

**MASSACHUSETTS WATER RESOURCES
AUTHORITY EMPLOYEES' RETIREMENT
BOARD MEETING
AUGUST 28, 2014**

A meeting of the MWRA Employees' Retirement Board was held on August 28, 2014 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, and Kevin McKenna. Frank Zecha was absent. Sheryl C. Trezise, Executive Director, and Julie McManus, Retirement Coordinator, were also present. Attorney Thomas F. Gibson and Kimberly Fletcher were present as Board Counsel. Michael Sullivan was present from New England Pension Consultants (NEPC) as Investment Consultant. Chairman Fleming called the meeting to order at 10:15 a.m.

- 1) Call the meeting to order
- 2) Committee Reports
By-Laws Committee: No Report
Human Resources Committee: No Report
Special Committee, Stipend: No Report

Increase to COLA Base: No Report
Section 101 Survivors: Segal report was reviewed and Mr. Durkin stated that he would show the report to Mr. Laskey
12(2)(d): No Report
- 3) Approval of the Minutes 7/31/14 – VOTE

On motion by Thomas J. Durkin and seconded by Kevin McKenna:
VOTED
to approve the Minutes 7/31/14 as presented. 4-0
- 4) Approval of the Warrant 8/2014 – VOTE

On motion by Thomas J. Durkin and seconded by Kevin McKenna:
VOTED
to approve the Warrant 8/2014 as presented. 4-0
- 5) Approval of Monthly Transfers 8/2014 – VOTE

On motion by Thomas J. Durkin and seconded by Kevin McKenna:
VOTED
to approve the Monthly Transfers 8/2014 as presented. 4-0
- 6) Approval of Bank Reconciliation 7/2014 – VOTE

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

VOTED

to approve Bank Reconciliation 7/2014. 4-0

- 7) Venture Capital – NEPC Finalists Presentations
- a) Ascent (due diligence presentation)
 - b) Ascent
 - c) Stepstone

Direct Lending – NEPC Finalists Presentations

- d) ComVest
- e) CarVal
- f) Alcentra

Discussion.

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

VOTED

to hire Alcentra as direct lending manager and to allocate \$5,000,000 to Alcentra European Direct Lending Fund. 4-0

Discussion.

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

VOTED

to hire Ascent as venture capital manager and to allocate \$3,000,000 to Ascent Venture Partners VI. 4-0

- 8) Presentation by Michael Sullivan/NEPC

- a) July 2014 Flash Report
- b) Global Asset Allocation Manager Search. Discussion

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

VOTED

to authorize NEPC to issue a Global Asset Allocation RFP. 4-0

- c) 2014 Work Plan
- d) PRIM \$135 million in Brigade Capital/Mass casinos. Mr. Sullivan stated that PRIM's Private Equity 2012 has minimal exposure and, therefore, the Board's exposure is minimal.
- e) Q114 Investment Summary – FYI
- f) Q214 Investment Summary – FYI
- g) Q114 Credit Opp Review – FYI
- h) Q114 Real Estate Review – FYI
- i) Q114 Private Equity Review – FYI

- 9) Attorney Thomas F. Gibson/Legal Update –
- a. PERAC meeting re. c. 176 and requirements for investment managers
 - b. Ramon Stanton – DALA Appeal re. Section 7 denial
 - c. George Vezina – DALA re. Veteran status
 - d. Disability Status Update
 - e. Military Leave – awaiting PERAC's opinion
 - f. Discussion regarding what determines “incompetence” when election Option C beneficiary
 - g. Dual Membership/Anti-Spiking (PERAC Memo #29)
 - h. Accidental Disability Retiree Earnings limit increase
- 10) IRS Favorable Determination Letter
- 11) Public Pension Coordinating Council (PPCC) Award Application – Ms. Trezise has contacted them per Mr. Durkin's request and will apply in October/November.
- 12) Acknowledgment of June 2014 Cash Books – VOTE
(Trial Balance; Budget; Cash Receipts; Cash Disbursements; Adjustments)

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

VOTED

to Acknowledge June 2014 Cash Books. 4-0

- 13) Travel: October MACRS Conference, Springfield, MA – VOTE

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

VOTED

to approve travel by Board and Staff to October MACRS Conference, Springfield, MA. 4-0

- 14) Acknowledgement of withdrawal of accumulated deductions: James Conroy & Keith Pierce – VOTE

Ms. Trezise noted that both Mr. Conroy and Mr. Pierce were counseled prior to their withdrawing their retirement contributions.

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

VOTED

to acknowledge the withdrawal of accumulated deductions: James Conroy & Keith Pierce. 4-0

- 15) Acknowledgement of Section 7 Retirement Application re. Stephen McDonough – VOTE

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

VOTED

to acknowledge the Section 7 Retirement Application re. Stephen McDonough. 4-0

- 16) Acknowledgement of retirement applications pursuant to 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.

Charles Scott	DOD 7/1/2014
Marguerite Debbie	DOR 7/28/2014
Kenneth Chin	DOR 8/2/2014
Colin Reid	DOR 8/2/2014
Gene Benson	DOR 8/9/2014
John DiBiaso	DOR 8/9/2014

Mr. Durkin commended the Staff for their work with all of the new retirements.

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

VOTED

to acknowledge retirement applications as listed above pursuant to G.L. c. 32 § 5. 4-0

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

Segal Consulting Study re. Cost of Increasing the Minimum Survivor Benefit

Ascent Presentation

Ascent Venture Capital Presentation

Stepstone Venture Capital Presentation

ComVest Direct Lending Presentation

CarVal Direct Lending Presentation

Alcentra Direct Lending Presentation

NEPC July 2014 Flash Report

NEPC Global Asset Allocation RFP

NEPC 2014 Work Plan

NEPC Q114 Investment Summary

NEPC Q214 Investment Summary

NEPC Q114 Credit Opp Review

NEPC Q114 Real Estate Review

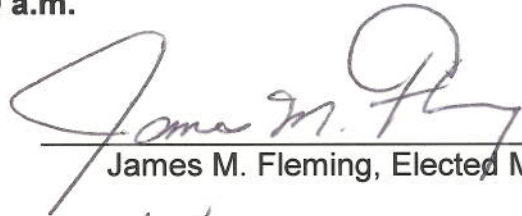
NEPC Q114 Private Equity Review

PRIM \$135 million in Brigade Capital/Mass casinos

The Retirement Board reviewed the following informational documents:

- PERAC Memo #29: Chapter 165 of the Acts of 2014 – pension provisions
- MFS Proxy Voting 2nd Quarter 2014
- Robbins Geller Settlement Report 7/25/2014
- Robbins Geller Monitoring Report 7/25/2014
- Robbins Geller International Monitoring Report 7/25/2014

The meeting was adjourned at 2:09 p.m. The next regularly scheduled meeting of the MWRA Employees' Retirement Board will be held **Thursday, September 25, 2014 at Massachusetts Water Resources Authority, 2 Griffin Way, Chelsea, Conference Room 2D, 10:00 a.m.**

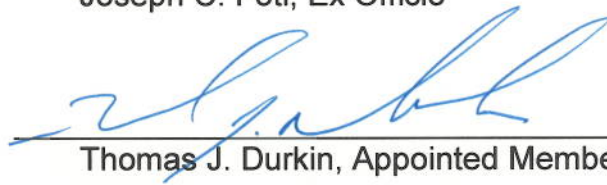


James M. Fleming, Elected Member



Kevin McKenna, Elected Member

Joseph C. Foti, Ex Officio



Thomas J. Durkin, Appointed Member

ABSENT

Frank Zecha, Fifth Member