

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.gov.

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 N. LAKE AVENUE, SUITE 650, PASADENA, CA

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, JUNE 3, 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 May 6, 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**

JJ Popowich, Assistant Executive Officer
Jessica Baxter, Assistant Executive Officer
Kathy Delino, Chief, Information Technology
Joe Shiuan, Information Technology Manager II
Christine Roseland, Sr. Staff Counsel, Legal Services
David Choe, Project Manager, Systems Project Management Office
(Presentation)

B. **Draft Board AI Governance Framework – Discussion Item**

Chaitanya Errande, Information Security Officer
Kathy Delino, Chief, Information Technology
(For Discussion Purposes) (Memo dated May 26, 2026)

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

Chaitanya Errande, Information Security Officer
(For Information Only) (Memo dated May 11, 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 agenda 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

12:10 P.M. – 12:52 P.M., WEDNESDAY, MAY 6, 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: Nancy M. Durazo, Chair
Wayne Moore, Vice Chair
Aleen Langton, Trustee
(Teleconference Due to Just Cause under Section 54953.8.3)
Bobbie Fesler, Trustee

ABSENT: David Ryu, Alternate Trustee

OTHER BOARD OF RETIREMENT TRUSTEES

Elizabeth Ginsberg, Trustee

Les Robbins, Trustee

STAFF, ADVISORS AND PARTICIPANTS

JJ Popowich, Assistant Executive Officer

Jessica Baxter, Assistant Executive Officer

Kathy Delino, Chief, Information Technology

Joe Shiuan, Information Technology Manager II

Chaitanya Errande, Information Security Officer

I. CALL TO ORDER

This meeting was called to order by Chair Durazo at 12:10 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 of the Committee was present at the noticed meeting location. There was one request received from Trustee Langton related to a physical condition under Section 54953.8.3(c)(3). Trustee Langton 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 April 1, 2026

Trustee Fesler made a motion, Trustee Moore seconded, to approve the minutes of the regular meeting of April 1, 2026. The motion passed by the following roll call vote:

Yes: Moore, Fesler, Langton, Durazo

No: None

IV. PUBLIC COMMENT

There were no requests from the public to speak.

V. NON-CONSENT ITEMS

A. **Request for Consideration and Recognition of SEIU Local 721 Retirees Committee as a Recognized Retiree Organization**

Recommendation as submitted by Cynthia Martinez, Chief, Communications: That the Operations Oversight Committee recommend the Board of Retirement recognize Service Employees International Union (SEIU) Local 721's Los Angeles County Retirees Committee as a *Recognized Retiree Organization* pursuant to Government Code Section 31471.5 of the County Employees Retirement Law of 1937 (CERL), and authorize staff to proceed with any remaining administrative and onboarding requirements under the Agency Deduction Program. (Memo dated April 16, 2026)

Trustee Durazo made a motion, Trustee Moore seconded, to approve staff recommendation. The motion passed by the following roll call vote:

Yes: Moore, Fesler, Langton, Durazo

No: None

VI. REPORTS

A. **Operations Briefing**

JJ Popowich, Assistant Executive Officer
Kathy Delino, Chief, Information Technology
Joe Shiuan, Information Technology Manager II\
(Presentation)

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

VI. REPORTS (Continued)

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

Chaitanya Errande, Information Security Officer
(For Information Only) (Memo dated April 10, 2026)

This item was received and filed.

VII. 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 agenda item at a future meeting.)

There was nothing to report.

VIII. 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.

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

There was nothing to report.

X. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 12:52 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

June 2026



01

Operational Initiatives

16 organization-wide projects spanning infrastructure, member services, compliance, and technology modernization

02

Strategic Plan Initiatives

5 technology projects aligned to LACERA's strategic goals

03

IT Trends & AI Update *(Presentation)*

Highlighting the Modernization of Contract Management, Artificial intelligence landscape, LACERA's current AI applications, projects in development, and the future pipeline



21

Total Projects

14

On Track

7

Pending / On Hold

\$3.98M

FY 25-26 Budget

Upcoming Initiatives

Jun 2026

COLA Bank, LERT, Microfiche Digitization

Jul 2026

PEPRA Annual Benefit Statement (ABS)

Aug 2026

Legal Matter Management (LMM), Virtual Mailroom

Oct 2026

Enterprise Knowledge Management

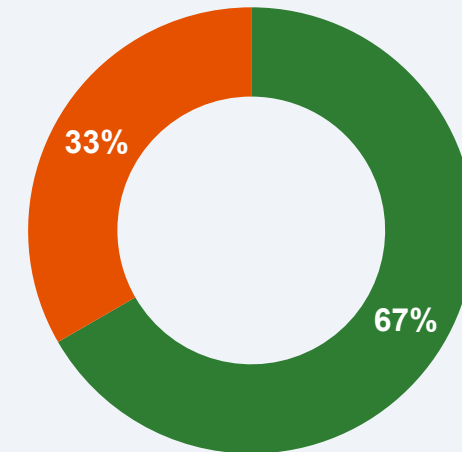
Nov 2026

Case Management (Sol) Phase 2

Dec 2026

Disability Retirement AI, PEPRA FAC: Scheduled Earnings, Project Portfolio Management

Status Distribution



■ On Track ■ Pending / On Hold



Operational and Strategic Plan Initiatives

Organization-Wide Projects · 16 Active Initiatives

Technology Components of LACERA's Strategic Goals · 5 Initiatives



Boardroom Relocation and Expansion

On Track · Planning

Relocation of the Boardroom from the 8th Floor to the ground floor of Gateway Plaza.

Update: Staff continue to engage in planning discussions with the Office of the Building and external vendors regarding first-floor space allocation and requirements in preparation for obtaining building permits.

Budget: \$700,000 | Target: March 2027 | Ricki Contreras, Division Manager

CoPilot Champions

On Track · Execution

Expanding CoPilot adoption by empowering selected staff to lead adoption efforts, recommend training, and serve as peer mentors across the organization.

Update: Second round of training being scheduled with division-specific use cases. Waiting to issue Amendment Purchase Order.

Budget: \$51,000 | Target: September 2028 | Penelope Rodriguez, Project Manager

COLA Bank Retroactive Changes

On Track · Execution

Board of Retirement approved corrections to the COLA Accumulation Bank, involving retroactive corrections, recalculating benefit allowances, and paying members retroactive benefits.

Update: Team has reviewed all cases. Retroactive benefits issuance began the week of March 30, 2026. The team has issued 374 retroactive payments to date.

Target: June 2026 | Louis Gittens, Division Manager

Deductions for Dues from Retiree Benefit Payments

Pending · Planning

Policy implementation for members who elect to have dues, fees, or premium payments deducted from retirement benefits to ensure compliance with CERL Section 31452.5.

Update: Future process and workflow have been completed and are awaiting final review. Upon approval, we will be working with Systems to develop the automation process for agency deductions.

Target: TBD | Louis Gittens, Division Manager



Digital Communication Governance & Compliance

Pending · Planning

eDiscovery solution for the Legal Office and Information Security Teams to identify, collect, and produce electronically stored information in response to legal and public records requests.

Update: Proof of Concept completed successfully. Estimated cost exceeds Board-approved amount; obtained additional vendor quotes; determining next steps.

Budget: \$120,000 | Target: TBD | Alonso Favela, Project Manager

Disability Retirement AI Solution

Pending · Planning

Transform the document and record indexing process of the disability retirement application workflow to enhance speed, accuracy, and efficiency.

Update: Finalizing detailed requirements (SOW) to initiate procurement process with Vendor Management.

Budget: \$150,000 | Target: December 2026 | Alonso Favela, Project Manager

LACERA Event Response Team (LERT) Management Solutions

On Track · Execution

Automate tracking of LACERA incidents and integrate ServiceNow workflow with the Pension Administration System and Emergency Notification System.

Update: Final testing of member letters; technical configuration for deployment.

Target: June 2026 | Dave Choe, Project Manager

Legal Matter Management (LMM) Solution

On Track · Execution

Solution for the Legal Office to track and manage legal matters and integrate with Enterprise Contract Lifecycle Management.

Update: In use for Public Records Requests, legal investments, and commercial contracts. Expanding to Contract Management module.

Budget: \$158,000 | Target: August 2026 | Dave Choe, Project Manager



Mainframe System Migration

On Track · Execution

Migration of existing pension administration mainframe functionality to modern infrastructure to enhance scalability, agility, and integration capabilities.

Update: Employing AI and automated testing to optimize coding and migration activities; Deployed Direct Deposit Prenote and Plan E LTD.

Budget: \$920,000 | Target: June 2028 | Alonso Favela, Project Manager

Microfiche Digitization

On Track · Execution

Conversion of LACERA's 46 million pages of microfiche to searchable PDF files stored in an Enterprise Content Management System, with a subset shared with the L.A. County Auditor-Controller.

Update: Mass conversion to searchable PDFs completed January. Awaiting MOU with LA County for delivery coordination.

Target: June 2026 | Tom Deluca, Project Manager

PEPRA: Annual Benefit Statement

On Track · Execution

Provide an Annual Benefit Statement (ABS) for PEPRA members.

Update: Design requirements submitted. Systems is continuing to work with Communications and SMEs to resolve key business decisions before coding.

Target: December 2026 | Cynthia Martinez, Communications

PEPRA Final Average Compensation: Scheduled Earnings

Delayed · Execution

Board of Retirement approved using Scheduled Earnings instead of Actual Earnings for calculating PEPRA member Final Average Compensation, including retroactive benefit payments.

Update: All routine cases have been completed. Two outstanding complex cases are nearing completion.

Target: July 2026 (Previously May) | Cynthia Martinez, Communications



Project Portfolio Management Solution

On Track · Planning

Streamlining project selection, prioritization, and resource allocation to align with business goals and improve efficiency and decision-making.

Update: Received vendor quotes; viewing vendor demos to cross reference against Requirements; conducting trial in test environment.

Budget: \$80,000 | Target: December 2026 | Sai Nichal Dasari, Project Manager

SASE (Phase II)

On Track · Execution

Implement core cloud-based networking and security features including SDWAN, Secure Enterprise Browser rollout, and Data Loss Prevention strategies.

Update: Advanced features being implemented. Prisma Access Browser testing underway for Boardroom, contractors, and disaster BYOD.

Target: August 2026 | Chait Errande, Information Security

Retroactive Payroll Adjustments: Prospective Correction

Pending · Initiation

Collaboration with the Auditor-Controller to ensure timely and accurate collection of member payroll contributions on retroactive payroll adjustments.

Update: Concerns communicated to County. Auditor-Controller plans to work with Systems to resolve.

Target: TBD | JJ Popowich, Assistant Executive Officer

Virtual Mailroom

Pending · Initiation

Moving document imaging services in LACERA's Document Processing Center to a third party as a permanent or business continuity solution.

Update: Finalizing detailed requirements (SOW); begin procurement (vendor management) process.

Budget: \$150,000 | Target: TBD | Dave Choe, Project Manager



Case Management (Sol) Phase 2

On Track · Planning

Strategic Priority Goal 1: Superior Member Experience – 1.3 Digital Strategy

Extension of LACERA's Sol Case Management System to include Death Processing capabilities.

Update: SOW issued early March. Active Death Case Management module development has begun.

Budget: \$260,000 | **Target:** November 2026 | Iveta Brecko, Project Manager

Member Experience Communication Project (MECP)

On Track · Execution

Strategic Priority Goal 1: Superior Member Experience – 1.3 Digital Strategy

Replace existing AWS Connect with a cloud communications service providing Omni-Channel Contact Center with native MS Teams integration.

Update: This project will be divided into two phases due to delays in change management, contract reviews, and further analysis of AI functionality. Phase I covers core call center and queue management, audio/video call recording, workforce management, quality control, and a beta live Specialist chat on LACERA.gov. Phase II covers AI Agent Assist and AI chatbot features on LACERA.gov.

Budget: \$300,000 | **Target:** October 2026 | JJ Popowich, Assistant Executive Officer

Employer Portal

On Hold

Strategic Priority Goal 1: Superior Member Experience – 1.3 Digital Strategy

A secure online portal for employers to on-board LACERA members, streamlining the Sworn Statement process and granting earlier access to My LACERA self-service.

Update: On hold pending prioritization and resource availability decisions.

Target: TBD | Alonso Favela, Project Manager

Business Intelligence Initiative

On Track · Planning

Strategic Priority Goal 2: Innovation Through Technology – 2.1 Business Intelligence

Implement a centralized, scalable BI platform leveraging Microsoft Fabric, Power BI, and Copilot to unify data sources and enable advanced analytics across all divisions.

Update: Working on first set of 3 division specific dashboards; several prototypes released, under review. Planning and identifying next set of 3 divisions to work on.

Budget: \$960,000 | **Target:** December 2027 | Alonso Favela, Project Manager

Enterprise Knowledge Management

On Track · Planning

Strategic Priority Goal 2: Innovation Through Technology – 2.2 Knowledge Management

Hire a Taxonomy consultant to assist with requirements definition and RFP for a Knowledge Management System.

Update: Completed initial round of vendor demos; compiling proposal scores.

Budget: \$135,000 | **Target:** December 2029 | Dave Choe, Project Manager

IT Trends & Transformation - LawVu

Modernizing Legal Matter & Contract
Management

*Advancing **Innovation through Technology** and **Risk Management**;
two pillars of LACERA's Five-Year Strategic Plan*

Presented by

Christine Roseland

Senior Staff Counsel, Legal Services

David Choe

Project Manager, Systems Project Management Office

The Challenge We Set Out to Solve

Legal demand has scaled — our tools had not



600+

Legal matters per year

In the Transactions group within Legal — investment deals, commercial contracts, and Public Records Act responses

45+

Investment staff

Plus vendor management requests on behalf of every other LACERA division and public records requests from members of the public

4

Attorneys and 2 Legal Analysts

Four attorneys and two legal analysts in the Transactions group, absorbing intake, deadlines, and reporting demands

Why a New Tool Was Needed

- ✉ Intake arrived through email and ad-hoc requests — no standard front door
- 📅 Data lived across multiple spreadsheets, re-entered manually for every report
- 🕒 Deadline and workload tracking depended on excel spreadsheets and inbox triage
- 📄 No way to consistently report on volume, timeliness, or spend to senior leadership and to the Board

Our Desired End State

What 'better' looks like for Legal Services



1

Single source of truth

One system holds all legal work — matters, contracts, documents, and history.

2

Visibility into workload

Real-time view into who is doing what, with which deadlines, and how the team is loaded.

3

Standardized intake

A consistent legal 'front door' with structured requests instead of email chains.

4

Task tracking & reminders

Automated deadline tracking, status updates, and proactive alerts — fewer surprises.

5

Reportable metrics

Ability to report on volume, timeliness, and spend — defensible numbers, not anecdotes.

6

Faster retrieval

Documents and matter history surfaced in seconds, not hours of searching shared drives.

7

Spend tracking

Outside counsel costs, invoices, and budgets — categorized, trended, and reportable.

8

Contract repository

Field tracking, searchability, and automated renewal alerts — no more spreadsheet hunting.

9

Entity management

Real estate special purpose entities tracked — corporate records, filings, and governance in one place.

A Joint Legal + Systems PMO Initiative

How we got from need to launch



Legal Services and Systems partnered at every stage — from requirements through implementation

1

Requirements & Discovery

Legal and Systems PMO mapped pain points, intake patterns, and reporting needs across the team.

2

Vendor Demos

Reviewed multiple legal-tech platforms; scored each against Legal, IT, security, and integration criteria.

3

Sandboxing & Testing

Hands-on trials with finalists — real LACERA scenarios, real documents, real users.

4

Negotiation

Legal led contract negotiation for best pricing, favorable terms, and LACERA-friendly protections.

5

Implementation

Configuration, training, rollout, and historical data import — 1100+ legal matters were imported into LawVu.

Historical data import remains ongoing — bringing prior matters and contracts into LawVu as a complete record

What LawVu Brings to Legal Services

One connected platform — three integrated workspaces



Matters

Manage the work

- Standardized intake & routing
- Centralized matter records
- Task & deadline tracking
- Document & note management
- Internal collaboration
- Integrated dashboards & reporting



Contracts

Manage the agreements

- Central contract repository
- Lifecycle & renewal tracking
- Drafting, redlining, playbooks
- AI summaries & key-date extraction
- Calendaring & renewal alerts



Spend

Manage the cost

- Outside counsel & invoices
- Budget vs. actual tracking
- Billing-guideline enforcement
- Real-time spend dashboards
- Matter-to-spend linkage

All three workspaces share data — matters link to contracts, contracts link to spend — one connected record

Matter Management

Capturing, organizing, and moving legal work through to completion



Legal Intake & Triage

- Standardized intake forms
- Configurable 'front door' portal
- Auto-routing by matter type or rules
- Intake from email, Outlook, Teams



Centralized Matter Records

- Single workspace per matter
- Documents, notes, conversations
- Tasks, deadlines, milestones
- Configurable matter data fields



Task & Lifecycle Workflows

- Tasks tied directly to matters
- Defined lifecycle stages
- Automated workflows & reminders
- Clear ownership and progress tracking



Document & Knowledge

- Secure document storage per matter
- Version control & precedent library
- Search across matters and metadata
- Auditable full matter history



Collaboration

- Threaded matter conversations
- Outside-counsel collaboration
- Visibility into who is doing what
- Reduces offline email chains



Reporting & Dashboards

- Matter volume & status
- Workload by attorney & matter type
- Cycle-time & deadline tracking
- Exportable Board-ready views

Contract Management

End-to-end contract lifecycle in a single place



Central Repository

- One place to create, negotiate, store
- Searchable repository & grid views
- Document versioning and history
- Contract-to-matter linkage



Intake & Workflow

- Triage of internal contract requests
- Approval workflows by type
- Self-service business portal
- Template-driven wizards



Drafting & Redlining

- LawVu Draft inside Word
- Templates and clause libraries
- Playbooks for standard positions
- AI-powered risk alerts



Configuration & Integration

- Field controls per contract type
- Microsoft 365, Outlook, Teams
- Email and document capture
- Salesforce and external systems



Calendaring & Renewals

- Notifications before expirations
- Assignable to business owners
- Term and obligation lookup
- Knowledge base for templates



AI-Powered Assistance

- Contract summaries & Q&A
- Key-date & obligation extraction
- Playbook-driven risk alerts
- Private — data not used to train

AI & Intelligence Features

Workspace Intelligence — built into matters, contracts, and spend



Contract Summaries

Auto-generated summaries reduce manual reading time on long agreements.



Contract Q&A

Natural-language questions answered directly from contract text.



Key-Date Extraction

Important dates and obligations pulled automatically for tracking and alerts.



Clause & Data Extraction

AI-powered analysis for reporting, risk spotting, and obligation tracking.



Contract Import

AI extracts key terms and expiration dates when historical contracts are loaded.



Playbook-Driven Review

AI checks vendor agreements against LACERA's playbook to streamline review.



Invoice Data Extraction

Key fields pulled from PDF invoices — fees, disbursements, tax — to cut manual entry.



Anomaly Detection

Patterns and outliers in legal spend surfaced for proactive review.

Customer data is not used to train AI models — designed for private, secure use

Spend Management

Outside counsel, invoices, budgets, and analytics in one place



Outside Counsel & Vendor

- Centralized vendor management
- Self-service portal for firms
- Secure matter-based collaboration
- Replaces email chains



Invoice Workflow

- PDF and LEDES support
- Centralized review and approval
- Configurable approval routing
- Real-time invoice status



Billing-Guideline Compliance

- Upload firm-specific guidelines
- Automated line-item review
- Flagging of non-compliant entries
- Consistent enforcement



Budgets & Accruals

- Matter-level budgets
- Budget vs. actual tracking
- Accruals against approved budgets
- Early visibility on overruns



Spend Visibility

- Real-time dashboards
- By matter, firm, division, period
- Trend and cost-driver analysis
- Firm-to-firm comparison



Matter-to-Spend Linkage

- Spend tied to underlying matters
- Invoices viewable in matter record
- Unified matter + contract + spend view
- Context for oversight

Reporting & Analytics

From ad-hoc spreadsheets to repeatable, defensible reporting



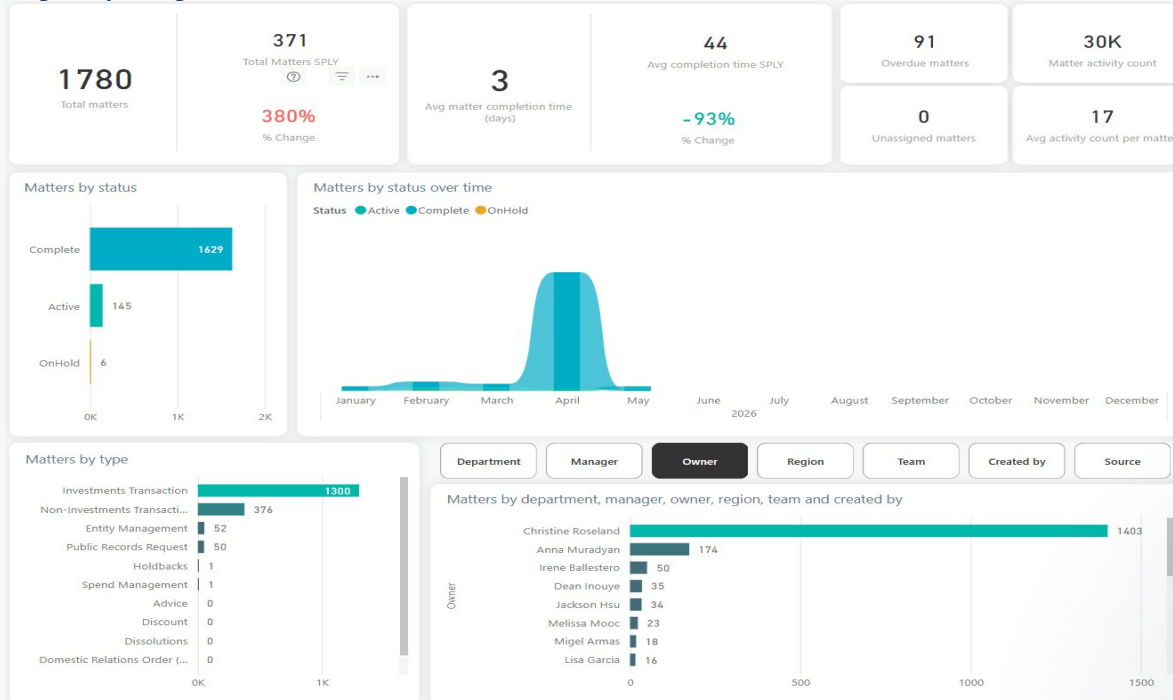
Standard (Built-In) Reporting

- Built-in dashboards: matters, contracts, spend, admin
- Interactive charts, drill-down, sort and filter
- Refreshes automatically twice daily
- Exportable to PDF or Excel for leadership and Board
- Embedded in LawVu — no separate BI tool required

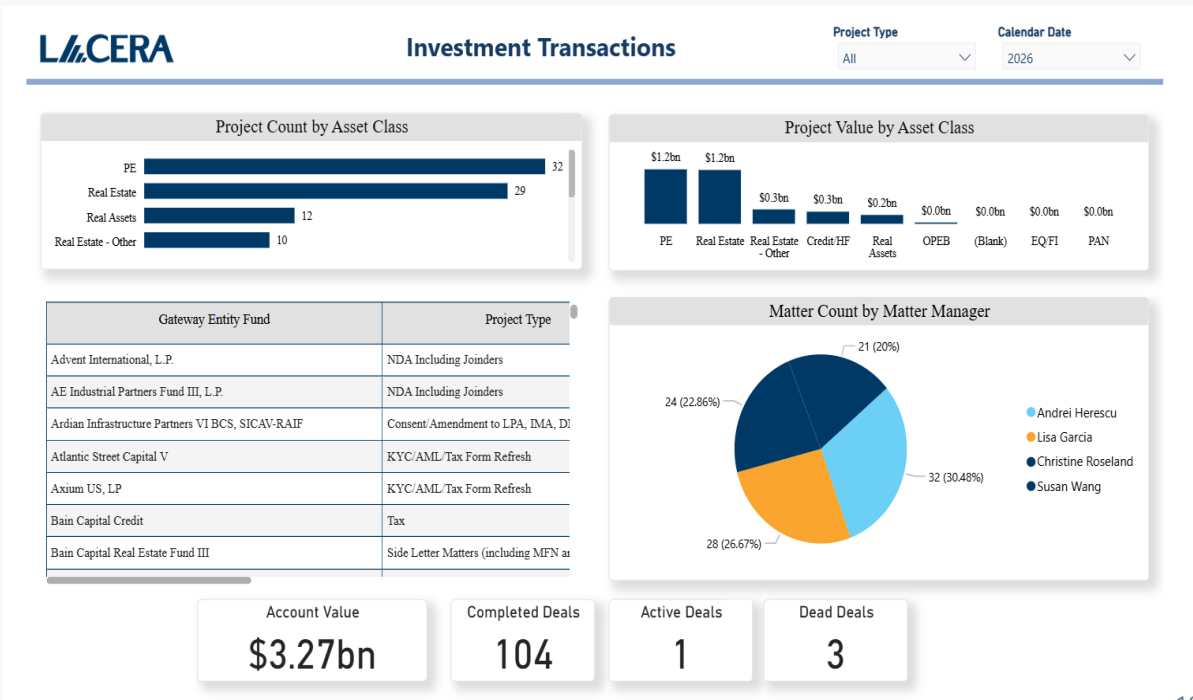
Advanced: Insights Connect + Power BI

- Export LawVu data — standard and custom fields
- Integration with Power BI, Tableau, Databricks, Excel
- Bespoke dashboards combining LawVu and other data
- Executive- and Board-level KPI dashboards
- Snapshot views usable directly in Board materials

Legal Reporting Dashboard - LawVu



Power BI Legal Dashboard - Built by LACERA





Active Contract Statistics

Created By

All

Division

All

Expiring/Reviewing/Terminating in 0-30 days

3

Expiring/Reviewing/Terminating in 31-60 days

7

Expiring/Reviewing/Terminating in 61-90 days

4

Expiring/Reviewing/Terminating in 101-500 days

53

Name	Division	Status
Atlassian Zephyr & Guard License Agreement 2025	Systems	Executed
CaseGuard EULA Subscription Agreement 2025	Systems	Executed
Zenith Economic Impact Analysis Consulting Agreement 2026	Executive Office	Executed
Sectigo Subscription Agreement 2025	Systems	Executed
Eccentex SOL Genesys Integration Solution Enhancements SOW 2026	Systems	Executed
Postman SaaS Agreement 2025	Systems	Executed
Vector Software License Agreement 2025	Systems	Executed
Gartner, Inc. License Order 2025	Systems	Executed
Pinnacle 8th Floor Cabling Installation Services Agreement 2026	Systems	Executed

High Risk Contracts Expiring

Zenith Economic Impact Analysis Consulting Agreement 2026

Divisional Impact Summary

ExpiryBucket ● 0 - 30 Days ● 31 - 60 Days ● 61 - 100 Days

Division	0 - 30 Days	31 - 60 Days	61 - 100 Days
Systems	2	6	2
Communications	0	0	1
Executive Office	1	0	0
Human Resources	0	1	0
Legal	0	0	1

Contract management dashboard — expirations, renewals, high-risk agreements, and divisional impact

Return on Investment: Matter Management

How LawVu changes the economics of running a legal team



Capacity regained

Centralized intake, task tracking, and document storage replace email coordination and spreadsheets. Staff spend less time searching, following up, and recreating work.



Faster turnaround

Structured workflows, clear ownership, and deadline tracking shorten matter cycle times. Fewer last-minute fire drills and missed deadlines.



Better prioritization

Visibility into volume, matter type, and workload supports strategic allocation — which work stays in-house versus goes outside — backed by data instead of anecdotes.



Risk reduction


Standardized processes and audit trails reduce reliance on institutional memory. Continuity through staffing changes; consistent handling across the team.

Return on Investment: Contracts & Spend





Cost savings, risk reduction, and reclaimed time



Contract Management

-  **Shorter cycle times**
Templates, workflows, and central repository cut drafting and review time across volume.
-  **Reduced value leakage**
Central tracking of renewals, key dates, and obligations prevents missed renewals and unwanted auto-renewals.
-  **Lower legal risk**
Playbooks and clause libraries reduce deviation and inconsistent risk positions; easier audit defensibility.
-  **Less outside counsel**
Templates and AI-assisted review let more routine contracting stay in-house — reducing external spend.

Spend Management

-  **Direct cost savings**
Automated guideline enforcement reduce overbilling and non-compliant charges. Rate checks, rate negotiations and time entry review still performed by staff to ensure accuracy and value.
-  **Predictable budgeting**
Real-time visibility into budgets, accruals, and trends — early detection of overruns before they escalate.
-  **Better outside counsel management**
Data-driven insight into cost, performance, and outcomes supports firm selection and negotiations.
-  **Reduced processing time**
Fewer manual reviews, follow-ups, and corrections free Legal and Finance for higher-value work.

LawVu Implementation — Projected ROI

Year 1 Business Case | Built on LACERA Classification Ranges



\$110K

Annual LawVu Cost

Matters + Contracts subscription

~\$137K

Capacity Recovered (Yr 1)

Staff time freed by LawVu

1.25x

Cost Recovery (Yr 1)

Recovered capacity ÷ LawVu cost

SCOPE: Legal Services team on LawVu **9 FTE** (2 Sr. Staff Counsel, 2 Staff Counsel, 2 Legal Analysts, 3 Legal Secretaries) • Subscription **\$110K/yr** (Matters + Contracts)
 • Benefits / Labor / Litigation Legal: **onboard later**

VALUE DRIVERS



Staff Capacity Recovered

Time freed from invoice review, matter tracking, and Board report production across 9 FTE

~1,297 hrs

~\$137K/yr loaded



Workflow Efficiency

Replaces spreadsheet and email tracking with templates, auto-status, and one-click monthly & annual Board reports

9 FTE

scaled team value



Better Organization

Single source of truth for matters, contracts, vendors — replaces shared drives, inboxes, and spreadsheets

1 system

vs. fragmented tools



Risk & Compliance

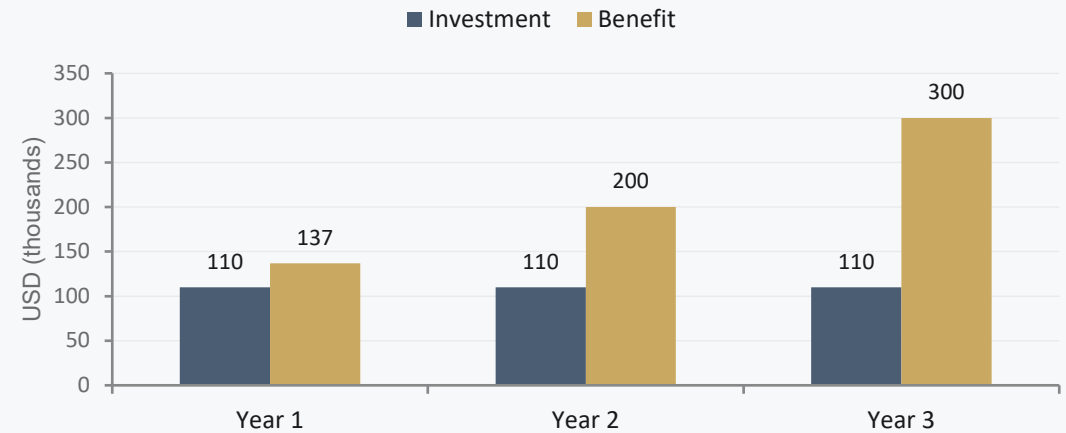
Deadline alerts, audit trail, conflict checks, billing-rate compliance, public-records request readiness

Reduced

exposure & missed deadlines

Based on LACERA classification range midpoints × 50% fringe loading; activity hours from Legal Services internal time-use estimates. Calculation covers Legal Services only (9 FTE: 2 Senior Staff Counsel, 2 Staff Counsel, 2 Legal Analysts, 3 Legal Secretaries). Additional savings will be realized as Benefits, Labor, and Litigation Legal teams onboard to LawVu.

MULTI-YEAR OUTLOOK



Recovered capacity: **~\$137K** | LawVu cost: **\$110K**
 Upside not modeled: contract-expiration alerts avoid lapsed-agreement re-onboarding fees; recovered capacity supports more in-house work.

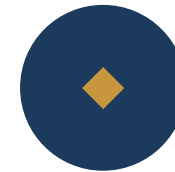
Value Beyond Cost Savings

What better reporting and visibility enable



Leadership visibility & decision support

Dashboards replace ad hoc reporting. Legal leadership can quickly answer: what are we working on, why, at what cost, with what risk?



Demonstrating Legal's value

Data shows demand, throughput, outcomes, and cost control — shifting perception of Legal from cost center to strategic function.



Early risk identification

Trend reporting highlights increases in certain matter types, bottlenecks, or spend patterns — enabling proactive rather than reactive response.



Audit & public-sector defensibility

Clear records, consistent metrics, and repeatable reporting support transparency, accountability, and responses to public records requests.

Time redirected to higher-value work

Avoided costs (missed renewals, overbilling, rework)

Risk avoided (missed deadlines, inconsistent decisions)

Improved predictability and transparency

Capacity created without new headcount



For the First Time, Legal Can Consistently Report:

- Number and types of matters handled
- Transactions closed
- Contracts processed
- Spend managed or avoided
- Cycle-time improvements and workload trends
- Productivity, outcomes, and value — not just activity

Executive & Board reporting

Standardized monthly, quarterly, and annual reports built from live data — not rebuilt every cycle.

Staffing & budget justification

Historical data supports requests for headcount, technology, or process changes — objective evidence, not subjective workload claims.

Public-sector accountability

Clear records, repeatable metrics, and audit trails support defensibility for audits, public records requests, and oversight reviews.



Already in Production

- Matter intake live across Legal Services
- Contract repository operational
- Document and version management active
- Initial dashboards in use by Legal leadership
- Integration with Microsoft 365 / Outlook

In Progress

- Historical matter and contract import
- Spend management workflows being configured
- Power BI executive dashboard build-out
- AI features (summaries, key dates) being tuned
- Playbook and template library expansion

Coming Next

- Outside-counsel portal activation
- Billing-guideline automation
- Board-ready quarterly reporting cadence
- Onboarding additional Legal teams — Benefits, Labor, Litigation
- Continued Systems partnership and support



LawVu Advances Multiple Strategic Goals and Values

Organization & Knowledge Management

A single source of truth for all legal work — matters, contracts, and spend in one place.

Transparency

Clear records, repeatable reporting, and Board-ready dashboards on demand.

Efficiency

Less manual tracking, faster intake-to-completion, and capacity created without new headcount.

Accountability

Defensible metrics on volume, timeliness, and spend — for leadership, audits, and the Board.

A Legal–Systems PMO partnership delivering on LACERA's commitment to modern, efficient, accountable operations

Thank you · Questions?

Appendix (1 of 4)

LawVu's Hub homepage – customizable view for legal data



The screenshot displays the LawVu Hub homepage. At the top, there is a navigation bar with a search bar, a 'Create' button, and user profile information. The main content area is divided into several sections:

- Planner:** A calendar view for May 2026. The current date is Friday, 15 May 2026. A message states 'Nothing is scheduled for today'. A legend below the calendar indicates: Matters (blue dot), Contracts (purple dot), Tasks (pink dot), and To-dos (green dot).
- My matters (91):** A list of legal matters with details such as dates and transaction types. Examples include:
 - 05/04/2026 - Public Records Request (LV6305-04223)
 - Asset Transition - 2026 (LV6305-04220)
 - Post Closing Tax Proration Issues - 2026 (LV6305-04210)
 - Mutual NDA (LV6305-04210)
 - Advice re Termination date for (LV6305-04204)
 - Master Service Agreement in Lieu of NDA (LV6305-04201)
 - Mutual NDA (LV6305-04200)
- Investments Transactions (All) (1406):** A list of investment-related transactions, including:
 - Litigation (2025) (LV6305-04351)
 - Reparcelization-2023 (LV6305-00024)
 - Reparcelization of property (Separate Retail and Residential Components) - Tax partition follow-up work - 2026 (LV6305-02236)
 - Subscription (LV6305-01426)
 - Disposition 2026 (LV6305-02221)
- Non-Investments Transactions (All) (496):** A list of non-investment transactions, such as:
 - Investments, Sustainalytics, 09/06/2023 (LV6305-03810)
 - Investments, Bloomberg Index Service Limited, 11/06/2023 (LV6305-03809)
 - Investments, MSCI BarraOne, 06/28/2023 (LV6305-03808)
 - Investments, S&P Global Market Intelligence CIQ Pro, 08/18/2023 (LV6305-03807)
 - Systems, SoftChoice, 12/18/2023 (LV6305-03806)
 - Systems, Eccentex, 12/14/2023 (LV6305-03805)
 - Systems, ShareGate, 12/13/2023 (LV6305-03804)
- Public Record Requests (All) (197):** A list of public record requests, including:
 - LV6305-02431 - Public Records Request
 - 03/30/2026 A. Dunning, Nossaman (LV6305-02427)
 - 03/29/2026 R. Renko, Individual (2018 Case, Counsel Names) (LV6305-02428)
 - 03/27/2026 K. Simpson, Gain (LV6305-02426)
 - 03/18/2026 R. Renko, Individual (BLANK copies) (LV6305-02313)
 - 03/18/2026 J. Humphreys, FOI (LV6305-02310)
 - 03/05/2026 T. Schell, Individual (LV6305-02279)
- All contracts (202):** A list of contracts.
- Files:** A list of files.

A sidebar on the left contains navigation icons for Hub, Inbox, Matters, Contracts, and Spend. At the bottom, there are sections for Favorites and Recents.

Appendix (2 of 4)

LawVu's Grid View – customizable views of legal data



us.lawvu.com/#/matters?personalView=11164-investments-transactions-active&hasUnsavedChanges=true

Search LawVu + Create 91 DC

Matters

All matters 2160

My matters 91

Intake 1

MY VIEWS (17)

- Commercial Contracts for Systems (Completed) 265
- Commercial Contracts for Systems (Active) 29
- Investment Outside Counsel Fees Total 12
- Entity Management (All) 52
- Active matters (All matter types) 178
- Active Matters (Past Due) 39
- Public Record Requests (All) 197
- Public Record Requests (Active) 20
- Public Record Requests (Last 45 days) 18
- Non-Investments Transactions (All) 496
- Commercial Contracts High Priority (Critical) 3
- Commercial Contracts (Active) 55
- Commercial Contracts (created by Admin) 163
- Investments Transactions (Active) 95**
- Investments Transactions (All) 1406
- Investments (Pending Invoice) 1
- POs & Invoices - Existing Vendors w/ No Changes Required 9

SHARED WITH ME (2)

Investments Transactions (Active)

Add filter +

View: Save or Save as... 1 - 95 of 95 Page 1

MATTER	DUE DATE	ASSET CLASS	GATEWAY ENTITY / FUND	PROJECT TYPE	ADVISOR (AND...)	AMOUNT OF TRA...	MATTER MANA...
Litigatio	Aug 05, 2028	Real Estate - Litigation		Litigation		\$44,000.00	Christine Roselac LACERA
Reparcelization of property (Separate Retail an	Dec 30, 2026	Real Estate		Tax		\$0.00	Christine Roselac LACERA
Disposition 2026	Sep 30, 2026	Real Estate		Disposition		\$45,000,000.00	Christine Roselac LACERA
Disposition of - 2026	Jul 30, 2026	Real Estate		Disposition		\$77,625,000.00	Christine Roselac LACERA
Disposition of - 202	Jul 15, 2026	Real Estate		Disposition		\$61,400,000.00	Christine Roselac LACERA
Exemption Forms - 2026	Jun 30, 2026	PE		KYC/AML/Tax Form R		\$0.00	LACERA - Intake
Sale of 2026	Jun 30, 2026	Real Estate		Disposition		\$0.00	Christine Roselac LACERA
Side Letter - , 2026 (Jun 30, 2026	OPEB		Side Letter Matters (ir		\$0.00	Susan Wang LACERA
Extension of Tolling Agreement	Jun 26, 2026	Real Estate - Other		Agreement		\$0.00	Christine Roselac LACERA
MFN Side Letter Election-2026	Jun 15, 2026	PE		Side Letter Matters (ir		\$0.00	Andrei Herescu LACERA
MFN Elections	Jun 12, 2026	PE		Side Letter Matters (ir		\$0.00	Andrei Herescu LACERA
nc-Subpoena for Business Records-	Jun 05, 2026	Real Estate - Litigation		Litigation		\$0.00	Michael Herrera LACERA
Side Letter Election Form	Jun 04, 2026	PE		Side Letter Matters (ir		\$0.00	Andrei Herescu LACERA
merging Manager IMA - Implementation Questi	May 30, 2026	Real Assets		Other		\$0.00	Susan Wang LACERA
Unclaimed Funds - LOA -	May 27, 2026	Real Estate - Other		Unclaimed Property		\$14,206.61	Lisa Garcia LACERA
OPEB Credit Line - Research Re letting credi	May 22, 2026	OPEB		Research		\$0.00	Susan Wang LACERA
Side Letter Amendr	May 21, 2026	Real Estate - Other		Side Letter Matters (ir		\$0.00	Andrei Herescu LACERA
SEC Rule 504(d) of the Securit	May 20, 2026	Credit/HE		KYC/AML/Tax Form R		\$0.00	Lisa Garcia

Appendix (3 of 4)

LawVu's Matter View



us.lawvu.com/#/matters/15635983/details/general

Search LawVu + Create 9+

Matter

position of E 26

Actions Add new action

Matter owner: Anna Muradyan (LACERA, AM) Matter manager: Christine Roseland (LACERA, CR)

Status update: Christine Roseland, 06 May 2026, 18:30
5/5/26 Spoforth is negotiating the Access Agreement with buyer

Details Scope management Tasks Contracts Files 6 Notes

Matter details

Asset Class	Real Estate	Date Completed (report)	mm-dd-yyyy
Gateway Entity / Fund		Dead Deal	<input type="checkbox"/>
Advisor (and former advisor)		Transaction Notes	-
Project Type	Disposition	Closing Binder Date	mm-dd-yyyy
Amount of Transaction	\$61,400,000.00	Engagement Letter	<input checked="" type="checkbox"/>
Outside Counsel	-	Engagement Letter Fee Proposal Date	05-04-2026
Outside Counsel Fees	\$0.00	Fee value	\$75,000.00
Assign Date	04-29-2026	Attorney/Firm	
Due Date	07-15-2026	Acknowledged	05-11-2026
Business Owner		Invoice Notes	-

Conversations

+ New conversation

General

Appendix (4 of 4)

LawVu's Business Portal – allows for staff to create requests in LawVu



us.lawvu.com/#/portal/

LACERA Legal Portal

HOME MY WORK MY ACTIONS KNOWLEDGE BASE

9+

DC

Welcome to LACERA's Legal Portal. How can we help you?

Search knowledge base

We want to help you with your legal requests as quickly as possible, so we've tailored the following helpful resources and links to guide your request to the right team with relevant and required information.

- Start a Commercial Contracts Request**
Create a non-Investments matter for assignment to Legal staff.
[Get started](#)
- Start an Investments Transaction Request**
Create an Investments matter for assignment to Legal Investments staff.
[Get started](#)
- Start a Public Records Request**
Create a Public Records Request for assignment to Legal.
[Get started](#)

Powered by LAW20





Artificial Intelligence (AI) Update

Presented by Joe Shiuan, IT Manager II

1 CoPilot Training – Second Round

- The second round of CoPilot training is currently in the planning stages
- Will be targeting specific use cases and teams for a more focused training approach

2 CoPilot CoWork Is Now Available

- CoPilot CoWork is now available for all users



In Production

Current Applications

- Microsoft CoPilot Chat
- Microsoft 365 CoPilot
- AI-Powered Video Transcription
- BI & Data Visualization Tools
- AI-Assisted Code Generation
- AI-Assisted Test Case Generation
- AI-Assisted Contract Review

In Development

Building Now

- Website Chatbot + Call Center
- Disability Retirement Document AI
- AI-Enhanced Excel for Investments

Future Pipeline

Coming Next

- AI for Board Meetings
- AI-Assisted Legal Research
- Intelligent Document Processing




LA CERA


Questions?

Operations Oversight Committee | June 2026

May 26, 2026

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

FROM: Chaitanya Errande 
Information Security Officer

Kathy Delino 
Chief, Information Technology

FOR: June 3, 2026 Operations Oversight Committee Meeting

SUBJECT: Draft Board AI Governance Framework – Discussion Item

Staff is presenting the attached Draft Board AI Governance Framework for the Committee's review and discussion. The attached document originated from Trustee Langton, and the redlined edits reflect staff input. No action is requested at this time.

PURPOSE

The Draft Board AI Governance Framework establishes the Board of Retirement's governance structure for the use of artificial intelligence (AI) technologies — including Generative AI (GenAI) and Machine Learning (ML) within LACERA. The framework defines what the Board authorizes, what it prohibits, how authority is delegated to management, and how the Board exercises ongoing oversight. It does not prescribe operational procedures which are addressed separately by management.

Key Provisions

The framework addresses the following areas:

- **Legal Foundation:** Grounded in the California Constitution (Article XVI, Section 17), the County Employees Retirement Law of 1937 (CERL), the Ralph M. Brown Act, and applicable privacy and cybersecurity laws.
- **Core Governance Principles:** Human authority over all final decisions; fiduciary primacy; accountability; transparency; and member protection.
- **Authorized Uses:** Administrative and operational support, research and investment analysis support, limited member services, and vendor/third-party AI — all subject to mandatory human review and approval.
- **Prohibited Uses:** Benefit determinations without human review, deceptive member interactions, and unauthorized processing of confidential member data, among others.

Operations Oversight Committee
RE: Draft Board AI Governance Framework
May 26, 2026
Page 2

- **Board Oversight:** Management reporting to the Board, an annual framework review, and prompt reporting of material AI incidents.
- **Workforce Stewardship:** Affirms that AI is intended to augment — not replace — staff capacity and institutional knowledge.

Staff welcomes the Committee's feedback on the framework's scope, provisions, and overall approach prior to bringing the document forward for full Board consideration.

Attachment

cc: Luis A. Lugo
Steven P. Rice
Jonathan Grabel
Jude Perez
JJ Popowich
Jessica Baxter

DRAFT

BOARD OF RETIREMENT

Artificial Intelligence Governance Framework

Purpose

The Board of Retirement governs the retirement system as a fiduciary for its members and beneficiaries. That responsibility is constitutional and statutory — it cannot be delegated, diminished, or transferred to any technology, system, or agent.

This document establishes the Board's governance framework for the use of artificial intelligence (AI) technologies, including, but not limited to Generative AI (GenAI) and Machine Learning (ML) within the retirement system. It defines what the Board authorizes, what the Board prohibits, how authority is delegated to management, and how the Board exercises ongoing oversight. It does not prescribe operational procedures; those are handled by management, acting within the boundaries of this framework.

All AI activity within the retirement system — by trustees, staff, contractors, or vendors — is governed by this framework. In any conflict between this document and another source of information, this AI Governance Framework controls.

1. Legal Authority

This framework is adopted pursuant to and consistent with:

- California Constitution, Article XVI, Section 17 (Article XVI, Section 17)
- County Employees Retirement Law of 1937 (CERL), Government Code §31450 et seq.
- Ralph M. Brown Act
- California Public Records Act
- Applicable state and federal privacy, data protection, and cybersecurity laws

These authorities establish the Board's fiduciary obligations and define the boundaries within which all retirement system activity, including the use of technology, must occur.

A. Fiduciary Duty

Trustees bear the ultimate fiduciary responsibility for the retirement system. This duty must be exercised solely in the interest of participants and beneficiaries, for the exclusive purposes of providing benefits and defraying reasonable administrative costs. Artificial intelligence is not a fiduciary and cannot hold, share, or assume fiduciary responsibility under any circumstance or by any means.

B. Standard of Care

Trustees must exercise the care, skill, prudence, and diligence required under Article XVI, Section 17 and CERL. The use of AI does not modify this standard. A trustee who relies on AI-assisted analysis remains fully responsible for the judgment and decisions that follow.

C. Delegation — CERL Limitations

Under CERL and the California Constitution, fiduciary authority may be prudently delegated to accountable human agents and professionals. AI systems are not agents and cannot receive delegated authority. Every function of the retirement system that involves discretion, judgment, or decision-making must remain under the direct control of a qualified human being, with ultimate accountability resting with Management and the Board.

2. Core Governance Principles

The Board adopts the following principles as the non-negotiable foundation for all AI use within the retirement system. These principles govern the conduct of trustees, management, staff, and all parties acting on behalf of the fund.

- Human Authority: AI For all AI-enabled processes, AI may inform, assist, or automate tasks; however, all AI-derived outputs are subject to human-in-the-loop (HITL) review, with final decision authority resting solely with qualified human personnel.
- ~~I final decisions must be made by qualified human personnel. AI may inform, assist, automate and prepare with a human in the loop (HITL) where the outcome solely rests on a human—it shall not determine outcomes.~~
- **Fiduciary Primacy:** Member interests and the Board's legal obligations take precedence over any efficiency, cost, or capability benefit offered by AI.
- **Accountability:** No action affecting members, assets, or the organization may be attributed solely to an AI system. Human accountability is non-waivable.
- **Transparency:** Board decisions must remain human-guided, independently explainable, and consistent with the retirement system's public accountability obligations under the Brown Act.
- **Member Protection:** AI shall not be used in any manner that harms, disadvantages, or treats members inequitably. Members retain the right to human review and to clear explanation of decisions affecting their benefits.

3. Board Authorization of AI Use

The Board authorizes management to permit AI use within the following categories, subject to the conditions and prohibitions of this framework and the operational standards established in the Written AI Governance Program charter, AI Policy and Public Summary.

A. Administrative and Operational Support

AI may support staff efficiency in non-discretionary administrative functions. All AI-assisted outputs must be reviewed and approved by a qualified human before use or distribution.

B. Research, Analysis, and Investment Support

AI may support data analysis, research synthesis, and non-discretionary investment monitoring. All findings must be validated by qualified professionals before informing any decision. Autonomous investment decision-making is not authorized under any circumstance.

C. Member Services — Limited

AI may assist with ~~general~~ member ~~informational~~ inquiries ~~only~~. Any such application must clearly identify itself as automated and informational in nature, must provide with prompt access to a human representative during normal business hours, and when used must not be used. AI must not be

used to make autonomous, final in connection with benefit determinations, or to make final adjudication of e-appeals, disputes, or any sensitive member matters. its use should be declared and give the right to the affected party to have a human review.

Wherein, AI interacts with members (including survivors and beneficiaries) and third parties, it may do so autonomously after sufficient testing and verification of results, certified by the appropriate Member Operations Group division management and/or designated subject matter experts and Quality Assurance.

AI member interactions must be subjected to a regimented, ongoing schedule of testing, and quality control evaluations of resulting interactions. Such evaluations will be carried out either by Member Services, or jointly by Member Services and Quality Assurance.

D. Vendor and Third-Party AI

External managers, administrators, and consultants who use AI in connection with retirement system services do so within the scope of this framework. Such parties must disclose AI use, demonstrate adequate governance and validation controls, and comply with all applicable data protection requirements. The Board retains full oversight responsibility under Article XVI, Section 17 and CERL.

4. Prohibited Uses Of AI

The following uses are expressly prohibited. These prohibitions may not be waived by management, staff, and supersede any other LACERA AI policy or procedure.

- Exercising discretionary authority over pension assets, including autonomous investment decision-making or trade execution;
- Approving, denying, or making final determinations on member benefits, eligibility, or appeals without human review and authorization;
- Substituting for Board deliberation or replacing fiduciary judgment on any matter subject to trustee authority;
- Operating as a delegate of the Board or assuming any delegated fiduciary authority under CERL;
- Generating official communications, board minutes, legal submissions, or binding records without human authorship and approval;
- Simulating human interaction with members or the public in a deceptive or undisclosed manner;
- Processing confidential member data through unapproved, external, or unsecured AI systems;
- Making or materially influencing personnel decisions — including hiring, discipline, or termination — based solely on AI-generated output.

5. Transparency and Public Accountability

Consistent with the Board's obligations under the Brown Act and the California Public Records Act, the Board establishes the following governance standards:

- Board deliberations and decisions must remain human-guided and independently explainable by trustees. Reliance on outputs that trustees cannot explain or independently evaluate is inconsistent with fiduciary duty.
-

-
- The retirement system shall not adopt AI tools or practices that undermine the Board's ability to satisfy its public accountability obligations.
 - Any use of AI in member-facing communications or services must be disclosed to members in plain language.

6. Board Oversight and Reporting

A. Delegation to the Chief Executive Officer

Chief Executive Officer has authority to develop, maintain, and enforce ~~an~~ AI Policy and solution implementations Governance and AI Policy consistent with this governance framework. The AI Policy governs the ethical implementation of AI use by staff, contractors, and service providers. It may be more restrictive than, but may not be less restrictive than, this framework. It does not modify or supersede the prohibited uses set forth in Section 4.

B. Management Reporting to the Board

Management shall report to the Board no less than quarterly on the following:

- The status and scope of AI use across the organization, including the approved tools registry;
- Material risks, errors, or incidents involving AI systems;
- Vendor AI disclosures and compliance with governance requirements;
- Member impact, including any fairness or bias concerns identified;
- Workforce impacts, including any changes to essential roles attributable to AI adoption;
- Recommended amendments to this framework or the AI Policy.

Material incidents must be reported to the Board promptly, without waiting for the scheduled annual report.

C. Annual Review

The Board shall review this framework ~~no less than~~ annually. Management shall present any recommended amendments at the scheduled review. The Board retains exclusive authority to amend this document, including the prohibited uses in Section 4.

7. Workforce Stewardship

The Board affirms that AI is intended to augment staff capacity and enhance member service — not to displace the human expertise and institutional knowledge essential to the retirement system's mission. No essential human role will be eliminated solely on the basis of AI capability without Board awareness and deliberation. Management shall ensure that efficiency gains from AI are directed toward improved member service and stronger fiduciary oversight.

8. Board Affirmation

Artificial intelligence is a tool. It is not a fiduciary, not a decision-maker, and not a delegate. Its use within this retirement system is a privilege that exists to serve members — not to supplant the judgment, accountability, and legal obligations that trustees and staff carry under the California Constitution and the County Employees Retirement Law of 1937.

**FOR INFORMATION ONLY**

May 11, 2026

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

FROM: Chaitanya Errande 
Information Security Officer

FOR: June 3, 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."

A total of **3** events were investigated, with **3** confirmed as incident, including **3** involving Personally Identifiable Information (PII) and **0** involving Protected Health Information (PHI) for the month of April 2026. 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:** DPC has strengthened its mail-handling procedures. Checks will be processed separately from other documents, and a two-person verification process will be used for all check mailings. Person 1 will prepare the batch by fanning envelopes, confirming seal alignment, verifying address-window visibility, and running the batch. Person 2 will perform a final quality-control review of the sealed envelopes before mailing.
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
3	0	3	3	0

A total of **3** confirmed as incidents, including **3** involving Personally Identifiable Information (PII) and **0** involving Protected Health Information (PHI). Severity levels are low. As a standard practice, affected members are offered one-year membership to Experian's Identity Theft Protection Services to mitigate risks.

Incident Details

Incident #1

	Details
Incident Date	March 27, 2026
Discovery Date	April 08, 2026
Status	Closed, PII Incident exposure
Description	A check intended for a member was delivered to another member.
# of Members affected	1
PII Exposure	Member name, address, tax withholding information, and the last four digits of social security number.
Cause	<p>There were two errors, one by Benefits specialist and one by DPC staff.</p> <ol style="list-style-type: none"> 1. A discrepancy in the Iris Checks Manager related to mailing instructions was not detected, and the Benefits Specialist did not generate the required certified-mail cover sheet for the member. 2. DPC staff did not cross-reference member addresses before inserting checks, resulting in one member's check being placed in another member's envelope.
Remediation / Corrective Action	<p>Provide targeted refresher training to prevent recurrence of this incident. Benefits Specialists should verify mailing instructions in Iris Checks Manager and ensure the required certified-mail cover sheet is generated and included before the check is forwarded to DPC for mailing. The Check that was erroneously mailed was fully recovered.</p> <p>DPC has strengthened its mail-handling procedures. Checks will be processed separately from other documents, and a two-person verification process will be used for all check mailings. Person 1 will prepare the batch by fanning envelopes, confirming seal alignment, verifying address-window visibility, and running the batch. Person 2 will perform a final quality-control review of the sealed envelopes before mailing.</p>

Incident #2

	Details
Incident Date	March 31, 2026
Discovery Date	April 09, 2026
Status	Closed, PII Incident exposure
Description	An "Additional Information Required" letter addressed to a member had been erroneously mailed to another LACERA member.
# of Members affected	1
PII Exposure	Member name, address, and the last four digits of social security number.
Cause	Error happened during the document sorting and insert process at DPC. The DPC staff inadvertently combined documents belonging to two different members, along with their respective banners, into a single envelope. The insertion process is a fully manual procedure.
Remediation / Corrective Action	The member who received the erroneous mail returned the mail to LACERA. More training is needed to prevent recurrence of the above incident. DPC personnel should be more careful when sorting and indexing documents.

Incident #3

	Details
Incident Date	April 22, 2026
Discovery Date	April 24, 2026
Status	Closed, PII Incident exposure
Description	LACERA staff identified that an “Underpayment of Mandatory Retirement Contribution” packet addressed to a member was mailed in an envelope that was not properly sealed. As a result, the packet was processed through the postal service and delivered with the envelope open.
# of Members affected	1
PII Exposure	Member name, address, overpayment amount and available repayment options.
Cause	<p>Error occurred during the document-folding and envelope-sealing step. Because the packet contained 10 pages, it was placed in a flat envelope. DPC confirmed that the flat envelope stock is older/dated and the adhesive does not always seal completely, particularly when thicker packets are inserted. DPC is coordinating with the Purchasing Department to replace the older flat envelopes with new stock.</p> <p>In addition, DPC is strengthening mail-preparation quality controls to help prevent the recurrence of this incident. Please refer to the embedded “Enhanced Mailroom_QA_Guide” for the updated procedures and Quality Control checkpoints.</p>
Remediation / Corrective Action	DPC has strengthened its mail-handling procedures. Mails will be processed separately from other documents, and a two-person verification process will be used for all mailings. Person 1 will prepare the batch by fanning envelopes, confirming seal alignment, verifying address-window visibility, and running the batch. Person 2 will perform a final quality-control review of the sealed envelopes before mailing.

Reviewed and approved:



Luis A. Lugo
 Chief Executive Officer

CE:ZF:nm