

**GENERAL SESSION MINUTES
AUDIT COMMITTEE MEETING
July 15-16, 2014
ISO Headquarters
Folsom, California**

July 16, 2014

The Audit Committee of the ISO Board of Governors convened the general session meeting at approximately 9:15 a.m. and the presence of a quorum was established.

ATTENDANCE

The following members of the Audit Committee were in attendance:

Ash Bhagwat, Chair
Dave Olsen

The following members of the executive team were present at times throughout the meeting: Steve Berberich, Eric Schmitt, Keith Casey, Karen Edson, Roger Collanton and Becky Regan.

GENERAL SESSION

The following agenda items were discussed in general session:

DECISION ON GENERAL SESSION MINUTES

Governor Olsen moved for approval of the Audit Committee's general session minutes for the May 29, 2014 meeting. The motion was seconded by Governor Bhagwat and approved 2-0-0.

PUBLIC COMMENT

There was no public comment offered at this time.

ACCEPTANCE OF AUDIT OF ISO RETIREMENT SAVINGS BENEFITS PLAN FOR 2013 AND 2012

Ryan Seghesio, Chief Financial Officer and Treasurer, informed the Committee that the U.S. Department of Labor requires employee benefit plans to file audited financial statements. Mr. Seghesio provided an overview of a summary table of the Plan's additions and deductions and informed the Committee that the Plan assets had increased by \$36.1 million in 2013.

Brad Wall, on behalf of Moss Adams LLP, provided the Committee with a background overview of his firm and its experience as an auditor of ERISA plans. Mr. Wall provided an overview of the audit report and stated that, other than the financial information derived from the plan's trustee, the financial statements and supplementary information were audited in accordance with auditing standards generally accepted in the United States of America and were in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Brief discussion followed regarding fair value vs. contract value in relation to investments.

Motion

Governor Bhagwat:

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 years ended December 31, 2013 and 2012, as audited by Moss Adams LLP Certified Public Accountants, and as attached to the memorandum dated July 8, 2014.

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

ADJOURNED

There being no additional general session matters to discuss, the general session was adjourned at approximately 9:30 a.m.