

**South Central Connecticut Regional Water Authority  
Pension & Benefit Committee**

**Minutes of the July 18, 2019 Meeting**

A regular meeting of the South Central Connecticut Regional Water Authority (“RWA”) Pension & Benefit Committee took place on Thursday, July 18, 2019, at the office of the Authority, 90 Sargent Drive, New Haven, Connecticut. Chair Sack presided.

Present: Committee – Messrs. Sack and Messrs. Borowy, Cermola, Curseaden, and DiSalvo  
Management – Mss. Discepolo, Kowalski, Nesteriak, Reckdenwald and Messrs. Bingaman and Norris  
RPB – Ms. Mowat Young  
Morgan Stanley – Messrs. Kelliher and McLaughlin  
Staff – Mrs. Slubowski

The Chair called the meeting to order at 12:31 p.m.

On motion made by Mr. DiSalvo, seconded by Mr. Borowy, and unanimously carried, the Committee approved its May 16, 2019 special meeting minutes, as presented.

Borowy	Aye
Cermola	Aye
Curseaden	Absent
DiSalvo	Aye
Sack	Aye

Messrs. Kelliher and McLaughlin of Morgan Stanley, the RWA’s pension investment advisor, reported on the Authority’s Pension Investment Performance for RWA’s Salaried and Union Pension Plans and its Voluntary Employees’ Beneficiary Association Plan (VEBA) for the period ended June 30, 2019, which included:

- Asset Class Returns
- Standard & Poor’s 500 Index and Volatility
- Unemployment and Wage Growth
- Yield Curve
- Asset Allocations
- Investment results

At 12:37 p.m., Mr. Curseaden entered the meeting.

They also discussed RWA’s Investment Fees, which included:

- Cost analysis comparison
- Negotiated fee schedule

Ms. Kowalski, RWA’s Vice President of Finance and Controller, stated that she worked with Morgan Stanley to incorporate comments from the Authority’s previous review of its proposed Investment Policy Statement (IPS) for RWA’s Salaried Employees’ Retirement Plan, the RWA’s Retirement Plan, and the RWA’s VEBA Plan. A review of the revised proposed IPS included:

- Global benchmarks
- Security Restrictions
- Conflict of interest and code of ethics

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Changes to the Fixed Income and Alternative asset allocations Messrs. Kelliher and McLaughlin discussed target fixed income and alternative allocations with the Committee, which will be discussed in more detail at a later date.

After discussion, the consensus of the Committee was to recommend Morgan Stanley's proposed Investment Policy Statement to the Authority for approval, with modifications to the Authority's ability to amend the IPS.

At 1:33 p.m., on motion made by Mr. DiSalvo, seconded by Mr. Curseaden, and unanimously carried, the meeting adjourned.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

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Suzanne Sack, Chair