

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

MINUTES

DECEMBER 21, 2016

Committee Members Present:

Mario Ignacio, Acting Chair
Timothy Hemming, Retiree Member

Committee Members Absent:

Barry Poole, Chair

Staff Present:

Linda P. Le., Retirement Plan Manager
Monette Carranceja, Asst. Retirement Plan Mgr
Katie S. Zordilla, Interim Asst. Retirement Plan Mgr
Jeremy Wolfson, Chief Investment Officer
William Feng, Senior Utility Accountant
Mary Alvarez, Utility Executive Secretary

Others Present:

James Napier, Deputy City Attorney

Mr. Ignacio called the meeting to order at 9:00 a.m.

Ms. Le stated that a quorum of the Audit Committee was present.

Ms. Alvarez stated there were no requests for public comment.


1. Presentation by Simpson & Simpson, CPAs – Annual Audit Report and Related Financial Statements as of June 30, 2016

Mr. Feng introduced the item and invited Grace Yuen, representative from Simpson and Simpson, the Water and Power Employees' Retirement Plan's (Plan) Auditors, to provide the results of the audited financial statements as of June 30, 2016.


Ms. Yuen presented the required communications and financial highlights for the 2016 audited financial statements. She stated that there were no management comments and found no significant deficiencies or material weaknesses. Ms. Yuen discussed the financial status of the Retirement Fund, Disability Fund, Death Benefits Fund, and the Retiree Health Benefits Fund.

Mr. Ignacio inquired if the financial statements had any significant changes to the estimates for this fiscal year. Ms. Yuen stated that due to the recently adopted experience study, there was impact to the determination of the Annual Required Contribution and required contribution rate and total net pension liability; however, on the investment side there were no changes in estimates.

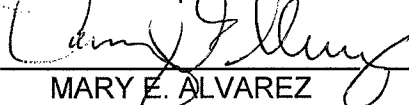
There being no further business, the meeting adjourned at 9:09 a.m.



MARIO IGNACIO 2/8/17
Chairperson Date



LINDA P. LE 2/8/17
Retirement Plan Manager Date



MARY E. ALVAREZ 2/8/17
Utility Executive Secretary Date