

South Central Connecticut Regional Water Authority

Via Remote Access**

AGENDA

Regular Meeting of Thursday, January 27, 2022 at 12:30 p.m.

- A. Safety Moment
- B. Meet as Pension & Benefit Committee: S. Sack
 - 1. Approve Minutes – October 21, 2021 meeting
 - 2. Quarterly Investment Performance Review – Pension, VEBA and 401K: S. Kelliher, J. McLaughlin and A. Kantapin
 - 3. Consider and act on resolution designating senior management functions for RWA's 401K Plan
- C. Meet as Sole Member of the Claire C. Bennitt Watershed Fund: B. Stone
 - 1. Consider and act on recommendation of the board of directors of the Claire C. Bennitt Watershed Fund (the "Fund") for the appointment of April Capone as a director of the Fund
- D. Consent Agenda
 - 1. Approve Minutes – December 16, 2021 meeting
 - 2. Capital Budget Authorization – February 2022
 - 3. Capital Budget Transfer Notifications (no action required) – February 2022
 - 4. Monthly Financial Report – December 2021
 - 5. Accounts Receivable Update – December 2021
 - 6. Bid Exemption - Gate Truck/No Des
 - 7. RPB Presentation - Solar Savings Program Update
- E. Finance: R. Kowalski
 - 1. Type B Amendment – Lake Gaillard WTP Concrete Improvements
- F. Updates: L. Bingaman
 - 1. COVID Update: P. Joseph
 - 2. Monthly Board Letter Highlights: L. Bingaman
- G. Reports on RPB Committee meetings
- H. Meet as Compensation Committee: A. DiSalvo
 - 1. Approve Minutes – July 15, 2021 meeting
 - 2. Diversity, Equity & Inclusion Update: A. Hawkins, A. Hill and A. Matharu
 - 3. *CEO goals update – Including Executive Session: L. Bingaman
- I. Act on matters arising from Committee meetings

** Members of the public may attend the meeting via conference call. For information on attending the meeting and to view meeting documents, please visit <https://www.rwater.com/about-us/our-boards/board-meetings-minutes?year=2022&category=1422&meettype=7605&page=>. For questions, contact the board office at jslubowski@rwater.com or call 203-401-2515.

**RPB Member (B. Eitzer) is excused at Item H.3*

Topic: Authority Regular Meeting

Time: Jan 27, 2022 12:30 PM Eastern Time (US and Canada)

Join Zoom Meeting (*via conference call*)

Dial by your location

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Meeting ID: 812 1313 1895

Passcode: 590668

For questions, contact the board office at 203-401-2515 or by email at jslubowski@rwater.com

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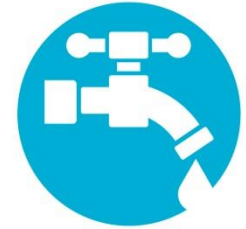
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SAFETY MOMENT

8 TIPS FOR EMAIL SAFETY

1. Don't open emails from someone you don't know or trust.
2. Avoid sending any sensitive information over e-mail.
(passwords, bank account numbers, SSN)
3. If you receive an attachment from someone you don't know, don't open it. Delete it immediately.
4. Hover your mouse over links before you click on them to see if the URL looks legitimate.
5. If possible, stay away from public hotspots found in airports, bookstores and libraries. If you have to, don't use your email or log in when entering unsecured sites.
6. Don't click the "unsubscribe" link in a spam email. It will only let the scammer know your address is legitimate, which could lead to you receiving more spam.
7. If you think you have been hacked, check your "sent" box regularly to see if emails have been sent without your approval.
8. Always be sure to log out.

**TapInto
Safety**



Regional Water Authority



Service – Teamwork – Accountability – Respect – Safety

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

Minutes of the October 21, 2021 Meeting

A regular meeting of the South Central Connecticut Regional Water Authority (“RWA”) Pension & Benefit Committee took place on Thursday, October 21, 2021, via remote access. Chairwoman Sack presided.

Present: Committee – Mss. Sack and LaMarr, and Messrs. Borowy, Curseaden, and DiSalvo
Management – Mss. Kowalski, Reckdenwald, and Messrs. Bingaman, Norris, and Singh
RPB – Mr. Malloy
Morgan Stanley – Messrs. Kelliher, McLaughlin, and Kantapin
Staff – Mrs. Slubowski

The Chair called the meeting to order at 12:33 p.m. She stated it would be appropriate to add a discussion of the RWA’s 401K Plan to the agenda after the approval of the July 15, 2021 minutes. On motion made by Mr. DiSalvo, seconded by Mr. Borowy, and unanimously carried, the Authority voted to add the *Discussion of the RWA’s 401K Plan* to the agenda as Item #2.

On motion made by Ms. LaMarr, seconded by Mr. Curseaden, and unanimously carried, the Committee approved the minutes of its meeting held on July 15, 2021.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Ms. Sack led a discussion on the need for board oversight for reporting of the Authority’s 401K Plan (“Plan”). She reported that she has been working with Ms. Kowalski, the RWA’s Vice President of Financial Reporting and Analysis, to perform a review of best practices used in other organizations. Ms. Kowalski reported that other organizations provided boards with an annual update of plans and also formally assigned designated roles to senior management.

The Authority discussed enrollment, eligibility, performance reviews, access and tracking, and trustees and designees. After discussion, it was the consensus of the committee that management formalize the timing and designation of functions for senior management for the committee to review and possibly recommend to the Authority at its next meeting.

Messrs. Kelliher, McLaughlin and Kantapin of Morgan Stanley, RWA’s Pension Investment Advisor, reported on the Authority’s investment performance for the pension plans and the Voluntary Employees’ Beneficiary Association (VEBA), for the period ended September 30, 2021. The presentation included a discussion regarding potentially using separately managed accounts vs. mutual funds in the portfolio.

Due to time constraints, the Committee’s review of the alignment of the investment portfolio with impact priorities (e.g., environmental, social, and governance) will be discussed with Morgan Stanley at its next meeting.

Mr. Kelliher suggested no changes at this time.

At 1:33 p.m., Messrs. Kelliher, McLaughlin and Kantapin withdrew from the meeting.

At 1:35 p.m., on motion made by Ms. LaMarr, seconded by Mr. Curseaden, and unanimously carried, the meeting adjourned.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Suzanne Sack, Chairman

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South Central CT Regional Water Authority Defined Benefit Plans

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Discussion Outline & Agenda

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Market Commentary	I.
IPS Executive Summary	II.
Asset Allocation & Investment Matrices	III.
Investment Results	IV.
Investment Holdings Analysis	V.
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Market Commentary



S&P 500 Index at inflection points

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U.S.

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S&P 500 Price Index



Source: Compustat, FactSet, Federal Reserve, Refinitiv Datastream, Standard & Poor's, J.P. Morgan Asset Management. Dividend yield is calculated as consensus estimates of dividends for the next 12 months, divided by most recent price, as provided by Compustat. Forward price-to-earnings ratio is a bottom-up calculation based on J.P. Morgan Asset Management estimates. Returns are cumulative and based on S&P 500 Index price movement only, and do not include the reinvestment of dividends. Past performance is not indicative of future returns. Guide to the Markets—U.S. Data are as of December 31, 2021.

J.P. Morgan
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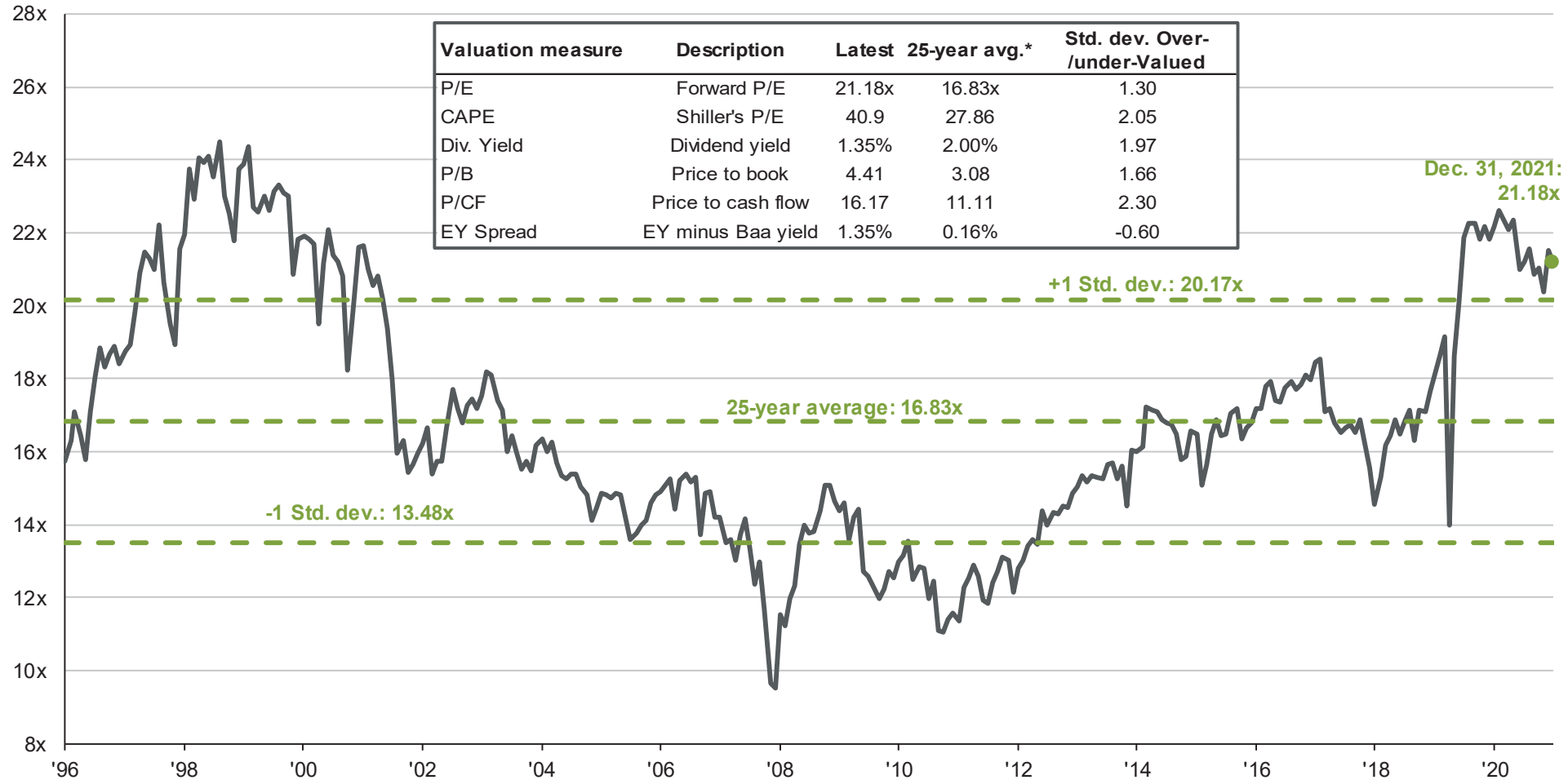
S&P 500 valuation measures

GTM

U.S.

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S&P 500 Index: Forward P/E ratio



Source: FactSet, FRB, Robert Shiller, Refinitiv Datastream, Standard & Poor's, Thomson Reuters, J.P. Morgan Asset Management. Price-to-earnings is price divided by consensus analyst estimates of earnings per share for the next 12 months as provided by IBES since December 1996, and J.P. Morgan Asset Management for December 31, 2021. Current next 12-months consensus earnings estimates are \$228. Average P/E and standard deviations are calculated using 25 years of BES history. Shiller's P/E uses trailing 10-years of inflation-adjusted earnings as reported by companies. Dividend yield is calculated as the next 12-months consensus dividend divided by most recent price. Price-to-book ratio is the price divided by book value per share. Price-to-cash flow is price divided by NTM cash flow. EY minus Baa yield is the forward earnings yield (consensus analyst estimates of EPS over the next 12 months divided by price) minus the Moody's Baa seasoned corporate bond yield. Std. dev. over-/under-valued is calculated using the average and standard deviation over 25 years for each measure. *P/CF is a 20-year average due to cash flow availability.

GuidetotheMarkets - U.S. Data are as of December 31, 2021.

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S&P 500: Index concentration, valuations and earnings

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P/E ratio of the top 10 and remaining stocks in the S&P 500
Next 12 months



Weight of the top 10 stocks in the S&P 500
% of market capitalization of the S&P 500



Earnings contribution of the top 10 in the S&P 500
Based on last 12 months' earnings

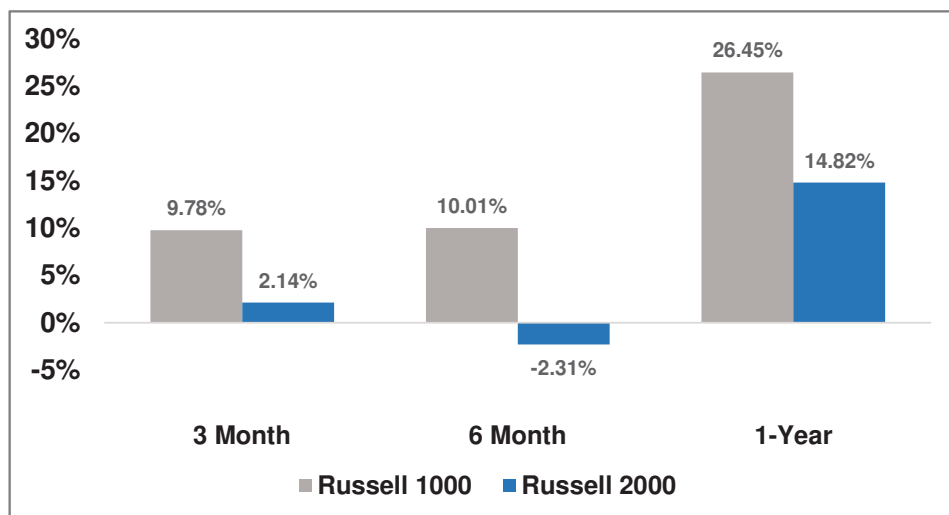


Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.
The top 10 S&P 500 companies are based on the 10 largest index constituents at the beginning of each month. The weight of each of these companies is revised monthly. As of 2/1/2021, the top 10 companies in the index were AAPL (6.8%), MSFT (5.5%), AMZN (3.9%), TSLA (2.3%), GOOGL (2.2%), GOOG (2.1%), NVDA (2.1%), FB (1.9%), 3RKB (1.3%), JPM (1.2%), and UNJ (1.2%). The remaining stocks represent the rest of the 494 companies in the S&P 500.
GuidetotheMarkets - U.S. Data as of December 31, 2021.

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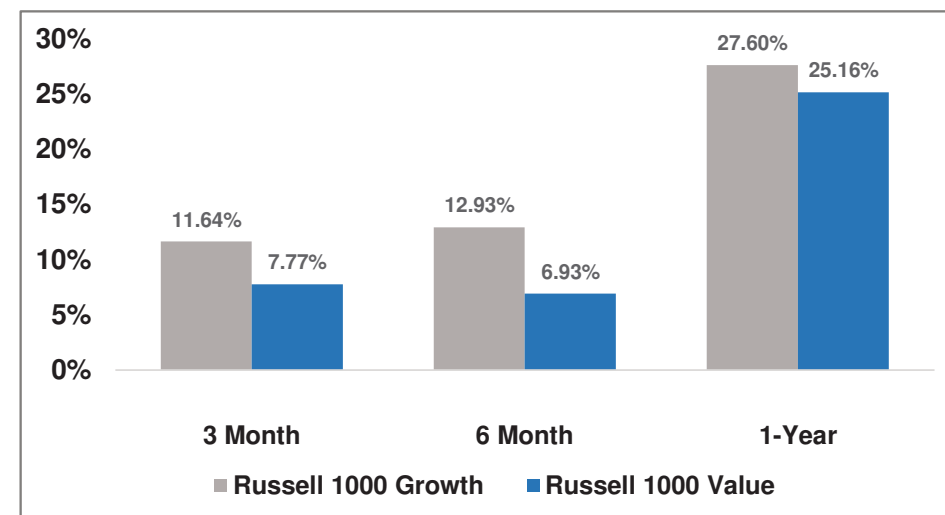
Large Cap vs Small Cap Equities

As of December 31, 2021



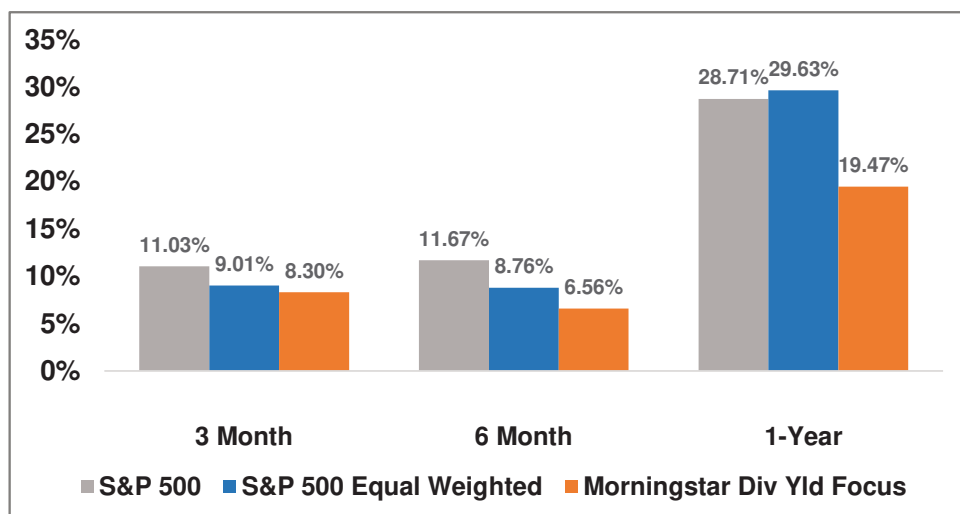
Russell 1000 Growth vs Russell 1000 Value

As of December 31, 2021

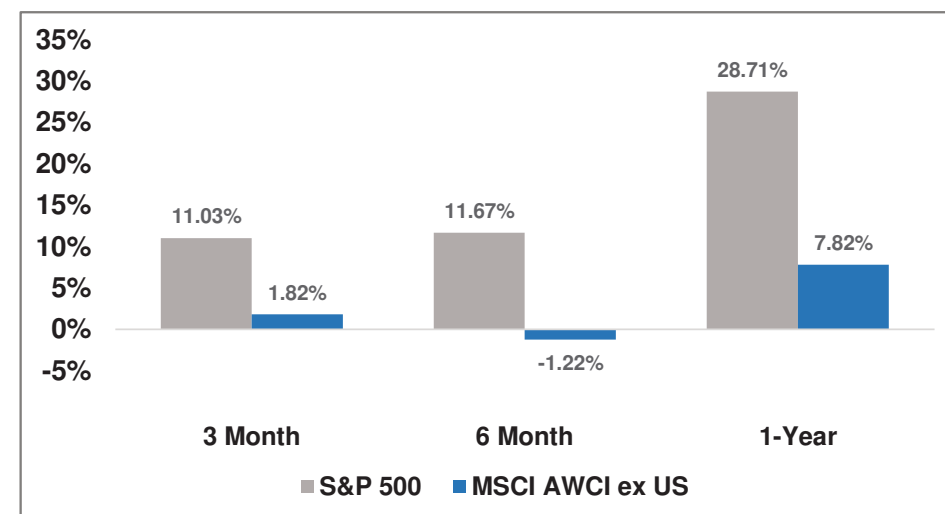


S&P 500 vs S&P 500 Equal Weight vs Morningstar Dividend Yield Focus

As of December 31, 2021

US stocks continued to dominate
S&P 500 vs MSCI ACWI ex US

As of December 31, 2021



Source: Morningstar

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.

An investment cannot be made directly in a market index



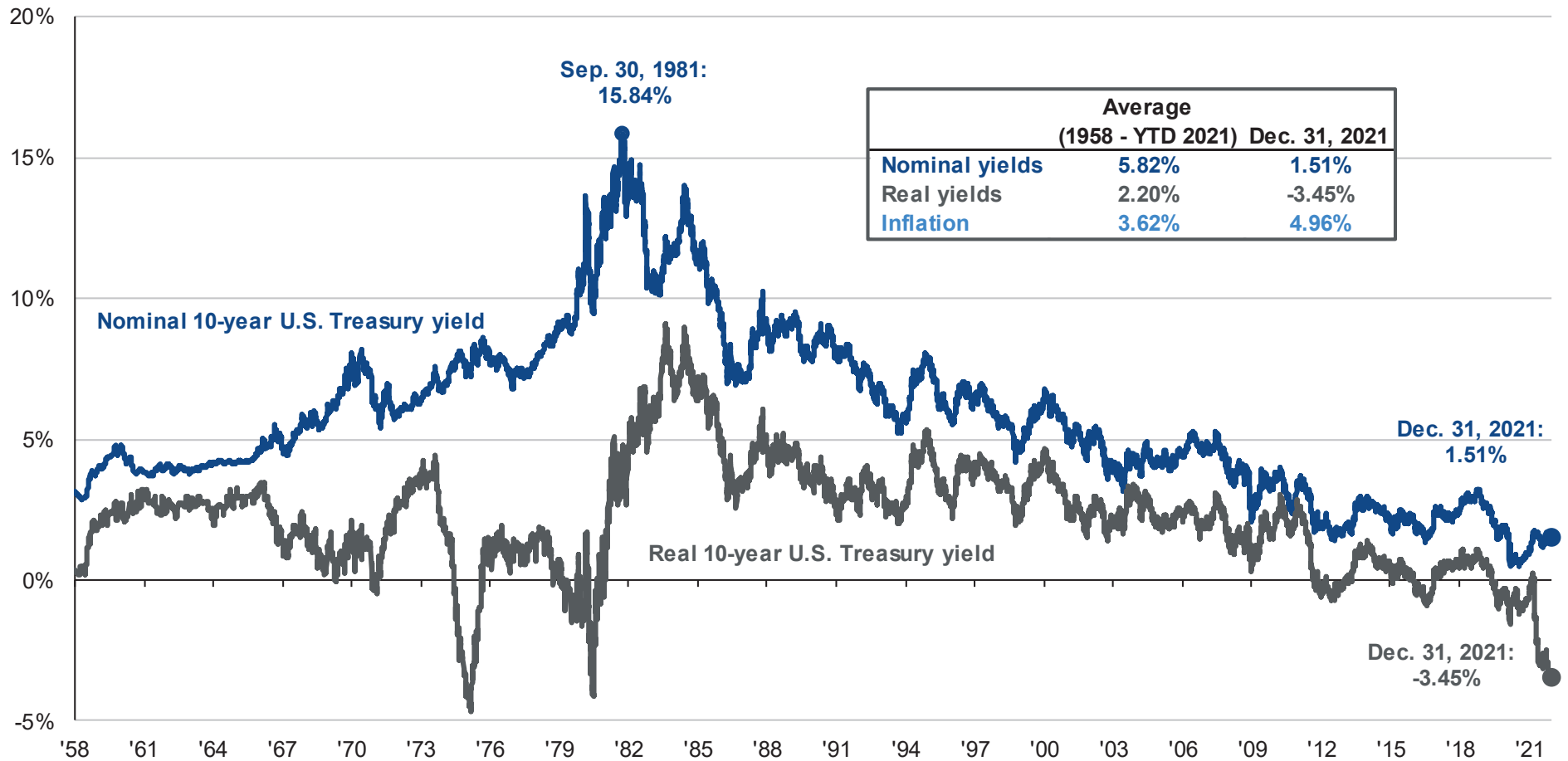
Interest rates and inflation

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Nominal and real U.S. 10-year Treasury yields



Source: 3LS, FactSet, Federal Reserve, J.P. Morgan Asset Management.
Real "C-year" Treasury yields are calculated as the daily Treasury yield less year-over-year core CPI inflation for that month. For the current month, we use the prior month's core CPI figures until the latest data is available.
Guide to the Markets - U.S. Data are as of December 31, 2021.

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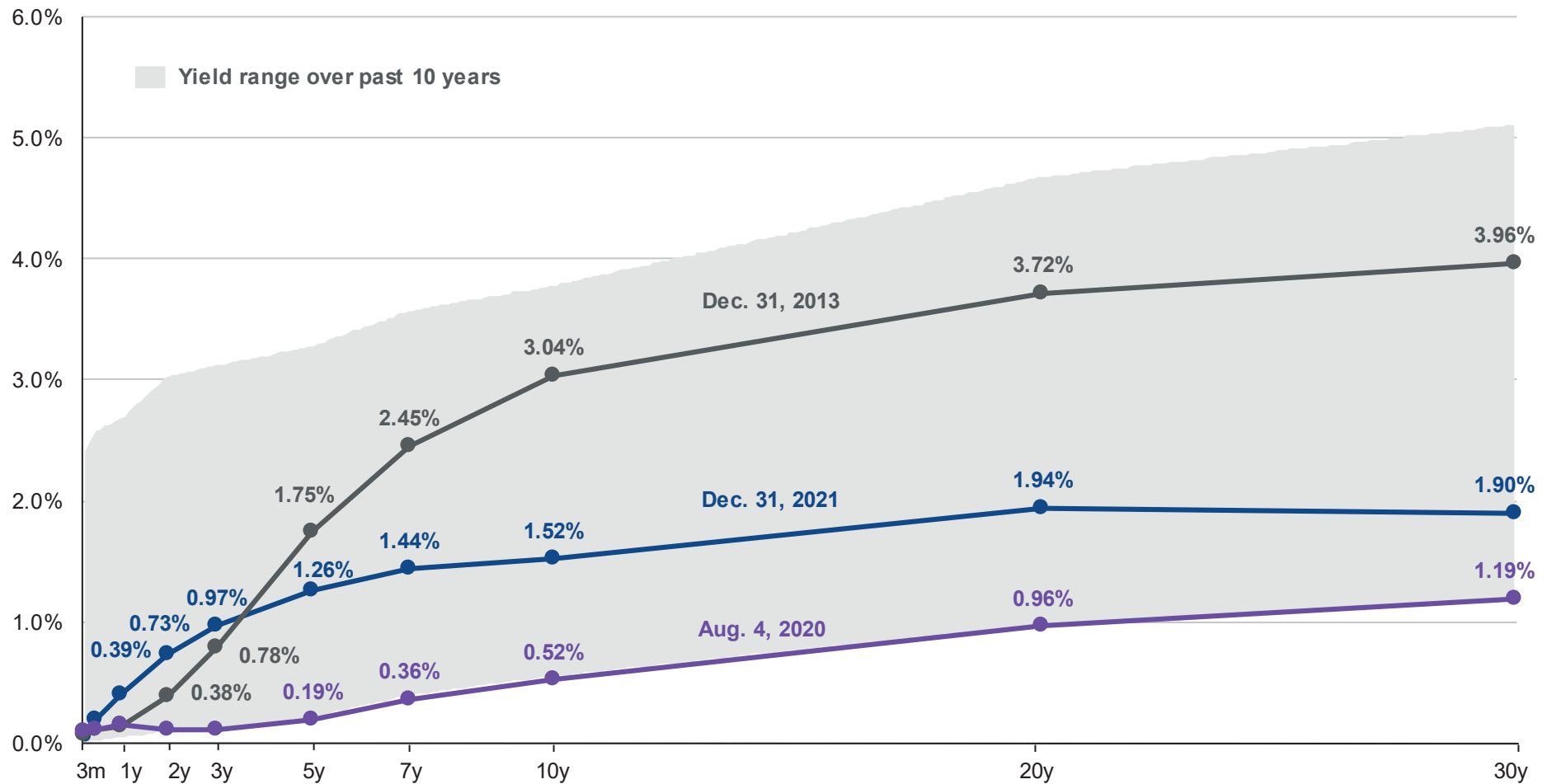
Yield curve

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U.S. Treasury yield curve



Source: FactSet, Federal Reserve, J.P. Morgan Asset Management. 12/31/2013 is the date the yield curve reached one of its steepest levels in reaction to the Fed announcing it would begin paring down its bond-buying program. 08/04/2020 is the date of a record low on the 10-year, driven by safe haven demand and pessimism around the U.S. pandemic recovery.

Guide to the Markets - U.S. Data as of December 31, 2021.

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IPS Executive Summary

South Central Connecticut Regional Water Authority

EXECUTIVE SUMMARY

Plans Names:	This Investment Policy Statement covers three separate portfolios for the South Central Connecticut Regional Water Authority ("the Plans") <ol style="list-style-type: none">1. South Central Connecticut Regional Water Authority Salaried Employees' Retirement Plan2. South Central Connecticut Regional Water Authority Retirement Plan3. South Central Connecticut Regional Water Authority Retired Employees' Contributory Welfare Trust (VEBA)			
Plan Trustee:	Broadridge Matrix Trust Company			
Primary Investment Custodian:	Morgan Stanley & Co			
Pension Payroll Custodian:	Broadridge Matrix Trust Company			
Plan Administrator:	Regional Water Authority Board			
Plan Actuary:	The Angell Pension Group, Inc.			
Plan Advisor:	The Kelliher Corbett Group at Morgan Stanley			
Primary Objectives:	<ol style="list-style-type: none">1) Milestone goal of being fully funded, for the pension plans by end of Fiscal Year 2023, excluding ongoing plan service costs, subject to prevailing market conditions2) To achieve a long-term rate of return that meets the assumed actuarial rate of return			
Target Rate of Return:	To meet the assumed actuarial rate of return			
Time Horizon:	Aligned with actuarial liabilities of the South Central Connecticut Regional Water Authority Pension plans and VEBA			
Asset Allocation:	Asset Class	Minimum	Maximum	Preferred
	Equities	45%	60%	55%
	Fixed Income	20%	45%	30%
	Alternative/Hedge/Balanced	5%	20%	15%
	The maximum allowable allocation to illiquid securities is 10%			
	When investing in alternative investments, the VEBA plan permits the use of liquid investments only			
Cash Limits:	The investor wishes to maintain sufficient liquidity to fund benefit obligations			
Restrictions:	Average bond quality rated Investment Grade or Better (excluding mutual fund/ETFs) Maximum Average Bond Maturity: 20 years Maximum Individual Bond Maturity: 30 years Maximum Portion of Portfolio in a Single Diversified Fund: 20% Maximum Portion of Portfolio in a Single Security/Individual Company: 3% (excluding U.S. Government Securities)			
Meeting Frequency:	Quarterly			

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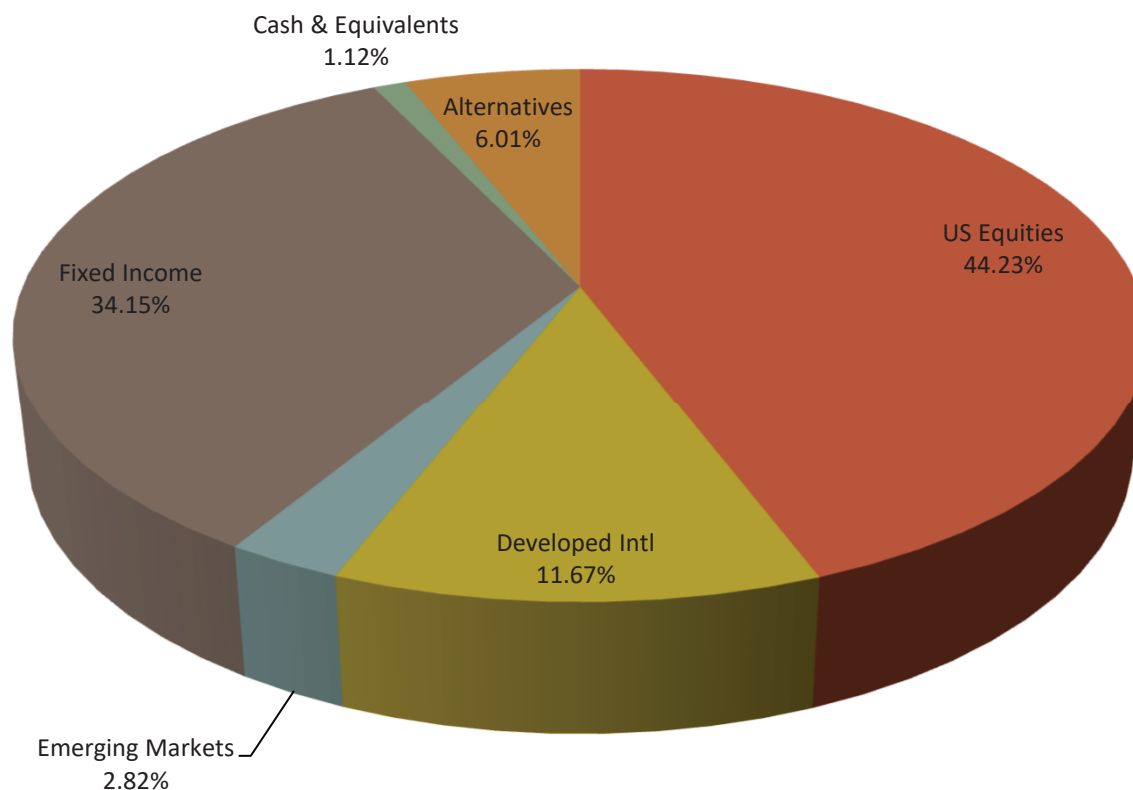


Asset Allocation & Investment Matrices

SCCT Regional Water Authority - Salary & Union Plans

Current Allocation

Portfolio Value: \$74,119,901



Total Equity 58.72%

% of Total Equity

US Equity	= 75.32%
Intl Equity	= 24.68%

% of Intl Equity

Developed Intl	= 80.56%
Emerging Markets	= 19.44%

Overall Equity Style Analysis*

Value	= 25.79%
Core	= 45.95%
Growth	= 28.26%

US Equity Style Analysis*

Value	= 29.53%
Core	= 44.92%
Growth	= 25.55%

Assets as of 12/31/2021

Asset Allocation does not assure a profit or protect against loss in declining financial markets

The information and data contained in this report are from sources considered reliable, but their accuracy and completeness is not guaranteed. This report has been prepared for illustrative purposes only and is not intended to be used as a substitute for monthly transaction statements you receive on a regular basis from Morgan Stanley & Co. Incorporated Please compare the data on this document carefully with your monthly statements to verify its accuracy. The Company strongly encourages you to consult with your own accountants or other advisors with respect to any tax questions."

*Equity Style Analysis provided by Morningstar "Asset Scan"

SCCT Regional Water Authority - Salary & Union Plans
Asset Allocation Matrix Summary
As of 12/31/2021

As of 12/31/2021	IPS Target %	Target \$	Target %	Actual \$	Actual %	\$ +/-	% +/-
Fixed Income	30%	\$ 24,644,867	33.25%	\$ 23,652,699	31.91%	\$ 992,168	1.34%
US Equity	55%	\$ 26,127,265	35.25%	\$ 26,972,146	36.39%	\$ (844,880)	-1.14%
Global		\$ 2,964,796	4.00%	\$ 2,977,862	4.02%	\$ (13,065)	-0.02%
Int'l Equity		\$ 9,264,988	12.50%	\$ 9,031,128	12.18%	\$ 233,860	0.32%
Balanced	15%	\$ 6,670,791	9.00%	\$ 7,035,025	9.49%	\$ (364,234)	-0.49%
Alternative		\$ 4,447,194	6.00%	\$ 4,451,042	6.01%	\$ (3,848)	-0.01%
Total	100%	\$ 74,119,901	100.00%	\$ 74,119,901	100.00%	\$ (0)	0.00%

Summary							
Total Cash/Fixed		\$ 27,313,184	36.85%	\$ 26,466,709	35.71%	\$ 846,474	1.14%
Total Equity		\$ 42,359,524	57.15%	\$ 43,202,150	58.29%	\$ (842,627)	-1.14%
Total Alternative (Balanced Allocated)		\$ 4,447,194	6.00%	\$ 4,451,042	6.01%	\$ (3,848)	-0.01%
Total		\$ 74,119,901	100.00%	\$ 74,119,901	100.00%	\$ 0	0.00%

Total Cash/Fixed		\$ 24,644,867	33.25%	\$ 23,652,699	31.91%	\$ 992,168	1.34%
Total Equity		\$ 38,357,049	51.75%	\$ 38,981,135	52.59%	\$ (624,086)	-0.84%
Total Balanced/Alternative		\$ 11,117,985	15.00%	\$ 11,486,067	15.50%	\$ (368,082)	-0.50%
Total		\$ 74,119,901	100.00%	\$ 74,119,901	100.00%	\$ (0)	0.00%

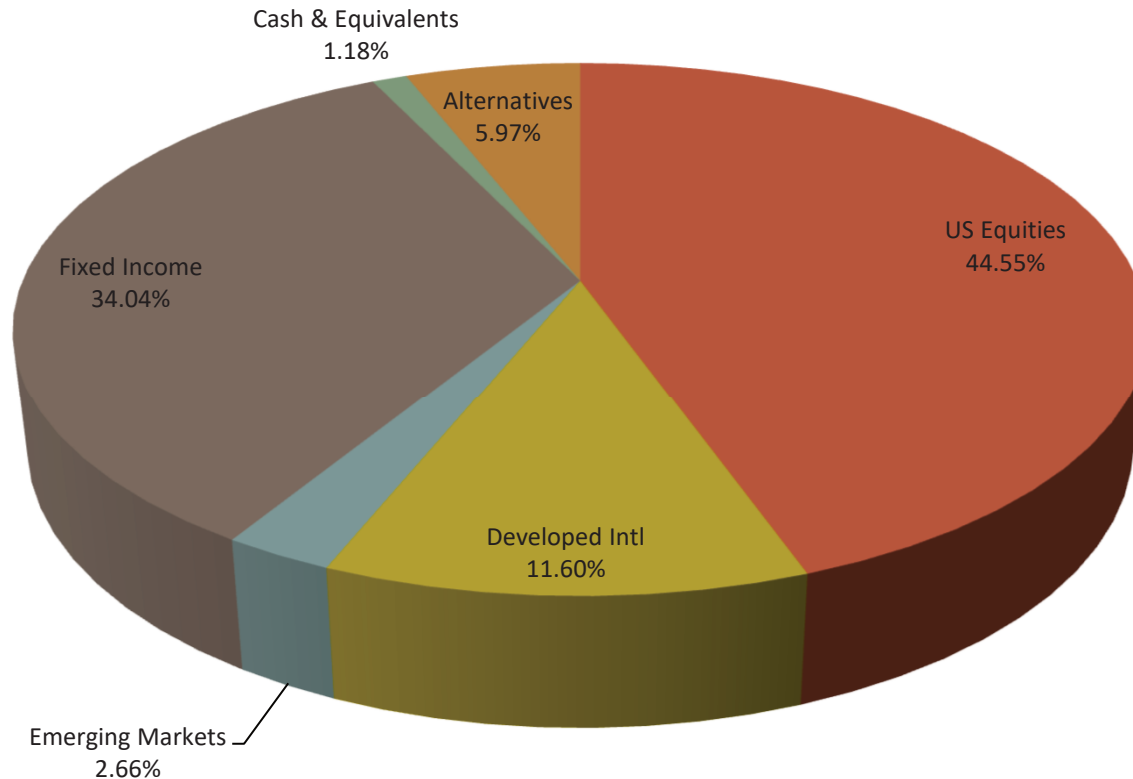
Benchmark vs Actual				
		Benchmark	Actual	+/-
Russell 3000		42.00%	44.09%	2.09%
MSCI ACWI ex US		15.00%	14.19%	-0.81%
BBgBarc US Aggregate		31.00%	35.09%	4.09%
FTSE WGBI		3.00%	0.00%	-3.00%
HFRI FOF		5.00%	5.12%	0.12%
Global Real Estate		2.00%	0.89%	-1.11%
Cash & Equivalents/T-Bills		2.00%	0.61%	-1.39%
Total		100.00%	100.00%	0.00%

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SCCT Regional Water Authority - VEBA Plan

Current Allocation

Portfolio Value: \$9,761,507



Total Equity

58.81%

% of Total Equity

US Equity = 75.75%

Intl Equity = 24.25%

% of Intl Equity

Developed Intl = 81.33%

Emerging Markets = 18.67%

Overall Equity Style Analysis*

Value = 25.67%

Core = 45.94%

Growth = 28.39%

US Equity Style Analysis*

Value = 29.31%

Core = 44.87%

Growth = 25.82%

Assets as of 12/31/2021

Asset Allocation does not assure a profit or protect against loss in declining financial markets

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advisors with respect to any tax questions."

SCCT Regional Water Authority - VEBA Plan
Asset Allocation Matrix Summary
As of 12/31/2021

As of 12/31/2021	IPS Target %	Target \$	Target %	Actual \$	Actual %	\$ +/-	% +/-
Fixed Income	30%	\$ 3,343,316	34.25%	\$ 3,114,699	31.91%	\$ 228,618	2.34%
US Equity	55%	\$ 3,440,931	35.25%	\$ 3,594,827	36.83%	\$ (153,895)	-1.58%
Global		\$ 390,460	4.00%	\$ 381,790	3.91%	\$ 8,671	0.09%
Int'l Equity		\$ 1,220,188	12.50%	\$ 1,172,657	12.01%	\$ 47,532	0.49%
Balanced	15%	\$ 878,536	9.00%	\$ 914,739	9.37%	\$ (36,204)	-0.37%
Alternative		\$ 488,075	5.00%	\$ 582,796	5.97%	\$ (94,721)	-0.97%
Total	100%	\$ 9,761,507	100.00%	\$ 9,761,507	100.00%	\$ (0)	0.00%

Summary							
Total Cash/Fixed		\$ 3,694,730	37.85%	\$ 3,480,594	35.66%	\$ 214,136	2.19%
Total Equity		\$ 5,578,701	57.15%	\$ 5,698,116	58.37%	\$ (119,415)	-1.22%
Total Alternative (Balanced Allocated)		\$ 488,075	5.00%	\$ 582,796	5.97%	\$ (94,721)	-0.97%
Total		\$ 9,761,507	100.00%	\$ 9,761,507	100.00%	\$ (0)	0.00%

Total Cash/Fixed		\$ 3,343,316	34.25%	\$ 3,114,699	31.91%	\$ 228,618	2.34%
Total Equity		\$ 5,051,580	51.75%	\$ 5,149,273	52.75%	\$ (97,693)	-1.00%
Total Balanced/Alternative		\$ 1,366,611	14.00%	\$ 1,497,536	15.34%	\$ (130,925)	-1.34%
Total		\$ 9,761,507	100.00%	\$ 9,761,507	100.00%	\$ (0)	0.00%

Benchmark vs Actual				
		Benchmark	Actual	+/-
Russell 3000		42.00%	44.40%	2.40%
MSCI ACWI ex US		15.00%	13.97%	-1.03%
BBgBarc US Aggregate		31.00%	34.74%	3.74%
FTSE WGBI		3.00%	0.00%	-3.00%
HFRI FOF		5.00%	5.09%	0.09%
Global Real Estate		2.00%	0.88%	-1.12%
Cash & Equivalents/T-Bills		2.00%	0.92%	-1.08%
Total		100.00%	100.00%	0.00%

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Investment Results

SCCT Regional Water Authority
Fourth Quarter Investment Results
September 30, 2021 - December 31, 2021

Account Number	Account Type	Beg. Asset Value 30-Sep-2021	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 31-Dec-2021	Net \$ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	\$43,368,454	\$0	\$688,894	\$44,057,348	\$46,007,698	\$1,950,350	4.49%	4.59%
447-xxx451	Union	\$26,406,255	\$0	\$445,676	\$26,851,931	\$28,054,594	\$1,202,663	4.55%	4.64%
447-xxx456	VEBA	\$9,343,476	\$0	\$0	\$9,343,476	\$9,761,507	\$418,031	4.47%	4.57%
447-xxx626	Skybridge (Salaried)*	\$703,953	\$0	(\$669,762)	\$34,192	\$34,474	\$283	0.05%	0.05%
447-xxx627	Skybridge (Union)*	\$472,660	\$0	(\$449,715)	\$22,945	\$23,135	\$190	0.05%	0.05%
axx15a	Matrix Trust (Salaried)	(\$79,473)	\$34,718	\$45,000	\$245	\$245	\$0	-	-
axx15b	Matrix Trust (Union)	(\$99,177)	\$49,233	\$50,000	\$55	\$55	\$0	-	-
axx16	Matrix Trust(VEBA)	\$270,033	(\$34,696)	(\$110,094)	\$125,243	\$125,243	\$0	-	-
Consolidated		\$80,386,181	\$49,255	\$0	\$80,435,437	\$84,006,953	\$3,571,516	4.45%	4.54%

September 30, 2021 - December 31, 2021

Actuarial Assumed Rate of Return

Actuarial Assumed Rate of Return (Current): 6.75% x (3/12)	1.69%
Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00% x (3/12)	1.75%

Guidelines/Benchmarks - Market Cap Weighted

Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	3.40%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	4.31%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	4.77%

Guidelines/Benchmarks - Equal Weighted

Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	3.31%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	4.19%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	4.65%

Russell 3000	9.28%
S&P 500	11.03%
S&P 500 Equal Weight	9.01%
Russell 1000 Value	7.77%
Russell 1000	9.78%
Russell 1000 Growth	11.64%
Russell 2000	2.14%
MSCI All Country World ex. US	1.82%
MSCI EAFE	2.69%
MSCI EM	-1.31%
Bloomberg Aggregate	0.01%
Bloomberg Govt/Credit Intermediate	-0.57%
Bloomberg US Corp Bond	0.23%
HFRI Fund of Funds Index*	0.07%
DJ Global World Real Estate	8.11%
Morningstar Real Asset	6.80%
FTSE WGBI Index	-1.10%
30 Day T-Bill	0.02%

Performance for accounts held outside of Morgan Stanley are calculated using simple math

*Skybridge and HFRI FOF as of 11/30/2021

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SCCT Regional Water Authority
Year to Date Investment Results
December 31, 2020 - December 31, 2021

Account Number	Account Type	Beg. Asset Value 31-Dec-2020	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 31-Dec-2021	Net \$ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	\$40,737,707	\$0	\$640,983	\$41,378,691	\$46,007,698	\$4,629,007	11.41%	11.80%
447-xxx451	Union	\$25,201,563	\$0	(\$3,629)	\$25,197,934	\$28,054,594	\$2,856,660	11.42%	11.81%
447-xxx456	VEBA	\$8,388,467	\$0	\$400,000	\$8,788,467	\$9,761,507	\$973,040	11.40%	11.80%
447-xxx626	Skybridge (Salaried)*	\$624,695	\$0	(\$669,762)	(\$45,067)	\$34,474	\$79,541	12.74%	12.74%
447-xxx627	Skybridge (Union)*	\$419,473	\$0	(\$449,715)	(\$30,242)	\$23,135	\$53,377	12.73%	12.73%
axx15a	Matrix Trust (Salaried)	\$173,424	(\$366,575)	\$193,396	\$245	\$245	\$0	-	-
axx15b	Matrix Trust (Union)	\$102,411	(\$677,356)	\$575,000	\$55	\$55	\$0	-	-
axx16	Matrix Trust(VEBA)	\$579,055	\$232,461	(\$686,273)	\$125,243	\$125,243	\$0	-	-
Consolidated		\$76,226,796	(\$811,469)	\$0	\$75,415,327	\$84,006,953	\$8,591,625	11.43%	11.81%

December 31, 2020 - December 31, 2021

Actuarial Assumed Rate of Return

Actuarial Assumed Rate of Return (Current): 6.75%	6.75%
Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00%	7.00%

Guidelines/Benchmarks - Market Cap Weighted

Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	9.43%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	11.98%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	14.08%

Guidelines/Benchmarks - Equal Weighted

Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	10.78%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	13.64%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	15.82%

Russell 3000	25.66%
S&P 500	28.71%
S&P 500 Equal Weight	29.63%
Russell 1000 Value	25.16%
Russell 1000	26.45%
Russell 1000 Growth	27.60%
Russell 2000	14.82%
MSCI All Country World ex. US	7.82%
MSCI EAFE	11.26%
MSCI EM	-2.54%
Bloomberg Aggregate	-1.54%
Bloomberg Govt/Credit Intermediate	-1.44%
Bloomberg US Corp Bond	-1.04%
HFRI Fund of Funds Index*	5.68%
DJ Global World Real Estate	21.35%
Morningstar Real Asset	21.49%
FTSE WGBI Index	-6.97%
30 Day T-Bill	0.04%

Performance for accounts held outside of Morgan Stanley are calculated using simple math

*Skybridge and HFRI FOF as of 11/30/2021

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SCCT Regional Water Authority
Fiscal Year Investment Results
May 31, 2021 - December 31, 2021

Account Number	Account Type	Beg. Asset Value 31-May-2021	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 31-Dec-2021	Net \$ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	\$43,071,370	\$0	\$943,169	\$44,014,538	\$46,007,698	\$1,993,160	4.60%	4.82%
447-xxx451	Union	\$26,647,073	\$0	\$178,777	\$26,825,851	\$28,054,594	\$1,228,743	4.64%	4.85%
447-xxx456	VEBA	\$8,932,536	\$0	\$400,000	\$9,332,536	\$9,761,507	\$428,971	4.61%	4.83%
447-xxx626	Skybridge (Salaried)*	\$671,666	\$0	(\$669,762)	\$1,905	\$34,474	\$32,570	4.86%	4.86%
447-xxx627	Skybridge (Union)*	\$450,994	\$0	(\$449,715)	\$1,279	\$23,135	\$21,856	4.86%	4.86%
axx15a	Matrix Trust (Salaried)	\$919,536	(\$747,919)	(\$171,372)	\$245	\$245	\$0	-	-
axx15b	Matrix Trust (Union)	\$92,656	(\$437,601)	\$345,000	\$55	\$55	\$0	-	-
axx16	Matrix Trust(VEBA)	\$585,408	\$115,933	(\$576,098)	\$125,243	\$125,243	\$0	-	-
Consolidated		\$81,371,240	(\$1,069,587)	\$0	\$80,301,653	\$84,006,953	\$3,705,300	4.62%	4.83%

May 31, 2021 - December 31, 2021

Actuarial Assumed Rate of Return

Actuarial Assumed Rate of Return (Current): 6.75% x (7/12)	3.94%
Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00% x (7/12)	4.08%

Guidelines/Benchmarks - Market Cap Weighted

Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	4.20%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	5.07%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	5.56%

Guidelines/Benchmarks - Equal Weighted

Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	3.20%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	3.84%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	4.26%

Russell 3000	11.86%
S&P 500	14.28%
S&P 500 Equal Weight	8.92%
Russell 1000 Value	5.71%
Russell 1000	12.76%
Russell 1000 Growth	20.01%
Russell 2000	-0.42%
MSCI All Country World ex. US	-1.76%
MSCI EAFE	0.77%
MSCI EM	-8.09%
Bloomberg Aggregate	0.77%
Bloomberg Govt/Credit Intermediate	-0.47%
Bloomberg US Corp Bond	1.86%
HFRI Fund of Funds Index*	1.24%
DJ Global World Real Estate	7.48%
Morningstar Real Asset	6.74%
FTSE WGBI Index	-3.11%
30 Day T-Bill	0.03%

Performance for accounts held outside of Morgan Stanley are calculated using simple math

*Skybridge and HFRI FOF as of 11/30/2021

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SCCT Regional Water Authority
Trailing Three Year Investment Results
December 31, 2018 - December 31, 2021

Account Number	Account Type	Beg. Asset Value 31-Dec-2018	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 31-Dec-2021	Net \$ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	\$30,370,008	\$0	\$1,207,523	\$31,577,531	\$46,007,698	\$14,430,167	13.61%	14.03%
447-xxx451	Union	\$19,480,341	\$0	(\$413,447)	\$19,066,894	\$28,054,594	\$8,987,700	13.60%	14.02%
447-xxx456	VEBA	\$5,904,957	\$0	\$920,695	\$6,825,652	\$9,761,507	\$2,935,855	13.50%	13.92%
447-xxx626	Skybridge (Salaried)*	\$630,172	\$0	(\$669,762)	(\$39,590)	\$34,474	\$74,065	3.77%	3.77%
447-xxx627	Skybridge (Union)*	\$423,144	\$0	(\$449,715)	(\$26,570)	\$23,135	\$49,705	3.77%	3.77%
axx15a	Matrix Trust (Salaried)	\$500,000	(\$411,117)	(\$88,638)	\$245	\$245	\$0	-	-
axx15b	Matrix Trust (Union)	\$350,000	(\$1,571,552)	\$1,221,608	\$55	\$55	\$0	-	-
axx16	Matrix Trust(VEBA)	\$284,962	\$1,568,545	(\$1,728,264)	\$125,243	\$125,243	\$0	-	-
Consolidated		\$57,943,584	(\$414,124)	\$0	\$57,529,460	\$84,006,953	\$26,477,493	13.43%	13.84%

December 31, 2018 - December 31, 2021

Actuarial Assumed Rate of Return

Actuarial Assumed Rate of Return (Current): 6.75%	6.75%
Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00%	7.00%

Guidelines/Benchmarks - Market Cap Weighted

Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	13.03%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	15.03%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	16.08%

Guidelines/Benchmarks - Equal Weighted

Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	12.30%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	14.13%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	15.13%

Russell 3000	25.79%
S&P 500	26.07%
S&P 500 Equal Weight	23.64%
Russell 1000 Value	17.64%
Russell 1000	26.21%
Russell 1000 Growth	34.08%
Russell 2000	20.02%
MSCI All Country World ex. US	13.18%
MSCI EAFE	13.54%
MSCI EM	10.94%
Bloomberg Aggregate	4.79%
Bloomberg Govt/Credit Intermediate	3.86%
Bloomberg US Corp Bond	7.59%
HFRI Fund of Funds Index*	7.69%
DJ Global World Real Estate	12.58%
Morningstar Real Asset	10.48%
FTSE WGBI Index	2.75%
30 Day T-Bill	0.89%

Performance for accounts held outside of Morgan Stanley are calculated using simple math

*Skybridge and HFRI FOF as of 11/30/2021

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SCCT Regional Water Authority
Trailing Five Year Investment Results
December 31, 2016 - December 31, 2021

Account Number	Account Type	Beg. Asset Value 31-Dec-2016	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 31-Dec-2021	Net \$ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	\$24,506,600	\$0	\$4,748,652	\$29,255,252	\$46,007,698	\$16,752,446	9.95%	10.38%
447-xxx451	Union	\$17,591,956	\$0	(\$244,490)	\$17,347,466	\$28,054,594	\$10,707,127	9.94%	10.36%
447-xxx456	VEBA	\$4,406,663	\$0	\$1,967,279	\$6,373,942	\$9,761,507	\$3,387,565	9.89%	10.31%
447-xxx626	Skybridge (Salaried)*	\$472,037	\$0	(\$569,762)	(\$97,725)	\$34,474	\$132,199	4.65%	4.65%
447-xxx627	Skybridge (Union)*	\$340,916	\$0	(\$409,715)	(\$68,799)	\$23,135	\$91,934	4.66%	4.66%
axx15a	Matrix Trust (Salaried)	\$872,362	\$2,578,321	(\$3,450,438)	\$245	\$245	\$0	-	-
axx15b	Matrix Trust (Union)	\$323,552	(\$1,579,430)	\$1,255,934	\$55	\$55	\$0	-	-
axx16	Matrix Trust(VEBA)	\$239,934	\$3,182,770	(\$3,297,460)	\$125,243	\$125,243	(\$0)	-	-
Consolidated		\$48,754,021	\$4,181,661	\$0	\$52,935,682	\$84,006,953	\$31,071,271	9.86%	10.27%

December 31, 2016 - December 31, 2021

Actuarial Assumed Rate of Return

Actuarial Assumed Rate of Return (Current): 6.75%	6.75%
Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00%	7.00%

Guidelines/Benchmarks - Market Cap Weighted

Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	9.31%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	10.68%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	11.43%

Guidelines/Benchmarks - Equal Weighted

Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	8.55%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	9.74%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	10.44%

Russell 3000	17.97%
S&P 500	18.47%
S&P 500 Equal Weight	15.73%
Russell 1000 Value	11.16%
Russell 1000	18.43%
Russell 1000 Growth	25.32%
Russell 2000	12.02%
MSCI All Country World ex. US	9.61%
MSCI EAFE	9.55%
MSCI EM	9.87%
Bloomberg Aggregate	3.57%
Bloomberg Govt/Credit Intermediate	2.91%
Bloomberg US Corp Bond	5.26%
HFRI Fund of Funds Index*	5.80%
DJ Global World Real Estate	9.26%
Morningstar Real Asset	6.21%
FTSE WGBI Index	2.94%
30 Day T-Bill	1.06%

Performance for accounts held outside of Morgan Stanley are calculated using simple math

*Skybridge and HFRI FOF as of 11/30/2021

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SCCT Regional Water Authority
Trailing Six Year Investment Results
December 31, 2015 - December 31, 2021

Account Number	Account Type	Beg. Asset Value 31-Dec-2015	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 31-Dec-2021	Net \$ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	\$22,078,953	\$0	\$5,735,080	\$27,814,034	\$46,007,698	\$18,193,665	9.33%	9.75%
447-xxx451	Union	\$16,143,219	\$0	\$163,368	\$16,306,588	\$28,054,594	\$11,748,006	9.32%	9.74%
447-xxx456	VEBA	\$2,919,401	\$0	\$3,195,838	\$6,115,239	\$9,761,507	\$3,646,268	9.18%	9.60%
447-xxx626	Skybridge (Salaried)**	\$0	\$0	(\$119,328)	(\$119,328)	\$34,474	\$153,802	4.95%	4.95%
447-xxx627	Skybridge (Union)**	\$0	\$0	(\$84,401)	(\$84,401)	\$23,135	\$107,536	4.96%	4.96%
axx15a	Matrix Trust (Salaried)	\$202,978	\$4,551,937	(\$4,754,669)	\$245	\$245	\$0	-	-
axx15b	Matrix Trust (Union)	\$147,576	(\$764,159)	\$616,638	\$55	\$55	\$0	-	-
axx16	Matrix Trust(VEBA)	\$269,858	\$4,607,911	(\$4,752,525)	\$125,243	\$125,243	\$0	-	-
Consolidated		\$41,761,987	\$8,395,689	\$0	\$50,157,675	\$84,006,953	\$33,849,277	9.24%	9.65%

December 31, 2015 - December 31, 2021

Actuarial Assumed Rate of Return

Actuarial Assumed Rate of Return (Current): 6.75%	6.75%
Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00%	7.00%

Guidelines/Benchmarks - Market Cap Weighted

Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	8.67%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	9.96%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	10.56%

Guidelines/Benchmarks - Equal Weighted

Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	8.17%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	9.35%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	9.91%

Russell 3000	16.89%
S&P 500	17.17%
S&P 500 Equal Weight	15.43%
Russell 1000 Value	12.02%
Russell 1000	17.15%
Russell 1000 Growth	21.85%
Russell 2000	13.28%
MSCI All Country World ex. US	8.65%
MSCI EAFE	7.95%
MSCI EM	10.15%
Bloomberg Aggregate	3.44%
Bloomberg Govt/Credit Intermediate	2.79%
Bloomberg US Corp Bond	5.44%
HFRI Fund of Funds Index*	4.66%
DJ Global World Real Estate	8.39%
Morningstar Real Asset	6.06%
FTSE WGBI Index	2.71%
30 Day T-Bill	0.92%

Performance for accounts held outside of Morgan Stanley are calculated using simple math

*Skybridge and HFRI FOF as of 11/30/2021

**Skybridge accounts opened on 4/25/2016

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Morgan Stanley

THE KELLIHER CORBETT GROUP
AT MORGAN STANLEY



Investment Holdings Analysis

Mutual Funds/ETFs

Results

Data as of 12/31/2021	Morningstar	Market Returns (%)						\$	% of
	Category	3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Assets	Total
Cash & Equivalents									
Cash & Equivalents		-	-	-	-	-	-	\$ 944,982	1.13%
Fixed Income									
Guggenheim Limited Duration Instl	Short-Term Bond	-0.34	0.27	● 0.27	● 3.09	● 2.83	-	\$ 257,107	0.31%
Vanguard Short-Term Bond ETF	Short-Term Bond	-0.74	-1.00	● -1.00	● 2.82	● 2.20	● 1.68	\$ 290,988	0.35%
Cat: Short-Term Bond	Short-Term Bond	-0.48	0.05	● 0.05	● 3.02	● 2.37	● 1.96		
American Funds Bond Fund of Amer F2	Intermediate Core Bond	0.29	-0.71	● -0.71	● 6.07	● 4.34	● 3.51	\$ 2,420,961	2.89%
Cat: Intermediate Core Bond	Intermediate Core Bond	-0.24	-1.48	● -1.48	● 4.81	● 3.47	● 2.95		
American Funds Strategic Bond F-2	Intermediate Core-Plus Bond	-0.91	-0.77	● -0.77	● 8.31	● 5.72	-	\$ 3,308,122	3.94%
DoubleLine Core Fixed Income I	Intermediate Core-Plus Bond	-0.23	-0.34	● -0.34	● 4.36	● 3.53	● 3.59	\$ 2,940,653	3.51%
Janus Henderson Flexible Bond I	Intermediate Core-Plus Bond	-0.02	-0.78	● -0.78	● 6.42	● 4.36	● 3.73	\$ 253,536	0.30%
Loomis Sayles Core Plus Bond Y	Intermediate Core-Plus Bond	-0.28	-1.42	● -1.42	● 5.92	● 4.42	● 4.23	\$ 2,387,653	2.85%
Pioneer Bond Y	Intermediate Core-Plus Bond	-0.02	0.73	● 0.73	● 6.21	● 4.47	● 4.25	\$ 476,497	0.57%
Cat: Intermediate Core-Plus Bond	Intermediate Core-Plus Bond	-0.18	-0.67	● -0.67	● 5.38	● 3.95	● 3.58		
PIMCO Income I2	Multisector Bond	0.15	2.50	● 2.50	● 5.36	● 4.98	● 6.87	\$ 2,412,323	2.88%
Cat: Multisector Bond	Multisector Bond	0.08	2.49	● 2.49	● 5.60	● 4.28	● 4.50		
Idx: Bloomberg US Agg Bond TR USD	-	0.01	-1.54	● -1.54	● 4.79	● 3.57	● 2.90		
Idx: Bloomberg US Govt/Credit Interm TR USD	-	-0.57	-1.44	● -1.44	● 3.86	● 2.91	● 2.38		
Idx: FTSE WGBI USD	-	-1.10	-6.97	● -6.97	● 2.75	● 2.94	● 0.96		
Sub-Total Fixed Income								\$ 14,747,840	17.58%
US Equity									
Columbia Dividend Income Inst	Large Value	10.72	26.28	● 26.28	● 20.37	● 15.02	● 13.99	\$ 4,649,683	5.54%
ProShares S&P 500 Dividend Aristocrats	Large Value	11.60	25.49	● 25.49	● 20.10	● 15.25	-	\$ -	0.00%
Vanguard Value ETF	Large Value	9.32	26.47	● 26.47	● 17.62	● 12.51	● 13.74	\$ 5,943,244	7.09%
Cat: Large Value	Large Value	8.42	26.22	● 26.22	● 17.82	● 11.68	● 12.39		
Goldman Sachs Equal Wght US Lg Cp Eq ETF	Large Blend	7.47	25.36	● 25.36	● 23.88	-	-	\$ 3,951,610	4.71%
Vanguard Total Stock Market ETF	Large Blend	9.15	25.72	● 25.72	● 25.76	● 17.98	● 16.29	\$ 7,723,666	9.21%
Cat: Large Blend	Large Blend	9.47	26.07	● 26.07	● 23.83	● 16.57	● 14.96		
MFS Massachusetts Inv Gr Stk I	Large Growth	11.18	26.54	● 26.54	● 29.61	● 23.19	● 17.86	\$ 4,008,227	4.78%
Vanguard Russell 1000 Growth ETF	Large Growth	11.62	27.50	● 27.50	● 33.96	● 25.20	● 19.66	\$ 2,573,363	3.07%
Cat: Large Growth	Large Growth	6.91	20.45	● 20.45	● 29.54	● 22.39	● 17.65		
Schwab US Mid-Cap ETF™	Mid-Cap Blend	5.41	19.33	● 19.33	● 20.59	● 13.87	● 14.48	\$ 1,717,181	2.05%
Cat: Mid-Cap Blend	Mid-Cap Blend	7.39	23.40	● 23.40	● 20.74	● 12.67	● 13.13		
Idx: Russell 3000 TR USD	-	9.28	25.66	● 25.66	● 25.79	● 17.97	● 16.30		
Idx: Russell 1000 Value TR USD	-	7.77	25.16	● 25.16	● 17.64	● 11.16	● 12.97		
Idx: Russell 1000 TR USD	-	9.78	26.45	● 26.45	● 26.21	● 18.43	● 16.54		
Idx: Russell 1000 Growth TR USD	-	11.64	27.60	● 27.60	● 34.08	● 25.32	● 19.79		
Idx: Morningstar Dividend Yield Focus TR USD	-	8.30	19.47	● 19.47	● 10.43	● 8.22	● 10.24		
Sub-Total US Equity								\$ 30,566,972	30.90%

● Green = exceeds peer group
 ● Yellow = trails peer group
 □ Red = fails to meet criteria (on watch/remove and/or replacement)

Red = Fund removed in Q4
 Orange = Fund position only held in VEBA

Assets as of 12/31/2021

See last page for important disclosure/disclaimer

Mutual Funds/ETFs/Hedge Fund

Results

Data as of 12/31/2021

Morningstar		Market Returns (%)								\$	% of		
Category		3 Month	YTD		1-Yr		3-Yr		5-Yr		10-Yr	Assets	Total
Global/International Equity													
Vanguard FTSE Developed Markets ETF	Foreign Large Blend	2.99	11.49	●	11.49	●	14.50	●	10.18	●	8.53	\$ 2,052,612	2.45%
Cat: Foreign Large Blend	Foreign Large Blend	2.55	9.72		9.72		13.56		9.38		7.85		
American Funds Europacific Growth F2	Foreign Large Growth	-1.15	2.74	●	2.74	●	17.83	●	12.75	●	9.90	\$ 3,272,626	3.90%
MFS International Intrinsic Value I	Foreign Large Growth	6.87	10.59	●	10.59	●	18.80	●	14.17	●	12.50	\$ 3,349,257	3.99%
Cat: Foreign Large Growth	Foreign Large Growth	2.01	7.69		7.69		20.03		14.11		10.16		
Invesco Developing Markets Y	Diversified Emerging Mkts	-4.09	-7.25	●	-7.25	●	10.65	●	10.02	●	6.47	\$ 1,529,290	1.82%
Cat: Diversified Emerging Mkts	Diversified Emerging Mkts	-1.19	0.38		0.38		12.42		10.00		5.78		
First Eagle Global I	World Allocation	3.89	12.53	●	12.53	●	13.76	●	8.97	●	8.60	\$ 3,359,651	4.01%
Cat: World Allocation	World Allocation	3.63	11.31		11.31		11.58		8.02		6.92		
Idx: MSCI ACWI Ex USA NR USD	-	1.82	7.82		7.82		13.18		9.61		7.28		
Idx: MSCI ACWI NR USD	-	6.68	18.54		18.54		20.38		14.40		11.85		
Idx: MSCI EAFE NR USD	-	2.69	11.26		11.26		13.54		9.55		8.03		
Idx: MSCI EM NR USD	-	-1.31	-2.54		-2.54		10.94		9.87		5.49		
Sub-Total Global/International Equity												\$ 13,563,436	16.17%
Balanced													
American Funds American Balanced F2	Allocation--50% to 70% Equity	6.52	16.01	●	16.01	●	15.46	●	11.66	●	11.35	\$ 3,929,031	4.68%
Janus Henderson Balanced I	Allocation--50% to 70% Equity	7.57	17.24	●	17.24	●	18.03	●	14.45	●	11.76	\$ 4,020,733	4.79%
Cat: Allocation--50% to 70% Equity	Allocation--50% to 70% Equity	4.79	13.89		13.89		14.85		10.39		9.33		
Sub-Total Balanced												\$ 7,949,764	9.48%
Alternative													
BlackRock Event Driven Equity Instl	Event Driven	0.71	1.94	●	1.94	●	5.15	●	5.61	●	8.49	\$ 1,249,332	1.49%
Cat: Event Driven	Event Driven	0.40	4.14		4.14		6.30		4.78		4.30		
Calamos Market Neutral Income I	Relative Value Arbitrage	1.65	5.02	●	5.02	●	5.70	●	4.72	●	4.42	\$ 1,247,776	1.49%
Cat: Relative Value Arbitrage	Relative Value Arbitrage	0.41	4.57		4.57		7.57		5.59		4.31		
JPMorgan Hedged Equity I	Options Trading	4.49	13.43	●	13.43	●	13.61	●	10.41		-	\$ 1,255,016	1.50%
Cat: Options Trading	Options Trading	4.09	10.69		10.69		10.91		6.57		5.04		
Cohen & Steers Global Realty I	Global Real Estate	10.49	26.75	●	26.75	●	15.59	●	10.89	●	10.28	\$ 1,281,715	1.53%
Cat: Global Real Estate	Global Real Estate	8.55	22.90		22.90		12.95		8.94		8.79		
SkyBridge Multi-Adviser HF Portfolios G*	-	4.94	18.82	●	26.11	●	4.59	●	5.63	●	6.02	\$ -	0.00%
Idx: HFRI FoF Composite*	-	0.07	5.68		9.61		7.69		5.80		4.45		
Idx: S&P 500 TR USD	-	11.03	28.71		28.71		26.07		18.47		16.55		
Idx: Bloomberg US Agg Bond TR USD	-	0.01	-1.54		-1.54		4.79		3.57		2.90		
Idx: Russell 3000 TR USD	-	9.28	25.66		25.66		25.79		17.97		16.30		
Idx: MSCI ACWI NR USD	-	6.68	18.54		18.54		20.38		14.40		11.85		
Idx: DJ Global World Real Estate TR USD	-	8.11	21.35		21.35		12.58		9.26		9.46		
Sub-Total Alternative												\$ 5,033,838	6.00%
Total												\$ 72,806,833	81.25%

● Green = exceeds peer group

● Yellow = trails peer group

■ Red = fails to meet criteria (on watch/remove and/or replacement)

*Skybridge & HFRI FOF as of 11/30/2021

Red = Fund removed in Q4

Assets as of 12/31/2021

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Mutual Funds/ETFs

Statistics

Data as of 12/31/2021

	Prospectus Net Expense Ratio	Prospectus Adj Expense Ratio	Beta 3 Yr vs. S&P or BBg Agg	Alpha 3 Yr vs. S&P or BBg Agg	Std 3 Yr	R2 3 Yr vs. S&P or BBg Agg	P/E Ratio	P/B Ratio	Geo Avg Mkt Cap \$MM	Mstar Risk 5 Yr
Fixed Income										
Guggenheim Limited Duration Instl	0.52	0.50	0.32	0.96	1.97	28	-	-	898	Below Avg
Vanguard Short-Term Bond ETF	0.05	0.05	0.36	0.56	1.48	74	-	-	-	Below Avg
Cat: Short-Term Bond	0.69	0.00	0.41	0.59	2.95	33	-	-	-	-
American Funds Bond Fund of Amer F2	0.32	0.32	0.95	1.41	3.30	95	-	-	-	Below Avg
Cat: Intermediate Core Bond	0.59	0.00	1.01	-0.02	3.73	86	-	-	-	-
American Funds Strategic Bond F-2	0.44	0.44	0.84	3.98	4.09	47	-	-	-	Average
DoubleLine Core Fixed Income I	0.48	0.48	0.95	-0.16	4.79	44	-	-	960	Average
Janus Henderson Flexible Bond I	0.45	0.45	1.14	1.04	4.37	76	-	-	-	Average
Loomis Sayles Core Plus Bond Y	0.47	0.47	1.03	0.97	3.81	83	-	-	-	Below Avg
Pioneer Bond Y	0.45	0.45	1.14	0.98	6.41	35	13.8	2.2	10267	High
Cat: Intermediate Core-Plus Bond	0.75	0.00	1.00	0.59	4.50	62	-	-	-	-
PIMCO Income I2	0.72	0.60	0.37	3.10	5.79	4	-	0.5	4014	Below Avg
Cat: Multisector Bond	1.00	0.00	0.77	2.00	7.50	16	15.1	1.6	58145	-
US Equity										
Columbia Dividend Income Inst	0.67	0.67	0.88	-2.01	15.82	93	21.4	3.9	139112	Low
ProShares S&P 500 Dividend Aristocrats	0.35	0.35	0.95	-3.80	17.52	90	24.1	3.9	57339	Below Avg
Vanguard Value ETF	0.04	0.04	1.00	-6.94	18.36	90	16.9	2.6	100259	Below Avg
Cat: Large Value	0.93	0.00	1.05	-7.55	19.59	87	16.8	2.6	118972	-
Goldman Sachs Equal Wght US Lg Cp Eq ETF	0.09	0.09	1.10	-3.81	19.72	95	21.8	3.5	46365	-
Vanguard Total Stock Market ETF	0.03	0.03	1.04	-1.05	18.17	99	23.0	4.1	128784	Above Avg
Cat: Large Blend	0.81	0.00	1.00	-1.78	17.95	95	24.6	5.0	284065	-
MFS Massachusetts Inv Gr Stk I	0.46	0.46	0.96	3.71	17.12	96	31.9	6.5	210403	Below Avg
Vanguard Russell 1000 Growth ETF	0.08	0.08	1.01	6.14	18.43	91	33.4	12.7	346594	Average
Cat: Large Growth	0.98	0.00	0.99	3.13	18.72	86	33.4	8.5	364821	-
Schwab US Mid-Cap ETF™	0.04	0.04	1.21	-8.46	22.39	88	17.8	2.9	10982	Above Avg
Cat: Mid-Cap Blend	0.93	0.00	1.13	-6.76	21.45	85	18.4	3.0	11726	-

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Red = Fund removed in Q4

Orange = Fund position only held in VEBA

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The Prospectus Adjusted Operating Expense Ratio is the percentage of fund assets paid for operating expenses and management fees. The expense ratio typically includes the following types of fees: accounting, administrator, advisor, auditor, board of directors, custodial, distribution (12b-1), legal, organizational, professional, registration, shareholder reporting, sub-advisor, and transfer agency. The ratio does reflect fee waivers in effect during the time period, and does not include interest and dividends on borrowed securities. The expense ratio does not reflect the fund's brokerage costs or any investor sales charges.

Mutual Funds/ETFs/Hedge Fund

Statistics

Data as of 12/31/2021	Prospectus Net Expense Ratio	Prospectus Adj Expense Ratio	Beta 3 Yr vs. S&P or BBg Agg	Alpha 3 Yr vs. S&P or BBg Agg	Std 3 Yr	R2 3 Yr vs. S&P or BBg Agg	P/E Ratio	P/B Ratio	Geo Avg Mkt Cap \$MM	Mstar Risk 5 Yr
Global/International Equity										
Vanguard FTSE Developed Markets ETF	0.05	0.05	1.03	0.91	17.84	97	15.1	1.7	29812	Average
Cat: Foreign Large Blend	0.94	0.00	0.99	0.56	17.37	94	15.3	1.8	53188	-
American Funds Europacific Growth F2	0.57	0.57	1.03	3.88	17.89	95	21.0	2.8	61117	Above Avg
MFS International Intrinsic Value I	0.72	0.72	0.67	8.64	12.78	78	28.8	3.8	38517	Low
Cat: Foreign Large Growth	1.07	0.00	0.90	7.18	16.70	85	24.1	3.5	57382	-
Invesco Developing Markets Y	0.97	0.97	0.99	-1.89	18.13	86	21.2	3.8	62309	Below Avg
Cat: Diversified Emerging Mkts	1.19	0.00	1.02	-0.53	19.44	80	13.8	2.3	56537	-
First Eagle Global I	0.86	0.86	1.30	-3.58	14.59	94	16.8	1.9	57930	Above Avg
Cat: World Allocation	1.17	0.00	1.12	-3.47	13.05	89	16.4	2.1	73191	-
Balanced/Hedged Equity										
American Funds American Balanced F2	0.36	0.36	0.93	2.18	10.34	96	20.2	3.5	148217	Below Avg
Janus Henderson Balanced I	0.65	0.65	0.94	4.27	10.87	90	28.9	6.7	270829	Below Avg
Cat: Allocation--50% to 70% Equity	1.04	0.00	1.06	0.18	12.05	92	20.8	3.2	116719	-
Alternative										
BlackRock Event Driven Equity Instl	1.32	1.32	0.22	0.14	4.63	63	33.9	4.1	17716	Average
Cat: Event Driven	1.85	0.00	0.31	-0.46	7.15	51	22.6	3.1	10858	-
Calamos Market Neutral Income I	0.98	0.83	0.18	1.31	3.28	86	23.3	4.1	205181	-
Cat: Relative Value Arbitrage	1.70	0.00	0.20	2.70	5.14	50	-	-	-	-
JPMorgan Hedged Equity I	0.58	0.58	0.38	4.97	7.28	78	23.7	4.4	243989	Below Avg
Cat: Options Trading	1.05	0.00	0.44	1.45	9.63	71	23.0	4.5	292078	-
Cohen & Steers Global Realty I	0.90	0.90	0.89	-1.72	17.96	71	20.3	1.7	14454	Below Avg
Cat: Global Real Estate	1.19	0.00	0.95	-5.16	18.81	75	17.3	1.4	12687	-
SkyBridge Multi-Adviser HF Portfolios G	1.97	1.97	0.46	-4.96	-	-	-	-	-	-

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Red = Fund removed in Q4

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The Prospectus Adjusted Operating Expense Ratio is the percentage of fund assets paid for operating expenses and management fees. The expense ratio typically includes the following types of fees: accounting, administrator, advisor, auditor, board of directors, custodial, distribution (12b-1), legal, organizational, professional, registration, shareholder reporting, sub-advisor, and transfer agency. The ratio does reflect fee waivers in effect during the time period, and does not include interest and dividends on borrowed securities. The expense ratio does not reflect the fund's brokerage costs or any investor sales charges.

The performance shown in the preceding pages represents past performance. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown above. Investment returns, yields and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Returns of less than a year are cumulative and are not annualized and are calculated from January 1 of the reporting year. Average annual total returns are annualized and assume the reinvestment of all distributions at net asset value and the deductions of fund expenses. Data is from sources deemed reliable, however no guarantee may be made to their accuracy.

The information contained herein was prepared by your Financial Advisor and does not represent an official statement of your account at the Firm (or other outside custodians, if applicable). Please refer to your monthly statement for a complete record of your transactions, holdings and balances.

The information and data contained in this report are from sources considered reliable, but their accuracy and completeness is not guaranteed. This report has been prepared for illustrative purposes only and is not intended to be used as a substitute for monthly transaction statements you receive on a regular basis from Morgan Stanley Smith Barney LLC. Please compare the data on this document carefully with your monthly statements to verify its accuracy. The Company strongly encourages you to consult with your own accountants or other advisors with respect to any tax questions.

Assets as of 12/31/2021

Data Source: Morningstar; as of 12/31/2021

Morgan Stanley

**THE KELLIHER CORBETT GROUP
AT MORGAN STANLEY**



Appendix

SCCT Regional Water Authority - Salary Plan

Asset Allocation Matrix

As of 12/31/2021

	IPS Target %	Target \$	Target %	% of Cat	Actual \$	Actual %	% of Cat	+/- \$	+/- %
Fixed Income		\$ 15,309,022	33.25%	100.00%	\$ 14,758,028	32.05%	100.00%	\$ 550,994	1.20%
Cash		\$ 345,316	0.75%	2.26%	\$ 502,870	1.09%	3.41%	\$ (157,554)	-0.34%
Individual Bond Ladder		\$ 7,366,748	16.00%	48.12%	\$ 6,904,399	15.00%	46.78%	\$ 462,348	1.00%
American Funds Bond Fund of Amer		\$ 1,381,265	3.00%	9.02%	\$ 1,337,883	2.91%	9.07%	\$ 43,382	0.09%
DoubleLine Core Fixed Income		\$ 1,611,476	3.50%	10.53%	\$ 1,543,746	3.35%	10.46%	\$ 67,731	0.15%
Total Core	30.00%			78.95%			78.74%		
PIMCO Income I2 (1/2 Core)		\$ 1,381,265	3.00%	9.02%	\$ 1,336,482	2.90%	9.06%	\$ 44,783	0.10%
Loomis Sayles Core Plus (1/2 Core)		\$ 1,381,265	3.00%	9.02%	\$ 1,325,409	2.88%	8.98%	\$ 55,856	0.12%
American Funds Strategic Bond		\$ 1,841,687	4.00%	12.03%	\$ 1,807,239	3.93%	12.25%	\$ 34,447	0.07%
Total Plus				21.05%			21.26%		
US Equity		\$ 16,229,866	35.25%	100.00%	\$ 16,716,998	36.31%	100.00%	\$ (487,133)	-1.06%
Columbia Dividend Income		\$ 2,417,214	5.25%	14.89%	\$ 2,544,899	5.53%	15.22%	\$ (127,685)	-0.28%
MFS Massachusetts Investors Gr Stk		\$ 2,071,898	4.50%	12.77%	\$ 2,184,580	4.74%	13.07%	\$ (112,682)	-0.24%
Total Active				27.66%			28.29%		
Proshares S&P 500 Div Aristocrats		\$ -	0.00%	0.00%	\$ -	0.00%	0.00%	\$ -	0.00%
Vanguard Value ETF		\$ 3,222,952	7.00%	19.86%	\$ 3,265,842	7.09%	19.54%	\$ (42,890)	-0.09%
Goldman Sachs Equal Weight		\$ 2,071,898	4.50%	12.77%	\$ 2,155,424	4.68%	12.89%	\$ (83,526)	-0.18%
Vanguard Total Stk Mkt ETF		\$ 4,143,796	9.00%	25.53%	\$ 4,225,200	9.18%	25.27%	\$ (81,404)	-0.18%
Vanguard Russell 1000 Growth Index		\$ 1,381,265	3.00%	8.51%	\$ 1,398,012	3.04%	8.36%	\$ (16,747)	-0.04%
Schwab Mid Cap ETF		\$ 920,843	2.00%	5.67%	\$ 943,042	2.05%	5.64%	\$ (22,198)	-0.05%
Total Passive	55.00%			72.34%			71.71%		
Global		\$ 1,841,687	4.00%	100.00%	\$ 1,841,164	4.00%	100.00%	\$ 523	0.00%
First Eagle Global		\$ 1,841,687	4.00%	100.00%	\$ 1,841,164	4.00%	100.00%	\$ 523	0.00%
Int'l Equity		\$ 5,755,272	12.50%	100.00%	\$ 5,609,754	12.18%	100.00%	\$ 145,517	0.32%
American Funds EuroPacific Gr		\$ 1,841,687	4.00%	32.00%	\$ 1,803,488	3.92%	32.15%	\$ 38,199	0.08%
MFS Intl Intrinsic Value		\$ 1,841,687	4.00%	32.00%	\$ 1,823,587	3.96%	32.51%	\$ 18,100	0.04%
Invesco Developing Markets		\$ 920,843	2.00%	16.00%	\$ 849,148	1.84%	15.14%	\$ 71,696	0.16%
Total Active				80.00%			79.79%		
Vanguard FTSE Developed Markets		\$ 1,151,054	2.50%	20.00%	\$ 1,133,532	2.46%	20.21%	\$ 17,522	0.04%
Total Passive				20.00%			20.21%		
Balanced		\$ 4,143,796	9.00%	100.00%	\$ 4,351,196	9.45%	100.00%	\$ (207,401)	-0.45%
American Funds American Balanced		\$ 2,071,898	4.50%	50.00%	\$ 2,153,762	4.68%	49.50%	\$ (81,864)	-0.18%
Janus Henderson Balanced		\$ 2,071,898	4.50%	50.00%	\$ 2,197,434	4.77%	50.50%	\$ (125,537)	-0.27%
Alternative		\$ 2,762,530	6.00%	100.00%	\$ 2,765,031	6.01%	100.00%	\$ (2,500)	-0.01%
BlackRock Event Driven Equity		\$ 690,633	1.50%	25.00%	\$ 685,331	1.49%	24.79%	\$ 5,302	0.01%
Calamos Market Neutral		\$ 690,633	1.50%	25.00%	\$ 684,209	1.49%	24.75%	\$ 6,423	0.01%
Cohen & Steers Global Realty		\$ 690,633	1.50%	25.00%	\$ 705,820	1.53%	25.53%	\$ (15,187)	-0.03%
JPMorgan Hedged Equity		\$ 690,633	1.50%	25.00%	\$ 689,671	1.50%	24.94%	\$ 961	0.00%
Skybridge		\$ -	0.00%	0.00%	\$ -	0.00%	0.00%	\$ -	0.00%
Total	100.00%	\$ 46,042,172	100.00%		\$ 46,042,172	100.00%		\$ 0	0.00%

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Red = Fund removed in Q4

*Skybridge redeemed as of 10/29/2021. Holdback redeemed on 12/30/21.

SCCT Regional Water Authority - Union Plan

Asset Allocation Matrix

As of 12/31/2021

	IPS Target %	Target \$	Target %	% of Cat	Actual \$	Actual %	% of Cat	+/- \$	+/- %
Fixed Income		\$ 9,335,845	33.25%	100.00%	\$ 8,894,671	31.68%	100.00%	\$ 441,174	1.57%
Cash		\$ 210,583	0.75%	2.26%	\$ 326,691	1.16%	3.67%	\$ (116,108)	-0.41%
Individual Bond Ladder		\$ 4,492,437	16.00%	48.12%	\$ 4,170,176	14.85%	46.88%	\$ 322,260	1.15%
American Funds Bond Fund of Amer		\$ 842,332	3.00%	9.02%	\$ 794,175	2.83%	8.93%	\$ 48,156	0.17%
DoubleLine Core Fixed Income		\$ 982,721	3.50%	10.53%	\$ 922,066	3.28%	10.37%	\$ 60,655	0.22%
Total Core	30.00%			78.95%			78.64%		
PIMCO Income I2 (1/2 Core)		\$ 842,332	3.00%	9.02%	\$ 787,753	2.81%	8.86%	\$ 54,579	0.19%
Loomis Sayles Core Plus (1/2 Core)		\$ 842,332	3.00%	9.02%	\$ 775,715	2.76%	8.72%	\$ 66,617	0.24%
American Funds Strategic Bond		\$ 1,123,109	4.00%	12.03%	\$ 1,118,094	3.98%	12.57%	\$ 5,015	0.02%
Total Plus				21.05%			21.36%		
US Equity		\$ 9,897,399	35.25%	100.00%	\$ 10,255,147	36.52%	100.00%	\$ (357,748)	-1.27%
Columbia Dividend Income		\$ 1,474,081	5.25%	14.89%	\$ 1,560,832	5.56%	15.22%	\$ (86,751)	-0.31%
MFS Massachusetts Investors Gr Stk		\$ 1,263,498	4.50%	12.77%	\$ 1,351,365	4.81%	13.18%	\$ (87,867)	-0.31%
Total Active				27.66%			28.40%		
Proshares S&P 500 Div Aristocrats		\$ -	0.00%	0.00%	\$ -	0.00%	0.00%	\$ -	0.00%
Vanguard Value ETF		\$ 1,965,441	7.00%	19.86%	\$ 1,985,985	7.07%	19.37%	\$ (20,544)	-0.07%
Goldman Sachs Equal Weight		\$ 1,263,498	4.50%	12.77%	\$ 1,340,438	4.77%	13.07%	\$ (76,940)	-0.27%
Vanguard Total Stk Mkt ETF		\$ 2,526,996	9.00%	25.53%	\$ 2,577,372	9.18%	25.13%	\$ (50,376)	-0.18%
Vanguard Russell 1000 Growth Index		\$ 842,332	3.00%	8.51%	\$ 858,050	3.06%	8.37%	\$ (15,718)	-0.06%
Schwab Mid Cap ETF		\$ 561,555	2.00%	5.67%	\$ 581,107	2.07%	5.67%	\$ (19,552)	-0.07%
Total Passive	55.00%			72.34%			71.60%		
Global		\$ 1,123,109	4.00%	100.00%	\$ 1,136,697	4.05%	100.00%	\$ (13,588)	-0.05%
First Eagle Global		\$ 1,123,109	4.00%	100.00%	\$ 1,136,697	4.05%	100.00%	\$ (13,588)	-0.05%
Int'l Equity		\$ 3,509,716	12.50%	100.00%	\$ 3,421,374	12.19%	100.00%	\$ 88,342	0.31%
American Funds EuroPacific Gr		\$ 1,123,109	4.00%	32.00%	\$ 1,098,138	3.91%	32.10%	\$ 24,971	0.09%
MFS Intl Intrinsic Value		\$ 1,123,109	4.00%	32.00%	\$ 1,120,934	3.99%	32.76%	\$ 2,175	0.01%
Invesco Developing Markets		\$ 561,555	2.00%	16.00%	\$ 512,992	1.83%	14.99%	\$ 48,563	0.17%
Total Active				80.00%			79.85%		
Vanguard FTSE Developed Markets		\$ 701,943	2.50%	20.00%	\$ 689,310	2.46%	20.15%	\$ 12,633	0.04%
Total Passive				20.00%			20.15%		
Balanced		\$ 2,526,996	9.00%	100.00%	\$ 2,683,829	9.56%	100.00%	\$ (156,833)	-0.56%
American Funds American Balanced		\$ 1,263,498	4.50%	50.00%	\$ 1,327,724	4.73%	49.47%	\$ (64,226)	-0.23%
Janus Henderson Balanced		\$ 1,263,498	4.50%	50.00%	\$ 1,356,105	4.83%	50.53%	\$ (92,607)	-0.33%
Alternative		\$ 1,684,664	6.00%	100.00%	\$ 1,686,011	6.00%	100.00%	\$ (1,347)	0.00%
BlackRock Event Driven Equity		\$ 421,166	1.50%	25.00%	\$ 418,733	1.49%	24.84%	\$ 2,433	0.01%
Calamos Market Neutral		\$ 421,166	1.50%	25.00%	\$ 417,442	1.49%	24.76%	\$ 3,724	0.01%
Cohen & Steers Global Realty		\$ 421,166	1.50%	25.00%	\$ 430,154	1.53%	25.51%	\$ (8,989)	-0.03%
JPMorgan Hedged Equity		\$ 421,166	1.50%	25.00%	\$ 419,681	1.49%	24.89%	\$ 1,485	0.01%
Skybridge*		\$ -	0.00%	0.00%	\$ -	0.00%	0.00%	\$ -	0.00%
Total	100.00%	\$ 28,077,729	100.00%		\$ 28,077,729	100.00%		\$ (0)	0.00%

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Red = Fund removed in Q4

*Skybridge redeemed as of 10/29/2021. Holdback redeemed on 12/30/21.

SCCT Regional Water Authority - VEBA Plan

Asset Allocation Matrix

As of 12/31/2021

	IPS Target %	Target \$	Target %	% of Cat	Actual \$	Actual %	% of Cat	+/- \$	+/- %
Fixed Income		\$ 3,343,316	34.25%	100.00%	\$ 3,114,699	31.91%	100.00%	\$ 228,618	2.34%
Cash/T-Bills		\$ 73,211	0.75%	2.19%	\$ 115,421	1.18%	3.71%	\$ (42,210)	-0.43%
Guggenheim Limited Duration		\$ 341,653	3.50%	10.22%	\$ 257,107	2.63%	8.25%	\$ 84,545	0.87%
Vanguard Short-Term Bond ETF		\$ 390,460	4.00%	11.68%	\$ 290,988	2.98%	9.34%	\$ 99,472	1.02%
American Funds Bond Fund of Amer		\$ 292,845	3.00%	8.76%	\$ 288,903	2.96%	9.28%	\$ 3,942	0.04%
Pioneer Bond Y		\$ 488,075	5.00%	14.60%	\$ 476,497	4.88%	15.30%	\$ 11,578	0.12%
DoubleLine Core Fixed Income		\$ 488,075	5.00%	14.60%	\$ 474,842	4.86%	15.25%	\$ 13,234	0.14%
Janus Henderson Flexible Bond	30.00%	\$ 292,845	3.00%	8.76%	\$ 253,536	2.60%	8.14%	\$ 39,309	0.40%
Total Core				79.56%			78.49%		
PIMCO Income I2 (1/2 Core)		\$ 292,845	3.00%	8.76%	\$ 288,088	2.95%	9.25%	\$ 4,758	0.05%
Loomis Sayles Core Plus (1/2 Core)		\$ 292,845	3.00%	8.76%	\$ 286,528	2.94%	9.20%	\$ 6,317	0.06%
American Funds Stratetgic Bond		\$ 390,460	4.00%	11.68%	\$ 382,788	3.92%	12.29%	\$ 7,672	0.08%
Total Plus				20.44%			21.51%		
US Equity		\$ 3,440,931	35.25%	100.00%	\$ 3,594,827	36.83%	100.00%	\$ (153,895)	-1.58%
Columbia Dividend Income		\$ 512,479	5.25%	14.89%	\$ 543,952	5.57%	15.13%	\$ (31,473)	-0.32%
MFS Massachusetts Investors Gr Stk		\$ 439,268	4.50%	12.77%	\$ 472,282	4.84%	13.14%	\$ (33,014)	-0.34%
Total Active				27.66%			28.27%		
Proshares S&P 500 Div Aristocrats		\$ -	0.00%	0.00%	\$ -	0.00%	0.00%	\$ -	0.00%
Vanguard Value ETF		\$ 683,305	7.00%	19.86%	\$ 691,417	7.08%	19.23%	\$ (8,112)	-0.08%
Goldman Sachs Equal Weight		\$ 439,268	4.50%	12.77%	\$ 455,749	4.67%	12.68%	\$ (16,481)	-0.17%
Vanguard Total Stk Mkt ETF		\$ 878,536	9.00%	25.53%	\$ 921,094	9.44%	25.62%	\$ (42,558)	-0.44%
Vanguard Russell 1000 Growth Index		\$ 292,845	3.00%	8.51%	\$ 317,302	3.25%	8.83%	\$ (24,456)	-0.25%
Schwab Mid Cap ETF		\$ 195,230	2.00%	5.67%	\$ 193,032	1.98%	5.37%	\$ 2,198	0.02%
Total Passive	55.00%			72.34%			71.73%		
Global		\$ 390,460	4.00%	100.00%	\$ 381,790	3.91%	100.00%	\$ 8,671	0.09%
First Eagle Global		\$ 390,460	4.00%	100.00%	\$ 381,790	3.91%	100.00%	\$ 8,671	0.09%
Int'l Equity		\$ 1,220,188	12.50%	100.00%	\$ 1,172,657	12.01%	100.00%	\$ 47,532	0.49%
American Funds EuroPacific Gr		\$ 390,460	4.00%	32.00%	\$ 371,000	3.80%	31.64%	\$ 19,460	0.20%
MFS Intl Intrinsic Value		\$ 390,460	4.00%	32.00%	\$ 404,736	4.15%	34.51%	\$ (14,276)	-0.15%
Invesco Developing Markets		\$ 195,230	2.00%	16.00%	\$ 167,151	1.71%	14.25%	\$ 28,080	0.29%
Total Active				80.00%			80.41%		
Vanguard FTSE Developed Markets		\$ 244,038	2.50%	20.00%	\$ 229,770	2.35%	19.59%	\$ 14,268	0.15%
Total Passive				20.00%			19.59%		
Balanced		\$ 878,536	9.00%	100.00%	\$ 914,739	9.37%	100.00%	\$ (36,204)	-0.37%
American Funds American Balanced		\$ 439,268	4.50%	50.00%	\$ 447,546	4.58%	48.93%	\$ (8,278)	-0.08%
Janus Henderson Balanced		\$ 439,268	4.50%	50.00%	\$ 467,194	4.79%	51.07%	\$ (27,926)	-0.29%
Alternative		\$ 488,075	5.00%	100.00%	\$ 582,796	5.97%	100.00%	\$ (94,721)	-0.97%
BlackRock Event Driven Equity	15.00%	\$ 146,423	1.50%	30.00%	\$ 145,268	1.49%	24.93%	\$ 1,155	0.01%
Calamos Market Neutral		\$ 146,423	1.50%	30.00%	\$ 146,125	1.50%	25.07%	\$ 298	0.00%
Cohen & Steers Global Realty		\$ 97,615	1.00%	20.00%	\$ 145,741	1.49%	25.01%	\$ (48,125)	-0.49%
JPMorgan Hedged Equity		\$ 97,615	1.00%	20.00%	\$ 145,663	1.49%	24.99%	\$ (48,048)	-0.49%
Total	100.00%	\$ 9,761,507	100.00%		\$ 9,761,507	100.00%		\$ 0	0.00%

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Red = Fund removed in Q4

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Glossary of Terms

Accrued Income: The dividends and interest earned but not yet received at both the beginning and end of each reporting period.

Advisory Account: An investment advisory relationship is designed for clients who prefer that their Financial Advisor act as an investment consultant, with their assets invested in a mutual fund asset allocation program or in a Advisory account that is directed by a professional money manager either at Morgan Stanley or at an external money management firm. There are important differences in your relationship with your Financial Advisor and Morgan Stanley in brokerage accounts and in advisory accounts. Additional information about these differences is available at <http://www.morganstanley.com/ourcommitment>

Annualized Standard Deviation: A measure of volatility, it quantifies how much a series of numbers, such as portfolio returns, deviates around its average. Since it measures the portfolio's investment volatility, the account's gross rate of return is used.

Brokerage Account: In a brokerage relationship, your Financial Advisor will work with you to facilitate the execution of securities transactions on your behalf. Your Financial Advisor also provides investor education and professional, personalized information about financial products and services in connection with these brokerage services. You can choose how you want to pay for these services and you will receive the same services regardless of which pricing option you choose. There are important differences in your relationship with your Financial Advisor and Morgan Stanley in brokerage accounts and in advisory accounts. Additional information about these differences is available at <http://www.morganstanley.com/ourcommitment>

Comparative Indices: A complete description of the comparative indices included in this Performance Report is available upon request.

Dollar-Weighted Return: Rate of return calculation methodology that reflects both the timing and magnitude of external contributions and withdrawals and measures the portfolio's performance. The return for each month is calculated as the average return on all dollars invested.

Gross Return: The return of the portfolio before the deduction of fees/commissions and other expenses.

Net Contributions/Withdrawals: The total value of capital contributed to or withdrawn from the account during the reporting period. The dollar amount represented by contribution or withdrawal transactions is excluded from the calculation of Portfolio Appreciation.

Net Invested Capital: The sum of the Total Beginning Value and the net of additional capital Contributions and Withdrawals for each reporting period.

Net Portfolio Appreciation: The total dollar gain/loss of the portfolio for each reporting period. The Net Portfolio Appreciation includes the impact of income received and is calculated as the difference between Net Invested Capital and Total Ending Value.

Net Return: The return of the portfolio for the period reduced by the amount of fees/commissions paid. The net of fees return is calculated gross of certain custody fees.

Time-Weighted Return: Rate of return calculation methodology that eliminates the impact of external contributions and withdrawals to the portfolio value and measures the manager's performance. Portfolio returns are calculated at least monthly and individual monthly returns are geometrically linked to calculate total cumulative return.

Total Beginning Value: The total market value of the portfolio, valued on a trade date basis, at the beginning of each reporting period. The Total Beginning Value includes Accrued Income.

Total Ending Value: The total market value of the portfolio, valued on a trade date basis, at the end of each reporting period. The Total Ending Value includes Accrued Income.

Weighted Average: The average in which each yield to be averaged is assigned a weight. These weightings determine the relative importance or frequency of each yield on the average.

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Global Investment Manager Analysis (GIMA) Focus List, Approved List and Tactical Opportunities List; Watch Policy. GIMA uses two methods to evaluate investment products in applicable advisory programs: **Focus** (and investment products meeting this standard are described as being on the Focus List) and **Approved** (and investment products meeting this standard are described as being on the Approved List). In general, Focus entails a more thorough evaluation of an investment product than Approved. Sometimes an investment product may be evaluated using the Focus List process but then placed on the Approved List instead of the Focus List. Investment products may move from the Focus List to the Approved List, or vice versa. GIMA may also determine that an investment product no longer meets the criteria under either process and will no longer be recommended in investment advisory programs (in which case the investment product is given a "Not Approved" status). GIMA has a "**Watch**" policy and may describe a Focus List or Approved List investment product as being on "Watch" if GIMA identifies specific areas that (a) merit further evaluation by GIMA and (b) may, but are not certain to, result in the investment product becoming "Not Approved." The Watch period depends on the length of time needed for GIMA to conduct its evaluation and for the investment manager or fund to address any concerns. Certain investment products on either the Focus List or Approved List may also be recommended for the **Tactical Opportunities List** based in part on tactical opportunities existing at a given time. The investment products on the Tactical Opportunities List change over time. For more information on the Focus List, Approved List, Tactical Opportunities List and Watch processes, please see the applicable Form ADV Disclosure Document for Morgan Stanley Wealth Management. Your Financial Advisor or Private Wealth Advisor can also provide upon request a copy of a publication entitled "Manager Selection Process."

The **Global Investment Committee** is a group of seasoned investment professionals who meet regularly to discuss the global economy and markets. The committee determines the investment outlook that guides our advice to clients. They continually monitor developing economic and market conditions, review tactical outlooks and recommend model portfolio weightings, as well as produce a suite of strategy, analysis, commentary, portfolio positioning suggestions and other reports and broadcasts.

The GIC Asset Allocation Models are not available to be directly implemented as part of an investment advisory service and should not be regarded as a recommendation of any Morgan Stanley investment advisory service. The GIC Asset Allocation Models do not represent actual trading or any type of account or any type of investment strategies and none of the fees or other expenses (e.g. commissions, mark-ups, mark-downs, advisory fees, fund expenses) associated with actual trading or accounts are reflected in the GIC Asset Allocation Models which, when compounded over a period of years, would decrease returns.

Adverse Active AlphaSM 2.0 is a patented screening and scoring process designed to help identify high-quality equity and fixed income managers with characteristics that may lead to future outperformance relative to index and peers. While highly ranked managers performed well as a group in our Adverse Active Alpha model back tests, not all of the managers will outperform. Please note that this data may be derived from back-testing, which has the benefit of hindsight. In addition, highly ranked managers can have differing risk profiles that might not be appropriate for all investors.

Our view is that Adverse Active Alpha is a good starting point and should be used in conjunction with other information. Morgan Stanley Wealth Management's qualitative and quantitative investment manager due diligence process are equally important factors for investors when considering managers for use through an investment advisory program. Factors including, but not limited to, manager

turnover and changes to investment process can partially or fully negate a positive Adverse Active Alpha ranking. Additionally, highly ranked managers can have differing risk profiles that might not be appropriate for all investors.

The proprietary **Value Score** methodology considers an active investment strategies' value proposition relative to its costs. From a historical quantitative study of several quantitative markers, Value Score measures perceived forward-looking benefit and computes (1) "fair value" expense ratios for most traditional investment managers across 40 categories and (2) managers' perceived "excess value" by comparing the fair value expense ratios to actual expense ratios. Managers are then ranked within each category by their excess value to assign a Value Score. Our analysis suggests that greater levels of excess value have historically corresponded to attractive subsequent performance.

For more information on the ranking models, please see Adverse Active AlphaSM 2.0: Scoring Active Managers According to Potential Alpha and Value Score: Scoring Fee Efficiency by Comparing Managers' "Fair Value" and Actual Expense Ratios. The whitepapers are available from your Financial Advisor or Private Wealth Advisor. ADVERSE ACTIVE ALPHA is a registered service mark of Morgan Stanley and/or its affiliates. U.S. Pat. No. 8,756,098 applies to the Adverse Active Alpha system and/or methodology.

Additionally, highly ranked managers can have differing risk profiles that might not be appropriate for all investors. For more information on AAA, please see the Adverse Active Alpha Ranking Model and Selecting Managers with Adverse Active Alpha whitepapers. The whitepaper are available from your Financial Advisor or Private Wealth Advisor. ADVERSE ACTIVE ALPHA is a registered service mark of Morgan Stanley and/or its affiliates. U.S. Pat. No. 8,756,098 applies to the Adverse Active Alpha system and/or methodology.

The Global Investment Manager Analysis (GIMA) Services Only Apply to Certain Investment Advisory Programs GIMA evaluates certain investment products for the purposes of some – but not all – of Morgan Stanley Smith Barney LLC's investment advisory programs (as described in more detail in the applicable Form ADV Disclosure Document for Morgan Stanley Wealth Management). If you do not invest through one of these investment advisory programs, Morgan Stanley Wealth Management is not obligated to provide you notice of any GIMA Status changes even though it may give notice to clients in other programs.

Strategy May Be Available as a Separately Managed Account or Mutual Fund Strategies are sometimes available in Morgan Stanley Wealth Management investment advisory programs both in the form of a separately managed account ("SMA") and a mutual fund. These may have different expenses and investment minimums. Your Financial Advisor or Private Wealth Advisor can provide more information on whether any particular strategy is available in more than one form in a particular investment advisory program. Generally, investment advisory accounts are subject to an annual asset-based fee which is payable monthly in advance (some account types may be billed differently). (The "Fee"). In general, the Fee covers Morgan Stanley investment advisory services, custody of securities with Morgan Stanley, trade execution with or through Morgan Stanley or its affiliates, as well as compensation to any Morgan Stanley Financial Advisor.

In addition, each account that is invested in a program that is eligible to purchase certain investment products, such as mutual funds, will also pay a Platform Fee (which is subject to a Platform Fee offset) as described in the applicable ADV brochure. Accounts invested in the Select UMA program will also pay a separate Morgan Stanley Overlay Manager Fee and any applicable Sub-Manager fees. If your account is invested in mutual funds or exchange traded funds (collectively "funds"), you will pay the fees and expenses of any funds in which your account is invested. Fees and expenses are charged directly to the pool of assets the fund invests in and are reflected in each fund's share price. These fees and expenses are an additional cost to you and would not be included in the Fee amount in your account statements. Overlay Managers or Executing Sub-Managers ("managers") in some of Morgan Stanley's Separately Managed Account ("SMA") programs may affect transactions through broker-dealers other than Morgan Stanley or our affiliates. If your manager trades with another firm, you may be assessed costs by the other firm in addition to Morgan Stanley's fees. Those costs will be included in the net price of the security, not separately reported on trade confirmations or account statements. Certain managers have historically directed most, if not all, of their trades to outside firms. Information provided by managers concerning trade execution away from Morgan Stanley is summarized at: www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/sotresponse.pdf. For more information, please refer to the ADV Brochure for your program(s), available at www.morganstanley.com/ADV or contact your Financial Advisor/Private Wealth Advisor. For example, on an advisory account with a 2.5% annual fee, if the gross annual performance is 6.00%, the compounding effect of the fees will result in a net performance of approximately 3.38% after one year, 10.50% after three years, and 18.10% after five years. **Conflicts of Interest:** GIMA's goal is to provide professional, objective evaluations in support of the Morgan Stanley Wealth Management investment advisory programs. We have policies and procedures to help us meet this goal. However, our business is subject to various conflicts of interest. For example, ideas and suggestions for which investment products should be evaluated by GIMA come from a variety of sources, including our Morgan Stanley Wealth Management Financial Advisors and their direct or indirect managers, and other business persons within Morgan Stanley Wealth Management or its affiliates. Such persons may have an ongoing business relationship with certain investment managers or mutual fund companies whereby they, Morgan Stanley Wealth Management or its affiliates receive compensation from, or otherwise related to, those investment managers or mutual funds. For example, a Financial Advisor may suggest that GIMA evaluates an investment manager or fund in which a portion of his or her clients' assets are already invested. While such a recommendation is permissible, GIMA is responsible for the opinions expressed by GIMA. See the conflicts of interest section in the applicable Form ADV Disclosure Document for Morgan Stanley Wealth Management for a discussion of other types of conflicts that may be relevant to GIMA's evaluation of managers and funds. In addition, Morgan Stanley Wealth Management, MS & Co., managers and their affiliates provide a variety of services

(including research, brokerage, asset management, trading, lending and investment banking services) for each other and for various clients, including issuers of securities that may be recommended for purchase or sale by clients or are otherwise held in client accounts, and managers in various advisory programs. Morgan Stanley Wealth Management, managers, MS & Co., and their affiliates receive compensation and fees in connection with these services. Morgan Stanley Wealth Management believes that the nature and range of clients to which such services are rendered is such that it would be inadvisable to exclude categorically all of these companies from an account.

Morgan Stanley charges each fund family we offer a mutual fund support fee, also called a "revenue-sharing payment," on client account holdings in fund families according to a tiered rate that increases along with the management fee of the fund so that lower management fee funds pay lower rates than those with higher management fees.

Consider Your Own Investment Needs: The model portfolios and strategies discussed in the material are formulated based on general client characteristics including risk tolerance. This material is not intended to be an analysis of whether particular investments or strategies are appropriate for you or a recommendation, or an offer to participate in any investment. Therefore, clients should not use this material as the sole basis for investment decisions. They should consider all relevant information, including their existing portfolio, investment objectives, risk tolerance, liquidity needs and investment time horizon. Such a determination may lead to asset allocation results that are materially different from the asset allocation shown in this profile. Talk to your Financial Advisor about what would be an appropriate asset allocation for you, whether CGCM is an appropriate program for you.

No obligation to notify – Morgan Stanley Wealth Management has no obligation to notify you when the model portfolios, strategies, or any other information, in this material changes.

Please consider the investment objectives, risks, fees, and charges and expenses of mutual funds, ETFs, closed end funds, unit investment trusts, and variable insurance products carefully before investing. The prospectus contains this and other information about each fund. To obtain a prospectus, contact your Financial Advisor or Private Wealth Advisor or visit the Morgan Stanley website at www.morganstanley.com. Please read it carefully before investing.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund.

The type of mutual funds and ETFs discussed in this presentation utilizes nontraditional or complex investment strategies and/or derivatives. Examples of these types of funds include those that utilize one or more of the below noted investment strategies or categories or which seek exposure to the following markets: (1) commodities (e.g., agricultural, energy and metals), currency, precious metals; (2) managed futures; (3) leveraged, inverse or inverse leveraged; (4) bear market, hedging, long-short equity, market neutral; (5) real estate; (6) volatility (seeking exposure to the CBOE VIX Index). Investors should keep in mind that while mutual funds and ETFs may, at times, utilize nontraditional investment options and strategies, they should not be equated with unregistered privately offered alternative investments. Because of regulatory limitations, mutual funds and ETFs that seek alternative-like investment exposure must utilize a more limited investment universe. As a result, investment returns and portfolio characteristics of alternative mutual funds and ETFs may vary from traditional hedge funds pursuing similar investment objectives. Moreover, traditional hedge funds have limited liquidity with long "lock-up" periods allowing them to pursue investment strategies without having to factor in the need to meet client redemptions and ETFs trade on an exchange. On the other hand, mutual funds typically must meet daily client redemptions. This differing liquidity profile can have a material impact on the investment returns generated by a mutual fund or ETF pursuing an alternative investing strategy compared with a traditional hedge fund pursuing the same strategy.

Nontraditional investment options and strategies are often employed by a portfolio manager to further a fund's investment objective and to help offset market risks. However, these features may be complex, making it more difficult to understand the fund's essential characteristics and risks, and how it will perform in different market environments and over various periods of time. They may also expose the fund to increased volatility and unanticipated risks particularly when used in complex combinations and/or accompanied by the use of borrowing or "leverage."

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KEY ASSET CLASS CONSIDERATIONS AND OTHER RISKS

Investing in the markets entails the risk of market volatility. The value of all types of investments, including stocks, mutual funds, exchange-traded funds ("ETFs"), closed-end funds, and unit investment trusts, may increase or decrease over varying time periods. To the extent the investments depicted herein represent **international securities**, you should be aware that there may be additional risks associated with international investing, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes, and differences in financial and accounting standards. These risks may be magnified in **emerging markets and frontier markets**. **Small- and mid-capitalization companies** may lack the financial resources, product diversification and competitive strengths of larger companies. In addition, the securities of small- and mid-capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies. The value of **fixed income securities** will fluctuate and, upon a sale, may be worth more or less than their original cost or maturity value. Bonds are subject to interest rate risk, call risk, reinvestment risk, liquidity risk, and credit risk of the issuer. **High yield bonds** are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues. In the case of **municipal bonds**, income is generally exempt from federal income taxes. Some income may be subject to state and local taxes and to the federal alternative minimum tax. Capital gains, if any, are subject to tax. **Treasury Inflation Protection Securities' (TIPS)** coupon payments and underlying principal are automatically increased to compensate for inflation by tracking the consumer price index (CPI). While the real rate of return is guaranteed, TIPS tend to offer a low return. Because the return of TIPS is linked to inflation, TIPS may significantly underperform versus conventional U.S. Treasuries in times of low inflation. There is no guarantee that investors will receive par if TIPS are sold prior to maturity. The returns on a portfolio consisting primarily of **environmental, social, and governance-aware investments ("ESG")** may be lower or higher than a portfolio that is more diversified or where decisions are based solely on investment considerations. Because ESG criteria exclude some investments, investors may not be able to take advantage of the same opportunities or market trends as investors that do not use such criteria. The companies identified and investment examples are for illustrative purposes only and should not be deemed a recommendation to purchase, hold or sell any securities or investment products. They are intended to demonstrate the approaches taken by managers who focus on ESG criteria in their investment strategy. There can be no guarantee that a client's account will be managed as described herein. **Options** and margin trading involve substantial risk and are not appropriate for all investors. Besides the general investment risk of holding securities that may decline in value and the possible loss of principal invested, **closed-end funds** may have additional risks related to declining market prices relative to net asset values (NAVs), active manager underperformance and potential leverage. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Shares of closed-end funds frequently trade at a discount from their NAV which may increase investors' risk of loss. The risk of loss due to this discount may be greater for investors expecting to sell their shares in a relatively short period after completion of the public offering. This characteristic is a risk separate and distinct from the risk that a closed-end fund's net asset value may decrease as a result of investment activities. NAV is total assets less total liabilities divided by the number of shares outstanding. At the time an investor purchases or sells shares of a closed-end fund, shares may have a market price that is above or below NAV. Portfolios that invest a large percentage of assets in only one industry **sector** (or in only a few sectors) are more vulnerable to price fluctuation than those that diversify among a broad range of sectors.

Alternative investments often are speculative and include a high degree of risk. Investors could lose all or a substantial amount of their investment. Alternative investments are appropriate only for eligible, long-term investors who are willing to forgo liquidity and put capital at risk for an indefinite period of time. They may be highly illiquid and can engage in leverage and other speculative practices that may increase the volatility and risk of loss. Alternative Investments typically have higher fees than traditional investments. Investors should carefully review and consider potential risks before investing. Certain of these risks may include but are not limited to: Loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices; Lack of liquidity in that there may be no secondary market for a fund; Volatility of returns; Restrictions on transferring interests in a fund; Potential lack of diversification and resulting higher risk due to

concentration of trading authority when a single advisor is utilized; Absence of information regarding valuations and pricing; Complex tax structures and delays in tax reporting; Less regulation and higher fees than mutual funds; Risks associated with the operations, personnel, and processes of the manager; and Risks associated with cybersecurity. As a diversified global financial services firm, Morgan Stanley Wealth Management engages in a broad spectrum of activities including financial advisory services, investment management activities, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication, and other activities. In the ordinary course of its business, Morgan Stanley Wealth Management therefore engages in activities where Morgan Stanley Wealth Management's interests may conflict with the interests of its clients, including the private investment funds it manages. Morgan Stanley Wealth Management can give no assurance that conflicts of interest will be resolved in favor of its clients or any such fund. All expressions of opinion are subject to change without notice and are not intended to be a forecast of future events or results. Further, opinions expressed herein may differ from the opinions expressed by Morgan Stanley Wealth Management and/or other businesses/affiliates of Morgan Stanley Wealth Management. This is not a "research report" as defined by FINRA Rule 2241 or a "debt research report" as defined by FINRA Rule 2242 and was not prepared by the Research Departments of Morgan Stanley Smith Barney LLC or Morgan Stanley & Co. LLC or its affiliates. Certain information contained herein may constitute forward-looking statements. Due to various risks and uncertainties, actual events, results or the performance of a fund may differ materially from those reflected or contemplated in such forward-looking statements. Clients should carefully consider the investment objectives, risks, charges, and expenses of a fund before investing. While the HFRI indices are frequently used, they have limitations (some of which are typical of other widely used indices). These limitations include survivorship bias (the returns of the indices may not be representative of all the hedge funds in the universe because of the tendency of lower performing funds to leave the index); heterogeneity (not all hedge funds are alike or comparable to one another, and the index may not accurately reflect the performance of a described style); and limited data (many hedge funds do not report to indices, and the index may omit funds, the inclusion of which might significantly affect the performance shown). The HFRI indices are based on information self-reported by hedge fund managers that decide on their own, at any time, whether or not they want to provide, or continue to provide, information to HFR Asset Management, L.L.C. Results for funds that go out of business are included in the index until the date that they cease operations. Therefore, these indices may not be complete or accurate representations of the hedge fund universe, and may be biased in several ways. Composite index results are shown for illustrative purposes and do not represent the performance of a specific investment. Individual funds have specific tax risks related to their investment programs that will vary from fund to fund. Clients should consult their own tax and legal advisors as Morgan Stanley Wealth Management does not provide tax or legal advice. Interests in alternative investment products are offered pursuant to the terms of the applicable offering memorandum, are distributed by Morgan Stanley Wealth Management and certain of its affiliates, and (1) are not FDIC-insured, (2) are not deposits or other obligations of Morgan Stanley Wealth Management or any of its affiliates, (3) are not guaranteed by Morgan Stanley Wealth Management and its affiliates, and (4) involve investment risks, including possible loss of principal. Morgan Stanley Wealth Management is a registered broker-dealer, not a bank. 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Investment products in this category may employ various investment strategies and techniques for both hedging and more speculative purposes such as short-selling, leverage, derivatives and options, which can increase volatility and the risk of investment loss. Alternative investments are not appropriate for all investors. As a diversified global financial services firm, Morgan Stanley Wealth Management engages in a broad spectrum of activities including financial advisory services, investment management activities, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication, and other activities. In the ordinary course of its business, Morgan Stanley Wealth Management therefore engages in activities where Morgan Stanley Wealth Management's interests may conflict with the interests of its clients, including the private investment funds it manages. Morgan Stanley Wealth Management can give no assurance that conflicts of interest will be resolved in favor of its clients or any such fund. Alternative investments involve complex tax structures, tax inefficient investing, and delays in distributing important tax information. Individual funds have specific risks related to their investment programs that will vary from fund to fund.

Clients should consult their own tax and legal advisors as Morgan Stanley Wealth Management does not provide tax or legal advice.

A majority of Alternative Investment managers reviewed and selected by GIMA pay or cause to be paid an ongoing fee for distribution from their management fees to Morgan Stanley Wealth Management in connection with Morgan Stanley Wealth Management clients that purchase an interest in an Alternative Investment and in some instances pay these fees on the investments held by investments held by brokerage clients. Morgan Stanley Wealth Management has a conflict of interest in offering alternative investments because Morgan Stanley Wealth Management or our affiliates, in most instances, earn more money in your account from your investments in alternative investments than from other investment options.

It should be noted that the majority of hedge fund indexes are comprised of hedge fund manager returns. This is in contrast to traditional indexes, which are comprised of individual securities in the various market segments they represent and offer complete transparency as to membership and construction methodology. As such, some believe that hedge fund index returns have certain biases that are not present in traditional indexes. Some of these biases inflate index performance, while others may skew performance negatively. However, many studies indicate that overall hedge fund index performance has been biased to the upside. Some studies suggest performance has been inflated by up to 260 basis points or more annually depending on the types of biases included and the time period studied. Although there are numerous potential biases that could affect hedge fund returns, we identify some of the more common ones throughout this paper.

Self-selection bias results when certain manager returns are not included in the index returns and may result in performance being skewed up or down. Because hedge funds are private placements, hedge fund managers are able to decide which fund returns they want to report and are able to opt out of reporting to the various databases. Certain hedge fund managers may choose only to report returns for funds with strong returns and opt out of reporting returns for weak performers. Other hedge funds that close may decide to stop reporting in order to retain secrecy, which may cause a downward bias in returns.

Survivorship bias results when certain constituents are removed from an index. This often results from the closure of funds due to poor performance, “blow ups,” or other such events. As such, this bias typically results in performance being skewed higher. As noted, hedge fund index performance biases can result in positive or negative skew. However, it would appear that the skew is more often positive. While it is difficult to quantify the effects precisely, investors should be aware that idiosyncratic factors may be giving hedge fund index returns an artificial “lift” or upwards bias.

Hedge Funds of Funds and many funds of funds are private investment vehicles restricted to certain qualified private and institutional investors. They are often speculative and include a high degree of risk. Investors can lose all or a substantial amount of their investment. They may be highly illiquid, can engage in leverage and other speculative practices that may increase volatility and the risk of loss, and may be subject to large investment minimums and initial lockups. They involve complex tax structures, tax-inefficient investing and delays in distributing important tax information. Categorically, hedge funds and funds of funds have higher fees and expenses than traditional investments, and such fees and expenses can lower the returns achieved by investors. Funds of funds have an additional layer of fees over and above hedge fund fees that will offset returns. An investment in an **exchange-traded fund** involves risks similar to those of investing in a broadly based portfolio of equity securities traded on an exchange in the relevant securities market, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in stock and bond prices. An investment in a **target date portfolio** is subject to the risks attendant to the underlying funds in which it invests, in these portfolios the funds are the Consulting Group Capital Market funds. A target date portfolio is geared to investors who will retire and/or require income at an approximate year. The portfolio is managed to meet the investor’s goals by the pre-established year or “target date.” A target date portfolio will transition its invested assets from a more aggressive portfolio to a more conservative portfolio as the target date draws closer. An investment in the target date portfolio is not guaranteed at any time, including, before or after the target date is reached. **Managed futures** investments are speculative, involve a high degree of risk, use significant leverage, are generally illiquid, have substantial charges, subject investors to conflicts of interest, and are appropriate only for the risk capital portion of an investor’s portfolio. Managed futures investments do not replace equities or bonds but rather may act as a complement in a well diversified portfolio. Managed Futures are complex and not appropriate for all investors. **Rebalancing** does not protect against a loss in declining financial markets. There may be a potential tax implication with a rebalancing strategy.

Buying, selling, and transacting in Bitcoin or other digital assets, and related funds and products, is highly speculative and may result in a loss of the entire investment. Risks and considerations include but are not limited to:

- Bitcoin and other digital assets have only been in existence for a short period of time and historical trading prices for Bitcoin and other digital assets have been highly volatile. The price of Bitcoin and other digital assets could decline rapidly, and **investors could lose their entire investment**.

- Certain digital asset funds and products, including Bitcoin funds and products, allow investors to invest on a more frequent basis than investors may withdraw from the fund or product, and interests in such funds or products are generally not freely transferrable. This means that, particularly given the volatility of digital assets, including Bitcoin, an investor will have to bear any losses with respect to its investment for an extended period of time and will not be able to react to changes in the price of the digital asset once invested (for example, by seeking to withdraw) as quickly as when making the decision to invest. Such digital asset funds and products, including Bitcoin funds and products, are intended only for persons who are able to bear the economic risk of investment and who do not need liquidity with respect to their investments.

- Given the volatility in the price of Bitcoin and other digital assets, the net asset value of a fund or product that invests in such assets at the time an investor’s subscription for interests in the fund or product is accepted may be significantly below or above the net asset value of the product or fund at the time the investor submitted subscription materials.

- Certain digital assets, apart from Bitcoin, are not intended to function as currencies but are intended to have other use cases. These other digital assets may be subject to some or all of the risks and considerations set forth herein, as well as additional risks applicable to such other digital assets. Buyers, sellers and users of such other digital assets should thoroughly familiarize themselves with such risks and considerations before transacting in such other digital assets.

- The value of Bitcoin and other digital assets may be negatively impacted by future legal and regulatory developments, including but not limited to increased regulation of Bitcoin or such other digital assets. Any such developments may make Bitcoin or such other digital assets less valuable, impose additional burdens and expenses on a fund or product investing in such assets or impact the ability

of such a fund or product to continue to operate, which may materially decrease the value of an investment therein.

- Due to the new and evolving nature of digital currencies and the absence of comprehensive guidance, many significant aspects of the tax treatment of digital assets including Bitcoin are uncertain. Prospective investors should consult their own tax advisors concerning the tax consequences to them of the purchase, ownership and disposition of Bitcoin and other digital assets, directly or indirectly through a fund or product, under U.S. federal income tax law, as well as the tax law of any relevant state, local or other jurisdiction.

- Over the past several years, certain Bitcoin exchanges have experienced failures or interruptions in service due to fraud, security breaches, operational problems or business failure. Such events in the future could impact any fund's or product's ability to transact in Bitcoin if the fund or product relies on an impacted exchange and may also materially decrease the price of Bitcoin, thereby impacting the value of your investment, regardless of whether the fund or product relies on such an impacted exchange.

- Although any digital asset product, including a Bitcoin-related product, and its service providers have in place significant safeguards against loss, theft, destruction and inaccessibility, there is nonetheless a risk that some or all of a product's digital asset, including Bitcoin, could be permanently lost, stolen, destroyed or inaccessible by virtue of, among other things, the loss or theft of the "private keys" necessary to access a product's digital asset, including Bitcoin.

- Investors in funds or products investing or transacting in Bitcoin and/or other digital assets may not benefit to the same extent (or at all) from "airdrops" with respect to, or "forks" in, the Bitcoin (or other relevant digital asset's) blockchain, compared to investors who hold Bitcoin (or such other relevant digital asset) directly instead of through a fund or product. Additionally, a "fork" in the Bitcoin blockchain could materially decrease the price of Bitcoin.

- Digital assets such as Bitcoin or other digital asset product is/are not legal tender, and is not backed by any government, corporation or other identified body, other than with respect to certain digital currencies that certain governments are or may be developing now or in the future (of which Bitcoin is **not** one). No law requires companies or individuals to accept digital currency as a form of payment (except, potentially, with respect to digital currencies developed by certain governments where such acceptance may be mandated). Instead, other than as described in the preceding sentences, Bitcoin's and other digital asset products' use is limited to businesses and individuals that are willing to accept them. If no one were to accept digital currencies, Bitcoin and other virtual currency products would very likely become worthless.

- Platforms that buy and sell Bitcoin or other digital assets can be hacked, and some have failed. In addition, like the platforms themselves, digital wallets can be hacked, and are subject to theft and fraud. As a result, like other investors have, you can lose some or all of your holdings of digital assets, including Bitcoin.

- Unlike US banks and credit unions that provide certain guarantees of safety to depositors, there are no such safeguards provided to digital assets, such as Bitcoin, held in digital wallets by their providers or by regulators.

- Due to the anonymity Bitcoin and other digital assets offer, it has known use in illegal activity, including drug dealing, money laundering, human trafficking, sanction evasion and other forms of illegal commerce. Abuses could impact legitimate consumers and speculators; for instance, law enforcement agencies could shut down or restrict the use of platforms and exchanges, limiting or shutting off entirely the ability to use or trade Bitcoin or other digital asset products.

- Bitcoin and other digital assets may not have an established track record of credibility and trust. Further, any performance data relating to Bitcoin, Bitcoin-related products or other digital asset products may not be verifiable as pricing models are not uniform.

- Investors should be aware of the potentially increased risks of transacting in digital assets, including Bitcoin, relating to the risks and considerations, including fraud, theft, and lack of legitimacy, and other aspects and qualities of digital assets, before transacting in such assets.

- The exchange rate of Bitcoin or other virtual currency products versus the USD historically has been very volatile and the exchange rate could drastically decline. For example, the exchange rate of Bitcoin versus the USD has in the past dropped more than 50% in a single day. Bitcoin may be affected by such volatility as well.

- Digital asset exchanges have limited operating and performance histories and are not regulated with the same controls or customer protections available to more traditional exchanges transacting equity, debt, and other assets and securities. There is no assurance that a person/exchange who currently accepts a digital asset as payment will continue to do so in the future.

- The regulatory framework of digital assets is evolving, and in some cases uncertain, and digital assets themselves may not be governed and protected by applicable securities regulators and securities laws, including, but not limited to, Securities Investor Protection Corporation coverage, or other regulatory regimes.
- Morgan Stanley Smith Barney LLC or its affiliates (collectively, "Morgan Stanley") may currently, or in the future, offer or invest in digital asset products, services or platforms. The proprietary interests of Morgan Stanley may conflict with your interests.
- The foregoing list of considerations and risks are not and do not purport to be a complete enumeration or explanation of the risks involved in an investment in the any product or fund investing or trading in Bitcoin and/or other digital assets.

Asset allocation and diversification do not assure a profit or protect against loss in declining financial markets. Past performance is no guarantee of future results. Actual results may vary.

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors and Private Wealth Advisors do not provide tax or legal advice and are not "fiduciaries" (under ERISA, the Internal Revenue Code or otherwise) with respect to the services or activities described herein except as otherwise provided in writing by Morgan Stanley and/or as described at www.morganstanley.com/disclosures/dol. Individuals are encouraged to consult their tax and legal advisors (a) before establishing a retirement plan or account, and (b) regarding any potential tax, ERISA and related consequences of any investments made under such plan or account.

Annuities and insurance products are offered in conjunction with Morgan Stanley Smith Barney LLC's licensed insurance agency affiliates.

Indices are unmanaged and investors cannot directly invest in them. They are not subject to expenses or fees and are often comprised of securities and other investment instruments the liquidity of which is not restricted. A particular investment product may consist of securities significantly different than those in any index referred to herein. Composite index results are shown for illustrative purposes only, generally do not represent the performance of a specific investment, may not, for a variety of reasons, be an appropriate comparison or benchmark for a particular investment and may not necessarily reflect the actual investment strategy or objective of a particular investment. Consequently, comparing an investment to a particular index may be of limited use.

This material is not a financial plan and does not create an investment advisory relationship between you and your Morgan Stanley Financial Advisor. We are not your fiduciary either under the Employee Retirement Income Security Act of 1974 (ERISA) or the Internal Revenue Code of 1986, and any information in this report is not intended to form the primary basis for any investment decision by you, or an investment advice or recommendation for either ERISA or Internal Revenue Code purposes. Morgan Stanley Private Wealth Management will only prepare a financial plan at your specific request using Private Wealth Management approved financial planning signature.

We may act in the capacity of a broker or that of an advisor. As your broker, we are not your fiduciary and our interests may not always be identical to yours. Please consult with your Private Wealth Advisor to discuss our obligations to disclose to you any conflicts we may from time to time have and our duty to act in your best interest. We may be paid both by you and by others who compensate us based on what you buy. Our compensation, including that of your Private Wealth Advisor, may vary by product and over time.

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For index, indicator and survey definitions referenced in this report please visit the following: <https://www.morganstanley.com/wealth-investmentsolutions/wmir-definitions>

GLOBAL INVESTMENT COMMITTEE (GIC) ASSET ALLOCATION MODELS: The Asset Allocation Models are created by Morgan Stanley Wealth Management's GIC.

HYPOTHETICAL MODEL PERFORMANCE (GROSS): Hypothetical model performance results do not reflect the investment or performance of an actual portfolio following a GIC Strategy, but simply reflect actual historical performance of selected indices on a real-time basis over the specified period of time representing the GIC's strategic and tactical allocations as of the date of this report. The past performance shown here is simulated performance based on benchmark indices, not investment results from an actual portfolio or actual trading. There can be large differences between hypothetical and actual performance results achieved by a particular asset allocation or trading strategy. Hypothetical performance results do not represent actual trading and are generally designed with the benefit of hindsight. Actual performance results of accounts vary due to, for example, market factors (such as liquidity) and client-specific factors (such as investment vehicle selection, timing of contributions and withdrawals, restrictions and rebalancing schedules). Clients would not necessarily have obtained the performance results shown here if they had invested in accordance with any

GIC Asset Allocation Model for the periods indicated. Despite the limitations of hypothetical performance, these hypothetical performance results allow clients and Financial Advisors to obtain a sense of the risk/return trade-off of different asset allocation constructs. The hypothetical performance results in this report are calculated using the returns of benchmark indices for the asset classes, and not the returns of securities, fund or other investment products. Models may contain allocations to Hedge Funds, Private Equity and Private Real Estate. The benchmark indices for these asset classes are not issued on a daily basis. When calculating model performance on a day for which no benchmark index data is issued, we have assumed straight line growth between the index levels issued before and after that date.

FEES REDUCE THE PERFORMANCE OF ACTUAL ACCOUNTS: None of the fees or other expenses (e.g. commissions, mark-ups, mark-downs, fees) associated with actual trading or accounts are reflected in the GIC Asset Allocation Models. The GIC Asset Allocation Models and any model performance included in this presentation are intended as educational materials. Were a client to use these models in connection with investing, any investment decisions made would be subject to transaction and other costs which, when compounded over a period of years, would decrease returns. Information regarding Morgan Stanley's standard advisory fees is available in the Form ADV Part 2, which is available at www.morganstanley.com/adv. The following hypothetical illustrates the compound effect fees have on investment returns: For example, if a portfolio's annual rate of return is 15% for 5 years and the account pays 50 basis points in fees per annum, the gross cumulative five-year return would be 101.1% and the five-year return net of fees would be 96.8%. Fees and/or expenses would apply to clients who invest in investments in an account based on these asset allocations, and would reduce clients' returns. The impact of fees and/or expenses can be material.

Variable annuities are long-term investments designed for retirement purposes and may be subject to market fluctuations, investment risk, and possible loss of principal. All guarantees, including optional benefits, are based on the financial strength and claims-paying ability of the issuing insurance company and do not apply to the underlying investment options. Optional riders may not be able to be purchased in combination and are available at an additional cost. Some optional riders must be elected at time of purchase. Optional riders may be subject to specific limitations, restrictions, holding periods, costs, and expenses as specified by the insurance company in the annuity contract. If you are investing in a **variable annuity** through a tax-advantaged retirement plan such as an IRA, you will get no additional tax advantage from the variable annuity. Under these circumstances, you should only consider buying a variable annuity because of its other features, such as lifetime income payments and death benefits protection. Taxable distributions (and certain deemed distributions) are subject to ordinary income tax and, if taken prior to age 59½, may be subject to a 10% federal income tax penalty. Early withdrawals will reduce the death benefit and cash surrender value.

Equity securities may fluctuate in response to news on companies, industries, market conditions and general economic environment. **Ultrashort-term fixed income** asset class is comprised of fixed income securities with high quality, very short maturities. They are therefore subject to the risks associated with debt securities such as credit and interest rate risk.

Master Limited Partnerships (MLPs) are limited partnerships or limited liability companies that are taxed as partnerships and whose interests (limited partnership units or limited liability company units) are traded on securities exchanges like shares of common stock. Currently, most MLPs operate in the energy, natural resources or real estate sectors. Investments in MLP interests are subject to the risks generally applicable to companies in the energy and natural resources sectors, including commodity pricing risk, supply and demand risk, depletion risk and exploration risk. Individual MLPs are publicly traded partnerships that have unique risks related to their structure. These include, but are not limited to, their reliance on the capital markets to fund growth, adverse ruling on the current tax treatment of distributions (typically mostly tax deferred), and commodity volume risk. The potential tax benefits from investing in MLPs depend on their being treated as partnerships for federal income tax purposes and, if the MLP is deemed to be a corporation, then its income would be subject to federal taxation at the entity level, reducing the amount of cash available for distribution to the fund which could result in a reduction of the fund's value. MLPs carry interest rate risk and may underperform in a rising interest rate environment. MLP funds accrue deferred income taxes for future tax liabilities associated with the portion of MLP distributions considered to be a tax-deferred return of capital and for any net operating gains as well as capital appreciation of its investments; this deferred tax liability is reflected in the daily NAV, and, as a result, the MLP fund's after-tax performance could differ significantly from the underlying assets even if the pre-tax performance is closely tracked.

Investing in commodities entails significant risks. Commodity prices may be affected by a variety of factors at any time, including but not limited to, (i) changes in supply and demand relationships, (ii) governmental programs and policies, (iii) national and international political and economic events, war and terrorist events, (iv) changes in interest and exchange rates, (v) trading activities in commodities and related contracts, (vi) pestilence, technological change and weather, and (vii) the price volatility of a commodity. In addition, the commodities markets are subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, participation of speculators and government intervention. **Physical precious metals** are non-regulated products. Precious metals are speculative investments, which may experience short-term and long term price volatility. The value of precious metals investments may fluctuate and may appreciate or decline, depending on market conditions. Unlike bonds and stocks, precious metals do not make interest or dividend payments. Therefore, precious metals may not be appropriate for investors who require current income. Precious metals are commodities that should be safely stored, which may impose additional costs on the investor.

REITs investing risks are similar to those associated with direct investments in real estate: property value fluctuations, lack of liquidity, limited diversification and sensitivity to economic factors such as

interest rate changes and market recessions. Risks of **private real estate** include: illiquidity; a long-term investment horizon with a limited or nonexistent secondary market; lack of transparency; volatility (risk of loss); and leverage. Principal is returned on a monthly basis over the life of a **mortgage-backed security**. Principal prepayment can significantly affect the monthly income stream and the maturity of any type of MBS, including standard MBS, CMOs and Lottery Bonds. **Asset-backed securities** generally decrease in value as a result of interest rate increases, but may benefit less than other fixed-income securities from declining interest rates, principally because of prepayments.

Yields are subject to change with economic conditions. Yield is only one factor that should be considered when making an investment decision. **Credit ratings** are subject to change. **Duration**, the most commonly used measure of bond risk, quantifies the effect of changes in interest rates on the price of a bond or bond portfolio. The longer the duration, the more sensitive the bond or portfolio would be to changes in interest rates. The majority of \$25 and \$1000 par **preferred securities** are "callable" meaning that the issuer may retire the securities at specific prices and dates prior to maturity. Interest/dividend payments on certain preferred issues may be deferred by the issuer for periods of up to 5 to 10 years, depending on the particular issue. The investor would still have income tax liability even though payments would not have been received. Price quoted is per \$25 or \$1,000 share, unless otherwise specified. Current yield is calculated by multiplying the coupon by par value divided by the market price. The initial interest rate on a **floating-rate security** may be lower than that of a fixed-rate security of the same maturity because investors expect to receive additional income due to future increases in the floating security's underlying reference rate. The reference rate could be an index or an interest rate. However, there can be no assurance that the reference rate will increase. Some floating-rate securities may be subject to call risk. The market value of **convertible bonds** and the underlying common stock(s) will fluctuate and after purchase may be worth more or less than original cost. If sold prior to maturity, investors may receive more or less than their original purchase price or maturity value, depending on market conditions. Callable bonds may be redeemed by the issuer prior to maturity. Additional call features may exist that could affect yield. Some \$25 or \$1000 par **preferred securities** are QDI (Qualified Dividend Income) eligible. Information on QDI eligibility is obtained from third party sources. The dividend income on QDI eligible preferreds qualifies for a reduced tax rate. Many traditional 'dividend paying' perpetual preferred securities (traditional preferreds with no maturity date) are QDI eligible. In order to qualify for the preferential tax treatment all qualifying preferred securities must be held by investors for a minimum period – 91 days during a 180 day window period, beginning 90 days before the ex-dividend date.

Companies paying **dividends** can reduce or cut payouts at any time.

Nondiversification: For a portfolio that holds a concentrated or limited number of securities, a decline in the value of these investments would cause the portfolio's overall value to decline to a greater degree than a less concentrated portfolio. The **indices selected by Morgan Stanley Wealth Management** to measure performance are representative of broad asset classes. Morgan Stanley Wealth Management retains the right to change representative indices at any time. Because of their narrow focus, **sector investments** tend to be more volatile than investments that diversify across many sectors and companies.

Growth investing does not guarantee a profit or eliminate risk. The stocks of these companies can have relatively high valuations. Because of these high valuations, an investment in a growth stock can be more risky than an investment in a company with more modest growth expectations. **Value investing** does not guarantee a profit or eliminate risk. Not all companies whose stocks are considered to be value stocks are able to turn their business around or successfully employ corrective strategies which would result in stock prices that do not rise as initially expected.

Any type of **continuous or periodic investment plan** does not assure a profit and does not protect against loss in declining markets. Since such a plan involves continuous investment in securities regardless of fluctuating price levels of such securities, the investor should consider his financial ability to continue his purchases through periods of low price levels.

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J.P. Morgan Asset Management – Index definitions

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All indexes are unmanaged and an individual cannot invest directly in an index. Index returns do not include fees or expenses.

Equities:

The **Dow Jones Industrial Average** is a price-weighted average of 30 actively traded blue-chip U.S. stocks.

The **MSCI ACWI (All Country World Index)** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.

The **MSCI EAFE Index(Europe, Australasia, Far East)** is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada.

The **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

The **MSCI Europe Index** is a free float-adjusted market capitalization index that is designed to measure developed market equity performance in Europe.

The **MSCI Pacific Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the Pacific region.

The **Russell 1000 Index®** measures the performance of the 1,000 largest companies in the Russell 3000.

The **Russell 1000 Growth Index®** measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

The **Russell 1000 Value Index®** measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

The **Russell 2000 Index®** measures the performance of the 2,000 smallest companies in the Russell 3000 Index.

The **Russell 2000 Growth Index®** measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

The **Russell 2000 Value Index®** measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

The **Russell 3000 Index®** measures the performance of the 3,000 largest U.S. companies based on total market capitalization.

The **Russell Midcap Index®** measures the performance of the 800 smallest companies in the Russell 1000 Index.

The **Russell Midcap Growth Index®** measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth index.

The **Russell Midcap Value Index®** measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value index.

The **S&P 500 Index** is widely regarded as the best single gauge of the U.S. equities market. The index includes a representative sample of 500 leading companies in leading industries of the U.S. economy. The **S&P 500 Index** focuses on the large-cap segment of the market; however, since it includes a significant portion of the total value of the market, it also represents the market.

Fixed income:

The **Bloomberg 1-3 Month U.S. Treasury Bill Index** includes all publicly issued zero-coupon US Treasury Bills that have a remaining maturity of less than 3 months and more than 1 month, are rated investment grade, and have \$250 million or more of outstanding face value. In addition, the securities must be denominated in U.S. dollars and must be fixed rate and non convertible.

The **Bloomberg Global High Yield Index** is a multi-currency flagship measure of the global high yield debt market. The index represents the union of the US High Yield, the Pan-European High Yield, and Emerging Markets (EM) Hard Currency High Yield Indices. The high yield and emerging markets sub-components are mutually exclusive. Until January 1, 2011, the index also included CMBS high yield securities.

The **Bloomberg Municipal Index** consists of a broad selection of investment-grade general obligation and revenue bonds of maturities ranging from one year to 30 years. It is an unmanaged index representative of the tax-exempt bond market.

The **Bloomberg US Dollar Floating Rate Note (FRN) Index** provides a measure of the U.S. dollar denominated floating rate note market.

The **Bloomberg US Corporate Investment Grade Index** is an unmanaged index consisting of publicly issued US Corporate and specified foreign debentures and secured notes that are rated investment grade (Baa3/BBB or higher) by at least two ratings agencies, have at least one year to final maturity and have at least \$250 million par amount outstanding. To qualify, bonds must be SEC-registered.

The **Bloomberg US High Yield Index** covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included.

The **Bloomberg US Mortgage Backed Securities Index** is an unmanaged index that measures the performance of investment grade fixed-rate mortgage backed pass-through securities of GNMA, FNMA and FHLMC.

The **Bloomberg US TIPS Index** consists of Inflation-Protection securities issued by the U.S. Treasury.

The **J.P. Morgan Emerging Market Bond Global Index(EMBI)** includes U.S. dollar denominated Brady bonds, Eurobonds, traded loans and local market debt instruments issued by sovereign and quasi-sovereign entities.

The **J.P. Morgan Domestic High Yield Index** is designed to mirror the investable universe of the U.S. dollar domestic high yield corporate debt market.

The **J.P. Morgan Corporate Emerging Markets Bond Index Broad Diversified (CEMBI Broad Diversified)** is an expansion of the **J.P. Morgan Corporate Emerging Markets Bond Index (CEMBI)**. The CEMBI is a market capitalization weighted index consisting of U.S. dollar denominated emerging market corporate bonds.

The **J.P. Morgan Emerging Markets Bond Index Global Diversified (EMBI Global Diversified)** tracks total returns for U.S. dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, Eurobonds. The index limits the exposure of some of the larger countries.

The **J.P. Morgan GBI EM Global Diversified** tracks the performance of local currency debt issued by emerging market governments, whose debt is accessible by most of the international investor base.

The **U.S. Treasury Index** is a component of the U.S. Government index.

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Other asset classes:

The **Alerian MLP Index** is a composite of the 50 most prominent energy Master Limited Partnerships (MLPs) that provides investors with an unbiased, comprehensive benchmark for the asset class.

The **Bloomberg Commodity Index** and related sub-indices are composed of futures contracts on physical commodities and represents twenty two separate commodities traded on U.S. exchanges, with the exception of aluminum, nickel, and zinc

The **Cambridge Associates U.S. Global Buyout and Growth Index®** is based on data compiled from 1,768 global (U.S. & ex -U.S.) buyout and growth equity funds, including fully liquidated partnerships, formed between 1986 and 2013.

The **CS/Tremont Hedge Fund Index** is compiled by Credit Suisse Tremont Index, LLC. It is an asset-weighted hedge fund index and includes only funds, as opposed to separate accounts. The Index uses the Credit Suisse/Tremont database, which tracks over 4500 funds, and consists only of funds with a minimum of US\$50 million under management, a 12-month track record, and audited financial statements. It is calculated and rebalanced on a monthly basis, and shown net of all performance fees and expenses. It is the exclusive property of Credit Suisse Tremont Index, LLC.

The **HFR Monthly Indices (HFR)** are equally weighted performance indexes, utilized by numerous hedge fund managers as a benchmark for their own hedge funds. The HFR is broken down into 4 main strategies, each with multiple sub strategies. All single-manager HFR Index constituents are included in the HFR Fund Weighted Composite, which accounts for over 2200 funds listed on the internal HFR Database.

The **NAREIT EQUITY REIT Index** is designed to provide the most comprehensive assessment of overall industry performance, and includes all tax-qualified real estate investment trusts (REITs) that are listed on the NYSE, the American Stock Exchange or the NASDAQ National Market List.

The **NFI-ODCE**, short for NCREIF Fund Index -Open End Diversified Core Equity, is an index of investment returns reporting on both a historical and current basis the results of 33 open-end commingled funds pursuing a core investment strategy, some of which have performance histories dating back to the 1970s. The NFI-ODCE Index is capitalization-weighted and is reported gross of fees. Measurement is time-weighted.

Definitions:

Investing in **alternative assets** involves higher risks than traditional investments and is suitable only for sophisticated investors. Alternative investments involve greater risks than traditional investments and should not be deemed a complete investment program. They are not tax efficient and an investor should consult with his/her tax advisor prior to investing. Alternative investments have higher fees than traditional investments and they may also be highly leveraged and engage in speculative investment techniques, which can magnify the potential for investment loss or gain. The value of the investment may fall as well as rise and investors may get back less than they invested.

Bonds are subject to interest rate risks. Bond prices generally fall when interest rates rise.

Investments in **commodities** may have greater volatility than investments in traditional securities, particularly if the instruments involve leverage. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. Use of leveraged commodity-linked derivatives creates an opportunity for increased return but, at the same time, creates the possibility for greater loss.

Derivatives may be riskier than other types of investments because they may be more sensitive to changes in economic or market conditions than other types of investments and could result in losses that significantly exceed the original investment. The use of derivatives may not be successful, resulting in investment losses, and the cost of such strategies may reduce investment returns.

Distressed Restructuring Strategies employ an investment process focused on corporate fixed income instruments, primarily on corporate credit instruments of companies trading at significant discounts to their value at issuance or obliged (par value) at maturity as a result of either formal bankruptcy proceeding or financial market perception of near term proceedings.

Investments in **emerging markets** can be more volatile. The normal risks of investing in foreign countries are heightened when investing in emerging markets. In addition, the small size of securities markets and the low trading volume may lead to a lack of liquidity, which leads to increased volatility. Also, emerging markets may not provide adequate legal protection for private or foreign investment or private property.

The price of **equity** securities may rise, or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. These price movements may result from factors affecting individual companies, sectors or industries, or the securities market as a whole, such as changes in economic or political conditions. Equity securities are subject to "stock market risk" meaning that stock prices in general may decline over short or extended periods of time.

Equity market neutral strategies employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities, select securities for purchase and sale. Equity Market Neutral Strategies typically maintain characteristic net equity market exposure no greater than 10% long or short.

Global macro strategies trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency and commodity markets.

International investing involves a greater degree of risk and increased volatility. Changes in currency exchange rates and differences in accounting and taxation policies outside the U.S. can raise or lower returns. Some overseas markets may not be as politically and economically stable as the United States and other nations.

There is no guarantee that the use of **long and short positions** will succeed in limiting an investor's exposure to domestic stock market movements, capitalization, sector swings or other risk factors. Using long and short selling strategies may have higher portfolio turnover rates. Short selling involves certain risks, including additional costs associated with covering short positions and a possibility of unlimited loss on certain short sale positions.

Merger arbitrage strategies which employ an investment process primarily focused on opportunities in equity and equity related instruments of companies which are currently engaged in a corporate transaction.

Mid-capitalization investing typically carries more risk than investing in well-established "blue-chip" companies. Historically, mid-cap companies' stock has experienced a greater degree of market volatility than the average stock.

Price to forward earnings is a measure of the price-to-earnings ratio (P/E) using forecasted earnings. **Price to book value** compares a stock's market value to its book value. **Price to cash flow** is a measure of the market's expectations of a firm's future financial health. **Price to dividends** is the ratio of the price of a share on a stock exchange to the dividends per share paid in the previous year, used as a measure of a company's potential as an investment.

Real estate investments may be subject to a higher degree of market risk because of concentration in a specific industry, sector or geographical sector. Real estate investments may be subject to risks including, but not limited to, declines in the value of real estate, risks related to general and economic conditions, changes in the value of the underlying property owned by the trust and defaults by borrower.

Relative Value Strategies maintain positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities.

Small-capitalization investing typically carries more risk than investing in well-established "blue-chip" companies since smaller companies generally have a higher risk of failure. Historically, smaller companies' stock has experienced a greater degree of market volatility than the average stock.

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Prepared by: David P. Kelly, Jordan K. Jackson, David M. Lebovitz, John C. Manley, Meera Pandit, Gabriela D. Santos, Stephanie Aliaga, Sahil Gauba, Olivia C. Schubert and Nimish Vyas.

Unless otherwise stated, all data are as of December 31, 2021 or most recently available.

Guide to the Markets – U.S.

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J.P.Morgan
ASSET MANAGEMENT

PROPOSED RESOLUTION

January 27, 2022

Whereas, on July 18, 2013 the Pension Review Committee, consisting of members of senior management with Human Resources and Finance responsibilities, was authorized and empowered to act on routine matters related to the Authority's Salaried Employees' Retirement Plan and Retirement Plan (Union), with instructions to defer final action on non-routine matters until they have consulted with, what is now, the Pension & Benefit Committee of the Authority board.

Now Therefore Let it Be Resolved, that the Pension Review Committee's responsibilities be officially expanded to include routine matters related to the Authority Voluntary Investment Plan, with amendments and non-routine matters requiring the recommendation of the Pension & Benefit Committee and authorization by the Authority board.

Be it Further Resolved, that the Pension & Benefit Committee of the Authority board will receive an annual report of the Authority Voluntary Investment Plan.

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

January 27, 2022

PROPOSED RESOLUTIONS

RESOLVED, that April Capone, be and hereby is, elected as a Director of the Claire C. Bennitt Watershed Fund, Inc., to serve in such capacity until the annual meeting of the sole member in 2025, or until she otherwise lawfully ceases to hold such office.

**South Central Connecticut Regional Water Authority
Minutes of the December 16, 2021 Meeting**

A regular meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) took place on Thursday, December 16, 2021, via remote access. Chair Borowy presided.

Present: Authority Members Present – Messrs. Borowy, DiSalvo, Curseaden, LaMarr and Ms. Sack
Management – Mss. Kowalski and Reckdenwald, and Messrs. Bingaman, Courchaine, Hill, Kelly, Lakshminarayanan, Norris, and Singh
RPB –Ms. Young
Staff – Mrs. Slubowski

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

Ms. Reckdenwald, RWA’s Senior Vice President of Corporate Services, reviewed the Safety Moment distributed to members.

At 12:33 p.m., on motion made by Ms. LaMarr, seconded by Mr. Curseaden, and unanimously carried, the Authority voted to recess the meeting to meet as the Commercial Business Committee.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Absent

At 12:55 p.m., the Authority reconvened, and on motion made by Mr. Curseaden, seconded by Ms. LaMarr, and unanimously carried, the Authority voted to recess the meeting to meet as the Audit-Risk Committee.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Absent

At 1:02 p.m., Ms. Sack entered the meeting.

At 1:27 p.m., Ms. Young entered the meeting.

At 1:48 p.m., the Authority reconvened.

On motion made by Ms. LaMarr, seconded by Ms. Sack, and unanimously carried, the Authority approved, received or adopted:

1. Minutes of its November 18, 2021 meeting.
2. Capital Budget Authorization for January 2022.

RESOLVED, that the Vice President of Financial Reporting and Analysis is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$2,500,000 for the month of January 2022 for transfer from the Construction Fund for capital expenditures. Each such requisition shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such

requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate amount budgeted for fiscal year 2022 for all Capital Improvement Projects to be exceeded.

3. Capital Budget Transfer Notifications for January 2022.
4. Accounts Receivable update for November 2021.
5. Key Performance Indicators.
6. RPB Quarterly Dashboard Report.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Ms. Kowalski, the RWA's Vice President of Financial Reporting and Analysis, reviewed the quarterly financial reports for the 2nd quarter of FY 2022, which included:

- Balance Sheet
- Revenues, expenses, and changes in net position
- Operating and maintenance expenses and key variances
- FY 2022 capital expenditures and projections
- Investment earnings report

The Chair stated it would be appropriate to elect Authority officers, including Chairman, for the 2022 calendar year. Mr. DiSalvo moved for adoption of the following resolution:

RESOLVED, that Mr. Borowy be elected as Chairperson for a two-year term effective January 1, 2022, and until a successor is elected and has qualified.

Ms. Sack seconded the motion, the Chair called for the vote:

Borowy	Abstain
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Mr. DiSalvo moved for adoption of the following resolution:

RESOLVED, that Mr. Curseaden, be elected as Vice Chairperson for a one-year term effective January 1, 2022, and until a successor is elected and has qualified.

Ms. Sack seconded the motion, the Chair called for the vote:

Borowy	Aye
Curseaden	Abstain
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Mr. Curseaden moved for adoption of the following resolution:

RESOLVED, that Ms. LaMarr be elected as Secretary-Treasurer for a one-year term effective January 1, 2022, and until a successor is elected and has qualified.

Ms. Sack seconded the motion, the Chair called for the vote:

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Abstain
Sack	Aye

Authority members reported on recent Representative Policy Board (“RPB”) committee meetings and assignments scheduled for the first quarter 2022 RPB committee meetings.

Ms. Reckdenwald provided an update on the status of COVID at the RWA.

Mr. Bingaman, the RWA’s President and Chief Executive Officer, introduced Mr. Lakshminarayanan, the RWA’s Vice President of Engineering and Environmental Services.

Mr. Bingaman:

- Reported that Standard & Poor’s Rating Services and Moody’s Investor Services affirmed the RWA’s ratings of AA- and Aa3, and a stable outlook. The ratings were requested as a result of the Thirty-Sixth Series Bond issuance, which includes new funds, a current refunding, and delayed delivery refunding. . In addition, he stated that after the bond pricing, which took place yesterday, the new money would have an interest rate of 2.73%, lower than expected. The lower rate will be reflected in the upcoming rate increase that will be effective January 2022.
- Commented on a meeting earlier in the month with the President and Chief Executive Officer of the Greater New Haven Chamber of Commerce and the Business Retention and Growth Program Specialist, of the Chamber to discuss business retention and growth and expanding efforts to recruit large water-using industries to the RWA’s service area. They will continue to look at ways to recruit large water-using businesses and Mr. Bingaman will meet with them in the future to discuss the progress.

Ms. Kowalski and Mr. Singh, the RWA’s Chief Information Digital Officer and Vice President of Customer Care, provided an update on the RWA’s monthly billing, which included:

- Benefits of monthly billing
- Expected changes
- Budget assumptions
- Communication plan
- Project update

At 3:13 p.m., Ms. Young withdrew from the meeting and Messrs. Hill and Kelly entered the meeting.

Mr. Kelly, the RWA’s Manager of Design and Construction, and Mr. Hill, the RWA’s Chief Operator of Water Treatment, and Mr. Lakshminarayanan, provided an update on the Lake Gaillard WTP Clarifiers,

Recycle Pump Station and Concrete Restoration Project and Lake Gaillard WTP HVAC and Electrical Improvements Project (“Project Application”).

Mr. Lakshminarayanan requested approval of resolutions to recommend the Project Application to the RPB and resolutions related to certain “critical information” included as part of the Project Application that management believes is exempt from disclosure under the Freedom of Information Act.

At 3:40 p.m., Mr. Hill withdrew from the meeting.

Ms. Kowalski discussed the request for approval to recommend the associated financing resolutions for the Project Application.

Ms. Sack moved for approval of the following three resolutions:

1. *Resolutions to approve the recommendation of the Project Application to the RPB:*

RESOLVED, that the Authority hereby accepts the new Application, dated December 6, 2021, for a Project of the Lake Gaillard Water Treatment Plant Clarifiers, Recycle Pump Station, and Concrete Restoration Project and the HVAC and Electrical Improvements located in North Branford, Connecticut, as a completed Application, substantially in the form submitted to this meeting, and authorizes filing of said Application with the Representative Policy Board (“RPB”); and

FURTHER RESOLVED, if approved by the RPB, the President and Chief Executive Officer, the Vice President of Operations and Business Practices, or the Vice President of Engineering and Environmental Services, are authorized to take any and all actions necessary to complete the construction improvements at the Lake Gaillard Water Treatment Plant in North Branford, Connecticut; and

2. *Resolutions to approve the recommendation of the issuance of a Protective Order for the Project Application’s confidential information to the RPB:*

RESOLVED, that the Authority authorizes its President and Chief Executive Officer, the Vice President of Operations and Business Practices, or the Vice President of Engineering and Environmental Services, to file a motion and related materials with the RPB to request issuance of a protective order to maintain confidential the information to be contained in Appendices A, B, C, D, E, F, G, and H, “Confidential Information,” of the Project Application; and

3. *Resolutions to approve the recommendation of proposed issuance of bonds for the Project Application financing to the RPB:*

WHEREAS, the Authority wishes to finance the Project with financial assistance from the State of Connecticut (the “State”) Drinking Water Fund Program and to approve the form of a loan agreement related to the Project.

RESOLVED: That the South Central Connecticut Regional Water Authority (the “Authority”) hereby establishes the general terms and provisions of the Authority’s Bonds which may be issued as Project Loan Obligations delivered to the State of Connecticut (the “Bonds”) and which may be on a parity with or subordinate to bonds issued pursuant to the Water System Revenue Bond Resolution, General Bond Resolution adopted by the Authority and approved by

the Representative Policy Board on July 31, 1980, as amended (the “General Bond Resolution”).

1. The Bonds shall not exceed Seven Million Dollars (\$7,000,000) in aggregate principal amount.
2. The Bonds may be issued as obligations in one or more series pursuant to a supplemental resolution to be adopted by the Authority for each series of Bonds, each of which shall specify the amount of the Bonds, the purposes for which the Bonds are to be issued, the date or dates, maturities, sinking fund installments if any, interest rates, series, denominations, form, redemption prices, security provisions and such other details of the Bonds as the Authority shall determine in accordance with the limits established by the applicable provisions of the General Bond Resolution and hereby.
3. The purposes of the Bonds shall be to finance or refinance the construction cost of the Lake Gaillard Water Treatment Plant (LGWTP) Clarifier Project; and to pay costs of issuance of the Bonds (the “Project”) and associated reserves.
4. The Bonds may be sold by negotiation as serial or term bonds with stated maturities and may be sold in a private placement to the State of Connecticut or a purchaser approved by the Authority.
5. The form of this resolution entitled “Resolution Approving the Proposed Issuance of Bonds,” a copy of which shall be filed with the records of the Authority, shall be submitted to the Representative Policy Board for its approval in accordance with Section 22 of Special Act No. 77-98, as amended.

BE IT FURTHER RESOLVED THAT:

1. Temporary notes of the Authority which may be issued as Interim Funding Obligations delivered to the State of Connecticut may be issued by the Authority in the amount of \$7,000,000 in anticipation of the receipt of the proceeds from the sale of such Bonds.
2. The President / Chief Executive Officer, the Vice President of Financial Reporting and Analysis and any Vice President or any one of them may apply to the State Department of Public Health for eligibility and funding of the Project and sign such application and any other documents which may be necessary or desirable to apply for eligibility of and to apply for and obtain financial assistance for the Project from the State’s Drinking Water Fund Program and that any such action taken prior hereto is hereby ratified and confirmed.

BE IT FURTHER RESOLVED: That for the purposes of providing to the Authority the loan and grant from the State for the Project, the Authority hereby approves the form of the loan agreement previously approved by the Authority for the Lake Gaillard Water Treatment Plant Generator Project and that the President / Chief Executive Officer, the Vice President of Financial Reporting and Analysis and any one of them may sign such loan agreement with such changes, omissions, insertions and revisions as the President/Chief Executive Officer and the Vice President of Financial Services and Analysis or any one of them shall deem advisable and the approval of the Authority shall conclusively be determined from any of their signatures thereon.

BE IT FURTHER RESOLVED: That the Authority hereby expresses its official intent pursuant to §1.150-2 of the Federal Income Tax Regulations, Title 26 (the “Regulations”), to reimburse expenditures paid sixty days prior to and any time after the date of passage of this resolution in the maximum amount authorized hereby and for the Project defined herein with the proceeds of bonds, notes, or other obligations authorized to be issued by the Authority. Such bonds, notes or other obligations shall be issued to reimburse such expenditures not later than 18 months after the later of the date of the expenditure or the substantial completion of the Project, or such later date the Regulations may authorize. The Authority hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date.

Ms. LaMarr seconded the motion and, after discussion, the Chair called for the vote:

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

At 3:44 p.m., on motion made by Ms., LaMarr, seconded by Ms. Sack, and unanimously carried, the meeting adjourned.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye


Respectfully submitted,

Kevin Curseaden, Secretary

South Central Connecticut Regional Water Authority
90 Sargent Drive, New Haven, Connecticut 06511-5966 203.562.4020
<http://www.rwater.com>

MEMORANDUM

TO: David J. Borowy
Kevin J. Curseaden
Anthony DiSalvo
Catherine LaMarr
Suzanne C. Sack

FROM:  Rochelle Kowalski
Vice-President of Financial Reporting and Analysis

DATE: January 21, 2022

SUBJECT: Capital budget authorization request for February 2022

Attached for your meeting on January 27, 2022 is a copy of the resolution authorizing expenditures against the capital improvement budget for February 2022. The amount of the requested authorization, for funds held by the trustee, is \$3,000,000.

In addition, from the Growth Fund, approximately \$25,000 is expected to be used for the Non-Core Billing project.

This would result in projected expenditures through February 2022 of \$18,941,674 or 43% of the total 2022 fiscal year capital budget, including State and Redevelopment and Growth Fund.

Attachment

RESOLVED

That the Vice-President of Financial Reporting and Analysis is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$3,000,000 for the month of February 2022 for transfer from the Construction Fund for capital expenditures. Each such requisition shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate amount budgeted for fiscal year 2022 for all Capital Improvement Projects to be exceeded.

South Central Connecticut Regional Water Authority
 90 Sargent Drive, New Haven, Connecticut 06511-5966 203-562-4020
<http://www.rwater.com>

TO:

David J. Borowy
 Kevin J. Curseaden
 Anthony DiSalvo
 Catherine LaMarr
 Suzanne C. Sack

FROM:



Rochelle Kowalski

DATE:

January 21, 2022

SUBJECT: Capital Budget Transfers

The status of all capital projects are reviewed on a monthly basis. In an effort to obtain efficiencies in our capital program, any anticipated unspent funds are reallocated to support reprioritized projects or existing projects. Below is a summary of the attached capital budget transfers and amendments.

	Available Funds	Reallocation of Project/Funds
West River Water Treatment Plant Improvements (DAF, Chemical, Electrical)	\$50,000	Raynham Hill Pump Station Improvements
West River Water Treatment Plant Improvements (DAF, Chemical, Electrical)	\$180,000	Beach Avenue Right-of-Way, East Haven, Capital Water Main Replacement
North Sleeping Giant Wellfield Facility Improvements	\$15,000	90 Sargent Drive Miscellaneous Infrastructure Improvements

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	1/11/2022	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B1	22-26	Jan/22
Requested By:	Hetal Shah			

Transfer From:	
Account Number:	001-000-107132-163599
Project Description:	West River Water Treatment Plant Improvements
A) Original Budget	7,000,000
B) Total Previous Transfers (In or Out)	650,000
C) This Transfer	50,000
D) Revised Budget (A+/-B-C)	6,300,000
E) Estimated Project Costs	4,000,000
F) Remaining Funds Available for Transfer, if any (D-E)	2,300,000
Explanation why funds are available: Project work for FY 2023 will complete under budget based on a revised project schedule and cash flow projection received from the contractor. These changes to the schedule are the result of increased lead times for materials and shipping delays as a result of the pandemic.	

Transfer To:	
Account Number:	001-000-107125-101212
Project Description:	Raynham Hill Pump Station Improvements
A) Original Budget	0
B) Previous Transfers (In or Out)	0
C) Revised Budget (A+/-B)	0
D) Amount to be Transferred	50,000
E) Proposed Revised Budget (C+D)	50,000
Explanation why funds are needed: This amendment will fund the acceleration of the initiation of design work for the replacement of Raynham Hill Pump Station. Work will include improvements to the building as well as replacement of equipment. Work on the project was initiated in FY 2020, but was deferred to FY 2023 as a result of budgetary concerns related to the pandemic. Total project cost in FY 2022 is estimated to be \$50,000.	


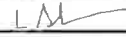
Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>LM</i>	1/11/2022
2) Donor Vice President/Director	<i>LM</i>	1/11/2022
3) Vice President - Finance	<i>Rochelle Kowalski</i>	11/11/2022
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer		
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	1/13/2022	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B2	22-27	Jan/22
Requested By:	Tom Adamo			

Transfer From:	
Account Number:	001-000-107132-163599
Project Description:	West River Water Treatment Plant Improvements
A) Original Budget	7,000,000
B) Total Previous Transfers (In or Out)	700,000
C) This Transfer	180,000
D) Revised Budget (A+/-B-C)	6,120,000
E) Estimated Project Costs	4,000,000
F) Remaining Funds Available for Transfer, if any (D-E)	2,120,000
Explanation why funds are available: Project work for FY 2023 will complete under budget based on a revised project schedule and cash flow projection received from the contractor. These changes to the schedule are the result of increased lead times for materials and shipping delays as a result of the pandemic.	

Transfer To:	
Account Number:	001-000-107143-040007
Project Description:	Beach Avenue Right-of-Way, East Haven, Capital Water Main Replacement
A) Original Budget	0
B) Previous Transfers (In or Out)	250,000
C) Revised Budget (A+/-B)	250,000
D) Amount to be Transferred	180,000
E) Proposed Revised Budget (C+D)	430,000
Explanation why funds are needed: This amendment will provide additional funds necessary to cover increased costs related to the installation of the HDPE water main not covered by our current pipe contract, such as meter vault installation, installation of services greater than 25 feet in length, and clearing and restoration work within the right of way; as well as increased material costs. This project was originally scheduled for FY 2021, but was deferred due to easement issues. Those issues were resolved, and the project was reinstated in the FY 2022 capital budget. Total cost of the project is estimated at \$430,000.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director		1/13/22
2) Donor Vice President/Director		1/13/22
3) Vice President - Finance	<i>Rochelle Kowalaki</i>	1/20/22
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	Larry Bingaman	1/21/22
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	1/14/2022	Type	Log	Mo/Yr
Requesting Division:	Operations	B1	22-27	Jan/22
Requested By:	Chris Roche			

Transfer From:	
Account Number:	001-000-107132-066014
Project Description:	North Sleeping Giant Wellfield Facility Improvements
A) Original Budget	1,100,000
B) Total Previous Transfers (In or Out)	425,000
C) This Transfer	15,000
D) Revised Budget (A+/-B-C)	660,000
E) Estimated Project Costs	600,000
F) Remaining Funds Available for Transfer, if any (D-E)	60,000
<p>Explanation why funds are available:</p> <p>This project will complete under budget as a result of the project schedule being accelerated during the final quarter of Fiscal Year 2021.</p>	

Transfer To:	
Account Number:	001-000-107190-107500
Project Description:	90 Sargent Drive Miscellaneous Infrastructure Improvements
A) Original Budget	30,000
B) Previous Transfers (In or Out)	0
C) Revised Budget (A+/-B)	30,000
D) Amount to be Transferred	15,000
E) Proposed Revised Budget (C+D)	45,000
<p>Explanation why funds are needed:</p> <p>This amendment will fund office renovations in the Customer Care Area to create four new workspaces for the Accounts Receivable Analyst, Supervisor of Billing & Collection, Supervisor of Customer Contact Care, and the Customer Care Coordinator. The total cost of the renovations is estimated at \$15,000.</p>	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>[Signature]</i>	01/21/2022
2) Donor Vice President/Director	<i>[Signature]</i>	1/21/22
3) Vice President - Finance	<i>Rochelle Kowalski</i>	1/21/2022
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer		
6) Authority Members	Copy of minutes attached if required	

REGIONAL WATER AUTHORITY
REVIEW OF FINANCIAL DATA
Dec 31, 2021 (FY 2022)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Operating Revenues

FY22 revenue for water, including wholesale and fire service, is very slightly under budget by \$111k (approx. 0.2%).
Metered water revenue is slightly under budget by \$138k (approx. 0.2%)

Total net other revenue is \$230k under budget primarily due other water field collection charges and other proprietary expenses.

Operating Expenses

Operating and Maintenance Expenses are currently under budget due to the following:

Payroll is under budget primarily due to head count under runs.	\$ (564,000)
Employee Benefits are under budget primarily due to lower medical and dental expense, payroll tax, and 401k.	(569,000)
Administrative Building is over budget primarily due to custodial services.	69,000
General & Admin is over budget primarily due to computer and supply purchases.	167,000
Material From Inventory is under budget primarily due to timing.	(96,000)
Pump Power is under budget primarily due to timing.	(224,000)
Chemicals Expense is over budget primarily due to pricing.	61,000
Road Repairs are over budget due to higher than anticipated costs and timing.	131,000
Postage is under budget primarily due to timing.	(71,000)
Collection Expense is under budget due to lower year-to-date collections related expenses and affordability fund contributions.	(54,000)
Public/Customer Information is under budget primarily due to timing.	(169,000)
Outside Services are under budget in multiple areas.	(427,000)
Training and continued education is under budget across multiple areas.	(78,000)
Central Lab/Water Quality is under budget primarily due to the mix between internal and outside lab services.	(185,000)
Info. Technology Licensing & Maintenance Fees are under budget primarily due to timing.	(82,000)
Maintenance & Repairs are under budget primarily due to timing.	(343,000)
All Other	(299,000)
	<u>\$ (2,733,000)</u>

Interest Income

Interest Income is under budget due to lower investment earnings and interest in arrears.

PROJECTED MAINTENANCE TEST

The projected coverage is 1.16 with no shortfall. The budgeted shortfall is \$922k.

**REGIONAL WATER AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTHS ENDING DEC 31, 2021**

Pg 2

	FY 2021 Actual	FY 2022 Budget	FY 2022 Actual	(Under)Over Budget
Operating revenues				
Metered water revenues	\$ 66,531	\$ 63,960	\$ 63,822	\$ (138)
Fire service	7,080	7,083	7,107	24
Wholesale	469	465	468	3
Other revenue - water	2,090	2,241	2,349	108
Other revenue - proprietary	5,782	5,512	5,780	268
Total operating revenues	81,952	79,261	79,526	265
Operating expenses				
Operating and maintenance expense	30,392	34,541	31,808	(2,733)
Expense associated with other revenue - water	1,132	1,150	1,349	199
Expense associated with other revenue - proprietary	2,341	2,238	2,645	408
Provision for uncollectible accounts	487	554	289	(265)
Depreciation	14,700	14,350	14,350	-
Payment in lieu of taxes	5,052	5,221	5,051	(170)
Amortization Pension Outflows/Inflows	943	499	499	(0)
Amortization OPEB Outflows/Inflows	(318)	(365)	(365)	(0)
Total operating expenses	54,729	58,188	55,625	(2,563)
Operating income	27,223	21,073	23,901	2,829
Nonoperating income and (expense)				
Interest income	159	1,176	422	(753)
(Loss) Gain on disposal of assets	-	-	(1,575)	(1,575)
Realized and unrealized (losses) gains on investments	-	-	-	-
Interest expense	(13,021)	(12,640)	(12,562)	78
Amortization of bond discount, premium, issuance cost and deferred losses	1,607	1,467	1,453	(14)
Intergovernmental revenue	-	-	-	-
Contributions to related entities	-	-	(950)	(950)
Total nonoperating income and (expense) before capital contributions	(11,255)	(9,997)	(13,212)	(3,214)
Income (expense) before contributions	15,969	\$ 11,075	10,689	\$ (385)
Capital contributions	1,242		740	
Change in net assets	17,211		11,430	
Total net assets - beginning of fiscal year	211,589		236,696	
Total net assets - end of reporting month	\$ 228,800		\$ 248,125	

	Budget FY 2022 @114%	Projected FY 2022 @114%	(Under)Over FY 2022 @114%
FY 2022 MAINTENANCE TEST (Budget vs. Projected)			
Revenue Collected:			
Water sales	116,629	118,484	\$ 1,855
Interest Income	150	150	-
BABs Subsidy	657	657	-
Other Net	7,154	7,154	-
Common Non-Core	(250)	(290)	(40)
Total	124,340	126,155	1,815
Less:			
Operating and maintenance expenses	(59,741)	(59,741)	-
Common Non-Core	-	-	-
Depreciation	(6,500)	(6,917)	(417)
PILOT (A)	(8,950)	(8,625)	325
Net Avail for Debt Service (B)	\$ 49,149	\$ 50,872	\$ 1,723
Debt Service Payments (C)	\$ 43,922	43,696	\$ (226)
Debt Service @ 114% (D)	\$ 50,071	49,813	\$ (258)
Difference (B-D)	\$ (922)	\$ 1,059	
RSF, Growth and/or General Fund (D)	922		
Coverage	114%	116%	

**REGIONAL WATER AUTHORITY
OPERATING AND MAINTENANCE EXPENSE
DEC 31, 2021**

Pg 3

PERIOD ENDING DEC 31, 2021

	<u>FY 2021 Actual</u>	<u>FY 2022 Budget</u>	<u>FY 2022 Actual</u>	<u>(Under) Over</u>
1 Payroll	\$ 12,698	\$ 13,685	\$ 13,121	\$ (564)
2 Employee Benefits	4,247	4,675	4,016	(659)
Pension Contributions	1,552	1,576	1,576	0
3 Administrative Building	643	525	594	69
4 General & Administrative	687	746	914	167
5 Transportation	435	414	373	(41)
6 Tools & Stores	212	185	198	13
7 Utilities & Fuel	809	819	813	(6)
8 Material From Inventory	118	216	119	(96)
9 Pump Power Purchased	1,734	1,875	1,651	(224)
10 Chemicals	1,081	1,183	1,245	61
11 Road Repairs	75	78	209	131
14 Postage	127	168	97	(71)
15 Printing & Forms	42	52	28	(24)
17 Collection Expense	335	444	390	(54)
18 Business Improvement	140	68	60	(8)
19 Public/Customer Information	89	244	75	(169)
20 Outside Services	993	2,133	1,706	(427)
21 Insurance Premiums	859	951	967	16
22 Worker's Compensation, pre-Churchill	(41)	27	12	(15)
23 Damages	48	38	22	(16)
24 Training & Cont. Education	59	140	62	(78)
25 Authority Fees	77	91	80	(11)
26 Consumer Counsel	12	35	9	(26)
27 RPB Fees	63	99	64	(35)
28 Organizational Dues	51	69	61	(8)
29 Donations	5	21	4	(17)
34 Central Lab/Water Quality	122	273	88	(185)
40 Environmental Affairs	60	69	36	(33)
44 Info. Technology Licensing & Maintenance Fees	1,259	1,453	1,371	(82)
45 Maintenance and Repairs	1,557	1,942	1,599	(343)
46 Regulatory Asset Amortization	246	246	247	1
	<u>\$ 30,392</u>	<u>\$ 34,541</u>	<u>\$ 31,808</u>	<u>\$ (2,733)</u>

South Central Regional Water Authority

Analysis of Accounts Receivable ("A/R")

(\$000 omitted)

Denotes City of New Haven Invoicing

Total Accounts Receivable Aging (in days)

	Dec	Nov	Oct	Sept	Aug	July	June	May	April	March	Feb	Jan	Dec
	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2020
Under 30	\$ 6,974	\$ 8,276	\$ 7,638	\$ 8,164	\$ 6,789	\$ 8,080	\$ 6,782	\$ 5,664	\$ 6,227	\$ 6,251	\$ 5,782	\$ 6,802	\$ 7,363
31-60	3,312	2,042	2,743	1,990	2,081	2,546	1,548	1,987	2,185	1,433	2,112	2,527	2,041
61-90	1,093	1,436	686	842	1,465	887	966	1,344	891	990	1,666	972	1,103
91-180	1,652	1,775	1,881	1,946	1,705	2,023	2,095	2,063	2,016	2,112	2,195	2,118	2,127
181-360	2,145	2,071	2,120	2,149	2,212	2,284	2,404	2,197	2,331	2,443	2,353	2,286	2,109
More than 1 year	5,238	5,111	5,341	5,388	5,134	5,150	5,102	4,964	4,998	4,969	4,720	4,621	4,576
Sub Total	20,414	20,711	20,409	20,479	19,386	20,970	18,897	18,219	18,648	18,198	18,828	19,326	19,319
Interest due	1,224	1,112	1,014	1,026	1,055	1,067	1,088	1,130	1,171	1,216	1,229	1,265	1,310
Total Gross A/R plus interest	\$ 21,638	\$ 21,823	\$ 21,423	\$ 21,505	\$ 20,441	\$ 22,037	\$ 19,985	\$ 19,349	\$ 19,819	\$ 19,414	\$ 20,057	\$ 20,591	\$ 20,629

Aged Accounts Receivable Focus of Collection Efforts

	Dec	Nov	Oct	Sept	Aug	July	June	May	April	March	Feb	Jan	Dec
	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2020
Greater than 60 days:													
A/R	\$ 11,093	\$ 11,360	\$ 11,012	\$ 11,334	\$ 11,554	\$ 11,393	\$ 11,640	\$ 11,683	\$ 11,386	\$ 11,710	\$ 12,143	\$ 11,242	\$ 11,208
Less: Multi-Tenants	(2,981)	(3,104)	(2,569)	(2,831)	(2,941)	(2,765)	(3,095)	(3,124)	(2,641)	(2,847)	(3,127)	(2,676)	(3,039)
Receiverships	(1,995)	(1,971)	(1,985)	(2,008)	(1,961)	(2,125)	(1,966)	(1,995)	(2,048)	(2,023)	(2,018)	(1,976)	(2,105)
Liens	(2,220)	(2,189)	(2,196)	(2,281)	(2,472)	(2,112)	(2,274)	(2,236)	(2,304)	(2,410)	(2,296)	(2,165)	(1,858)
Total	\$ 3,897	\$ 4,096	\$ 4,262	\$ 4,214	\$ 4,180	\$ 4,391	\$ 4,305	\$ 4,328	\$ 4,393	\$ 4,430	\$ 4,702	\$ 4,425	\$ 4,206
	35%	36%	39%	37%	36%	39%	37%	37%	39%	38%	39%	39%	38%

Collection Efforts

	Dec	Nov	Oct	Sept	Aug	July	June	May	April	March	Feb	Jan	Dec
	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2020
Shuts *	\$ 76	\$ 113	\$ 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Red Tags **	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivers	35	8	33	6	5	5	12	5	9	5	6	13	20
Top 100 Collection Calls	78	38	257	334	142	237	318	250	242	108	191	99	257
Other ⁽¹⁾	1,091	1,576	1,404	1,217	1,344	878	1,345	1,028	1,222	1,104	1,093	1,425	1,290
Total	\$ 1,280	\$ 1,735	\$ 1,709	\$ 1,557	\$ 1,491	\$ 1,120	\$ 1,675	\$ 1,283	\$ 1,473	\$ 1,217	\$ 1,290	\$ 1,537	\$ 1,567

* Number of shuts

155

211


24

** Number of Red tags

⁽¹⁾ Includes: Notices and letters and legal initiatives.

South Central Connecticut Regional Water Authority
90 Sargent Drive, New Haven, Connecticut 06511-5966 203.562.4020
<http://www.rwater.com>

To: David J. Borowy
Kevin J. Curseaden
Anthony DiSalvo
Catherine E. LaMarr
Suzanne C. Sack

From:  Rochelle Kowalski

Date: January 21, 2022

Subject: Exemption from Public Bidding

Attached is a request for the approval of exemption from the public bidding requirement of Section 16 of Special Act No. 77-98, as amended.

- Gate truck purchase and standardization

Attachment

REQUEST FOR EXEMPTION FROM PUBLIC BIDDING FOR

E.H. WACHS GATE TRUCK

AS REQUIRED BY CONNECTICUT SPECIAL ACT NO.77-98 AS AMENDED

JANUARY 2022

SPECIFIC STATUTORY PROVISIONS

All contracts in excess of fifty thousand dollars for any supplies, materials, equipment, construction work or other contractual services shall be in writing and shall be awarded upon sealed bids or proposals made in compliance with a public notice duly advertised by publication in one or more newspapers of general circulation or, if there are no such newspapers, in appropriate electronic media, including, without limitation, the authority's Internet web site, as are likely to reach a broad segment of potential vendors, at least ten days before the time fixed for opening said bids or proposals, except for (1) contracts for professional services, (2) when the supplies, materials, equipment or work can only be furnished by a single party, (3) when the authority determines by a two-thirds vote of the entire authority that the award of such contract by negotiation without public bidding will be in the best interest of the authority, or (4) when the procurement is made as a result of participation in a procurement group, alliance or consortium made up of other state or federal government entities in which the state of Connecticut is authorized to participate. The authority may in its sole discretion reject all such bids or proposals or any bids received from a person, firm or corporation the authority finds to be unqualified to perform the contract, and shall award such contract to the lowest responsible bidder qualified to perform the contract. (Section 16, Special Act 77-98 as amended).

REQUEST FOR EXEMPTION

Management requests an exemption from competitive bidding for the purchase of E.H. Wachs Gate Truck for fiscal year 2023.

REASON FOR REQUEST

The two gate trailers purchased and operated by the Regional Water Authority (RWA) are manufactured by E.H. Wachs. They were selected via traditional bid process in 2013 due to the equipment's ability to meet the needs of the RWA.

The E.H. Wachs product was selected due its patented system that uses automation to safely and effectively turn valves based on AWWA requirements. Automated controls are operated via a unique handheld Bluetooth device which allows for a "hands off" operation of the gate exercising equipment. The proprietary system is designed to automatically operate valves using sensors to determine the minimum torque required for movement. The programming will then make adjustments to allow for smooth operation and seating of the valve.

In an effort to increase efficiency, the RWA Operations Staff is seeking to standardize on the E.H. Wachs product. This will allow for easier training on equipment, ease of use in the field, and ease of maintenance. As the labor force at the RWA ages, it is important to ensure institutional knowledge and training is passed down effectively to the next generation of staff. Part and parcel of this is ensuring equipment is standardized so that more time is spent gaining practical experience than training on a different tool that serves the same purpose. To that same end, the gate truck will be a more effective tool when standardized because of the aforementioned fact. Less time will be spent by operators getting their bearings on a different piece of equipment. Maintenance will also become easier since RWA mechanics already have experience with the proprietary gate truck and parts.

The purchase of the gate truck has been included in the capital budget line item "Trucks" as part of the NO-DES Flushing Truck project. The corresponding capital budget item is currently ranked 4th in the prioritization list.

Projected E.H. Wachs Gate Truck for FY2023:

Gate Truck

\$150,000.00

SUMMARY

RWA Operations recommends the proprietary E.H. Wachs Gate Truck be purchased to standardize on equipment. Also, due to the long lead time of chassis, it is recommended the purchase be made imminently for a potential delivery date in fiscal year 2023. As of now, the delivery time is between 6-9 months but due to the increasing shortage of materials, may be closer to 1 year.

Solar Savings and Program Update

Presentation to:
The Representative Policy Board

January 27, 2022

Amy Velasquez
Environmental Compliance & Sustainability Lead



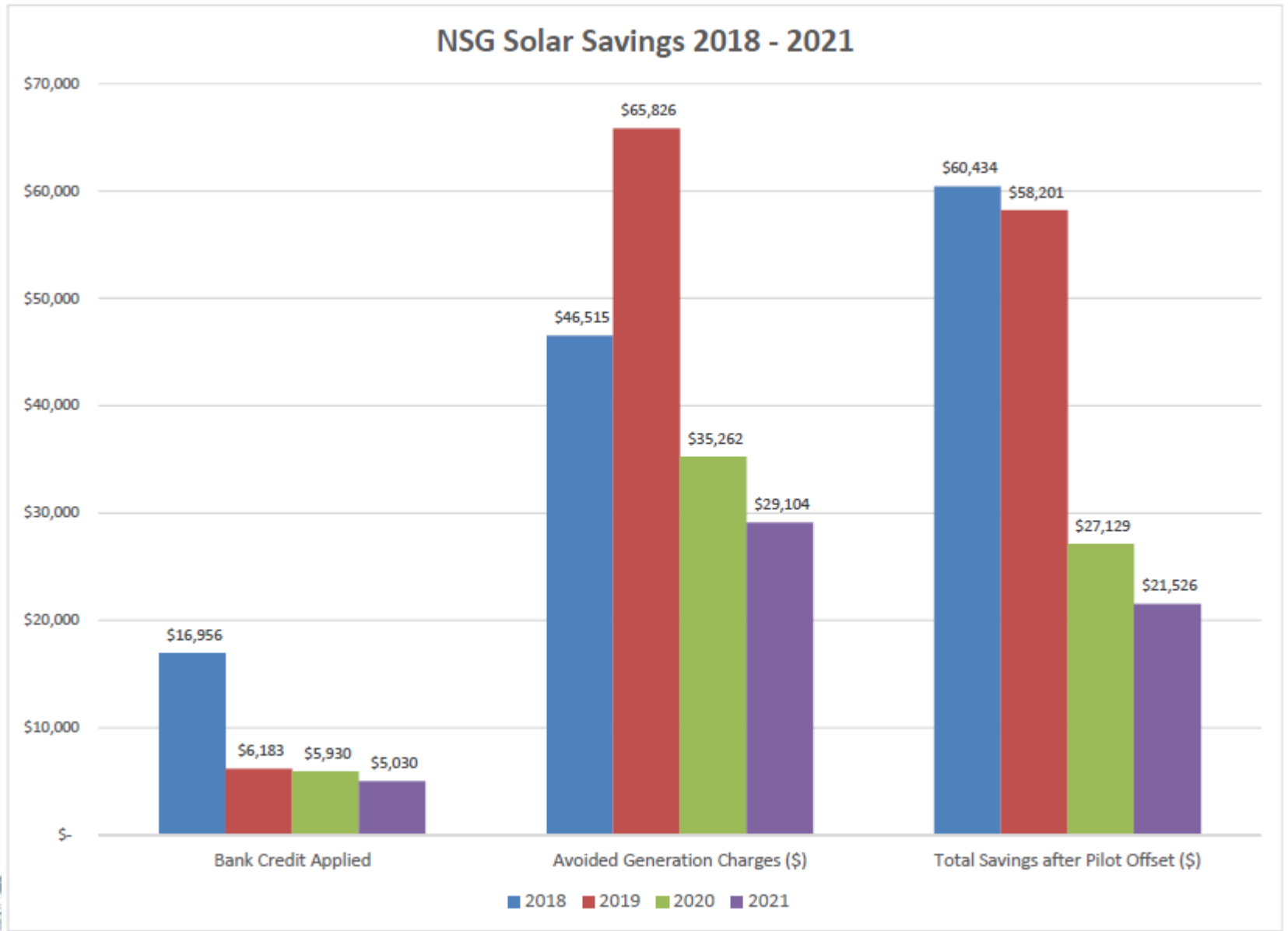
North Sleeping Giant Solar Array



North Sleeping Giant Solar Array Facts

- 2015 begin operation of 1 Megawatt (MW) solar array
- Covers approximately 5 acres
- Power Purchase Agreement (PPA)
- Site was not prime forest
- Produced ~1.4 MW in 2015 or 108% site energy





Virtual Net Metering

- Surplus solar production can be assigned to another site's meter
- Restricted to State, Agricultural and Municipal customers
- Since 2011, RWA has supported legislation to include political subdivisions as a host
- CWWA supported legislation adding private and public water utilities

Next Steps

- Virtual Net Metering still restricted to State, Agricultural and Municipal
- Many benefits to revised solar program
- Evaluating several RWA sites for feasibility
- Purchasing best option but large capital investment

South Central Connecticut Regional Water Authority

90 Sargent Drive, New Haven, Connecticut 06511-5966 203-562-4020

<http://www.rwater.com>

TO: David J. Borowy
Kevin J. Curseaden
Anthony DiSalvo
Catherine E. LaMarr
Suzanne C. Sack

FROM: Rochelle Kowalski

DATE: January 21, 2022

SUBJECT: Capital Budget Transfer – Type B3 Amendment

As prescribed in the Capital Budget Manual, Exhibit 12, Capital Budget Amendment Procedure, Part 1, Type B Amendment, Item 3, Authority approval is required for a transfer of funds from an existing capital account to either another capital account or a newly created capital account if the value is greater than \$500,000.

West River Water Treatment Plant Improvements: This project is anticipated to complete under budget in FY 2022 as the result material delivery delays related to global supply chain issues. Amendment No. 22-25 will transfer \$650,000 from the West River Water Treatment Plant Improvements account to the Lake Gaillard Water Treatment Plant Finished Water Reservoirs Concrete Improvements project that is being moved forward from FY 2023.

The following resolution will be necessary to carry out the foregoing:

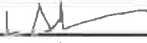
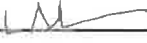
Resolved: that the Authority approves the transfer of \$650,000 from the West River Water Treatment Plant Improvements capital budget account to the Lake Gaillard Water Treatment Plant Finished Water Reservoirs Concrete Improvements capital budget account.

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	1/11/2022	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B3	22-25	Jan/22
Requested By:	Orville Kelly			

Transfer From:	
Account Number:	001-000-107132-163599
Project Description:	West River Water Treatment Plant Improvements
A) Original Budget	7,000,000
B) Total Previous Transfers (In or Out)	0
C) This Transfer	650,000
D) Revised Budget (A+/-B-C)	6,350,000
E) Estimated Project Costs	4,000,000
F) Remaining Funds Available for Transfer, if any (D-E)	2,350,000
Explanation why funds are available: Project work for FY 2022 will complete under budget based on a revised project schedule and cash flow projection received from the contractor. These changes to the schedule are the result of increased lead times for materials and shipping delays as a result of the pandemic.	

Transfer To:	
Account Number:	To be created
Project Description:	Lake Gaillard Water Treatment Plant Finished Water Reservoirs Concrete Improvements
A) Original Budget	0
B) Previous Transfers (In or Out)	0
C) Revised Budget (A+/-B)	0
D) Amount to be Transferred	650,000
E) Proposed Revised Budget (C+D)	650,000
Explanation why funds are needed: This amendment will fund the rehabilitation of the exterior concrete on the finished water reservoirs at the Lake Gaillard Water Treatment Plant, as well as the design and installation of stairways on both tanks. The project was originally initiated in FY 2020, and work included design and bidding. Construction was initially scheduled for FY 2021, but was deferred as a result of budget concerns related to the pandemic. This project is being moved forward from the FY 2023 capital budget. Total cost of the work is estimated at \$650,000.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director		1/11/2022
2) Donor Vice President/Director		1/11/2022
3) Vice President - Finance	<i>Rochelle Kowalski</i>	11/11/2022
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	Larry Bingaman	1/12/22
6) Authority Members	Copy of minutes attached if required	

To the Five Member Authority Board:

January 27, 2022

I am pleased to provide you with the January 2022 Board report. The below updates support some of my strategic priorities for Fiscal Years 2022-2023, and align with the goals and objectives in the 2020-2025 Strategic Plan.

Six-Month Fiscal 2022 Personal Priorities/Strategic Actions Update

You may recall at the February 2021 board meeting, I outlined my five personal strategic priorities for fiscal years 2022-2023, they include: 1) water system needs; 2) commercial business growth; 3) acquisitions and partnerships; 4) diversity, equity and inclusion; and 5) development of Leadership Team. I will share a six-month Fiscal 2022 update on my personal priorities and our Fiscal 2022 strategic action initiatives at the January compensation committee meeting in executive session.

CHRO Recruitment

A professional search continues for the position of Vice President Chief Human Resources Officer (CHRO). Concurrently, Paul Joseph joined the RWA as our Interim VP of HR. Paul took over for Jeanine Reckdenwald, whose last day at the RWA was January 11. Paul has extensive experience in employee and labor relations, talent acquisition, and compliance and ethics. As part of his provisional assignment, Paul will attend the Authority and RPB meetings.

Commercial Business Update

Progress continues with our commercial business initiatives. We recently launched our WellSafe suite of products in a pilot mode and are planning a more expansive outreach and marketing effort, post a pilot assessment. Efforts continue with pursuing the acquisition of a regional environmental lab as well as another well services company. In addition, we recently entered into a partnership agreement with the Town of Wolcott Sewer & Water division, as a part of our efforts to offer PipeSafe to homeowners outside of the RWA service territory.

Advancing Our Ability to Appreciate Differences across RWA

At a January employee Teams-cast I hosted and was attended by some 120 employees, we looked back at 2021, forward to 2022 and announced our 2021 STARS Award winner. As part of the program, I introduced members of the RWA's TIDE (Tapping Inclusion, Diversity and Equity) Council and our Diversity, Equity and Inclusion (DE&I) program partner, Andr a Hawkins from Leading Culture Solutions (LCS), to provide an update on our journey. Collaborating with LCS throughout 2021, we administered a survey to all employees, established the TIDE Council, and conducted focus groups to gain insight into championing a more diverse and inclusive workplace. The survey and focus group data informed our DE&I mission, vision and values, and the development of our DE&I roadmap, which we will share with you, along with our 2022 plans, at this month's board meeting.

Status of Strategic Partnering Agreement with Tighe & Bond

As you may recall, in August 2020, I led the creation of a new professional service and strategic partnering agreement with Tighe & Bond (T&B) – an engineering, design and environmental consulting services firm. I recently met with the President and CEO of T&B to discuss how the professional services agreement is progressing. I am pleased to report that the strategic partnership is continuing to work as designed. Our Capital Planning & Delivery team continues to meet regularly with T&B and solicits their input in a myriad of areas including project budgeting, opinions on aspects of projects, and feedback on the general system and master planning. Essentially, T&B offers this counsel and these support services at no cost as part of our strategic partnering agreement.

What follows are important developments and updates organized by the four perspectives of the Balanced Scorecard: Financial, Customer & Constituent, Employee Learning & Growth, and Internal Business Process.

Sincerely,

A handwritten signature in blue ink, appearing to read "Larry", with a stylized flourish at the end.



FINANCIAL PERSPECTIVE

Maintenance Test

Cash collections of approximately \$8.7 million for the month of December were approximately \$0.7 million under budget. This variance is primarily due to the timing of cash receipts. Year-to-date cash receipts remain above budget.

As we progress through Fiscal 2022, there is still uncertainty regarding the financial impacts of the pandemic, including on employment levels and customers' ability to pay. The current projection for FY22 is 116% coverage with no shortfall.

Water Revenues

Total water revenues (including metered, wholesale and fire) were slightly under budget by approximately \$0.1 million (0.2%) through December (fiscal year to date).

Water Production

The average daily draft in December was 37.0 MG, which compares to 37.1 MG in December 2020. The peak day draft for the month occurred on December 28, 2021 when 39.2 MG of water was delivered to the system. The peak day draft in December 2020 occurred on December 24, 2020 when 39.2 MG was delivered to the system. Wholesale water to other utilities totaled 97.5 MG in December 2021 as compared to 76.5 MG in December 2020.

Capital Program

Summary: Capital Expenditures as of December 31, 2021

000's Omitted

	Revised Budget	Fiscal YTD Expenditures	Over/(Under)
1. Natural Resources	1,207	611	(596)
2. Treatment	2,928	2,304	(624)
3. Transmission & Distribution	7,593	7,712	119
4. General Plant	2,993	1,556	(1,437)
5. Contingency	-	-	-
Sub-Total	14,720	12,183	(2,537)
6. State & Redevelopment	2,500	556	(1,944)
7. Non-Core Billing	735	668	(67)
Total	17,955	13,407	(4,549)

Collection Activity

Accounts receivable over 60 days, net of liens, receiverships and multi-family balances, is at \$3.9 million compared to \$4.2 million for the same month last year. In December 2021, net past-due accounts, excluding multi-family tenants, properties that are in receivership, or on which we have placed liens, were 35% of total accounts receivable 60 days past due compared to 38% in December 2020.

A top 100 delinquent account review was performed by a dedicated RWA resource in December. The aging reports are broken down by Commercial, Industrial, Residential and Public Authority accounts, and outbound collection calls resulted in recoveries of \$78,000 in December.

Commercial Services

PipeSafe Protection

As of December 31, 2021, total subscribers by the program were as follows:

Program	November	December
PipeSafe Water Repair	57,373	56,241
PipeSafe Sewer Repair	41,866	41,131
PipeSafe Septic Repair	862	838
PipeSafe Complete (Home Plumbing Repair)	5,893	6,049
Total Subscribers	105,994	104,259

Total repairs by type of service were as follows:

Program	December 2021 Repairs		FY 2022 Repairs	
	Number	Cost	Number	Cost
Water	4	\$22,197	28	\$117,306
Sewer	168	\$59,460	926	\$351,095
Septic	0	\$0	4	\$5,690
Interior Home Plumbing	48	\$15,650	307	\$97,993
Total Repairs	220	\$97,307	1,265	\$572,084

Cancellations result from property closings, foreclosures, bankruptcies and receivership, while new entrants were associated with marketing and advertising initiatives.

Laboratory Testing

The laboratory performed analyses for both internal and external customers. The total number of samples analyzed was 2,714. The number of parameters that resulted from these samples was 10,009.

The 58% of analyses conducted were for external fee service customers.

Approximately 42% of the work was for internal customers and regulatory requirements. The analyses conducted included compliance samples, raw water monitoring, distribution requests, customer complaints and research.

Outside Fleet

	December 2021	FY 2022 YTD	FY 2021 YTD
November Revenue	\$7,533	\$47,647	\$40,423

Note: Fleet reports private repair financial statistics for one month in arrears.

Forestry Revenue

	FY 2022	FY 2021
December Revenue	\$9,732	\$3,395
FYTD	\$12,680	\$14,816

We received one timber sale payment in December 2021, similar to that in December 2020.

Other Revenue Programs

Cross-Connection Testing Revenue

The primary focus of cross-connection testing during December was in New Haven.

	FY22	FY21
December - Revenue	\$17,220	\$25,355
FYTD	\$266,057	\$274,192

This revenue stream is a result of fees charged for testing services provided by our staff to customers.

Devices tested in December 2021 totaled 366 as compared to 565 in December 2020.

FYTD Comparison Inspections and Device Testing:

	FYTD22	FYTD21	Difference
Inspections	2,766	2,749	+17
Device Tests	4,869	5,068	-199

Recreation

	December		November	
	2021	2020	2021	2020
Permit Holders	5,655	6,016	5,578	5,758

- Held a Christmas tree-cutting event at Lake Gaillard with 63 trees harvested.
- Held an invasive plants walk at Lake Saltonstall with four participants.
- Re-blazed trails at Lake Bethany.



CUSTOMER & CONSTITUENT PERSPECTIVE

In December, the Customer Care Center received 5,773 calls and our staff handled 5,485 of those calls; our answering service handled the remaining calls. The staff's adherence to schedules and call-handling guidelines resulted in an average answer speed of 65 seconds and an abandonment rate of 5%. The team processed 675 property closings in December.

This month, 155 delinquent accounts were disconnected for non-payment resulting in the collection of \$76,000 for restoration of service.

Meter Reading & Field Service

The AMI system over the last 30 days had a successful read rate of 99.22%.

Periodic meter changes continued during the month of December with 80 meters being changed.

Communications & Outreach

- Participated in the Connecticut Recyclers Coalition (CRC) December Board meeting; RWA's Government and Public Relations Specialist elected to serve as the CRC President.
- Met with the Community Foundation for Greater New Haven to discuss potential funding opportunities.
- Submitted Dept. of Economic & Community Development Intent to Apply form for the CT Communities Challenge Grant.
- Outreach and virtual classes were presented to 254 students from five schools in Hamden, New Haven, and West Haven; loan boxes were used by 60 students from two schools in New Haven and North Haven.

Sustainable Solutions

Former Hamden Middle School Remediation Status

New items this month regarding our obligation to remediate the former Hamden Middle School site and adjoining properties under DEEP consent order included the following: 1) we received the signed Environmental Land Use Restriction (ELUR) from DEEP for the former middle school property. The ELUR will be recorded on the Hamden land records in January; 2) continued working with the attorney representing the property owner for the former Community Center to amend the ELUR application to reflect the change in ownership; and 3) analytical results from monitoring well sampling in accordance with our post-remediation groundwater monitoring plan were in compliance with DEEP remediation standards for the third consecutive quarter. We will be able to discontinue monitoring upon four consecutive compliant quarters.

North Cheshire Quinnipiac River Diversion Permit

In response to our updated 1994 renewal application submitted in June 2021, DEEP issued a new diversion permit for the North Cheshire Wellfield. The new permit has a term of 25 years and will continue to allow groundwater withdrawals up to 2.8 MGD over and above the grandfathered 2.7 MGD registered diversion for the North Cheshire Wellfield (total of 5.5 MGD). Wellfield pumping will be subject to the same river-flow-based flow restrictions as the prior permit. The new permit significantly reduces our monitoring requirements, including cost sharing the funding of the Wallingford USGS flow gauge, which will now be prorated fees among the RWA, Meriden, and Southington, as opposed to 100 percent RWA. Overall, our annual monitoring costs will be reduced by over \$40,000 annually from the prior permit.

Greater New Haven Water Pollution Control Authority (GNHWPCA) Sewer Lining Project

The GNHWPCA completed a 42" main lining project adjacent to Lake Whitney. Crews are now restoring RWA land and fencing the area that was impacted from the project. A similar lining and bypass process is being conducted at a more northern location near Lake Whitney on Whitney Avenue and Waite Street. The RWA continues to inspect the project and work with GNHWPCA to maintain proper best management practices.

Proposed Beacon Falls Housing Development, Hopp Brook Diversion Watershed

The Beacon Falls Planning and Zoning Commission denied an affordable housing application for 109 units on 59 acres within the Hopp Brook Diversion watershed. The Hopp Brook Diversion serves as the largest source of water to the RWA's inactive Peat Swamp Reservoir. Concerns cited by the Commission included septic system, parking, road width and traffic issues. Our comment letter identified source water protection concerns related to density, loss of forest, septic systems and storm water management.

Mill River Debris Removal, 2200 Whitney Avenue, Hamden

The Hamden Inland Wetland Officer contacted us regarding unauthorized river bank clearing on RWA property and removal of debris from the Mill River. RWA's Environmental Planning team confirmed that this work was done by a contractor hired by the RWA at the request of the Hamden Department of Public Works, who did not notify the Inland Wetland Officer. We are engaged in ongoing discussions with town officials concerning this matter.

Invasive Plants

Real Estate staff documented and treated invasive populations in North Branford and Guilford.

Mill River Stream Flows

Environmental Planning continues to monitor flows in the Mill River basin in collaboration with USGS. Data is collected continuously at the Mill River Mount Carmel Avenue gauge. Flows were below average for the month of December at the USGS gauging site, due to continued high volume precipitation events. RWA gauging site values were below average for the month.

Diversion Monitoring

Source water monitoring for the company DBP reduction initiative was conducted in December. Sites throughout the Gaillard system were monitored for *in situ* parameters, with a focus on sources directly impacting the Gaillard reservoir. Samples for laboratory analysis of nutrients, total organics carbon (TOC), and dissolved organic carbon (DOC) were also collected at each site. Additionally, samples were collected at the Farm River East Haven Diversion, Beaver Swamp Brook at Hosley Ave, and the Furnace Pond/Saltonstall railroad culvert.

Downstream Release Requirements

All monitored lakes, including Lake Gaillard and Lake Hammonasset, were below spillway during the month of December. Weir levels were monitored at both lakes to ensure sufficient water is being released to meet DSR thresholds and maintain critical downstream ecosystems. Adjustments were made on two occasions at the Hammonasset Dam to increase downstream release and to maintain compliance. No issues maintaining satisfactory DSR were encountered during the month of December.

Rainfall (Inches)

	Current Year	Previous Year	Historical Average
December 2021	1.55	4.25	4.09
Fiscal YTD (6/1/21 – 12/31/21)	31.13	25.10	27.14

Reservoir Levels (Percent Full)

	Current Year	Previous Year	Historical Average	Drought Status
December 2021	85	81	72	None

Unaccounted-for-Water

The net unaccounted-for-water (UAW) calculated for the period of October 2020 through September 2021 is 11.75%.

Calculations for UAW include a three-month lag in order to account for all billing within a quarter, and use a 12-month average of production and consumption data.

A summary of the net unaccounted-for-water results are in the following table:

Values Aug 2020 – Jul 2021	Values Sep 2020 – Aug 2021	Values Oct 2020 – Sep 2021
11.16%	11.73%	11.75%
1,782 Million Gallons	1,871 Million Gallons	1,863 Million Gallons



EMPLOYEE LEARNING & GROWTH PERSPECTIVE

Safety

There were no OSHA recordable injuries in December. To date, three injuries in FY22 were preventable.

Deer Hunt Safety Debrief

Due to an injury sustained by a hunter during this year's deer hunt, a safety debrief was held with Natural Resources, Safety and our Police department. The RWA is recommending additional fall-assist devices for hunters at next year's hunt. The team also planned improvements to the check-in and check-out processes with our hunt volunteers. While the RWA does not bear any liability to the injury sustained during the hunt, the enhanced safety measures should prevent any further mishaps.

ICS Saltonstall Raw Water Pump Station

We experienced an emergency event at the Saltonstall Raw Water Pump Station in December. A fencing company installing a guardrail mounted metal posts in to the cement conduit protecting the electrical and SCADA cables that run from the plant to the pump station. Due to the electrical connections, the generator located on the Saltonstall campus could not be used to power the pump station. An emergency generator was rented to power the pump station. Our I&C team set-up temporary SCADA connections to allow the plant to operate using automated controls. Full restoration was completed within a few days. Moving forward, we are developing new guidelines for marking on our properties during projects. The general CBYD marking was not enough to detect this RWA-owned conduit.

Safety Training

Some 28 employees received 51.5 hours of safety training in December including air-powered pumps, asbestos, confined space entry and operating Genie lifts.

COVID-19

In December, nine employees tested positive for COVID-19. Due to the holidays, there was no transmission of COVID-19 to other RWA employees.

Personnel Updates

Sunder (Sunny) Lakshminarayanan filled the position of Vice President Engineering & Environmental Services. We also hired a plumber for Well Services. There were three resignations during December.

The total number of RWA full time equivalents (FTEs) as of December 31, 2021, is 261.5 compared to the budget of 275 FTEs for the month of December. Of this number, 141 are Management, one belongs to the UPSEU Union, and 119.5 are in the Steelworkers Union.

Employee Relations

There are currently two pending arbitrations which are waiting to be scheduled. There are currently no outstanding grievances at this time.



INTERNAL BUSINESS PROCESS PERSPECTIVE

Operations

Water Treatment

Miscellaneous repairs and scheduled asset replacements were completed throughout all four surface water treatment plants and groundwater facilities. Major maintenance projects and activities at the Lake Gaillard Water Treatment Plant included: the backwash polymer mixing system installation was completed and both units are in service; staff drained and cleaned clarifiers #3 and #4.

Major maintenance projects at the Lake Saltonstall Water Treatment Plant included: staff performed jar testing to improve filter performance once distribution flow changes occur.

Major maintenance projects at the Lake Whitney Water Treatment Plant included: Whitney is on-line with all four filters operational; the raw water valve actuators are not able to operate in automatic so daily plant operations have been adjusted until the actuators are replaced. After the new actuators are received and installed, the plant will return to full-day operations.

Major maintenance projects at West River Water Treatment Plant included: staff added Granular Activated Carbon (GAC) to filters #1 and #3 and replaced the surface wash arm nozzle caps, as well as changed active reservoirs from Lake Watrous to Lake Glen to improve raw water quality. Currently, Lake Dawson and Lake Glen are in use and plant performance has improved. Site work continues for the Dissolved Air Floatation capital project. The Pilot Hydrogen Peroxide feed system is on-line and daily chemical analysis is being performed to monitor performance.

Field Operations

CBYD Markings

Through the Call Before You Dig (CBYD) clearing house, the RWA performed 1,422 markings in December with an FYTD total of 17,265. Markings for the month of December 2021 were at .02% more than December 2020.

Distribution System Flushing

Our field operations crews flushed 1.4 miles of water mains in New Haven during the month of December. To date, we have completed 96.24 miles of main cleaning. Our crews flushed 9.39 miles of main for Department of Public Health compliance reporting.

Main Breaks

There were eight main breaks and 14 unplanned system repair/replacements (contractor damaged main repair, gate replacement, etc.) occurred during the reporting period.

Fire Flow Tests

Fire hydrant flow tests are conducted at the applicant's request; there were five tests performed during December. The purpose of the test is to determine the hydraulic characteristics of the water distribution system at the location of their project site.

During December, the RWA continued to expand the use of fire flow testing to determine areas that require mechanical cleaning and quality review of its upcoming hydraulic model update.

Derby Water Storage Tank

During December, the RWA was informed by the City of Derby that DEEP requested an updated appraisal on the Lombardi property. The RWA's attorney submitted updated appraisals to the City of Derby who forwarded them to DEEP per their request in granting the lien release letter to the City of Derby to lease the land for the tank. The City is now waiting on DEEP to respond.

West River Water Treatment Plan Improvements Project

During December, the Associated Construction Company (ACC) continued their construction submittal efforts. Time sensitive and critical materials with long lead times including yard pipe, the generator, and the retaining wall formwork have been submitted. A planned plant shut down occurred that allowed ACC access to the rapid mix tank to perform measurements required for future critical treatment plant shutdowns. The contractor also gained access to the top of filter media in Filter Basin #1 to obtain measurements for the filter underdrains. A meeting was held with UI, to coordinate the new electrical service and transformer that will be installed at the site. A majority of the site work has been shut down for the winter until submittals have been approved and materials are available.

Lake Whitney Dam

During the month of December, GZA Geo Environmental, an environmental consultant, performed work associated with further development of design drawings for the Lake Whitney Dam Rehabilitation. A final Value Engineering Services report was submitted by the engineering firm, GHD, and is being reviewed by RWA staff. Additionally, GHD is performing a review of the dam's stability analysis done by GZA. Review comments were performed by GHD and were forwarded to GZA for their feedback. GZA submitted a response that is being reviewed by RWA staff. A virtual meeting was held this month between all parties to discuss an agreed upon direction to resolve the issue with the dam's proposed stability analysis. After a detailed discussion, all parties agreed that if a properly conductive grouting program were implemented this would resolve the existing dam's stability.

Contracts & New Services

In December, there were no applications received for large services, as compared to five in December 2020, and six in November 2021. This month, there were 28 feet of main extension contracts executed, as compared to 285 feet of main extension contracts executed in December 2020. There are 4,723 feet of main extensions contracted to date in Fiscal Year 2022.

Information Technology and Transformational Activities

The RWA CIS Selection team completed the reading and scoring of the 11 vendor responses received from our September CIS RFP. The team identified four vendors to shortlist for Phase 2 of CIS RFP evaluation, notifying them of the demonstration schedule for January 2022.

The CIS Selection Team finalized the demonstration scripts and evaluation criteria. With the rise in COVID and the RWA's transition to an expanded remote work format, the team modified the demonstration format, establishing virtual meeting structures. Additionally, the Business Transformation Team created an online evaluation form using SmartSheet to gather and compile the participant feedback to ensure demonstration participants could easily submit their evaluations of the virtual sessions.

The Business Transformation Team supported the Billing Program Project go-live activities for the Customer Advantage Portal and the Monthly Billing Conversion. The team completed test scripts and defect remediation, as well as regression testing prior to go-live. After the technical teams completed the installation and migrations, the Business Transformation Team conducted additional business validation activities to ensure successful operations prior to releasing the solutions to the business areas. The team continues to identify additional process efficiencies and address lower level open defects that have transitioned to operational remediation and management.

RPB COMMITTEE MEETINGS

Month	Meeting	Will Attend
January 2022	<i>Finance Committee</i> Monday, Jan 10 at 5:00 p.m.	Catherine
	<i>Land Use Committee</i> Wednesday, Jan 12 at 5:30 p.m.	Kevin
	<i>Consumer Affairs Committee</i> Monday, Jan 24 at 5:30 p.m.	Suzanne
February 2022	<i>Finance Committee</i> Monday, Feb 14 at 5:00 p.m.	Tony
	<i>Land Use Committee</i> Wednesday, Feb 9 at 5:30 p.m.	Catherine
	<i>Consumer Affairs Committee</i> Monday, Feb 28 at 5:30 p.m.	Kevin
March 2022	<i>Finance Committee</i> Monday, Mar 14 at 5:00 p.m.	Suzanne
	<i>Land Use Committee</i> Wednesday, Mar 9 at 5:30 p.m.	Kevin
	<i>Consumer Affairs Committee</i> Monday, Mar 21 at 5:30 p.m.	Catherine

**South Central Connecticut Regional Water Authority
Compensation Committee**

Minutes of the July 15, 2021 Meeting

A regular meeting of the South Central Connecticut Regional Water Authority Compensation Committee took place on Thursday, July 15, 2021, via remote access. Chairman DiSalvo presided.

Present: Committee – Messrs. DiSalvo and Borowy, and Mss. LaMarr and Sack

Absent: Committee – Mr. Curseaden

Management – Mss. Kowalski, Reckdenwald and Messrs. Bingaman, Courchaine, Norris and Singh

Staff – Mrs. Slubowski

The Chair called the meeting to order at 3:10 p.m.

On motion duly made by Mr. Borowy, seconded by Ms. LaMarr, and unanimously carried, the Committee voted to approve the minutes of its January 21, 2021 meeting.

Borowy	Aye
Curseaden	Absent
DiSalvo	Aye
LaMarr	Abstain
Sack	Aye

Ms. Reckdenwald, the RWA’s Senior Vice President of Corporate Services, reviewed with members the FY 2022 Work Plan and updated Committee Charter with members.

After discussion, on motion made by Ms. Sack, seconded by Ms. LaMarr, and unanimously carried, the Committee voted to approve the revised Committee Charter, as presented.

Borowy	Aye
Curseaden	Absent
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Mr. Bingaman, RWA’s President and Chief Executive Officer (“CEO”), reviewed the FY 2021 Strategic Planning results update and Global Metrics, which included:

- Customer experience
- Employee perspective
- Environmental services and recreation
- Efficient delivery of clean safe water
- Innovation & technology
- Financial health & commercial business opportunities

He provided an update of the RWA’s FY 2022 goals and global metrics based on the four perspectives of the balanced scorecard, which support RWA’s strategic plan.

At 3:45 p.m., Mss. Kowalski and Reckdenwald and Messrs. Courchaine, Norris and Singh withdrew from the meeting, and the Committee voted to go into executive session to discuss personnel matters. Present in executive session were Committee members, Mr. Bingaman and Ms. Slubowski.

Borowy	Aye
Curseaden	Absent
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

At 4:48 p.m., the Committee came out of executive session.

Chair DiSalvo stated that it was the consensus of the committee to recommend a salary increase and FY 2021 bonus for the Chief Executive Officer (“CEO”) based on performance and the Willis Tower Watson (WTW) data presented, and, based on the CEO’s recommendations and WTW data, salary increases and FY 2021 bonus payouts for RWA’s officers, as discussed in executive session, all effective August 1, 2021.

At 4:50 p.m., the meeting adjourned.

Anthony DiSalvo, Chairman



DE&I Update



1/27/22

Progress on Our Journey to Inclusion

Listen - Current State

- Kicked off Listen Phase
- Conducted Survey
- Conducted Focus Groups & Interviews
- Analyze Survey Data

Form DE&I Council

- Established TIDE Council
- Co-Create DE&I Mission, Vision and Values
- Develop DE&I Roadmap

Learn

- Scheduled Community Conversations
- Entering Learn Phase
- Leadership Re-Center
- All Employee Training

11/17 - Developed DE&I Roadmap

11/3 - Established DE&I Mission, Vision, and Values

9/24 - Conducted Survey Data Review

8/5 - Conducted Focus Groups

6/14 - Established TIDE Council

4/30 - Administered Survey

Kick-Off Journey to Inclusion with LCS





Mission

To build an equitable and inclusive culture valuing all employees.

Vision

Strengthen our foundation for innovation and future growth by providing opportunities for all.

Values

Honesty – -We are accountable by measuring ourselves against the highest standards of honesty, trust and respect.

Open minded – -Understanding that an open-mind encourages expression, compromise and awareness for others.

Welcoming – -Moving beyond simple tolerance and accepting each individual's uniqueness.

Unbiased – Show authenticity, individual appreciation and patience ultimately striving for an unbiased mindset.

DE&I Roadmap – 2021-2022

LEADING CULTURE
SOLUTIONS.

CENTRAL CHALLENGE: To strengthen transparency and inclusion to improve trust, improve morale, and grow equitably.

DE&I MISSION: To build an equitable and inclusive culture valuing all employees.

DE&I VISION: Strengthen our foundation for innovation and future growth providing opportunities for all.

STRATEGIC PRIORITIES & INITIATIVES

1.0 - Redefine the meaning of leadership

1.1 - Career Growth Mentorship

1.2 - Create Development Plans for all

1.2a - Empowering participation in leadership training/ teambuilding

1.2b – Accountability

1.2c - Include competency for DEI goals – Trustworthy

2.0 - Increase employee engagement

2.1 - Employee events/Parties

2.1a - team building exercises-like Eagles Flight

2.1b - Department expo (overview of the entire function)

3.0 - Model well-being first mindset and behaviors

3.1 - Support work/life balance

3.1a - Standardizing or customizing department flexibility (work from home)

3.2 - Incorporate wellness program into workplace

Key Findings and Observations: Summary of Strengths

The following is an overall summary of key areas of strength for RWA – includes verbatim responses.



STRENGTHS

1

Belonging

2

Feel Safe

3

Collaboration

4

Supported

5

Fairness

Key Findings and Observations: Summary of Opportunities

The following is an overall summary of key areas to address as RWA creates their future:



OPPORTUNITIES

1

**Leverage Strength
of Diversity**

2

Transparency

3

**Active
Listening**

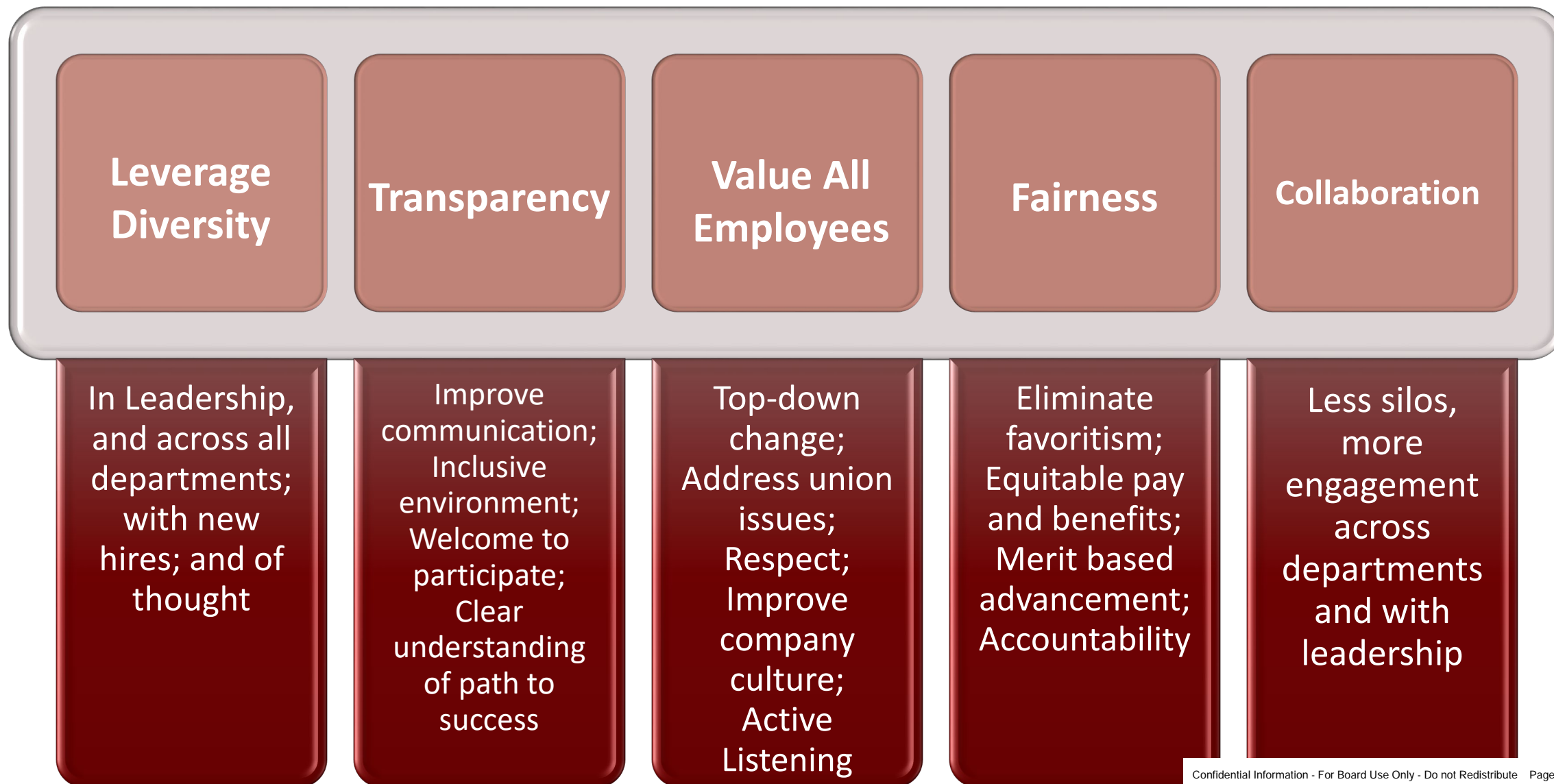
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Fairness

5

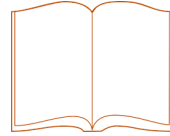
Respect

Common Themes





Listen – Assess the current state of DE&I in all companies



Learn – Learn History & Language



Lean-in – Train & Practice

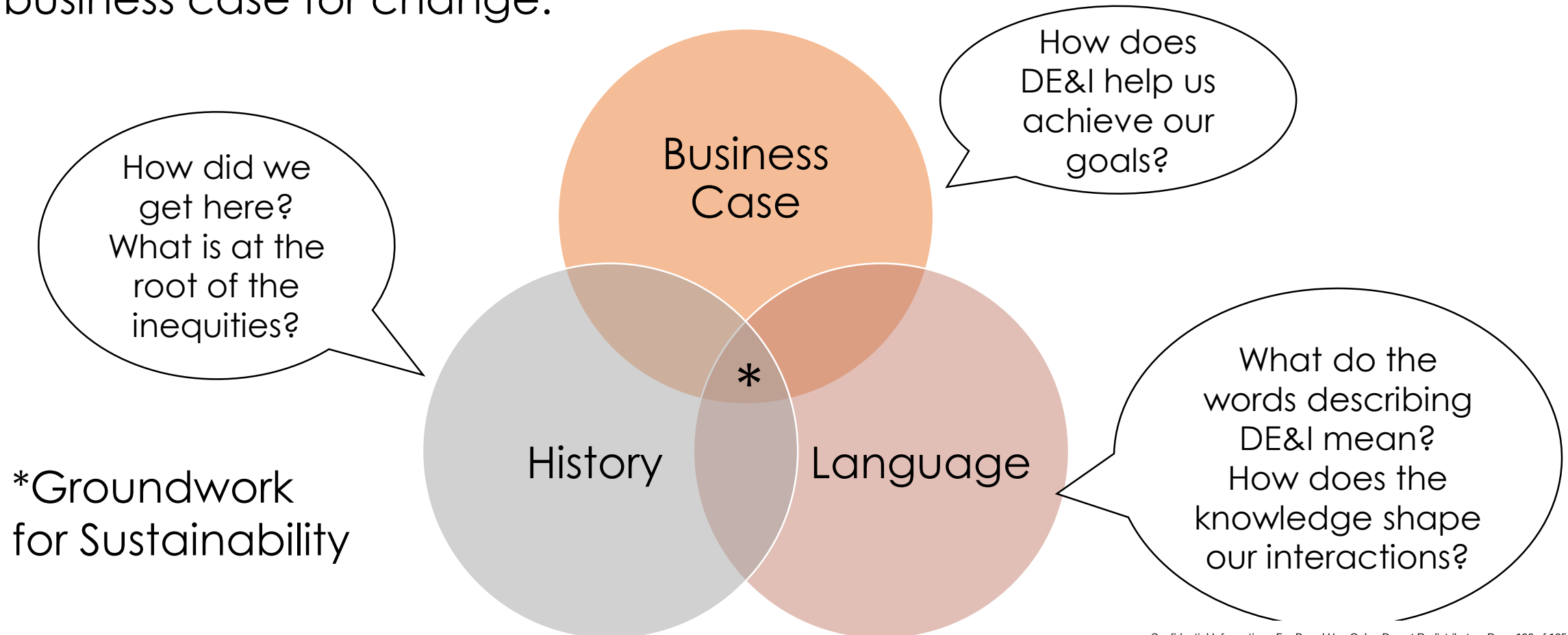


Live – Walk the Talk



Learn – History, Language, Business Case

Providing leaders with DE&I context and language will help to increase confidence to drive productive discussions. Understand the business case for change.



Program Success Criteria

- Championing by CEO, Board and Senior Executive Teams
- Access to, and involvement from the TIDE Council
- Access to and support from our Project Management Office and other resources as needed
- Support from Internal and External Communications, Marketing and Branding teams
- Engagement of Middle & Front-Line Managers and all Staff
- Timely response when requesting information to advance the work
- Administration Support who can help with coordination within our organization



Questions?