

IN PERSON & VIRTUAL BOARD MEETING

*The Committee meeting will be held following the Board of Retirement meeting scheduled prior.



TO VIEW VIA WEB



TO PROVIDE PUBLIC COMMENT

Members of the public may address the Board orally and in writing. To provide Public Comment, please visit the above link and complete the request form.

Attention: If you have any questions, you may email PublicComment@lacera.com.

AGENDA

A REGULAR MEETING OF THE OPERATIONS OVERSIGHT COMMITTEE

AND BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

9:00 A.M., WEDNESDAY, FEBRUARY 4, 2026**

This meeting will be conducted by the Operations Oversight Committee and Board of Retirement both in person and by teleconference under California Government Code Sections 54953.8.3.

Any person may view the meeting in person at LACERA's offices or online at <https://LACERA.com/leadership/board-meetings>.

The Committee may take action on any item on the agenda, and agenda items may be taken out of order.

COMMITTEE TRUSTEES:

Nancy M. Durazo, Chair
Wayne Moore, Vice Chair
Bobbie Fesler, Trustee
Aleen Langton, Trustee
David Ryu, Alternate Trustee

- I. CALL TO ORDER
- II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER SB 707
 - A. Just Cause (Section 54953.8.3)
 - B. Statement of Persons Present at SB 707 Teleconference Locations

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of January 7, 2026

IV. PUBLIC COMMENT

(Members of the public may address the Committee orally and in writing. To provide Public Comment, you should visit <https://LACERA.com/leadership/board-meetings> and complete the request form.)

If you select oral comment, we will contact you via email with information and instructions as to how to access the meeting as a speaker. You will have up to 3 minutes to address the Committee. Oral comment requests will be accepted up to the close of the Public Comment item on the agenda.

If you select written comment, please input your written public comment within the form as soon as possible and up to the close of the meeting. Written comment will be made part of the official record of the meeting. If you would like to remain anonymous at the meeting without stating your name, please leave the name field blank in the request form. If you have any questions, you may email PublicComment@lacera.com.)

V. REPORTS

A. **Operations Briefing**

Laura Guglielmo, Assistant Executive Officer

JJ Popowich, Assistant Executive Officer

Kathy Delino, Chief, Information Technology
(Presentation)

B. **2026 Operations Oversight Committee Topics**

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

Kathy Delino, Chief, Information Technology

Joe Shiuan, Information Technology Manager II

(For Information Only) (Memo dated January 20, 2026)

C. **Artificial Intelligence (AI) Policy – Public Facing Summary**

Chaitanya Errande, Information Security Officer

(For Information Only) (Memo dated January 22, 2026)

V. REPORTS (Continued)

D. **Privacy Incidents: Personally Identifiable Information (Monthly)**

Chaitanya Errande, Information Security Officer

(For Information Only) (Memo dated January 15, 2026)

VI. ITEMS FOR STAFF REVIEW

(This item summarizes requests and suggestions by individual trustees during the meeting for consideration by staff. These requests and suggestions do not constitute approval or formal action by the Board, which can only be made separately by motion on an agendized item at a future meeting.)

VII. ITEMS FOR FUTURE AGENDAS

(This item provides an opportunity for trustees to identify items to be included on a future agenda as permitted under the Board's Regulations.)

VIII. GOOD OF THE ORDER

(For Information Purposes Only)

IX. ADJOURNMENT

The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.

****Although the meeting is scheduled for 9:00 a.m., it can start anytime thereafter, depending on the length of the Board of Retirement meeting preceding it. Please be on call.**

Any documents subject to public disclosure that relate to an agenda item for an open session of the Committee, that are distributed to members of the Committee less than 72 hours prior to the meeting, will be available for public inspection at the time they are distributed to a majority of the Committee, at LACERA's offices at 300 North Lake Avenue, Suite 820, Pasadena, California during normal business hours from 9:00 a.m. to 5:00 p.m. Monday through Friday and will also be posted on lacera.com at the same time, [Board Meetings | LACERA](#).

Requests for reasonable modification or accommodation of the telephone public access and Public Comments procedures stated in this agenda from individuals with disabilities, consistent with the Americans with Disabilities Act of 1990, may call the Board Offices at (626) 564-6000, Ext. 4401/4402 from 8:30 a.m. to 5:00 p.m. Monday through Friday or email PublicComment@lacera.com, but no later than 48 hours prior to the time the meeting is to commence.

MINUTES OF THE REGULAR MEETING OF THE OPERATIONS OVERSIGHT
COMMITTEE AND BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

12:26 P.M. – 1:33 P.M., WEDNESDAY, JANUARY 7, 2026

This meeting was conducted by the Operations Oversight Committee both in person and by teleconference under California Government Code Section 54953.8.3.

COMMITTEE TRUSTEES

PRESENT: JP Harris, Chair

Nancy M. Durazo, Vice Chair

Aleen Langton, Trustee

Wayne Moore, Trustee
(Teleconference Due to Just Cause under Section 54953.8.3)

ABSENT: Shawn R. Kehoe, Alternate Trustee

OTHER BOARD OF RETIREMENT TRUSTEES

Bobbie Fesler, Trustee

Elizabeth Ginsberg, Trustee

STAFF, ADVISORS AND PARTICIPANTS

Luis A. Lugo, Acting Chief Executive Officer

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

Steven P. Rice, Chief Counsel

Kathy Delino, Chief, Information Technology

Chaitanya Errande, Information Security Officer

Erika Heru, Creative Coordinator

Sara Dubisz, Social Media Specialist

Bernie Buenaflor, Chief, Quality Assurance & Metrics Division

I. CALL TO ORDER

This meeting was called to order by Chair Harris at 1:26 p.m.

II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER SB 707

- A. Just Cause (Section 54953.8.3)
- B. Statement of Persons Present at SB 707 Teleconference Locations

A physical quorum was present at the noticed meeting location. There was one request received from Trustee Moore related to a physical condition under Section 54953.8.3(c)(3). Trustee Moore confirmed there were no individuals 18 years or older present at the teleconference location.

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of December 3, 2025

Trustee Langton made a motion, Trustee Durazo seconded, to approve the minutes of the regular meeting of December 3, 2025. The motion passed by the following roll call vote:

Yes: Durazo, Langton, Moore, Harris

No: None

IV. PUBLIC COMMENT

There were no requests from the public to speak.

V. REPORTS

A. **Operations Briefing**

Laura Guglielmo, Assistant Executive Officer
JJ Popowich, Assistant Executive Officer
Kathy Delino, Chief, Information Technology
(Presentation)

The Executive team presented the monthly briefing and was available to answer questions from the Committee. This item was received and filed.

B. **2023-2028 Quarterly Strategic Plan Update**

Luis A. Lugo, Acting Chief Executive Officer
JJ Popowich, Assistant Executive Officer
Laura Guglielmo, Assistant Executive Officer
(Presentation)

The Executive team was available to answer questions from the Committee. This item was received and filed.

V. REPORTS (Continued)

C. Social Media Plan – Key Highlights

Cynthia Martinez, Chief of Communications

Erika Heru, Creative Coordinator

Sara Dubisz, Social Media Specialist

(Presentation) (Memo dated December 29, 2025)

LACERA's Social Media Plan was presented, and staff was available for questions for the Committee. This item was received and filed.

D. Annual QA Audit Report

Bernie Buenaflor, Chief, Quality Assurance & Metrics Division

(Presentation) (Memo dated December 19, 2025)

The Annual QA Audit Report was presented and staff was available for questions from the Committee. This item was received and filed.

E. Privacy Incidents: Personally Identifiable Information

Chaitanya Errande, Information Security Officer

(For Information Only) (Memo dated December 19, 2025)

This item was received and filed.

VI. ITEMS FOR STAFF REVIEW

(This item summarizes requests and suggestions by individual trustees during the meeting for consideration by staff. These requests and suggestions do not constitute approval or formal action by the Board, which can only be made separately by motion on an agendized item at a future meeting.)

There was nothing to report.

VII. ITEMS FOR FUTURE AGENDAS

(This item provides an opportunity for trustees to identify items to be included on a future agenda as permitted under the Board's Regulations.)

There was nothing to report.

VIII. GOOD OF THE ORDER
(For Information Purposes Only)

There was nothing to report.

IX. EXECUTIVE SESSION

A. Potential Threats to Public Services or Facilities
(Pursuant to Subdivision (a) of California Government Code
Section 54957)

Consultation with: LACERA Acting Chief Executive Officer Luis A. Lugo, Assistant Executive Officers JJ Popowich and Laura Guglielmo, Chief, Information Technology Kathy Delino, Information Security Officer Chaitanya Errande, and Other LACERA Staff.

There was nothing to report.

X. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 1:33 p.m.

***The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**



Operations Briefing

Operations Oversight Committee
February 2026



Operational Initiatives

Organization-Wide Projects

OPERATIONAL INITIATIVES



Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Expected Completion
Boardroom Relocation and Expansion Relocation of the Boardroom from the 8 th Floor to the ground floor of Gateway Plaza	 On Track (Planning Phase)	\$700,000	Laura Guglielmo, Ricki Contreras	The Facilities Management and Audio Visual teams are coordinating with the Office of the Building to refine the audio visual requirements and space plans. Pending building permits.	March 2027
COLA Bank Retroactive Changes Board of Retirement approved corrections to the COLA Accumulation Bank, which involved making retroactive corrections, recalculating benefit allowance amounts, and paying members retroactive benefits due to a discrepancy discovered in the COLA Accumulation	 On Track (Execution Phase)	\$0	JJ Popowich, Louis Gittens, Theodore King	We have assembled a team that calculated 663 cases of 1,292 to calculate. We will continue to make steady progress towards our goal.	June 2026
CoPilot Champions Expanding the adoption of Co-Pilot by empowering selected staff to lead adoption efforts, recommend training opportunities, and serve as peer mentors across the organization	 On Track (Execution Phase)	\$0	Laura Guglielmo, Joe Shiuan, Penelope Rodriguez (PM)	A second round of Co-Pilot training is being scheduled, with this series focusing on division-specific use cases.	September 2028
Deductions for Dues from Retiree Benefit Payments Policy implementation addressing existing and future members who elect to have dues, fees or premium payments for various third-party agencies deducted from their retirement benefit on a monthly basis to ensure LACERA is compliant with CERL Section 31452.5	 Pending (Planning Phase)	\$0	JJ Popowich, Louis Gittens, Fabio Ramirez	We are in the final stages of updating the Agency contract to align with recent policy changes. The team is also preparing comprehensive communications to ensure all agencies are fully informed about the new business processes and data exchange requirements.	To Be Determined

OPERATIONAL INITIATIVES



Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Expected Completion
Disability Retirement Artificial Intelligence Solution Transform the document and record indexing process of the disability retirement application workflow to enhance the speed, accuracy, and efficiency of handling member applications	 Pending (Initiation Phase)	\$110,000	JJ Popowich, Tamara Caldwell Alonso Favela (PM)	Discovery and Initiation meetings have been scheduled and will occur in early February.	June 2026
eDiscovery Solution for the Legal Office and Information Security Teams to conduct eDiscovery which is the process of identifying, collecting, and producing electronically stored information (ESI) in response to a request for production in a lawsuit or investigation, to respond to a Public Records Act, or to facilitate collection of information for other business purposes	 Pending (Planning Phase)	\$120,000	Steven Rice, Chait Errande, Alonso Favela (PM)	A Proof of Concept (POC) was completed successfully. However, the estimated cost to fully meet LACERA's requirements is higher than the amount previously approved by the Board of Retirement. To ensure the revised pricing is both competitive and appropriate, the project team is obtaining additional quotes from qualified vendors.	To Be Determined
LACERA Event Response Team (LERT) Management Solutions Automate the tracking of LACERA incidents and integrating the ServiceNow workflow with LACERA's Pension Administration System (Workspace) and LACERA's Emergency Notification System (On-Solve).	 Delayed (Execution Phase)	\$0	JJ Popowich, Chait Errande, David Choe (PM), Iveta Brecko	The integration of the LERT process in ServiceNow with LACERA's Pension Administration System (PAS) has been completed. The LACERA project team is finalizing the member correspondence templates.	March 2026 (December 2025)
Legal Matter Management (LMM) Solution Solution for the Legal Office Division to Track and Manage Legal Matter Management and integrate with Enterprise Contract Lifecycle Management	 Delayed (Execution Phase)	\$150,000	Steven Rice, Christine Roseland, David Choe (PM), Tom DeLuca (PM)	Currently in use by in-house legal staff for logging Public Records Requests, inputting Legal investments transactions, and completed commercial contracts. Training is in process for core users from Admin Services and Investments to begin using LawVu to input matter records.	March 2026 (December 2025)

OPERATIONAL INITIATIVES



Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Expected Completion
Mainframe System Migration Migration of existing pension administration mainframe functionality to modern infrastructure and architecture to enhance scalability, agility, and integration capabilities.	On Track (Execution Phase)	\$920,000	JJ Popowich, Kathy Delino, Alonso Favela (PM)	Recently added temporary development and analysis staff; optimizing the migration process using AI and automated testing; migrating Tax Reporting and Direct Deposit Prenote processes.	June 2028
Microfiche Digitization Conversion of LACERA's 46 million pages of microfiche to searchable PDF files and store them in an Enterprise Content Management System (ECM). A subset of the PDF files will be shared with the L.A. County Auditor-Controller.	On Track (Execution Phase)	\$0	JJ Popowich, Kathy Delino, Tom DeLuca (PM)	The mass conversion process of microfiche digital files to searchable PDF files was completed in January. Next step is to coordinate transmission and delivery to LA County.	January 2026
PEPRA: Annual Benefit Statement Provide an Annual Benefit Statement (ABS) for PEPRA members.	On Track (Execution Phase)	\$0	JJ Popowich, Cynthia Martinez	Design requirements have been submitted to Systems, and Systems will begin working on additional design and programming in December 2025.	December 2026
PEPRA Final Average Compensation: Scheduled Earnings The Board of Retirement approved a change to the methodology for calculating a PEPRA member's Final Average Compensation (FAC) due to a revised interpretation of PEPRA and CERL. Effective with this decision, LACERA will now use Scheduled Earnings to calculate the FAC, instead of Actual Earnings. This project covers all efforts to implement this change and pay any retroactive benefits.	On Track (Execution Phase)	\$0	JJ Popowich, Louis Gittens, Kevin Hawkins	The team has updated retirement benefits for routine cases and now has 3 remaining complex cases.	January 2026

OPERATIONAL INITIATIVES



Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Expected Completion
Prepaid Bank Card Providing a prepaid bank card option for monthly benefit payments	● On Track (Completion Phase)	\$0	JJ Popowich, Shonita Peterson	Phase I of the LACERA Way2Go Prepaid Mastercard has been completed, and the initial group of payees are receiving payments. Phase II enhancement are in the initiation stage and will be reported in next month's report.	Completed (Monitoring)
Project Portfolio Management Solution Streamlining project selection, prioritization, and resource allocation, ensuring alignment with business goals in support of improving efficiency, decision-making, and overall project success rates.	● Pending (Initiation Phase)	\$50,000	Luis Lugo, Kathy Delino, Sai Nichal Dasari (PM)	Developing the Request for Proposal (RFP), under Legal review.	To Be Determined
Retroactive Payroll Adjustments: Prospective Correction Collaboration with the Auditor-Controller (AC) to ensure timely and accurate collection of member payroll contributions on retroactive payroll adjustments.	● Pending (Initiation Phase)	\$0	JJ Popowich	LACERA has communicated our concerns with the County. The Auditor-Controller plans to work with Systems to resolve this.	To Be Determined
SASE (Phase II) Implement the core features of a cloud-based networking and security architecture to ensure confidentiality, availability, and integrity as we conduct our activities when we are logged in. Features such as SDWAN (Software defined wide area network). Secure Enterprise Browser rollout and Data Loss Prevention strategies will be deployed in this phase.	● On Track (Execution Phase)	\$0	Chait Errande	Available advanced features are now being implemented. Boardroom Testing of the Prisma Access Browser has begun. We are now testing out the Prisma Access Browser for contractors	March 2026

OPERATIONAL INITIATIVES



Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Expected Completion
Staff Offboarding Implementing the staff offboarding process into ServiceNow.	 On Track (Completion Phase)	\$0	Laura Guglielmo, Carly Ntoya, Alonso Favela (PM)	The new staff offboarding process has been rolled out in ServiceNow and training has been completed. Project closure in early February.	Completed (Monitoring)
Virtual Mailroom Moving the document imaging services in LACERA's Document Processing Center to a third party, creating a virtual mail room solution to be used permanently or as a business continuity solution	 Pending (Planning Phase)	\$150,000	Laura Guglielmo, Ricki Contreras, Ahmad Chishty (PM)	Discovery and Initiation meetings will be scheduled in February.	To Be Determined

STRATEGIC PLAN INITIATIVES



Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Expected Completion
Business Intelligence Initiative Strategic Priority Goal 2: Innovation Through Technology – 2.1 Business Intelligence Implement a centralized, scalable, and secure Business Intelligence (BI) platform for LACERA, leveraging Microsoft Fabric, Purview, Power BI, and Copilot to unify data sources, enable advanced analytics, and empower self-service reporting for all divisions. The solution will replace legacy reporting systems, centralize data governance, and support strategic decision-making across the organization.	 On Track (Initiation Phase)	\$960,000	Luis Lugo, Kathy Delino, Alonso Favela (PM)	A Project Kick-Off meeting to present scope and high-level timelines was held in January 2026.	December 2027
Case Management (Sol) Phase 2 Strategic Priority Goal 1: Superior Member Experience – 1.3 Digital Strategy Extension of LACERA's Sol Case Management System to include Death Processing	 Pending (Planning Phase)	\$260,000	JJ Popowich, Iveta Brecko (PM)	A Discovery Phase was completed in December 2025, which produced a Statement of Work (SOW) for the development of Active Death Case Management. The SOW is currently in LACERA's procurement process.	To Be Determined
Employer Portal Strategic Priority Goal 1: Superior Member Experience – 1.3 Digital Strategy A secure online portal for employer to assist HR departments to on-board LACERA members by creating a more consistent introduction to LACERA and electronically completing the Member Sworn Statement (MSS), streamlining the current process and granting earlier access for members to My LACERA self-service options.	 Pending (On-Hold)	\$0	JJ Popowich, Tatiana Bayer, Alonso Favela (PM)	On-Hold.	To Be Determined

STRATEGIC PLAN INITIATIVES



Objective	Progress	Current FY Budget	Executive Sponsor, Lead, Project Manager	Key Update	Expected Completion
Enterprise Knowledge Management Solution – Taxonomy and RFP Strategic Priority Goal 2: Innovation Through Technology – 2.2 Knowledge Management This project is to hire a Taxonomy consultant that would assist LACERA and the Strategic Initiative 2.2 Team with the requirements definition and RFP for a Knowledge Management System.	● On Track (Planning Phase)	\$135,000	JJ Popowich, Eugenia Der, Iveta Brecko (PM)	The team has finalized rating strategy and scoresheet. Next steps are: first round scoring, with vendor demos to follow next month.	December 2029
Member Experience Communication Project (MECP) Strategic Priority Goal 1: Superior Member Experience – 1.3 Digital Strategy Replace the existing AWS Connect with a cloud communications service that provides Omni-Channel Contact Center with native MS Teams certified integration.	● On Track (Execution Phase)	\$300,000	JJ Popowich, Tatiana Bayer, Cookie Jaranilla (PM)	The MECP project is in development and LACERA's Pension Administration System is being integrated with the Call Center Solution.	June 2026



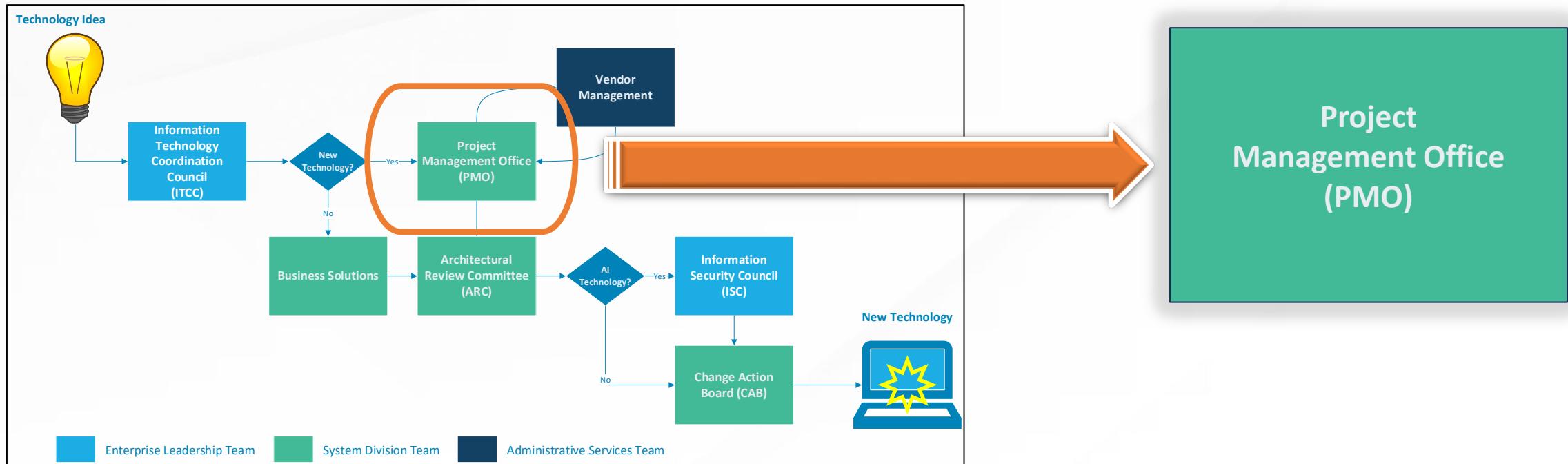
IT Trends & Transformation

IT & AI Governance: The Strategic Role of the Project Management Office (PMO)

Presented by:

Kathy Delino - Chief, Information Technology
Joe Shiuan - IT Manager II

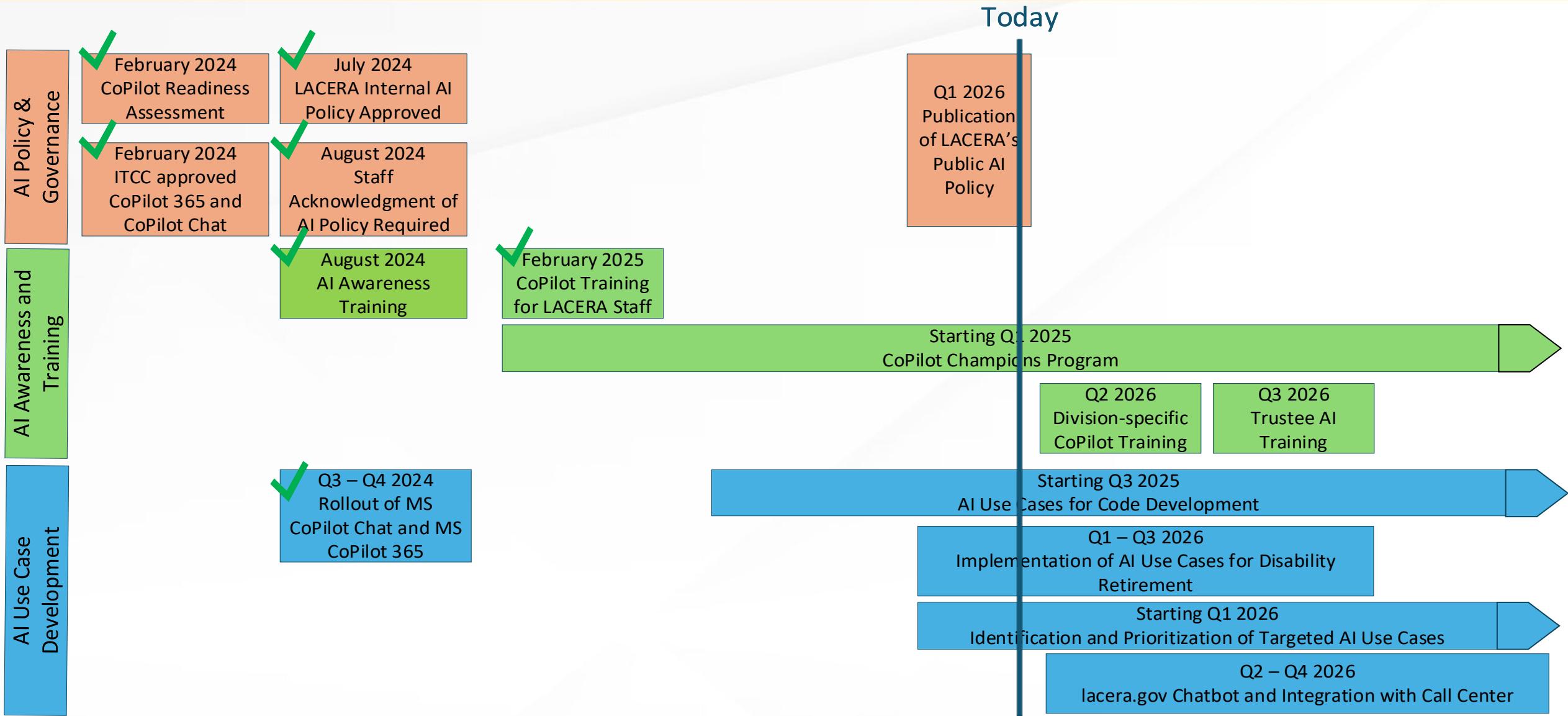
IT Governance & Project Management Office (PMO)



Project Management Office (PMO)



LACERA's Generative and Agentic AI Progress



LACERA AI Solutions Overview



Current AI Applications in Use

- Microsoft CoPilot Chat
- Microsoft 365 CoPilot
- AI-Powered Transcription for Public Videos
- Business Intelligence and Data Visualization Tools
- AI-Assisted Code Generation
- AI-Assisted Test Case and User Story Generation

AI Projects in Development

- Lacera.gov Conversational Chatbot with Integration into the Member Call Center Solution
- AI-Enabled Analysis of Disability Retirement Medical Reports

Future AI Projects

- AI Assistance for Board Meetings
- AI-Assisted Contract Review
- AI-Assisted Legal Research
- Intelligent Document Processing (IDP) for Incoming Documents

Thank You!



Questions?

FOR INFORMATION ONLY

January 20, 2026

TO: Operations Oversight Committee
Nancy Durazo, Chair
Wayne Moore, Vice Chair
Bobbie Fesler, Trustee
Aleen Langton, Trustee
David Ryu, Alternate

FROM: JJ Popowich, Assistant Executive Officer *JJ*
Laura Guglielmo, Assistant Executive Officer *LG*
Kathy Delino, Chief, Information Security *KD*
Joe Shiuan, Information Technology Manager II *JS*

FOR: February 4, 2026 Operations Oversight Committee Meeting

SUBJECT: 2026 Operations Oversight Committee Topics

The Operations Oversight Committee (OOC) is established to provide a structured forum for organizational-wide visibility, alignment, and learning across high-impact operational initiatives. (See Board of Retirement Standing Committee Charters, Section I.) Among its responsibilities, the committee serves two primary functions:

Operational Awareness and Alignment – Share timely information on organization-wide operational initiatives, policies, projects, and trends that have significant impact across enterprise governance and functions, ensuring alignment, reducing duplication, and identifying interdependencies and risks early.

Education and Capability Building – Serve as a platform for ongoing training and education on emerging operational topics, tools, and trends that influence how we work, including technology, workforce impacts, and performance management.

Through this committee, Trustees will gain a holistic view of operational priorities while building shared understanding and readiness for change. The Committee is a vehicle to assist the Board with its oversight responsibilities for operational matters and make recommendations to the Board on reporting, policies, and other changes when action is required with respect to operational matters and otherwise support the effectiveness and efficiency of Board oversight.

Standard Reports and Topics

The Operations Oversight Committee meeting will include a consistent operational briefing to ensure continuity, clarity, and strategic focus. Standard topics will include, but are not limited to, the following:

Monthly Information and Reporting

The monthly Operations Briefing report will include the following topics:

Org-wide Operational Initiatives and High-Impact Projects Report

- Overview of organization-wide projects with significant operational, financial, or member impact including project objectives, current status, budget, and timelines

Information Technology Trends & Transformation (Presentation)

- Overview of major IT initiatives and current or upcoming transformation efforts
- Emerging technology trends shaping operations and enhancing service delivery
- Digital modernization program and planned system enhancements
- Artificial Intelligence (AI) strategy and high-value use cases

Quarterly Information and Reporting

Strategic Plan 2023-2028 Update Report

- Updates on progress, milestone completion, budget utilization, and key initiatives underway.

Vendors and Applications Utilizing Artificial Intelligence (AI) Report

Cybersecurity

- Cybersecurity and Information Risk Report/Presentation
- Cybersecurity posture and emerging threat landscape
- Key risks, incidents, or mitigation efforts
- Awareness and education topics to strengthen organizational resilience
- Compliance and regulatory considerations

Additional Information and Reporting Topics

Following are additional topics that will be presented to the OOC throughout the year.

- LACERA's Technology Roadmap: Administrative and Member Operation Applications
- Evaluating Technology Return on Investment
- Intelligent Document Processing
- Strategic Cloud Adoption
- Security as a Shared Responsibility
- Digital Accessibility: Designing for All Users
- Other operational initiatives

Staff welcomes the Committee's feedback on any additional topics or educational sessions of interest.



January 22, 2026

TO: Operations Oversight Committee
Nancy Durazo, Chair
Wayne Moore, Vice Chair
Bobbie Fesler, Trustee
Aleen Langton, Trustee
David Ryu, Alternate Trustee

FROM: Chaitanya Errande 
Information Security Officer

FOR: February 4, 2026, Operations Oversight Committee Meeting

SUBJECT: Artificial Intelligence (AI) Policy – Public Facing Summary

LACERA is committed to the responsible and thoughtful use of artificial intelligence in support of our Mission to Produce, Protect and Provide the Promised Benefits to our members. As directed by your Committee, we (Information Security Office) have drafted the attached Public Summary of LACERA's internal Artificial Intelligence (AI) Policy that provides a transparent overview of LACERA's approach to responsible AI use based on its AI policy for your review, while preserving the security and confidentiality of LACERA's information security processes as reflected in the full internal policy. This summary reflects our commitment to safeguarding personal information, maintaining trust, and ensuring that AI technology is used carefully and thoughtfully in support of LACERA's mission.

Reviewed and approved:


Luis A. Lugo
Acting Chief Executive Officer

Attachment

CE::nm



LACERA

**Artificial Intelligence (AI) Policy
Public Summary**

Artificial Intelligence Policy - Public Summary

Authorizing Manager: Chaitanya Errande, Information Security Officer

Effective Date: *PENDING APPROVAL* **Last Updated:** January 22, 2026

Mandatory Review: February 2027 (Every Year)

Approval Level: Chief Executive Officer

A. Purpose

This public summary outlines LACERA's internal Artificial Intelligence (AI) Policy and describes the organization's framework for the responsible, ethical, and secure use of Artificial Intelligence (AI) technologies, including but not limited to Generative AI (GenAI) and Machine Learning (ML). It ensures that AI is used to enhance service quality and efficiency while safeguarding member privacy, protecting confidential information, and maintaining professional, human oversight over all final decisions and outputs.

Our guiding principles include:

- **Member-First Protection:** The privacy, security, and interests of members come first in any use of AI.
- **Human Oversight:** AI is a tool; human professionals remain accountable for results.
- **Ethical Use:** AI-assisted outputs must meet standards of fairness, integrity, and professionalism.
- **Compliance by Design:** AI use must follow applicable laws, policy requirements, and recognized governance practices.
- **Transparency and Restraint:** We communicate openly about how AI is used and limit its use to appropriate, beneficial contexts.

Scope

The internal AI policy applies to all individuals who may handle or interact with LACERA information in the course of their duties, including employees, contractors, and authorized service providers. It covers any use of AI, GenAI, or ML that touches LACERA data or contributes to LACERA work products.

Definitions

For the purpose of this Policy, the terms below have the following definitions:

For Public Disclosure – LACERA

Printed copies of this document are uncontrolled. In the case of a conflict between printed and electronic versions of this document, the controlled version published on LACERA's portal prevails.

Artificial Intelligence (AI): Computer systems able to perform tasks that normally require human intelligence, such as visual perception, speech recognition, decision-making, research, writing, and analysis, and translation between languages, including but not limited to GenAI and ML.

Machine Learning (ML): Use of computer systems that can learn and adapt without following explicit instructions, by using algorithms and statistical models to analyze and draw inferences from data patterns.

Confidential Information: Non-public information belonging to or entrusted to LACERA, including (without limitation) personal data, member records, protected health information, proprietary data, and privileged materials.

National Institute of Standards and Technology (NIST): Is a federal agency that provides measurement science, standards, and technology for various fields, such as computer security, climate, cybersecurity, health, and quantum science.

Policy Summary

A. Acceptable Use and Boundaries

LACERA permits the use of AI to support research, drafting, summarization, idea generation, and similar preparatory activities. These uses can increase efficiency and improve the quality of preliminary work products. However, there are clear boundaries:

- **No Final Authority:** AI cannot be used to generate final communications, decisions, or official records. Staff must review, validate, and approve any AI assisted research, draft, or analysis before it is used or shared.
- **No Unapproved Tools:** Public or unapproved AI tools must not be used with LACERA information. This protects against data leakage, privacy risk, and loss of control over confidential content.
- **No Sensitive Data Exposure:** Confidential or legally protected data must never be entered into external or untrusted AI systems. The policy reinforces strong restrictions around personal information, health information, member records, privileged materials, and other sensitive categories.
- **Business Purpose Only:** AI is used only to support legitimate business purposes consistent with LACERA's mission, fiduciary responsibilities, and professional standards.

B. Data Protection and Confidentiality

Protecting confidential information is central to the AI Policy. LACERA upholds strict controls over how sensitive data is accessed, handled, and used—particularly in the context of AI. This includes:

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- **Confidential Information:** Information not publicly available that relates to LACERA's operations or is entrusted to LACERA is treated as confidential and protected accordingly.
- **Personal Data (PII):** Identifiable information about individuals—such as names, contact details, or identification numbers—receives heightened protection and may not be shared with unapproved AI tools.
- **Health Information (PHI):** Health related information, where applicable, is handled in line with applicable privacy requirements and may never be exposed to external AI systems.
- **Proprietary and Privileged Information:** Information that is proprietary, legally privileged, or exempt from disclosure remains strictly controlled and is not input into AI tools outside LACERA's approved environment.

These protections ensure member privacy and uphold LACERA's legal and ethical obligations regarding sensitive data.

C. Responsible and Ethical AI Use

LACERA's approach to AI is grounded in responsibility and ethics. AI assisted output must be appropriate, accurate, and aligned with our standards. Users are expected to:

- **Evaluate Reliability:** Treat AI output as a starting point that requires critical review. Claims, figures, and citations must be verified using trusted sources.
- **Avoid Bias and Misrepresentation:** Content influenced by AI must not promote unfairness, prejudice, or misleading conclusions.
- **Respect Intellectual Property:** Users must not request or produce content that infringes copyright or violates intellectual property rights.
- **Maintain Professional Quality:** AI assisted drafts and analyses must meet LACERA's expectations for clarity, accuracy, and professionalism once finalized by staff.

D. Human Oversight, Accountability, and Quality Assurance

Human oversight is fundamental. Staff who use AI are responsible for the accuracy and appropriateness of the final output. This includes:

- **Review and Approval:** AI assisted content must be reviewed and approved by responsible personnel before use, ensuring that it reflects correct facts, context, and tone.

- **Attribution and Authorship:** Final work product is considered authored by staff, who are accountable for its quality and integrity—even when AI provided preliminary input.
- **Risk Awareness:** Users must consider the potential risks associated with AI outputs (for example, hallucinations, outdated information, or lack of context) and mitigate those risks through informed judgment and additional verification.

E. Legal and Regulatory Compliance

All AI use must comply with applicable laws and regulations, as well as LACERA's policies concerning privacy, confidentiality, records, and ethical conduct. While this summary does not describe internal procedures, the policy is designed to integrate with LACERA's broader compliance and information security expectations. In practice, that means:

- **Privacy and Data Protection:** Personal and sensitive information is handled lawfully, with appropriate safeguards and restrictions on sharing.
- **Intellectual Property Compliance:** Content generation respects copyright, licensing, and fairuse principles.
- **Records and Transparency:** Where applicable, records are finalized and maintained by staff, not by AI systems, preserving accountability and auditability.

F. Security Expectations

LACERA's AI Policy reflects a commitment to secure use of approved tools and safe handling of data. At a high level:

- **Access Control:** Only authorized personnel may use AI tools in connection with LACERA information, and credentials must never be shared.
- **Protection Against Data Loss:** Measures are taken to prevent the exposure of confidential data to unapproved platforms or uncontrolled environments.
- **Secure Practices:** Users are expected to follow secure practices, such as avoiding entry of sensitive data into prompts and verifying that any content used is appropriate for the intended audience.

G. Training and Awareness

Because AI is rapidly evolving, LACERA provides regular training and awareness to all staff to help personnel understand responsible AI use. Training focuses on ethical considerations, privacy and confidentiality obligations, the importance of human review, and practical strategies to identify and correct errors in AI assisted output. This ongoing education supports a culture of careful, informed use and continuous improvement.

H. Third Party and Service Provider Expectations

Where third parties assist LACERA and may interact with AI in the course of their services, LACERA expects adherence to comparable standards of privacy, confidentiality, and ethical conduct. Vendors and partners must respect the boundaries described in this policy, including restrictions on the use of confidential data and the requirement for human oversight over any AI assisted outputs. LACERA's goal is to maintain consistent protection and responsible use across its broader ecosystem.

I. Appropriate Transparency to Members

LACERA recognizes the importance of member trust. While AI may assist with drafting or analysis behind the scenes, members can expect that final communications and decisions affecting their benefits are made and communicated by knowledgeable professionals. When appropriate, LACERA provides clear, understandable information about its responsible use of AI and the steps it takes to protect member privacy and maintain quality.

J. Accountability and Consequences for Misuse

The AI Policy includes consequences for misuse or violation of its terms. While this summary does not detail internal monitoring and security processes, individuals who fail to meet policy requirements may be subject to disciplinary action or other appropriate remedies under applicable rules and laws. These measures reinforce LACERA's commitment to safeguarding members and maintaining the integrity of its operations.

K. Continual Improvement

AI technology and the legal landscape are evolving. LACERA periodically reviews and updates its AI Policy to address emerging risks, improve clarity, and align with current best practices for responsible AI use. This commitment to continual improvement ensures the policy remains effective and relevant as technology and expectations change.

L. What Members Should Know

For members, the most important assurances are simple:

- 1. Your confidential information is protected:** LACERA does not place your personal, financial, or health information into public AI tools.
- 2. People—not algorithms—make decisions:** AI may assist with routine tasks, but trained professionals review and approve all final outputs and decisions.
- 3. Quality and fairness matter:** Any AI assisted content must meet LACERA's standards for accuracy, professionalism, and alignment with our mission and values.

4. **We are cautious and transparent:** LACERA uses AI carefully and thoughtfully, and we communicate openly about our practices responsibly.
5. **We keep pace with change:** As technology evolves, our policy evolves with it—always centered on member trust and protection.

FOR INFORMATION ONLY

January 15, 2026

TO: Operations Oversight Committee
Nancy Durazo, Chair
Wayne Moore, Vice Chair
Bobbie Fesler, Trustee
Aleen Langton, Trustee
David Ryu, Alternate Trustee

FROM: Chaitanya Errande 
Information Security Officer

FOR: February 4, 2026, Operations Oversight Committee Meeting

SUBJECT: **Privacy Incidents: Personally Identifiable Information (Monthly)**

EXECUTIVE SUMMARY

The Information Security Office has been investigating and reporting the privacy-related events. Potential privacy breaches are now classified as "events" until investigations confirm them as "incidents." To address prior Board feedback, we have enhanced the readability of this report through concise language, structured formatting, and a clear summary table.

A total of **5** events were investigated, with **4** confirmed as incidents, including **4** involving Personally Identifiable Information (PII) and **0** involving Protected Health Information (PHI) for the Month of December 2025. Severity levels are low. As a standard practice, affected members are provided with one-year membership to Experian's Identity Theft Protection Services to mitigate risks.

DISCUSSION**Process Improvements**

The following changes have been implemented in our privacy incident management process:

1. **Oversight:** The Information Security Office now leads the investigation and reporting of all privacy-related events.

2. **Workflow Improvements:** We discovered that two case files were opened at the same time by a Benefits Division Specialist. We recommended that cut- and-paste activities should be restricted to template documents to further minimize the potential for exposure of sensitive information.

Additionally, The Benefits Division should strengthen and regularly review its workflow procedures for member address change notifications.

3. **Readability Improvements:** Per Board feedback, this memo uses clear section headings, a summary table, and concise language to enhance comprehension.

4. **Education:** The Information Security Office has engaged in discussions with the Benefits Division Section Heads to review workflow procedures. It has been established that any future investigations involving the exposure of Personally Identifiable Information (PII) within the Benefits Division must first be discussed and reviewed with the appropriate Section Head. As part of this process, the Section Head will coordinate with the relevant Benefits Specialist to identify and assess the root cause of any potential exposure. This collaborative approach is intended to ensure thorough investigation, accountability, and the implementation of corrective actions to mitigate future risks.

5. **Divisional Privacy Practices Assessments:** The ISO office will be conducting divisional assessments to evaluate existing practices to suggest improvements.

Incident Summary

Incidents	Under Investigation	Closed	PII Incidents	PHI Incidents
4	0	4	4	0

A total **4** confirmed as incidents, including **4** involving Personally Identifiable Information (PII) and **0** involving Protected Health Information (PHI). Severity levels are low. As a standard practice, affected members are offered a one-year membership to Experian's Identity Theft Protection Services to mitigate risks.

Incident Details**Incident #1**

Details	
Incident Date	November 14, 2025
Discovery Date	November 24, 2025
Status	Closed
Description	Member contacted LACERA to report that he received an Address Change Confirmation for his ex-spouse.
# of Members affected	1
PII Exposure	Member name, address
Cause	Benefits Specialist confirmed that when an address change is requested, LACERA provides this type of letter as confirmation. In this case, the new address for the ex-spouse was exposed.
Remediation / Corrective Action	The Benefits Division should strengthen and regularly review its workflow procedures for member address change notifications, ensuring that all personal information is handled with heightened diligence and in accordance with established privacy protocols.

Incident #2

Details	
Incident Date	November 25, 2025
Discovery Date	November 26, 2025
Status	Closed
Description	Confidential documents pertaining to a member were erroneously indexed within another member's account.
# of Members affected	1
PII Exposure	Member name, address, Benefits information
Cause	The Benefits Specialist responsible was concurrently managing two cases and inadvertently uploaded the documents to the incorrect member record.
Remediation / Corrective Action	The Section Head of the Benefits Division identified that more training is needed to prevent recurrence of the above incident. LACERA representative should work on one case at a time and two cases should not be opened at the same time.

Operations Oversight Committee

Re: Privacy Incident: Personally Identifiable Information

January 15, 2026

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Incident #3

	Details
Incident Date	December 04, 2025
Discovery Date	December 05, 2025
Status	Closed
Description	Death Benefit Claim form for a deceased member was indexed to another member account.
# of Members affected	1
PII Exposure	Member name, address, Benefits information
Cause	The Benefits Specialist responsible was concurrently managing two cases and inadvertently uploaded the documents to the incorrect member record.
Remediation / Corrective Action	Benefits Division Specialists manage one case at a time and refrain from working on multiple cases concurrently to minimize the risk of error.

Incident #4

	Details
Incident Date	September 12, 2025
Discovery Date	December 08, 2025
Status	Closed
Description	Member Services Division received a telephone call from a member, who reported receiving both her own Prospective Plan Transfer (PPT) document and the cover letter and associated documents belonging to another member.
# of Members affected	1
PII Exposure	Member name, address, Benefits information
Cause	DPC manager confirmed that the error occurred within DPC document sorting, resulting in both documents being sent to a single member.
Remediation / Corrective Action	Enhanced diligence and adherence to established procedures during document sorting are essential to ensure the protection of personally identifiable information (PII).

Reviewed and approved:



Luis A. Lugo

Acting Chief Executive Officer

CE:ZF:nm