

**MASSACHUSETTS WATER RESOURCES  
AUTHORITY EMPLOYEES' RETIREMENT  
BOARD MEETING  
AUGUST 24, 2015**

A meeting of the MWRA Employees' Retirement Board was held on August 24, 2015 at 10:00 a.m. at the offices of the MWRA, 2 Griffin Way, Chelsea, MA. The following Board Members were present: Thomas J. Durkin, James M. Fleming, Joseph C. Foti, Kevin McKenna, and Frank Zecha. Julie McManus, Acting Executive Director, was also present. Attorney Thomas Gibson was present as Board Counsel. Sebastian Grzejka was present from New England Pension Consultants (NEPC) as Investment Consultant. Chairman Fleming called the meeting to order at 10:03 a.m.

- 1) Call the meeting to order
- 2) Executive Director Finalists – VOTE
  - a) Carolyn Russo
  - b) Christine Tetreault

Discussion.

On motion by Thomas J. Durkin and seconded by Joseph C. Foti:

**VOTED**

to hire Carolyn Russo for the position of Executive Director. 5-0

- 3) Committee Reports
  - By-Laws Committee: No Report
  - Human Resources Committee: No Report
  - Special Committee, Stipend: No Report
  - Job Review Committee: No Report

Increase to COLA Base:

Section 101 Survivors:

12(2)(d):

Motion made by Kevin McKenna and seconded by Frank Zecha to approve the increase to COLA Base to \$14,000:

Motion made by Thomas J. Durkin to table this item, and Mr. Fleming noted that the motion to table is non-debatable.

Discussion. Mr. Zecha stated that he believed the Board should take a vote on this item as it has been on the agenda for three years. Mr. Durkin responded that he and Mr. Foti are planning to meet to discuss the increase to the COLA base, and increases to Sections 101 and 12(2)(d) prior to having the items presented to the Board of Directors. Mr. McKenna stated that members ask him about the status of the increase to the COLA base. Mr. Foti stated that there will be an update for the

next Board meeting and thanked the Board for their patience.

Frank Zecha stepped out of the meeting

4) Annual review of Executive Session Minutes – VOTE

The Board reviewed the Executive Session Minutes and determined that since they involve medical and personnel issues that they should remain in the confidential Executive Session Minutes file.

On motion by Joseph C. Foti and seconded by Thomas J. Durkin:

**VOTED**

to approve the Annual Review of Executive Session Minutes. 4-0

5) Approval of the Minutes:

a) June 25, 2015 – VOTE

On motion by Joseph C. Foti and seconded by Kevin McKenna:

**VOTED**

to approve the Minutes 6/25/15. 4-0

b) June 25, 2015 Executive Session – VOTE

On motion by Joseph C. Foti and seconded by Thomas J. Durkin:

**VOTED**

to approve the Executive Session Minutes 6/25/15. 4-0

c) July 30, 2015 – VOTE

On motion by Joseph C. Foti and seconded by Thomas J. Durkin:

**VOTED**

to approve the Minutes 7/30/15. 4-0

6) Approval of the Estimated 8/2015 Warrant for \$1,700,000 – VOTE

On motion by Thomas J. Durkin and seconded by Joseph C. Foti:

**VOTED**

to approve the Estimated 8/2015 Warrant for \$1,700,000. 4-0

7) Approval of Monthly Transfers 8/2015 – VOTE

On motion by Joseph C. Foti and seconded by Thomas J. Durkin:

**VOTED**

to approve the Monthly Transfers 8/2015 as presented. 4-0

- 8) Acknowledgment of Retirement applications under G.L. c 32 §5 –  
VOTE

Retirement Board Staff has verified that the necessary paperwork is in order and has determined applicants to be eligible for such benefit.

Paul Duffin	DOR 8/1/2015
Michael Schweihs	DOR 8/1/2015

On motion by Frank Zecha and seconded by Thomas J. Durkin:

**VOTED**

to acknowledge Paul Duffin's §5 retirement DOR 8/1/2015 and Michael Schweihs' §5 retirement DOR 8/1/2015. 4-0

- 9) Refunds:

- a) Sharilyn L. Button, Option B – VOTE

On motion by Joseph C. Foti and seconded by Thomas J. Durkin:

**VOTED**

to approve Sharilyn L. Button's, Option B refund. 4-0

- b) Manuel E. Rivera – VOTE

On motion by Kevin McKenna and seconded by Thomas J. Durkin:

**VOTED**

to approve Manuel E. Rivera's, Option B refund. 4-0

- 10) Board Education Update – The Board reviewed PERAC's June 30, 2015 education update and confirmed that all Board Members are in compliance for 2015 and ongoing.

Frank Zecha returned to the meeting

- 11) Private Real Assets – Energy Funds Finalists' Presentation  
Kayne Anderson  
Denham Capital

- 12) Attorney Thomas Gibson/Legal Update –

- a) Ponder DALA Update – Attorney Gibson filed a response to Mr. Ponder's appeal DALA's decision
- b) Vezina DALA Update – appeal is pending
- c) Disability Status Update – Attorney Gibson reminded the Board that



he discovered that ADR retiree Robin Koukias received a third-party settlement and that the Retirement was not notified prior to the settlement. He is following up and will keep the Board informed.

- d) Checklist for Investment Managers – following up on a presentation at the June MACRS Conference, Attorney Gibson presented the summaries of all recommendations from a fiduciary audit performed on the Middlesex Retirement System by Independent Fiduciary Services, Inc. for the Board's review.

13) Manager Due Diligence Presentations/Summaries

The following managers underwent annual investment manager reviews pursuant to 840 CMR 16.07. The managers presented performance and investment reports detailing the managers' activities which the Board reviewed.

Ascent  
Lee Munder

The Board reviewed and compared the managers' performance with the Retirement System's investment goals and policies. The Board ensured that comprehensive written quarterly reports were filed with the Board and with PERAC and that these reports included a review of investment performance and relative performance, a review of the System's investments, and a report on the investment managers' current investment outlook or forecast as well as strategy for the future and key personnel staffing changes.

The Board determined that the investment managers continue to operate in a manner represented when retained and outlined in the agreement between the Board and the manager.

Frank Zecha left the meeting at 1:50 p.m.

13) Presentation by Sebastian Grzejka/NEPC

- a) Energy Search Finalists – VOTE  
Discussion. Mr. Grzejka noted that the funds are similar and NEPC would be comfortable with either manager.

On motion by Kevin McKenna and seconded by Thomas J. Durkin:

**VOTED**

to hire Kayne Anderson for a \$5,000,000 investment in energy. 4-0

- b) July 31, 2015 Flash Report
- c) First Quarter 2015 Private Markets Review

- d) First Quarter 2015 Real Estate Review
- e) Investment Summary Quarter Ending 3/31/2015
  
- f) Investment Summary Quarter Ending 6/30/2015
- g) 2015 Work Plan
- h) PIMCO Regulatory Update

The Retirement Board was presented with the following documents at the meeting:

- Kayne Anderson Presentation
- Denham Capital Presentation
- Ascent Presentation
- Lee Munder Presentation
- NEPC Energy Search Finalists
- NEPC Flash Report as of 7/31/2015
- NEPC First Quarter 2015 Private Markets Review
- NEPC First Quarter 2015 Real Estate Review
- NEPC Investment Summary Quarter Ending 3/31/2015
- NEPC Investment Summary Quarter Ending 6/30/2015
- NEPC 2015 Work Plan
- NEPC PIMCO Regulatory Update

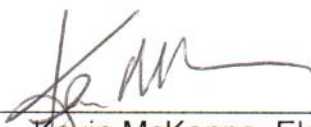
The Retirement Board reviewed the following informational documents:

- PERAC MEMO #18/2015 re. Section 54 of the Chapter 46 of the Acts of 2015
- Robbins Geller Settlement Report 7/31/2015
- Robbins Geller Portfolio Monitoring Report 7/31/2015
- Robbins Geller International Portfolio Monitoring Report 2<sup>nd</sup> Quarter 2015
- Robbins Geller Repose Report 2<sup>nd</sup> Quarter 2015
- Robbins Geller Note to Clients
- Milberg Portfolio Monitoring Report 2<sup>nd</sup> Quarter 2015
- Robeco 2<sup>nd</sup> Quarter 2015 Proxy Votes

The meeting was adjourned at 3:20 p.m. The next regularly scheduled meeting of the MWRA Employees' Retirement Board will be held **Thursday, September 24, 2015 at Massachusetts Water Resources Authority, 2 Griffin Way, Chelsea, Conference Room 2D, 10:00 a.m.**

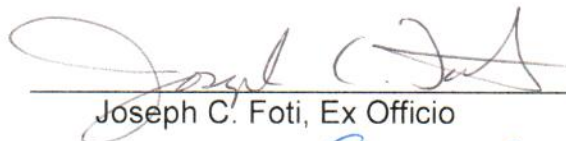
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James M. Fleming, Elected Member



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Kevin McKenna, Elected Member



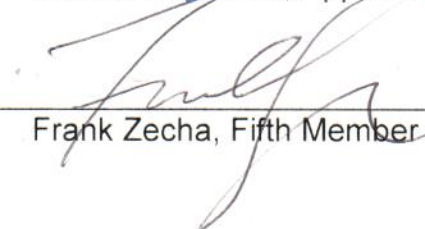
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Joseph C. Foti, Ex Officio



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Thomas J. Durkin, Appointed Member



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Frank Zecha, Fifth Member