

**GENERAL SESSION MINUTES
AUDIT COMMITTEE MEETING
July 11-12, 2013
ISO Headquarters
Folsom, California**

July 11, 2013

The Audit Committee of the ISO Board of Governors convened the general session meeting at approximately 2:50 p.m. and the presence of a quorum was established.

ATTENDANCE

The following members of the Audit Committee were in attendance:

Ash Bhagwat, Chair
David Olsen

The following members of the officer team were present at times throughout the meeting: Steve Berberich, Eric Schmitt, Keith Casey, Mark Rothleder, Karen Edson, Nancy Saracino and Greg Fisher, Corporate Secretary

GENERAL SESSION

The following agenda items were discussed in general session:

PUBLIC COMMENT

No public comment was provided.

DECISION ON GENERAL SESSION MINUTES

Governor Olsen moved for approval of the Audit Committee's general session minutes for the May 15, 2013 meeting. The motion was seconded by Governor Bhagwat and approved 2-0-0.

ACCEPTANCE OF AUDIT OF RETIREMENT PLAN

Ryan Seghesio, Chief Financial Officer and Treasurer, provided the Committee with an overview of the audit of the ISO's retirement savings benefits plan for 2012

and 2011. Mr. Seghesio noted that the U.S. Department of Labor required the employee benefit plan to file audited financial statements. He informed the Committee that the plan assets increased by \$20.4 million in 2012.

Brad Wall, with Moss Adams, provided the Committee with a background overview of the firm and noted it was California's largest provider of audits of ERISA plans. Mr. Wall stated that the information contained in the financial statements and supplementary information complied with the Department of Labor's rules and regulations for reporting and disclosure under ERISA. He concluded by reviewing the required auditor communications under the rules of professional responsibility. Brief discussion followed.

Motion

Governor Olsen:

Moved, that the Audit Committee of the ISO Board of Governors accepts the financial statements and supplementary information of the California ISO Retirement Savings Benefits Plan for the year ended December 31, 2012, as audited by Moss Adams LLP Certified Public Accountants and as attached to the memorandum dated July 3, 2013.

The motion was seconded by Governor Bhagwat and approved 2-0-0.

ADJOURNED

There being no additional general session matters to discuss, the general session was adjourned at approximately 3:00 p.m.