

RETIREMENT PLAN OFFICE STAFF

As of Date of Publication

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Victor Wong
Administrative Assistant

CONSULTING SERVICES

As Of June 30, 2002

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

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

INVESTMENT MANAGERS
The Boston Company
Highmark Capital *
TCW Asset Management Company

DWP BOARD OF ADMINISTRATION

Retirement Board

As of Date of Publication

Ex-Officio / Appointed Members



David Wiggs
General Manager



Annie E. Cho
Commissioner



Ronald O. Vazquez
Chief Financial Officer



Norma Bertrand
Appointed
Retired Member

Elected Members



Javier Romero
President



Daniel C. Mirisola
Vice-President



Lilly Calvache

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



SUMMARY ANNUAL REPORT

JUNE 30, 2002

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To All DWP Retirement Plan Members:

This Summary Statement (as of 6/30/02) is submitted to you in conformity with Section III C (4) of the Retirement Plan Document. Your Retirement Plan continues well funded. Our actuaries reported the Plan's financial health remains strong under the auspices of your Board of Trustees. A complete financial report, audited by Simpson & Simpson CPAs, is available upon request. Please note our phone number and E-Mail address on the front panel.

Oftentimes a picture is worth a thousand words. The front panel (circa 1962) depicts the DWP building foundation, structure, and planning. Retirement benefits also require a solid foundation, structure, and planning. To this end, your Retirement Plan Staff (and Board Members) remain available to answer your questions and assist you in any way possible, so you can maximize and enjoy your retirement. This report represents a condensed "picture" of the financial and actuarial status of your Retirement Plan.

Investing during the year ended June 30, 2002 was particularly difficult due to the significant market corrections taking place. The total fund performance, for the year, remained at the top 29% of the Plan consultant's database, in spite of the slight 4.2% decline in market value. For the five years ended June 30, 2002, the total fund performance was 6.5% ranking around the median of the consultant's universe.

DWP employees continue to enjoy a Plan with a solid financial foundation. After over 50 years of existence, the Plan has remained as tall and majestic as the DWP building itself. This has been possible through the combined efforts of DWP management, employees, and your Retirement Board.

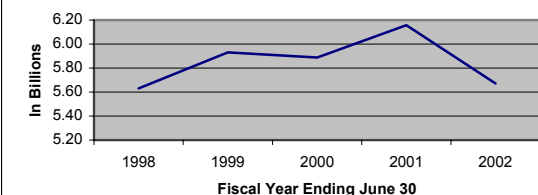


Javier Romero
President
Retirement Board



Duamel Vellon
Retirement Plan Manager

PLAN NET ASSETS (At Market Value)



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

Retirement Fund	2002	2001
Net Assets- Beginning of Year	\$ 6,157,205,512	5,887,764,096
Members' Contribution	30,002,271	27,688,883
Installment Payment From Early Retired Employees	11,962	124,181
Department Contribution Towards Benefits (Net of Reversions)	27,241,801	25,763,218
Administration	2,202,790	2,282,401
Total Contributions	\$ 59,458,824	55,858,683
Investment Income (Loss)* (Less Investment Expenses)	(248,850,848)	494,609,763
Total Income & Appreciation	\$ (249,765,627)	493,731,131
Total Additions	\$ (190,306,803)	549,589,814
Retirement Allowances Paid	290,243,650	275,870,558
Refund of Members' Contribution	4,225,848	2,874,071
Administrative Expenses	1,288,011	1,403,769
Total Deductions	\$ 295,757,509	280,148,398
Other Additions	—	—
Net Increase (Decrease)	(486,064,312)	269,441,416
Net Assets - End of Year	\$ 5,671,414,200	6,157,205,512

Disability Fund	2002	2001
Members' Contribution	\$ 366,629	354,298
Department Contribution	3,746,535	2,120,878
Total Contributions	\$ 4,113,164	2,475,176
Benefits Paid		
Temporary Disability	\$ 4,584,284	4,211,036
Permanent Total Disability	1,107,061	1,037,601
Supplemental Disability	761,544	523,189
Total Benefits Paid	\$ 6,452,889	5,771,826

Death Benefit Fund	2002	2001
Members' Contribution	\$ 266,308	260,303
Department Contribution	4,051,293	4,350,815
Total Contributions	\$ 4,317,601	4,611,118
Benefits Paid		
Death Benefit	\$ 6,330,424	6,094,784
Family Allowances	330,170	304,905
Total Benefits Paid	\$ 6,660,594	6,399,689

* These figures include the Fair Market Value Net Depreciation of \$457,380,184 for 2002 and the Fair Market Value Net Appreciation of \$259,512,870 for 2001.

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

SUMMARY ANNUAL REPORT
JUNE 30, 2002

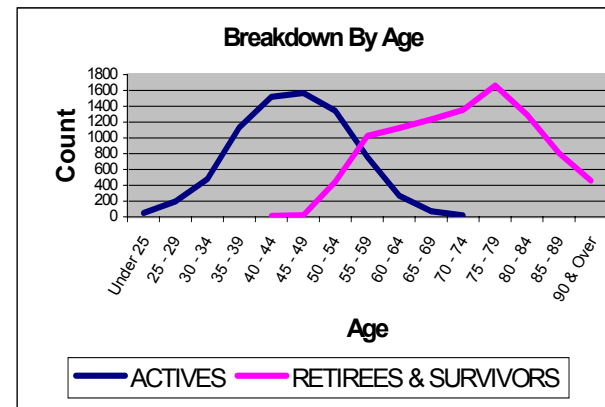
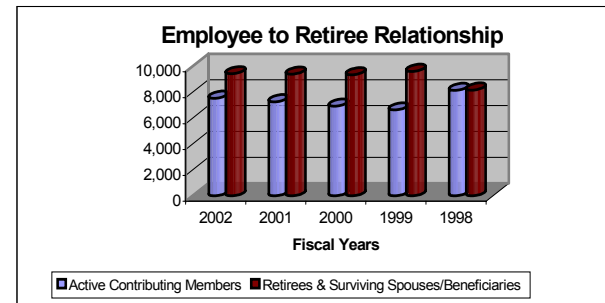
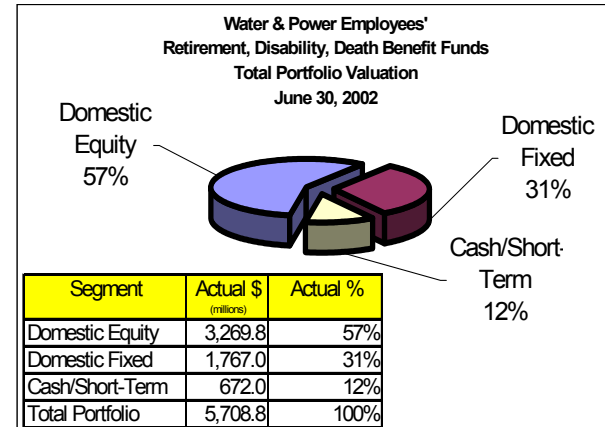
ANNUAL ACTIVITY

Active Membership	2002	2001
Number of Contributing Members	7,534	7,265
Number of Contracts to Purchase Service Credit	1,427	1,405
Number of New Members	699	657
Number of Withdrawals of Funds	71	66
Average Age	46.7	45.5
Average Years of Service	15.2	15.4

Retirees	2002	2001
Number of Retirees	7,319	7,508
Number of Surviving Spouses & Beneficiaries	1,884	1,893
Number Who Retired During the Fiscal Year	70	54
Average Age at Retirement	57.36	55.4

Disability Related	2002	2001
Number of Temporary Disability Claims	781	799
Number of Temporary Disability Claims per 1000 Employees	103.7	109.9
Number Paid Worker's Compensation Supplement	97	162
Number on PTD	62	59

Death Benefit Related	2002	2001
Number of Deaths		
Active members	20	18
Retirees	280	277
Number Receiving Monthly Survivorship	366	366
Number of Family Allowances	91	87
Number of Children on Family Death Benefit Roll	83	114



ACTUARIAL BALANCE SHEET

Assets	June 30, 2002	June 30, 2001
Total Actuarial Value of Assets	\$5,790,262,948	5,833,274,582
Present Value of Future Member's Contributions	261,959,093	247,305,813
Present Value of Future Department Contributions for a. Entry Age Normal Cost	527,213,387	478,271,822
b. Unfunded Actuarial Accrued Liability	(75,738,299)	(527,011,846)
Total Current and Future Assets	\$6,503,697,129	6,031,840,371

Liabilities	June 30, 2002	June 30, 2001
Present Value of Benefits Already Granted	\$3,469,318,055	3,385,192,912
Present Value of Benefits to be Granted	3,034,379,074	2,646,647,459
Total Liabilities	\$6,503,697,129	6,031,840,371

RETIREMENT FUND PORTFOLIO INVESTMENTS
(Based on Market Value on June 30, 2002)

Bonds	\$ 1,434,334,236
Common Stock	3,269,832,081
Mortgage-Backed Securities	270,155,421
Short-Term Instruments	653,699,652

RETIREMENT FUND PORTFOLIO PERFORMANCE
(For the Period Ending June 30, 2002)

Balanced Rates of Return	(%) Rate	Percentile Rank*
1 Year	-4.2	29
3 Year	1.3	24
5 Year	6.5	53

Fixed Rates of Return	(%) Rate	Percentile Rank*
1 Year	8.6	37
3 Year	8.0	40
5 Year	7.6	34

Equity Rates of Return	(%) Rate	Percentile Rank*
1 Year	-11.2	33
3 Year	-2.4	41
5 Year	5.9	52

* Benchmarked within the Trust Universe Comparison Service