

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

MINUTES – September 19, 2007

Present:

Javier Romero	Committee Member
Mike Moore	Committee Member
Cindy Coffin	Committee Member

Others Present:

Sangeeta Bhatia	Retirement Plan Manager
Ramonette Carranceja	Assistant Retirement Plan Manager
Mary Higgins	Assistant Retirement Plan Manager
Paul Palmer	Chief Investment Officer
Irene Colón Gonzalez	Recording Secretary
Alan Manning	Deputy City Attorney
Sarah Bernstein	Pension Consulting Alliance
Joe Wyatt	Fiduciary Counsel

Mr. Romero called the Governance Committee Meeting to order at 9:02 am.

Ms. Bhatia indicated a quorum was present.

There were no public comments.

**1. Discussion of Draft Letter to Companies Identified by the Sudan
Divestment Task Force as Category Two Offenders and Possible
Action**

Ms. Bhatia stated at Committee direction received at the August 15, 2008, Governance Committee meeting, Staff had finalized and mailed letters to separate account managers, The Boston Company and Invesco. The finalized letters were included in the committee package for review. Ms. Bhatia stated Staff was also directed to prepare draft letters to companies identified by the Sudan Divestment Task Force (SDTF) as Category Two offenders. The draft letter was included on page 1.20 of the committee package for review and discussion.

Mr. Moore suggested the following revisions to the letter:

1. Change the sentence that reads "The WPERP is required to pursue a program of divestment from companies that have business operations, which may be inadvertently or intentionally facilitating the genocide in Darfur" to "The WPERP is required to pursue a program of divestment from companies that have business operations, which appear to be facilitating the genocide in Darfur."

2. Change the sentence that reads "Please provide us with information on how you plan to remedy the issues that were identified on the list by October 31, 2007" to "Please provide us with information on how you plan to remedy the issues that were identified by the SDTF on the attached list by October 31, 2007".

Mr. Moore moved approval of the letters to Category Two offenders. Seconded by Ms. Coffin and carried unanimously after the following vote:

Ayes: Romero, Moore, and Coffin
Nays: None

Mr. Romero explained that on September 18, 2007, he and Ms. Bhatia attended a meeting where an attorney, who was in opposition to divestment, was present. He stated there was some controversy involving the work of the SDTF and requested Staff provide the Committee members with additional information on the nature of the conflict and the SDTF organization and processes. Mr. Romero explained that meeting attendees opposed to divestment voiced strong concerns such as significant monetary losses and cited cases where divestment was unsuccessful in South Africa. He reported it was recommended retirement plans not become involved in social issues because they are not profiting from divestment. Mr. Romero noted he believed the letters were a good start and would not impact the Plan. He strongly encouraged the committee to look deeper into the divestment issue to assure the appropriate actions are taken.

The meeting was adjourned at 9:18 am.



JAVIER ROMERO
Committee Member



SANGEETA BHATIA
Secretary



IRENE COLÓN GONZALEZ
Recording Secretary