

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

MINUTES

June 18, 2008

Board Members Present:

Javier Romero, President
Eugene Canzano, Board Member
Cindy Coffin, Board Member
Forescee Hogan-Rowles, Commissioner

Board Members Absent:

H. David Nahai, Chief Exec. Officer and Gen. Mgr.
Michael Moore, Retiree Member
Ronald Vazquez, Chief Financial Officer

Others Present:

Sangeeta Bhatia, Retirement Plan Manager
Ramonette Carranceja, Assistant Retirement Plan Manager
Mary Higgins, Assistant Retirement Plan Manager
Jeremy Wolfson, Senior Investment Officer
Julie Escudero, Utility Executive Secretary
Neil Rue, Pension Consulting Alliance
Michael Wilkinson, Deputy City Attorney

President Romero called the meeting to order at 9:39 a.m. after the Pledge of Allegiance.

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

There were no public comments.

1. **Termination from Monthly Rolls as of June 2008
Retirement Resolution for June 2008
Resolution Terminating Winifred M. Leslie from the May 2008 Survivorship Roll as a
Result of Her Death**

Mr. Canzano moved approval of the above consent item. Seconded by Ms. Hogan-Rowles and carried unanimously after the following vote:

Ayes: Romero, Canzano, Coffin, and Hogan-Rowles
Nays: None

2. **Report of Payment Authorizations for May 2008**
3. **Notice of Deaths for May 2008**
4. **Report on Status of Insurance as of May 31, 2008**
5. **Summary Investment Returns as of May 31, 2008**
 - a) **Market Value of Investment by Fund and Month as of May 31, 2008**
 - b) **Market Value of the Retirement, Death and Disability Funds and Retiree Health Care Fund as of May 31, 2008**
 - c) **Investment Returns as of May 31, 2008**

Mr. Canzano moved the above items 2 through 6 be received and filed. Seconded by Ms. Coffin and carried unanimously after the following vote:

Ayes: Romero, Canzano, Coffin, and Hogan-Rowles
Nays: None

6. Recommendation to Remove Earnest Partners from Watch Status

President Romero recognized Mr. Neil Rue of PCA. Mr. Rue explained Earnest Partners was placed on watch status for failure to meet the short-term investment performance criteria for the twelve months ended May 31, 2006. Staff and PCA recommend the Board remove Earnest Partners from watch status because the firm successfully met the Plan's short-term investment criteria for the quarter ending April 30, 2008.

Ms. Coffin moved approval of Resolution 08-97 removing Earnest Partners from watch status.

Ayes: Romero, Canzano, Coffin, and Hogan-Rowles

Nays: None

7. International Equity Structure Review and Related Costs

PCA presented and reviewed four possible international equity transition options, and also presented a summary of the domestic equity transition process.

Following extensive discussion, the following motions were made:

Ms. Hogan-Rowles moved that between \$130 million and \$150 million be moved into an emerging market index fund while a search was conducted for new index fund managers, instead of allocating the amount to the current managers, T. Rowe Price and The Boston Company. The Motion was seconded by Mr. Canzano and carried unanimously after the following vote:

Ayes: Romero, Canzano, Coffin, and Hogan-Rowles

Nays: None

Ms. Hogan-Rowles then moved to adopt the recommendation to move \$175 million into a BlackRock passive account on an interim basis until Intech was removed from watch status. The Motion was seconded by Mr. Canzano and carried unanimously after the following vote:

Ayes: Romero, Canzano, Coffin, and Hogan-Rowles

Nays: None

Ms. Hogan-Rowles further moved to adopt PCA's Option Two that would temporarily place approximately \$445 million from domestic equity transition funds and fixed income funds into a temporary passive international equity index fund; subject to the previous motions, as applicable. The Motion was seconded by Mr. Canzano and carried unanimously after the following vote:

Ayes: Romero, Canzano, Coffin, and Hogan-Rowles

Nays: None

8. Discussion of Amendments to the Brown Act

Attorney Wilkinson provided a brief overview of a recent amendment to the Brown Act that takes effect on July 1, 2008. He explained the amendment requires that once the agenda packet is distributed to the Board members, the materials (excluding protected materials) must be made available upon request.

9. Retirement Plan Manager's Comments

Ms. Bhatia commented Staff has met with Simpson & Simpson, the returning auditors, and an Audit Committee Meeting has been scheduled for July 16, 2008, for the Committee members to meet with the auditors. She noted the auditor's preliminary work will begin in July and the fieldwork will begin mid-August. She added that Staff expects the completed report by November 10, 2008.

Ms. Bhatia reported that training on the first phase of the new computer system was conducted June 9 through June 12. Ms. Carranceja commented the conversion process is underway and will be followed by three weeks of testing. She emphasized the importance of thorough testing as a tool for minimizing the number of change orders in the future.

Ms. Bhatia stated the proposed Plan Amendment regarding additional death benefit options was scheduled for the July 2, 2008, DWP Board of Commissioners meeting.

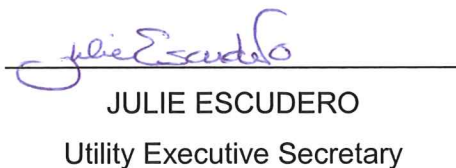
10. Future Agenda Items

Commissioner Hogan-Rowles inquired if the Plan has banking relationships with locally women-owned and minority-owned banks in Los Angeles County. She also asked about the guidelines for such institutions doing business with the Plan. Ms. Bhatia explained the Plan utilizes a custodian bank, which is currently Mellon Bank.

The Board meeting was adjourned at 11:43 a.m.


JAVIER ROMERO
President


SANGÉETA BHATIA
Retirement Plan Manager


JULIE ESCUDERO
Utility Executive Secretary