

RETIREMENT PLAN OFFICE STAFF

As of Date of Publication

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Retirement Plan Manager
(Acting)

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Assistant Retirement Plan Manager

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Investment Officer

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Disability & Death Benefits Supervisor

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Retirement Supervisor

Anna Russo
Membership Supervisor

Irene Colon
Recording Secretary

Kendrick Mah
Administrative Assistant

Christina Munoz
Administrative Assistant

CONSULTING SERVICES

As Of June 30, 2003

ACTUARY **INVESTMENT CONSULTANT**
The Segal Company Pension Consulting Alliance

AUDITOR **CUSTODIAL BANK**
Simpson & Simpson Bank of New York

INVESTMENT MANAGERS
The Boston Company
Standish Mellon Asset Management
TCW Asset Management Company

Published 5/2004

DWP BOARD OF ADMINISTRATION

Retirement Board

As of Date of Publication

Ex-Officio / Appointed Members



Frank Salas
General Manager
(Acting)



Gerard McCallum II
Commissioner



Ronald O. Vazquez
Chief Financial Officer



Michael T. Moore
Appointed
Retired Member

Elected Members



Javier Romero
President



Lilly Calvache
Vice-President



Daniel C. Mirisola

WATER and POWER EMPLOYEES' RETIREMENT, DISABILITY and DEATH BENEFIT INSURANCE PLAN



SUMMARY ANNUAL REPORT

JUNE 30, 2003

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To All DWP Retirement Plan Members:

The Summary Annual Report as of 6/30/03 is submitted in conformity with Section III C (4) of the Retirement Plan. This report is a condensed presentation of the financial and actuarial status of your Retirement Plan. A complete financial report, audited by Simpson & Simpson CPAs, is posted on our website and is also available upon request.

The Department of Water and Power, the Plan sponsor, resumed contributions to the Minimum Pension Cost in accordance with the recommendations of the most recent Actuarial report to maintain the financial stability and funded status of the Plan.

The total fund performance for the year was at 70% of the Plan consultant's database, improving the fund rate of return to 2.9% over the last year despite a small decline in the market value of Net Plan assets of 1.9%. For the five years ended June 30, 2003, the total fund performance was 3.1% with a rank of 44% in the same database.

The Retirement Board adopted a new full discretion investment policy and a new asset allocation plan at the recommendation of the Plan Consultant, Pension Consulting Alliance, to be implemented after June 30, 2003. The following asset allocation structure was adopted:

Domestic Equity	40%
International Equity	15%
Fixed Income	35%
Real Estate	4%
Alternative Investments	5%
Cash	1%

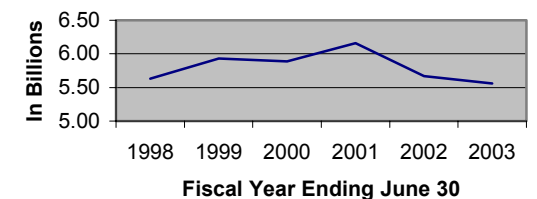
The objective of the new policy is to further maximize investment returns within acceptable levels of risk.

Javier Romero
President
Retirement Board

Adriana Rubalcava
Retirement Plan Manager
(Acting)

PLAN NET ASSETS

(At Market Value)



WATER AND POWER EMPLOYEES' RETIREMENT,
DISABILITY, AND DEATH BENEFIT INSURANCE PLAN

SUMMARY ANNUAL REPORT
JUNE 30, 2003

STATEMENT OF CHANGES IN PLAN NET ASSETS
(Assets At Market Value)

<u>Retirement Fund</u>	<u>2003</u>	<u>2002</u>
Net Assets- Beginning of Year	\$ 5,671,141,200	6,157,205,512
Members' Contribution	36,490,767	30,002,271
Installment Payment From Early Retired Employees	11,015	11,962
Department Contribution Towards Benefits (Net of Reversions)	40,560,882	27,241,801
Administration	2,612,142	2,202,790
Total Contributions	\$ 79,674,806	59,458,824
Investment Income (Loss)* (Less Investment Expenses)	110,117,112	(248,850,848)
	(981,147)	(914,779)
Total Income & Appreciation	\$ 109,135,965	(249,765,627)
Total Additions	\$ 188,810,771	(190,306,803)
Retirement Allowances Paid	295,587,105	290,243,650
Refund of Members' Contribution	3,967,902	4,225,848
Administrative Expenses	1,630,995	1,288,011
Total Deductions	\$ 301,186,002	295,757,509
Other Additions	—	—
Net Increase (Decrease)	(112,375,231)	(486,064,312)
Net Assets - End of Year	\$ 5,558,765,969	5,671,141,200

<u>Disability Fund</u>		
Members' Contribution	\$ 383,275	366,629
Department Contribution	4,174,311	3,746,535
Total Contributions	\$ 4,557,586	4,113,164
Benefits Paid		
Temporary Disability	\$ 5,306,242	4,584,284
Permanent Total Disability	1,154,061	1,107,061
Supplemental Disability	763,977	761,544
Total Benefits Paid	\$ 7,224,280	6,452,889

<u>Death Benefit Fund</u>		
Members' Contribution	\$ 275,382	266,308
Department Contribution	3,771,310	4,051,293
Total Contributions	\$ 4,046,692	4,317,601
Benefits Paid		
Death Benefit	\$ 5,853,562	6,330,424
Family Allowances	1,353,039	330,170
Total Benefits Paid	\$ 7,206,601	6,660,594

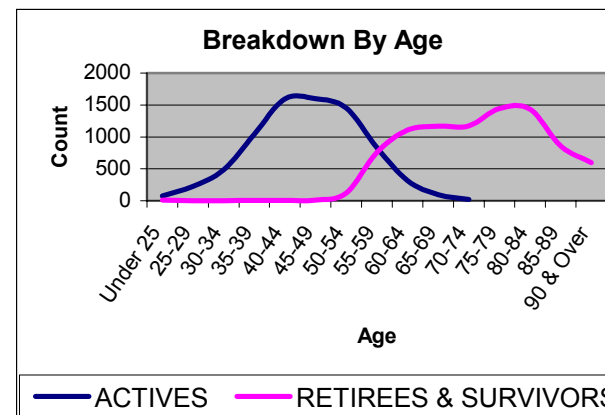
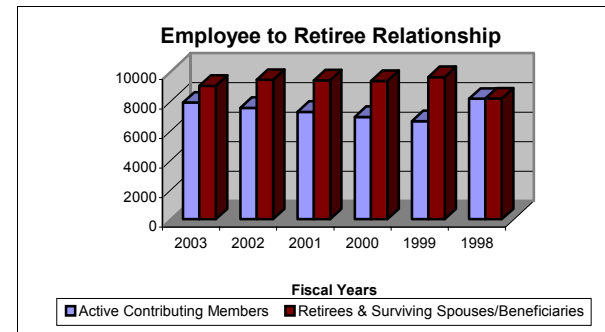
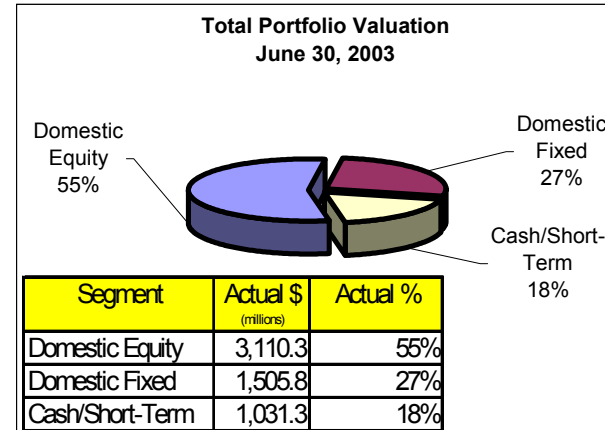
ANNUAL ACTIVITY

<u>Active Membership</u>	<u>2003</u>	<u>2002</u>
Number of Contributing Members	7,892	7,534
Number of Contracts to Purchase Service Credit	1,370	1,427
Number of New Members	742	699
Number of Withdrawals of Funds	58	71
Average Age	46.3	46.7
Average Years of Service	16.3	15.2

<u>Retirees</u>		
Number of Retirees	6,921	7,319
Number of Surviving Spouses & Beneficiaries	2,117	1,884
Number Who Retired During the Fiscal Year	86	70
Average Age at Retirement	57.75	57.36

<u>Disability Related</u>		
Number of Temporary Disability Claims	904	781
Number of Temporary Disability Claims per 1000 Employees	114.6	103.7
Number Paid Worker's Compensation Supplement	167	97
Number on PTD	60	62

<u>Death Benefit Related</u>		
Number of Deaths		
Active members	16	20
Retirees	270	280
Number Receiving Monthly Survivorship	353	366
Number of Family Allowances	88	91
Number of Children on Family Death Benefit Roll	120	83



ACTUARIAL BALANCE SHEET

<u>Assets</u>	<u>June 30, 2003</u>	<u>June 30, 2002</u>
Total Actuarial Value of Assets	\$6,128,375,723	5,790,262,948
Present Value of Future Member's Contributions	287,686,382	261,959,093
Present Value of Future Department Contributions for		
a. Entry Age Normal Cost	566,280,572	527,213,387
b. Unfunded Actuarial Accrued Liability	(86,288,938)	(75,738,299)
Total Current and Future Assets	\$6,896,053,739	6,503,697,129

<u>Liabilities</u>		
Present Value of Benefits Already Granted	\$3,503,126,411	3,469,318,055
Present Value of Benefits to be Granted	3,392,927,328	3,034,379,074
Total Liabilities	\$6,896,053,739	6,503,697,129

RETIREMENT FUND PORTFOLIO INVESTMENTS
(Based on Market Value on June 30, 2003)

Bonds	\$ 1,215,209,134
Common Stock	3,065,296,752
Mortgage-Backed Securities	175,783,774
Short-Term Instruments	1,067,452,121

RETIREMENT FUND PORTFOLIO PERFORMANCE
(For the Period Ending June 30, 2003)

<u>Balanced Rates of Return</u>	<u>(%) Rate</u>	<u>Percentile Rank*</u>
1 Year	2.9	70
3 Year	2.2	7
5 Year	3.1	44
<u>Fixed Rates of Return</u>		
1 Year	12.7	33
3 Year	10.7	26
5 Year	7.5	42
<u>Equity Rates of Return</u>		
1 Year	-2.7	70
3 Year	-2.4	32
5 Year	0.4	57

* Benchmarked within the Trust Universe Comparison Service

* These figures include the Fair Market Value Net Depreciation of \$74,499,398 for 2003 and the Fair Market Value Net Depreciation of \$457,380,184 for 2002.