 31, 2007, by MFS Large Cap Investment Manager

President Romero recognized Mr. Christopher Callahan, Director of North American Sales & Relationship Management; Ms. Kate McCloskey Mead, Investment Officer and Institutional Portfolio Manager; and Ms. Carolyn Lucey, Vice President and Relationship Manager of MFS.

The MFS representatives presented their annual performance review.

4. Discussion of Proposed Changes to Private Equity Investment Policy and Possible Action

President Romero recognized Messrs. Michael Moy and Tad Fergusson of PCA.

Mr. Moy reminded the Board that at the Board meeting of February 20, 2008, PCA suggested modifying the private equity policy to allow for consideration of direct partnerships, as opposed to concentrating only on Fund of Funds. At that meeting, the Board requested PCA discuss the changes with staff and return to the Board with policy suggestions.

The PCA representatives discussed proposed changes to the private equity investment policy.

Ms. Bhatia informed the Board that since Item 4 was agendaized as an item of discussion, the policy would be brought back to the Board with the changes and a resolution.

5. Resolution to Ratify the Board's Decision to Change the Allocation within the Domestic Equity Program

Mr. Moore moved approval of Resolution 08-75 to ratify the Board's decision to change the allocation within the domestic equity program. Seconded by Mr. Canzano and carried unanimously after the following vote:

Ayes: Romero, Canzano, Coffin, and Moore

Nays: None

6. Resolution to Ratify the Board's Decision in Connection with the New Asset Allocation Roadmap and Transition Plan

Mr. Canzano moved approval of Resolution 08-76 to ratify the Board's decision in connection with the new asset allocation roadmap and transition plan. Seconded by Mr. Moore and carried unanimously after the following vote:

Ayes: Romero, Canzano, Coffin, and Moore

Nays: None

7. Discussion to Provide Authorization to Wells Capital under the DOL Rules, and Possible Action

Ms. Coffin moved approval of Resolution 08-77 providing authorization to grant Wells Capital the securities exemption under the Department of Labor (DOL) Rules. Seconded by Mr. Moore and carried unanimously after the following vote:

Ayes: Romero, Canzano, Coffin, and Moore

Nays: None

8. Discussion of Post Retirement Discretionary COLA, and Possible Action

Item 8 was tabled for the next Board meeting.

9. Reports for Reference

No discussion.

10. Retirement Plan Manager's Comments

Ms. Bhatia reported on the following items:

The RFP presentations for general consulting services, private equity, and real estate consulting services will be scheduled for April 16 and 17.

Five new positions will be filled in the Retirement Office in the next few weeks.

Staff is continuing to send documents requested by the auditor for the management audit.

The Retirement Office requested Personnel administer an exam and establish a new list for the position of Chief Investment Officer.

The computerization system function specifications were completed, and staff is currently discussing the testing process for the first phase.

The audit contract was completed and reviewed by Simpson & Simpson and the City Attorney's Office. A copy was also provided to Mr. Canzano for his review before finalization.

Labor Relations is working with the Department's Actuary to amend the Retirement Plan provisions regarding the Phillip Wickey case. The amendment involves a new death benefit for active employees meeting certain criteria.

11. Future Agenda Items

No future agenda items were requested.

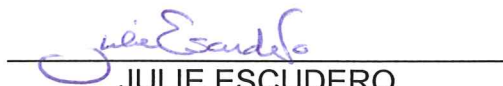
The Board meeting was adjourned at 11:10 a.m.



JAVIER ROMERO
President



SANGEETA BHATIA
Retirement Plan Manager



JULIE ESCUDERO
Recording Secretary