

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

MINUTES

DECEMBER 19, 2007

Present:

Javier Romero, Chair
Eugene K. Canzano, Committee Member
Cindy Coffin, Committee Member
Mike Moore, Committee Member

Committee Members Absent:

Forescee Hogan-Rowles, Commissioner

Others Present:

Sangeeta Bhatia, Retirement Plan Manager
Ramonette Carranceja, Assistant Retirement Plan Manager
Paul Palmer, Chief Investment Officer
Alan Manning, Assistant City Attorney
Mike Wilkinson, Deputy City Attorney
Irene Colón Gonzalez, Recording Secretary
Joseph Wyatt, Morrison /Foerster Attorney
Sarah Bernstein, Pension Consulting Alliance

Mr. Romero called the Governance Committee Meeting to order at 9:05 a.m.

Ms. Bhatia indicated a quorum was present.

There were no public comments.

1. Divestment of Foreign Companies Doing Business with Iran's Energy, Defense, or Nuclear Sectors

Ms. Bhatia stated that this was an information item for the Committee and asked Mr. Palmer to provide a summary regarding the Iran Divestment.

Mr. Palmer stated that Staff compiled a chronological and historical list of items that had occurred. He added that over the past few weeks, Staff had been asked at request of the Board to supply information to the Board of Water and Power Commissioners in response to the Mayor's request for information.

Mr. Moore inquired whether Staff and Pension Consulting Alliance (PCA) had developed a process to begin searching for an established list of companies in the portfolio engaged in business operations in Iran, to which Mr. Palmer responded that Staff was monitoring both the California Public Employees' Retirement System's (CalPERS) and California State Teachers' Retirement System's (CalSTRS) progress on this issue. He

stated neither CalPERS nor CalSTRS had developed a list and there currently was no "national list" that could be used to identify holdings or exposures in Iran; however, a specific list was expected to be developed by June 30, 2008.

Ms. Bhatia added that so far policies only had been adopted in connection to divestment as opposed to defining companies engaged in business operations, and that these policies adopted would be followed and revised as needed with Board approval.

Staff further stated that WPERP would continue to monitor the situation in Iran and would provide updates as new information became available.

The meeting was adjourned at 9:45 a.m.



JAVIER ROMERO
Chair



SANGEETA BHATIA
Retirement Plan Manager



IRENE COLÓN GONZALEZ
Recording Secretary