IN PERSON & VIRTUAL BOARD MEETING

AUGUST 5, 2026, AT 9:00 AM*

OPERATIONS OVERSIGHT COMMITTEE MEETING

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

TO VIEW VIA WEB

https://lacera.gov/leadership/board-meetings

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, AUGUST 5, 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.gov/leadership/board-meetings.](https://LACERA.gov/leadership/board-meetings)

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

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 July 1, 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.gov/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.gov.)

V. NON-CONSENT ITEMS

A. **Board AI Governance Framework**
Recommendation as submitted by Chaitanya Errande, Information Security Officer and Kathy Delino, Chief, Information Technology: That the Committee recommends sending the Board AI Governance Framework to the Board of Retirement for adoption.
(Memo dated July 17, 2026)

VI. REPORTS

A. **Operations Briefing**
Jessica Baxter, Chief Administrative Officer
JJ Popowich, Chief Benefits Officer
Kathy Delino, Chief, Information Technology
(Presentation)

B. **Privacy Incidents: Personally Identifiable Information – July 2026**
Chaitanya Errande, Information Security Officer
(For Information Only) (Memo dated July 21, 2026)

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 agendized item at a future meeting.)

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.)

IX. GOOD OF THE ORDER

(For Information Purposes Only)

X. 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.gov, 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

9:32 A.M. – 10:16 A.M., WEDNESDAY, JULY 1, 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

Aleen Langton, Trustee

Bobbie Fesler, Trustee

ABSENT: Wayne Moore, Vice Chair

David Ryu, Alternate Trustee

OTHER BOARD OF RETIREMENT TRUSTEES

Elizabeth Ginsberg, Trustee

Jason E. Green, Alternate Trustee

Ernesto J. Pantoja, Trustee

Les Robbins, Trustee

STAFF, ADVISORS AND PARTICIPANTS

Luis A. Lugo, Chief Executive Officer

JJ Popowich, Assistant Executive Officer

Jessica Baxter, Assistant Executive Officer

Kathy Delino, Chief, Information Technology

Chait Errande, Information Security Officer

I. CALL TO ORDER

This meeting was called to order by Chair Durazo at 9:32 a.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

There were no requests received.

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of June 3, 2026

Trustee Fesler made a motion, Trustee Langton seconded, to approve the minutes of the regular meeting of June 3, 2026. The motion passed by the following roll call vote:

Yes: Fesler, Langton, Durazo

No: None

Absent: Moore, Ryu

IV. PUBLIC COMMENT

There were no requests from the public to speak.

V. REPORTS

A. **Operations Briefing**
JJ Popowich, Assistant Executive Officer
Jessica Baxter, Assistant Executive Officer
Kathy Delino, Chief, Information Technology
(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.

B. **2023-2028 Strategic Plan Quarterly Update**
JJ Popowich, Assistant Executive Officer
Jessica Baxter, Assistant Executive Officer
(For Information Only)

Staff was available to answer questions from the Committee regarding the Quarterly Strategic Plan Update. This item was received and filed.

C. **Draft Board AI Governance Framework – Discussion Item**
Chaitanya Errande, Information Security Officer
Kathy Delino, Chief, Information Technology
(For Information Only) (Memo dated June 23, 2026)

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 Chief Executive Officer Luis A. Lugo, Assistant Executive Officers JJ Popowich and Jessica Baxter, Chief, Information Technology Kathy Delino, Information Security Officer Chait 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 10:16 a.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.**

L//CERA

July 17, 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

Kathy Delino
Chief, Information Technology

FOR: August 5, 2026 Operations Oversight Committee Meeting

SUBJECT: **Board AI Governance Framework**

Staff is presenting the attached Board AI Governance Framework for the Committee's review and recommend that it be sent to the Board of Retirement for adoption.

PURPOSE

The Board AI Governance Framework establishes the Board of Retirement's governance structure for the use of artificial intelligence (AI) technologies 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 significant areas:

- **Purpose**: The Framework will guide the responsible adoption of AI by setting forth principles and the roles of the Board of Retirement and staff. It is written to provide durable and stable principles-based guidance even as technology continues to evolve.
- **Guiding Principles**: The framework's principles are human accountability, member protection, transparency and explainability; security and privacy; and people strengthening staff expertise.
- **Role of the Board of Retirement**: The Board will provide direction and fiduciary oversight with day-to-day operations as the responsibility of management and staff. The Board will set direction and risk appetite, adopt and maintain the Framework document, oversee management's stewardship of AI through regular

reporting, satisfying itself that risks are understood and appropriately managed; and retain ultimate fiduciary responsibility.

- **<u>Role of Staff</u>**: Under the direction of the Chief Executive Officer, manage and operate AI consistent with the framework, including translating the principles into practical standards, procedures, and controls, apply Board-approved procurement practices to decide which tools should be adopted and ensure that use is validated by qualified staff before it is relied upon, maintain an informed view of when and how AI is to be used, report to the Board, and ensure staff are adequately trained.
- **<u>Reporting Standards</u>**: Staff will report regularly to the Board on where AI is used, how risk is managed, confirmation that AI use is consistent with the framework, and other significant developments. Reporting will enable the Board to provide fiduciary oversight, monitoring, and questioning.

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.

Recommendation
The Operations Oversight Committee recommends sending the attached Board AI Governance Framework to the Board of Retirement for adoption.

Reviewed and approved:

Luis A. Lugo
Chief Executive Officer

Attachment

CE:KD:nm

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

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BOARD ARTIFICIAL INTELLIGENCE (AI) GOVERNANCE FRAMEWORK

BOARD OF RETIREMENT
Pending Approval Date

BOARD ARTIFICIAL INTELLIGENCE GOVERNANCE FRAMEWORK

Authorizing Manager: Information Security Officer

Original Issue Date: Pending Board of Retirement Adoption

Effective Date: Pending Board of Retirement Adoption

Mandatory Review: *Annually*

Approval Level: *Board of Retirement*

I. Purpose

The Board of Retirement (BOR) adopts this Framework to guide the responsible adoption of artificial intelligence (AI) across LACERA. AI is a fast-evolving set of tools that can improve service to members and strengthen administration of the retirement system, while also creating risks that bear directly on the Board's fiduciary duty. This Framework sets out the principles that govern how AI is adopted and used at LACERA and clarifies the roles of trustees and staff in that adoption. It is written as durable guidance; a stable set of principles meant to hold as the technology, the market, and the law continue to change. It does not prescribe specific tools or procedures; those are the responsibility of management, working within the principles set here.

II. Scope

This Framework governs all use of AI in the administration of the retirement system and applies across every LACERA function. As a policy of the Board of Retirement, it governs the adoption of AI throughout LACERA.

III. Guiding Principles

The following principles guide every decision to adopt or use AI at LACERA. They are stated as enduring commitments rather than detailed rules, so that they remain sound as the technology evolves.

- **Human judgment and accountability.** AI may inform, assist, and accelerate the work of the system, but it is a tool, not a decision-maker. Final decisions and accountability for them rest with qualified people.
- **Member protection.** AI is adopted to serve members, never to disadvantage them.
- **Transparency and explainability.** LACERA's public statements about its use of AI should be accurate and consistent with its open-government and public-accountability obligations.
- **Security and privacy.** Member information is safeguarded. AI is adopted only through channels that protect the confidentiality of member data and the integrity of LACERA's systems.

- **People strengthened.** AI is adopted to augment the expertise of LACERA's workforce and improve member service, not to replace the human knowledge and judgment on which the system depends.

IV. Role of the Board of Retirement

As fiduciaries, the trustees own the governance of AI at LACERA. The Board's role is direction and oversight, not day-to-day operation. The Board:

- Sets the direction and risk appetite for AI adoption, consistent with LACERA's mission and the Board's fiduciary duty;
- Adopts and maintains this Framework and the principles under which AI is used;
- Oversees management's stewardship of AI through regular reporting and informed inquiry, satisfying itself that risks are understood and appropriately managed; and
- Retains ultimate fiduciary responsibility, which the use of AI does not diminish.

Trustees do not select tools or write procedures; they set up expectations, ask informed questions, and hold management accountable for results.

V. Role of Staff

Under the direction of the Chief Executive Officer, management and staff adopt and operate AI consistent with this Framework. Staff:

- Translate these principles into practical standards, procedures, and controls suited to LACERA's operations;
- Consistent with BOR-approved procurement practices, decides which AI tools are adopted and ensure each use is secured, validated, and reviewed by qualified people before it is relied upon;
- Maintain an informed view of where and how AI is used across the organization;
- Report to the Board on the state of AI adoption and its risks, and escalate significant matters promptly; and
- Ensure staff are trained to use AI responsibly and understand that accountability for their work remains with them.

Management may adopt standards more specific or more restrictive than this Framework, but not inconsistent with it.

VI. Reporting Standards

The Board governs AI chiefly through informed oversight, which depends on candid, regular reporting from management. Management will report to the Board regularly (at least [quarterly/semi-annually]) and more often as the pace of adoption warrants addressing, at a high level:

- **Where AI is used —** a current, plain-language view of how AI is being adopted across LACERA;
- **How risk is managed —** the principal risks of current and planned AI use and how they are being addressed;

- **Whether principles are honored —** confirmation that AI use remains consistent with this Framework, with any material exceptions and their resolution; and
- **Significant developments —** material incidents, notable new uses, consequential vendor or third-party AI, and relevant changes in law or regulation.

Matters that materially bear on the Board's fiduciary duty are reported promptly, without waiting for the next scheduled report. LACERA's Internal Audit function provides the Audit, Compliance, Risk, and Ethics (ACRE) committee for periodic independent assurance over the AI governance program.

VII. Review and Adaptation

AI and its legal and regulatory environment are changing quickly. This Framework is meant to be durable but not static. The Board will review the framework at least annually, and sooner upon a material change in LACERA's use of AI, in the technology, or in applicable law. Because it rests on principles rather than fixed rules, the Framework is designed to remain a reliable guide as specific tools and practices evolve. Management will bring recommended updates to the Board, which retains sole authority to amend this Framework.

VIII. Legal and Fiduciary Foundation

This Framework rests on the Board's fiduciary duties under the California Constitution (Article XVI, Section 17) and the County Employees Retirement Law of 1937, and on LACERA's obligations to protect member information and remain accountable to the public. Nothing in the adoption or use of AI modifies the standard of care owed to members.

IX. Version History and Approval

Version	Date	Summary of Changes	Approved By
1.0	Pending Board Adoption	Initial principles-based Board AI Governance Framework: establishes guiding principles, the roles of trustees and staff in AI adoption, and high-level reporting standards.	Board of Retirement

Role	Detail
Prepared By	Chaitanya Errande, Information Security Officer
Reviewed By	Executive Office; Legal and Compliance
Adopted By	Board of Retirement — [Date]

The Board of Retirement (BOR) retains exclusive authority to amend this Framework and will review it no less than annually, or upon a material change in LACERA's use of AI, the technology environment, or applicable law.

LACERA
Los Angeles County Employees Retirement Association

Operations Briefing

AUGUST 2026

Prepared for the Operations Oversight Committee

Overview

Two areas of focus for this briefing to the Operations Oversight Committee

01

Operational and Strategic Plan Initiatives

15 organization-wide projects spanning infrastructure, member services, compliance, and technology modernization. 8 technology projects aligned to LACERA's strategic goals.

02

IT Trends & AI Update

Highlighting the artificial intelligence landscape, LACERA's current AI applications, projects in development, and the future pipeline.

Project Health Dashboard

Portfolio status across all 24 initiatives · FY 26-27

24
TOTAL INITIATIVES

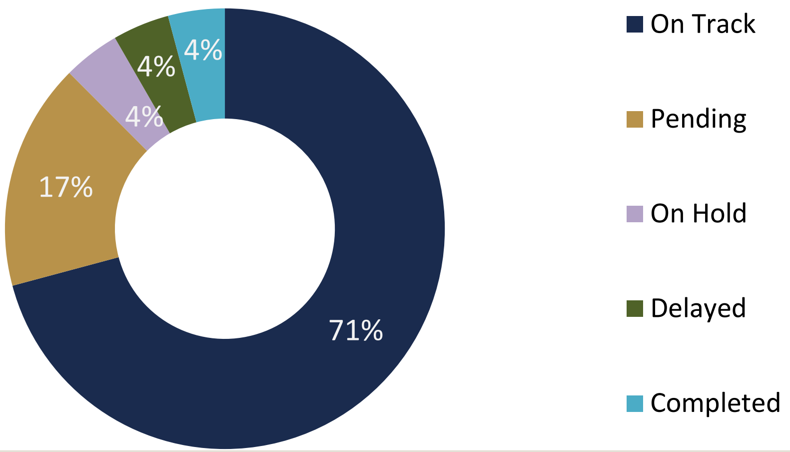
1
COMPLETED

17
ON TRACK

6
ON HOLD, DELAYED, PENDING

~$5.4M
FY 26-27 BUDGET

STATUS DISTRIBUTION



UPCOMING INITIATIVES

AUG 2026	Legal Matter Management (LMM) · Virtual Mailroom · LERT · SASE
SEP 2026	Microfiche Digitization, PEPRA FAC: Scheduled Earnings
OCT 2026	Enterprise Knowledge Management · MECP
NOV 2026	Case Management (Sol) Phase 2
DEC 2026	Disability Retirement AI · Project Portfolio Management · PEPRA Annual Benefit Statement (ABS)

COMPLETED INITIATIVES

COMPLETED	COLA Bank Retroactive Changes

01

SECTION ONE

Operational and Strategic Plan Initiatives

IT Related Organization-Wide Projects · 15 Active Initiatives · Technology Components of LACERA's Strategic Goals · 8 Active Initiatives

Organization-Wide Impact

How the 24 initiatives advance service, compliance, and modernization across LACERA

24 TOTAL INITIATIVES

1 COMPLETED

17 ON TRACK

6 ON HOLD, DELAYED, PENDING

$5.36M FY 26-27 BUDGET

8 Member Benefits & Experience

More accurate, transparent benefits — from corrected COLA payments for 1,292 members to omni-channel member contact and PEPRA statements.

COLA Bank Retroactive Changes (Completed) · PEPRA ABS · PEPRA Scheduled Earnings · Disability Retirement AI · Case Management Phase 2 · MECP · Employer Portal · Member Empowerment Platform

4 Compliance, Legal & Risk

Meeting statutory obligations and cutting legal exposure — CERL §31452.5 deductions, defensible eDiscovery, and accurate contributions.

Dues Deductions (CERL §31452.5) · Digital Communication Governance · Legal Matter Management · Retroactive Payroll Adjustments

8 Technology Modernization & AI

Replacing legacy systems that serve every member — the mainframe, 46M-page records, enterprise analytics, knowledge, and portfolio management.

Mainframe Migration · Microfiche Digitization · Business Intelligence · Enterprise Knowledge Management · CoPilot Champions · PPM · Enterprise Resource Planning · Virtual Mailroom

4 Security, Continuity & Access

Protecting member data and keeping operations running — cybersecurity, emergency response, resilient mailroom, and expanded access.

SASE Phase II · LERT Management · Boardroom Relocation · Member Verification

Operational Initiatives

Boardroom Relocation and Expansion

On Track · Execution

Relocation of the Boardroom from the 8th Floor to the ground floor of Gateway Plaza — a larger, purpose-built venue designed to expand seating for joint board meetings and accommodate greater attendance by members of the public.

Update: Staff continue planning discussions with the Office of the Building and external vendors on first-floor space allocation and permitting; update at the August JOGC.

ORGANIZATION-WIDE IMPACT

Adds dedicated capacity for joint board meetings and expanded seating for members of the public in a larger ground-floor venue — reinforcing transparency and in-person participation across the organization.

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

COLA Bank Retroactive Changes

Completed

Board-approved corrections to the COLA Accumulation Bank — retroactive corrections, recalculated benefit allowances, and retroactive payments to members.

Update: Member corrections to benefits are now complete.

ORGANIZATION-WIDE IMPACT

Restores accurate cost-of-living benefits and issues retroactive payments to 1,292 affected members — correcting benefits and reducing compliance risk.

Completed: July 2026 | Louis Gittens, Division Manager

Operational Initiatives

CoPilot Champions

On Track · Execution

Expanding CoPilot adoption by empowering staff to lead adoption, recommend training, and mentor peers across the organization.

Update: Second round of training structured around division-specific use cases; purchase order issued and planning underway with the vendor.

ORGANIZATION-WIDE IMPACT
Builds AI fluency and productivity in every division through peer mentors — accelerating organization-wide adoption of Microsoft CoPilot.

Budget: $98,100 | Target: September 2028 | Penelope Rodriguez, Project Manager

Deductions for Dues from Retiree Benefit Payments

Pending · Planning

Policy implementation for members who elect to have dues, fees, or premiums deducted from retirement benefits, ensuring compliance with CERL §31452.5.

Update: Future process and workflow finalized; Benefits will partner with Systems to build the deduction-automation process.

ORGANIZATION-WIDE IMPACT
Brings retiree benefit deductions into compliance with CERL §31452.5 and automates them — reducing manual processing and legal risk for all electing retirees.

Target: TBD | Louis Gittens, Division Manager

Operational Initiatives

Digital Communication Governance & Compliance

Pending · Planning

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

Update: Comparing vendor quotes to determine next steps.

ORGANIZATION-WIDE IMPACT
Enables fast, defensible responses to legal and public-records requests enterprise-wide — reducing legal exposure and manual discovery effort.

Budget: $150,000 | Target: TBD | Alonso Favela, Project Manager

Disability Retirement AI Solution

On Track · Execution

Transform the document and record indexing in the disability retirement application workflow to improve speed, accuracy, and efficiency.

Update: Finalized detailed requirements (SOW), seeking vendor demonstrations.

ORGANIZATION-WIDE IMPACT
Speeds and sharpens disability retirement processing through AI-assisted indexing — improving turnaround and accuracy for members seeking disability benefits.

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

Operational Initiatives

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: Technical configuration underway for deployment; refresher training for users.

ORGANIZATION-WIDE IMPACT
Strengthens enterprise emergency response and business continuity by automating incident tracking across LACERA’s critical systems.

Target: August 2026 | Dave Choe, Project Manager

Legal Matter Management (LMM) Solution

On Track · Execution

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

Update: Completing project documentation and readying for project closure.

ORGANIZATION-WIDE IMPACT
Centralizes legal-matter tracking and links it to enterprise contract management — improving oversight and reducing organizational risk.

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

Operational Initiatives

Mainframe System Migration

On Track · Execution

Migrate existing pension administration mainframe functionality to modern infrastructure for greater scalability, agility, and integration.

Update: Employing AI and automated testing to optimize coding and migration.

ORGANIZATION-WIDE IMPACT
Modernizes the core platform that processes every member's pension benefits — improving scalability, security, and agility for the whole organization.

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

Microfiche Digitization

On Track · Execution

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

Update: Mass conversion to searchable PDFs completed; awaiting MOU with L.A. County for delivery coordination. The team us beginning work on building the repository and discussions are underway on the user experience.

ORGANIZATION-WIDE IMPACT
Turns 46 million pages of member records into instantly searchable files — improving service speed and record access for staff across every division.

Target: September 2026 | Tom Deluca, Project Manager

Operational Initiatives

PEPRA: Annual Benefit Statement

On Track · Execution

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

Update: Systems and Communications completed business decision reviews. Communications is finalizing comps for approval and subsequent development.

ORGANIZATION-WIDE IMPACT

Extends Annual Benefit Statements to all PEPRA members — improving benefit transparency and self-service for a growing segment of the membership.

Target: December 2026 | Cynthia Martinez, Communications

PEPRA Final Average Compensation: Scheduled Earnings

Delayed · Execution

Board-approved use of Scheduled Earnings instead of Actual Earnings for PEPRA member Final Average Compensation, including retroactive benefit payments.

Update: All routine cases completed; two outstanding complex cases nearing completion.

ORGANIZATION-WIDE IMPACT

Aligns PEPRA final-compensation calculations with Board policy — ensuring accurate benefits and retroactive payments for affected members.

Target: September 2026 (Previously July) | Kevin Hawkins, Process Management Group, Benefits

Operational Initiatives

Project Portfolio Management Solution

On Track · Execution

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

Update: Beginning the Vendor Management and Procurement process.

ORGANIZATION-WIDE IMPACT

Gives leadership one view to prioritize projects and allocate resources — improving decision-making across the entire initiative portfolio.

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

Retroactive Payroll Adjustments: Prospective Correction

Pending · Initiation

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

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

ORGANIZATION-WIDE IMPACT

Protects the accuracy of member contributions on retroactive County payroll adjustments — safeguarding fund integrity for affected members.

Target: TBD | JJ Popowich, Assistant Executive Officer

Operational Initiatives

Secure Access Service Edge (SASE) | Phase II

On Track · Execution

Implement core cloud-based networking and security features — SD-WAN, Secure Enterprise Browser rollout, and Data Loss Prevention.

Update: Advanced features being implemented; Prisma Access Browser testing underway for the Boardroom, contractors, and disaster BYOD; adding an interconnect feature missing from the current solution. Prisma Access Browser is being tested for the ISO team and the plan is to expand it to Systems next month. Interconnect testing was conducted successfully.

ORGANIZATION-WIDE IMPACT

Hardens enterprise cybersecurity for every user and system through cloud network security and data-loss prevention.

Target: August 2026 | Chait Errande, Information Security

Virtual Mailroom

Pending · Initiation

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

Update: Beginning the Vendor Management and Procurement process.

ORGANIZATION-WIDE IMPACT

Ensures uninterrupted document processing through a resilient third-party mailroom — protecting continuity of member correspondence.

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

Strategic Plan Initiatives

Business Intelligence (BI) Initiative

On Track · Execution

STRATEGIC GOAL 2 · INNOVATION THROUGH TECHNOLOGY — 2.1 BUSINESS INTELLIGENCE

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

Update: Deployed first set of three division-specific dashboards; team has begun gathering requirements for the next three divisions.

ORGANIZATION-WIDE IMPACT
Delivers unified, self-service analytics to every division — enabling data-driven decisions across the entire organization.

Budget: $840,000 | Target: December 2027 | Alonso Favela, Project Manager

Case Management (Sol) | Phase 2

On Track · Execution

STRATEGIC GOAL 1 · SUPERIOR MEMBER EXPERIENCE — 1.3 DIGITAL STRATEGY

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

Update: Active Death Case Management module development has begun, about 75% complete.

ORGANIZATION-WIDE IMPACT
Extends digital case management to death processing — improving timeliness and accuracy for survivors and beneficiaries.

Budget: $500,000 | Target: November 2026 | Iveta Brecko, Project Manager

Strategic Plan Initiatives

Employer Portal

On Hold

STRATEGIC 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 Subject Matter Expert (SME) and resource-availability decisions.

ORGANIZATION-WIDE IMPACT

Would streamline member onboarding for participating employers and speed member access to self-service — currently paused pending prioritization.

Target: TBD | Alonso Favela, Project Manager

Enterprise Knowledge Management

On Track · Execution

STRATEGIC GOAL 2 · INNOVATION THROUGH TECHNOLOGY — 2.2 KNOWLEDGE MANAGEMENT

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

Update: Pending Board of Retirement vendor approval.

ORGANIZATION-WIDE IMPACT

Captures and organizes institutional knowledge enterprise-wide — reducing knowledge loss and improving staff efficiency across divisions.

Budget: $590,000 | Target: December 2029 | Dave Choe, Project Manager

Strategic Plan Initiatives

Enterprise Resource Planning

On Track · Execution

STRATEGIC GOAL 5 · FISCAL DURABILITY — 5.1 ORGANIZATIONAL TOOLS

Replace LACERA's finance, budget, procurement, contracts, and human resource data systems with a single integrated Enterprise Resource Planning platform.

Update: Received IT Coordination Council approval to create and release RFP. Assembling project team and appointing Project Manager.

ORGANIZATION-WIDE IMPACT

Unifies accounting, budgeting, procurement, human resources data and financial reporting on one modern platform — strengthening budget accuracy, spending controls, and administrative efficiency across every division.

Budget: $150,000 | Target: December 2028 | Ted Granger, Chief Financial Officer

Member Experience Communication Project (MECP)

On Track · Execution

STRATEGIC GOAL 1 · SUPERIOR MEMBER EXPERIENCE — 1.3 DIGITAL STRATEGY

Replace AWS Connect with a cloud communications service providing an omni-channel contact center with native MS Teams integration.

Update: Split into two phases: Phase I covers core call center, queue management, call recording, workforce management, quality control, and a beta live chat on LACERA.gov; Phase II adds AI Agent Assist and AI chatbot. Completing Build phase and entering Testing phase.

ORGANIZATION-WIDE IMPACT

Transforms member contact into an omni-channel experience — improving responsiveness for every member who calls, chats, or messages LACERA.

Budget: $150,000 | Target: October 2026 | JJ Popowich, Assistant Executive Officer

Strategic Plan Initiatives

Member Empowerment Digital Platform (MEDP)

On Track · Execution

STRATEGIC GOAL 1 · SUPERIOR MEMBER EXPERIENCE — 1.3 DIGITAL STRATEGY

Deliver a unified self-service portal and mobile app that lets members securely view benefits, run retirement estimates, update personal information, and complete key transactions online.

Update: Project initiated, project team assembled, team defining scope and high-level requirements; identifying vendors for demos.

ORGANIZATION-WIDE IMPACT
Puts benefit information and self-service transactions directly in members' hands — reducing call and office volume while improving access for the entire membership.

Budget: $500,000 | Target: June 2027 | Member Services Division

Member Verification Modernization

On Track · Execution

STRATEGIC GOAL 1 · SUPERIOR MEMBER EXPERIENCE — 1.3 DIGITAL STRATEGY

Modernize how LACERA confirms member and beneficiary identity — replacing with secure digital identity verification and periodic proof-of-life confirmation.

Update: Requirements gathering underway with Member Services and Legal Office; evaluating identity-verification vendors and defining workflows for online enrollment, life events, and continued-eligibility checks.

ORGANIZATION-WIDE IMPACT
Strengthens safeguards against fraud and improper payments while making identity confirmation faster and less burdensome for members and beneficiaries.

Budget: $220,000 | Target: March 2027 | Member Services Division

02

SECTION TWO

Artificial Intelligence (AI) Update

Presented by Kathy Delino, Chief Information Technology

AI Architecture and Data Review

- Review AI and data strategy across pension administration and investments
- Develop data architecture recommendations to support AI capabilities
- Define how AI can be used to access and surface organizational data
- Establish an AI Center of Excellence for ongoing governance and innovation
- Implement initial AI use cases to deliver near-term value

LACERA's AI Journey

From applications in production today to the future pipeline

IN PRODUCTION
Current Applications

— Microsoft CoPilot Chat
— Microsoft 365 CoPilot
— Microsoft CoWork
— AI-Powered Video Transcription
— BI & Data Visualization Tools
— AI-Assisted Code Generation
— AI-Assisted Test Case Generation
— AI-Assisted Contract Review
— AI-Enhanced Excel for Investments

IN DEVELOPMENT
Building Now

— Website Chatbot + Call Center
— Disability Retirement Document AI
— Intelligent Document Processing

FUTURE PIPELINE
Coming Next

— AI for Board Meetings
— AI-Assisted Legal Research
— AI-Assisted Analysis and Triage of Legal Documents

New Use Case and Use Cases Moving to Next Phase are reviewed each reporting period.

LACERA
Los Angeles County Employees Retirement Association

Questions?

Operations Oversight Committee | August 2026

L//.CERA

FOR INFORMATION ONLY

July 21, 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: August 05, 2026, Operations Oversight Committee Meeting

SUBJECT: **Privacy Incidents: Personally Identifiable Information – July 2026**

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 **1** event was investigated, with **1** confirmed as incident, including **1** involving Personally Identifiable Information (PII) and **0** involving Protected Health Information (PHI) for the Month of July 2026. 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.

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 Legal Office staff inadvertently combined documents belonging to two different members, along with their respective banners, into a single envelope. To mitigate the risk of similar incidents occurring in the future, it is recommended that additional training be provided to Legal personnel.

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 Legal Division staff to review workflow procedures.

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
1	0	1	1	0

A total of **1** confirmed as incident, including **1** 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

	Details
Incident Date	June 18, 2026
Discovery Date	June 23, 2026
Status	Closed, PII Incident exposure
Description	Legal "Notice of Appearance and Response" letter addressed to member and his wife was mailed to another member.
# of Members affected	1
PII Exposure	Member name, address, legal case number.
Cause	Legal Division staff are responsible for printing Legal Division correspondence and the associated mailing envelopes. During this manual process, staff inadvertently inserted the correspondence intended for a member and his wife into the incorrect envelope. The printing, matching, and insertion process is performed manually.
Remediation / Corrective Action	Enhanced diligence and adherence to established procedures during legal document sorting and mailing are essential to ensure the protection of Personally Identifiable Information (PII). More training is needed to prevent recurrence of the above incident. Legal Division personnel should be more careful when sorting and mailing documents.

Reviewed and approved:

Luis A. Lugo
Chief Executive Officer

CE:ZF:nm