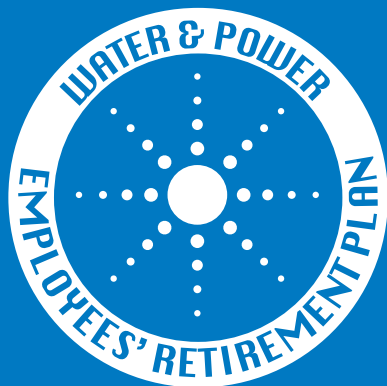


Los Angeles  Department of Water & Power
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FOR ACTIVE MEMBERS THE PLAN

Water and Power Employees' Retirement Plan

Summer 2013



Greetings from the Board President, JAVIER ROMERO



I send greetings on behalf of the Retirement Board and staff of the Retirement Office. We have weathered the most difficult financial times since the Great Depression. Indications are the economy is growing out of the recession

and the financial markets are responding accordingly. Continued vigilance is needed, but be assured your Retirement Plan continues to be well-funded.

Despite the volatility in the market, we were able to make strides with the portfolio by fully implementing the asset allocation plan approved two years ago and introducing some new asset classes.

Thanks to Cindy

Finally, I would like to wish a happy and healthy retirement to a dedicated Retirement Board member and valued friend, Cindy Coffin. Cindy retired on April 1 of this year with 40 years of service. She was first elected to the Retirement Board in May 2006 and became the Vice

President in 2008. As a tenured Board member and long-time LADWP employee, Cindy conscientiously deliberated with our fellow Board members regarding items of importance to the Plan including investment policies and options, benefits and governance of the Plan. She was a passionate protector of Plan assets, a champion for promoting the employment of women and minorities by money managers and a strong advocate for the independence of the Plan.

Cindy was also the Chairperson of the Benefits Committee. She conducted hearings with compassion and made sure all Disability appeals were resolved in a fair and timely manner.

Cindy's expertise, dedication and great humor will be missed.

Special Election for an Active Employee Member to the Retirement Board

The City Clerk-Election Division is conducting a special election to fill a vacated active employee member seat to the Board of Administration of the Retirement Plan. One member from the **Joint System** will be elected to serve the remaining unexpired three-year term for a seat vacated on April 1, 2013. The vacancy occurred when the incumbent, Cindy Coffin, retired from Department service. The unexpired term will end on April 30, 2015.

The City Clerk-Election Division began the election process in May 2013. A Notice of Election was mailed to all DWP employees who are members of the Retirement Plan, followed by a twelve calendar day nomination period. During the nomination period, potential candidates filed petitions with the City Clerk-Election Division to have their names placed on the ballot. Each potential candidate filed a petition signed by at least 100 but not more than 200 active members of the Retirement Plan. The City Clerk-Election Division has mailed ballots with qualifying candidates' names to all active members of the Plan on June 19, 2013. Election Day was held on July 9, 2013. The election process that

includes voting, tally, and certification will be completed by July 18, 2013.

Since the election ballots will be mailed to home addresses, employees are encouraged to update their Department records to reflect their current address. Employees who do not receive a ballot in the mail may obtain a replacement from the City Clerk-Election Division's Office.

Any questions regarding the election process may be directed to Nancy Balet of the City Clerk-Election Division's Office at (213) 978-0440.



ANNUAL MEMBER STATEMENTS

The Annual Member Statements for period July 1, 2012 – June 30, 2013 will be mailed in early August this year. The Statement provides each member of the Retirement Plan, information about their Total Accumulated Contributions, which is the amount of funds in their Retirement Account.

Each year some Annual Member Statements are returned to the Retirement Office because the employee's work address in the Human Resources Management System (HRMS) is inaccurate. To ensure you receive your Annual Member Statement please check your work address in the LADWP Phone Directory and make changes if needed.

If any of the information is incorrect in the LADWP Phone Directory, please contact your timekeeper to have them make the change in HRMS first. Please contact the Retirement Plan Office at (213) 367-1712 with any further questions or concerns.

Investments

As shown below, the Plan's portfolio is invested in a variety of asset classes, including domestic and international equity, fixed income, real estate, private equity, and alternative investments. The Retirement Board is in the process of adding some new classes such as commodities and global inflation linked securities to further protect the portfolio in times of global uncertainty and high inflation.

The Board's adopted long-term asset allocation targets are as follows:

Asset Class	Target Percent
Domestic Equity	33.0%
International Equity	21.0%
Fixed Income	24.0%
Covered Calls	5.0%
Real Estate	5.0%
Private Equity	5.0%
Real Return	6.0%
Cash	1.0%

The Retirement Board has adopted this diversified asset allocation structure to maximize investment returns while incurring a prudent level of volatility in

those returns. Careful attention is paid not only to how the various classes perform during different market cycles, but also how they perform relative to each other. By having strategic classes that act differently, the chance of significant losses is reduced.

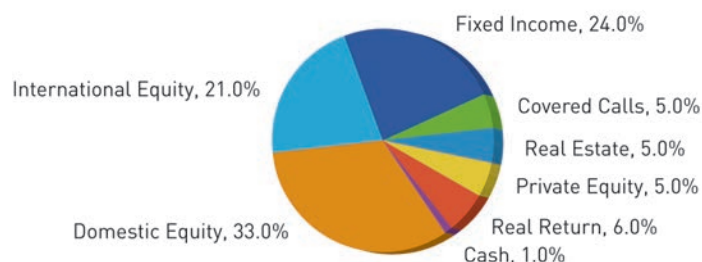
As of March 31, 2013, the Retirement Plan had an aggregate value of \$8.2 billion. This represents a \$405 million increase in value over the last quarter and \$703 million over the same date in 2012.

The Plan's portfolio has performed on par with other public sector plans of similar size and assets.

The Retirement Board's general investment consultant, Pension Consulting Alliance, Inc., is cautiously optimistic about the portfolio returns in 2013. In particular, PCA notes there are strong signs of recovery in the U.S. housing market. In addition, economic data from most parts of the world indicate sustained moderate improvements and the Federal Reserve continues to keep interest rates low and purchase additional bonds.

The next important review of the portfolio will be done this summer using returns from June 30, 2013.

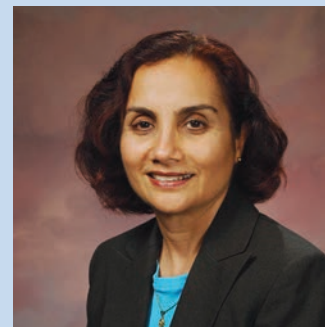
Long-term Asset Allocation Targets



Farewell to Julie Escudero



Every commission has a largely unseen staff making it run smoothly and efficiently. The administrative powerhouse behind the Retirement Board for the last five years has been Utility Executive Secretary Julie Escudero. According to Javier Romero, President of the Retirement Board, she performed her work with great diligence, care, and pride. Julie retired on June 1, 2013 after an impressive 36 year career with the City. Both the Retirement Board members and the Retirement Office staff are grateful for her dedicated service to them and the WPERP membership.



A message from the Retirement Plan Manager, Sangeeta Bhatia

Focus on Customer Service.....

The Retirement Plan Office staff is focused on providing exceptional customer service to all active and retired members. The Retirement Plan Office at JFB Room 357 is open Monday – Friday from 7 AM – 3 PM for walk-ins and staff is available to answer questions over the phone until 4:45 PM, Monday - Friday. You may also contact us via email at retire@ladwp.com. In case you reach us after hours, please leave a message and we will return your call the next business day.

We also invite you to visit our website, where you will find a wealth of information related to the Retirement Plan plus links to useful outside resources. Plan staff has most recently been working diligently in adding useful features to the Plan website for our members. One feature in particular that has just been added is the Retirement Calculator. After entering three components of the retirement formula: Highest average one year salary, age and years of service at retirement, the calculator will let you know: 1) if you can retire at that age and with those years of service; and 2) if you can retire, what your estimated monthly retirement allowance would be, based on the information that you have input. Please try it out at <http://retirement.ladwp.com>.

Also listed on the website is the calendar for retirement seminars. We hold monthly pre-retirement and early/mid-career seminars at JFB in the LA/Portland Rooms. If you have not done so, we encourage you to sign up for one of our seminars in the future. Eligibility requirements and enrollment instructions are also listed on the website.

We ultimately would like to ensure that you are aware of the many tools that are available to you in reaching your retirement goals. Our Plan staff is dedicated to assisting you while you are still working and during your retirement. We gladly encourage you to inquire about your retirement benefits.

Importance of up-to-date Beneficiary Information

The beneficiary form is one of the forms you fill out in Human Resources when you first start working for DWP. You can change your designated beneficiaries as often as you like by calling the Retirement Office at (213) 367-1715 and requesting a new form. We strongly encourage you to review your information after major changes in your life, such as, marriage, divorce, birth, adoption, or death.

You may name both primary and contingent beneficiaries. Contingent beneficiaries become eligible to receive benefits if the primary beneficiaries predecease or die at the same time as you. Since California is a community property state, there may be a limit on the amount you are able to leave to non-spousal beneficiaries.

Additionally you have the ability to name an entity as beneficiary for your death benefits. For example, you may name a charitable organization or a living trust. If you decide to name your trust, there is additional information you will need to provide to our office.

When naming your beneficiaries, be sure to provide as much information about them as possible. The following pieces of information help us locate and verify the eligibility of beneficiaries: Social Security number (can provide last four digits only); date of birth; current address; and telephone number.

Board Member Retires



Effective April 1, 2013, Ms. Cindy M. Coffin retired from Department service and consequently the Retirement Board. At the March 27, 2013, Regular Meeting, the Board authorized the Acting Retirement Plan Manager to initiate the necessary arrangements for the Los Angeles City Clerk to conduct an Employee Member Election required to fill the vacancy.

How To Reach Us

TELEPHONE

DWP Retirement Toll Free: (800) 367-7164
DWP Retirement Office: (213) 367-1715
(Retirement Applications, Beneficiary Changes,
Report the Death of Retiree/Eligible Spouse)
DWP Disability: (213) 367-1680
DWP Health Plan and Medicare: (800) 831-4778
DWP Credit Union: (800) 300-9728
DWP Employee's Association: (213) 367-3146
DWP INTAKE Magazine: (213) 367-1361
LACEA (City Club): (213) 620-0388
EAP (Horizon Health): (888) 439-7327
I.D. Badges: (213) 367-3303

INTERNET

<http://retirement.ladwp.com>
E-Mail: retire@ladwp.com

MAIL

Water and Power Employees'
Retirement Plan
111 North Hope Street
Room 357
Los Angeles, CA 90012

We welcome your suggestions and comments regarding this newsletter. Please email us at retire@ladwp.com.

