

CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Professional Services Agreement for Public Education, Marketing and Media Services, Electric Utility

MEETING DATE: March 18, 1998

SUBMITTED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council adopt the attached resolution authorizing the City Manager to enter into a professional services agreement with AL&Z Advertising, Inc. for public education, marketing and media services (\$60,000 estimate) and to appropriate \$137,071 for a multimedia campaign for production, media, optional events and training.

BACKGROUND: Although the deregulation of the electric utility industry has been in the works since the early 90s, the majority of the public is unaware of the changes that lie ahead. City of Lodi citizens are being barraged with marketing information from alternative power providers. This has been likened to the long-distance telephone war as customers will likely receive daily mailers and receive evening phone calls from competitors.

In anticipation of the competitors' media blitzes, the City of Lodi, as a customer owned utility, must proactively educate the public about the advantages of maintaining their power with the City of Lodi. In order to educate the public, staff members contend that professional services are critical to get across the important message that the customer investment in Lodi's utilities have far reaching implications for the continued excellent quality of life in the community.

To accomplish the public education challenge, and to in effect, protect our customers and the City's electric utility assets, it is necessary to retain the professional services from an accomplished marketing company well versed in the fast-paced electric utility deregulation issues. AL&Z Advertising, Inc. is a leading marketing company with such experience in the electric utility industry. Past and present clients of AL&Z include Roseville Electric, Truckee Donner Public Utilities District, City of Alameda Bureau of Electricity, City of La Quinta, City of Palm Springs, City of Palm Desert and the Imperial Irrigation District. In addition, AL&Z was chosen by the California Municipal Utilities Association to design, develop and implement a proactive informational and educational campaign for a coalition of 21 customer-owned utilities, the California Power Network (CalPower). Lodi has had the benefit of being an active participant in the development of this program over the past nine months.

AL&Z has prepared a Marketing Plan for Lodi (attached March 10, 1998 document) which details the proposed advertising and education campaign. Included in the Market Plan is a detailed breakdown of the proposed working budget (page 24). It should be noted that the proposed budget includes approximately \$108,000 of local media items, \$42,000 of possible local production tasks (brochure printing, direct mail printing and bill stuffer printing) and \$18,500 for local public relations and event options. The budget is extremely focused on investing the marketing dollars with local vendors, businesses and organizations. AL&Z' approximate \$60,000 professional services are incorporated within the working budget. The contract may be terminated by either party with 30 days advance notice.

APPROVED _____

H. Dixon Flynn
CITY MANAGER

Current Operating Budget
FUNDING: Electric Utility Reserves

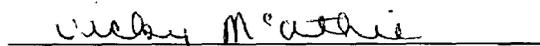
Estimated Cost:	Media	\$ 108,471
	Production	70,100
	PR/Event Options	<u>18,500</u>
	TOTAL	\$ 197,071

These figures include up to \$60,000 for AL&Z's professional services.



Alan N. Vallow
Electric Utility Director

Funding Approval:


Vicky McAthie, Finance Director

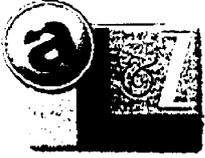
Prepared by: Sondra Huff, EU Management Administrator

ANV/SH/1st

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APPROVED _____

H. Dixon Flynn
CITY MANAGER



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MARKETING PLAN

FOR

LODI ELECTRIC

PREPARED BY
AL&Z ADVERTISING

MARCH 10, 1998

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3/10/98

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MARKET OVERVIEW

SITUATION ANALYSIS

TARGET AUDIENCE PROFILE

MARKETING OBJECTIVES & STRATEGIES

SITUATION ANALYSIS

BACKGROUND:

The California Gold Rush triggered a migration of residents from the Bay Area through Lodi as they continued on to the Sierra Mountains. Located in the fertile land next to the Mokelumne River, Lodi and its residents prospered by serving traveling miners and working the land. Lodi got its agricultural start in wheat, then became the "watermelon capital of the world" and is known today for its famous Zinfandel grapes.

IN OUR FAVOR:

- Lodi residents appreciate the quiet, small-town environment and have a rare sense of community and utility loyalty. The 12% of General Fund transfers by Lodi Electric will be very meaningful to residents.
- By marketing prior to direct access in Lodi, we will be able to shape opinions proactively, rather than work to retain customers reactively.
- Competitors have not focused on Lodi with marketing efforts, although residents have been exposed to communications that spill over from neighboring Sacramento and Stockton.
- Lodi Electric's rates are less expensive than PG&E's in Stockton.
- Since Lodi's residential customers represent 42% of revenues and 87% of accounts, the residential-focused campaign we implement will effectively impact a large portion of Lodi's base.

OUR CHALLENGES:

- The local press has reported on deregulation issues and Lodi Electric's role in the upcoming industry restructuring. Although coverage has been remarkably unbiased and both sides of issues have been given exposure, Lodi residents may be aware that Lodi will not offer direct access for some time.
- Media vehicles specific to the Lodi area are scarce -- we may need to use less efficient media in order to reach our audience.

TARGET AUDIENCE PROFILE

MEET OUR CUSTOMERS

WHO ARE THEY?

As of 1995, The City of Lodi had a population of 54,694 and an average of 2.7 people per household. Lodi residents have a strong sense of community pride and loyalty and appreciate their closely knit environment.

39% of Lodi Electric's sales are from residential customers, making up 42% of the utility's revenue. 11% of sales come from small commercial/industrial, and 50% come from medium to large C/I. Still, 87% of Lodi's accounts are residential, and 22 large C/I make up 20% of Lodi's revenue. The average home sells for \$126,300; average monthly rent is \$426.00. 52% are owner occupied with 44% are renter occupied.

WHAT DO THEY DO FOR FUN?

Residents of Lodi take advantage of many community based events with emphasis on outdoor activities such as symphony orchestra concerts and county fairs, including Lodi Grape Festival and Harvest Fair. Known today for its famous Zinfandel grape, the Lodi area is California's leading varietal producer of premium Zinfandel wines.

ARE THEY AWARE OF DEREGULATION?

Lodi Electric customers have heard about the upcoming electric utility industry deregulation but are unclear about the specifics and how it will impact them personally. Lodi residents express interest in information about deregulation so they are prepared to make informed decisions in the future. Regardless of their knowledge base, Lodi residents are extremely supportive of their local utility and admit being willing to pay a premium to keep the provider local.

MARKETING OBJECTIVES & STRATEGIES

MARKETING OBJECTIVES:

- To educate Lodi Electric customers about deregulation and the benefits of having their own local, community-owned utility.

ADVERTISING OBJECTIVES:

During the campaign period, among Lodi residents:

- Increase top-of-mind awareness of Lodi Electric as a community-owned utility that provides low rates, local service, reliable power and quick restoration in the event of outages.
- Increase customer loyalty to Lodi Electric.
- Decrease customer interest in shopping around for alternate electric companies.
- Solidify Lodi Electric's role as a local, community choice.
- Increase skepticism about competitor's savings claims.

ADVERTISING STRATEGY:

TARGET AUDIENCE REALITIES

A high percentage of residents work in neighboring cities where competitor marketing is underway.

Although Lodi's open access date is undecided, residents may assume that "choice" will be available March 31st, '98.

Lodi's customers value the small-town, neighborly way of life.

Lodi's residents are environmentally conscious and may express interest in "green" energy options.

IMPLICATIONS FOR ADVERTISING

Lodi must be forthright and proactive with communications to this audience.

Lodi must explain deregulation's various timelines, reinforce their own benefits and services and prove that bigger is not necessarily better.

Lodi should highlight their "local" angle with real stories that emphasize their community support.

Lodi should investigate "green" energy offerings.

POSITIONING

CREATIVE STRATEGY

POSITIONING RECOMMENDATION

CREATIVE STRATEGY

LODI ELECTRIC

BRAND/PRODUCTS:

Lodi Electric provides local residents and businesses with reliable, quality, affordable electricity. As a public power utility, Lodi Electric employs local residents, supports local events and reports to local boards and city councils.

SITUATION:

Electric industry deregulation has received a significant amount of press over the past eight months. Originally planned to take effect January 1st, 1998, the actual date of investor-owned utility direct access has been delayed to March 31st due to Power Exchange and ISO software complications. This direct access date does not affect publicly owned utilities such as Lodi Electric (whose date has not yet been determined).

Lodi Electric customers understand deregulation, even though it may not affect them immediately. Informing local customers about the upcoming changes, the benefits of having a publicly owned and operated utility and the commitment of Lodi to the community will be increasingly important as communications from energy marketers proliferate.

OBJECTIVES:

- Develop and maintain a brand identity for Lodi Electric.
- Inform customers about Lodi's offerings, services and history.
- Educate customers about the upcoming deregulation changes.
- Explain truth behind other utility's savings claims.

POSITIONING STATEMENT:

Lodi Electric is the electric utility that combines a loyalty to the community with a commitment to low rates to help make Lodi a better place to live and work.

TARGET MARKET:

Residential customers who live in Lodi but may work either in Lodi or outside of the area.

KEY COMMUNICATION POINT:

I should continue to support my community and stick with what's local.

SUPPORT:

- Lodi Electric offers affordable rates which are below neighboring investor-owned utility rates.
- Lodi Electric donates 12% of revenue to the city's General Fund to support local police, firemen, community activities and areas.
- Lodi Electric employs your friends and neighbors.
- Lodi has a history of reliability.

BRAND PERSONALITY:

Dependable, Competent, Resourceful.

POSITIONING

Lodi Electric is the electric utility that combines
a loyalty to the community with
a commitment to low rates
to help make Lodi a better place
to live and work.

MEDIA

INTRODUCTION

MEDIA OBJECTIVES

MEDIA STRATEGIES

INTRODUCTION

OUR CHALLENGE:

Planning media for the Lodi market poses a challenge since there are few media vehicles that concentrate specifically on Lodi.

With this in mind, we recommend a two-pronged approach involving:

- A deregulation advertising campaign to educate and build brand awareness.
- A public relations/event campaign to spotlight Lodi's Electric's community focus.

EFFICIENCY CONSIDERATIONS:

Lodi Electric's customers are comprised of a stable population of year-round homeowners, many of whom are affluent retirees who are very likely to read the local paper and watch local cable TV stations.

We will focus on the Lodi resident who is effectively reached by targeted, community media, such as print, radio, outdoor and cable TV. In fact, this audience will be most receptive to Lodi Electric's points of differentiation (community focus, local service, tradition of reliability and low rates).

OUR RESULTS:

Our recommended media plan would use a combination of print, cable TV, direct mail and outdoor to promote Lodi Electric and explain deregulation.

MEDIA OBJECTIVES

TARGET AUDIENCE:

According to the most recent statistics available from The California Department of Finance, Lodi's population as of January, 1997 was 54,812. Analysis of 1990 census data (the most recent available) indicates the population in 1990 was 51,874. This represents a modest 5% increase. Although the City does not track demographic breakdowns within its population base from year to year, our research indicates a significant number of retirees in the Lodi area as well as a growing number of younger professionals with families from more urban areas of Northern California .

DEMOGRAPHICALLY:

Adults aged 25-54 (core); 54+, (secondary); HHI: \$50 -\$75,000 (core), \$25,000+ (secondary).

PSYCHOGRAPHICALLY:

Year-round residents including affluent retirees, middle -class white - and blue-collar professionals and service workers. This group has owned their family homes in the Lodi area for at least ten years.

GEOGRAPHY:

Concentrate advertising efforts directly in Lodi as much as possible (or utilize vehicles that are read/watched/listened to by Lodi residents).

TIMING:

Launch the deregulation educational campaign in early May, 1998, and sustain activity at relatively high levels for at least 6-8 months. The public relations work will slightly precede the advertising launch and will support the campaign through its duration.

RATIONALE:

- Increase the concentration of media during the campaign's launch period to create top of mind awareness about electrical deregulation in the marketplace and reinforce Lodi Electric's important role in the community.
- Flight media during the campaign to maintain consistent awareness levels cost-effectively. By focusing spot TV into concentrated blitzes with short, periodic hiatuses, the audience will think that Lodi Electric has a continuous presence. These efficient hiatuses will allow us to re-direct saved dollars.
- Image building print and outdoor will be used on a regular basis throughout the campaign.

COMMUNICATION GOAL:

Maximize frequency against the target.

MEDIA STRATEGIES

(IN ORDER OF PRIORITY)

1. PRINT - NEWSPAPER AND MAGAZINE

RATIONALE:

- Newspaper is a traditional media vehicle that will be an integral part of our media plan.
- Print reaches a more educated, affluent consumer who enjoys collecting information and making his/her own decisions.
- A few publications are available to reach the target audience.
- Print provides the additional space necessary to explain Lodi Electric's benefits and offerings.
- Residents spend time with their publications, ensuring that our message is read.

PLACEMENT:

- Depending on the publication, we can secure targeted placement of print ads to reach specific groups. (example/ Sports for men, Lifestyle for women, etc.)
- We can negotiate placement on the right-hand page opposite editorial or adjacent to energy-related columns for increased efficiency.

ADDED VALUE:

- Publications often offer quantitative research or direct mail opportunities to their important advertisers.
- Print media vehicles often participate as media partners for events in exchange for advertising contracts.

EXAMPLES OF PRINT VEHICLES WE RECOMMEND INCLUDE:

- *The Lodi News Sentinel*
- *The Stockton Record* - (Sunday Lodi Lode Section)

2. CABLE TELEVISION

RATIONALE:

Since Sacramento area stations and network affiliates would be cost prohibitive and extremely wasteful to reach the Lodi resident on a regular basis, we recommend cable TV as an efficient option. With the frequency we are recommending Lodi Electric will reach 96.3% of all households and 87% of all Adults 35+. Cable TV can be as broad or as targeted as our message requires, and delivers all the benefits of broadcast television:

- Provides an engaging, active medium for our messages.
- Incorporates the involving combination of sound and sight.
- Allows us to select specific programming to target our audience.
- Provides a professional, legitimate venue for our communications.

ADDED VALUE:

- We will take advantage of free added value opportunities such as public service announcements (PSAs), news interviews, billboards, etc. as they increase overall frequency and promote top-of-mind awareness.

EXAMPLES OF TV STATIONS/CABLE COMPANIES WE RECOMMEND INCLUDE:

- *Media One* serves the Lodi market.

- A broad buy with particular emphasis on network programming on *CNN, Fox, Discovery, ESPN The Weather Channel, Lifetime, A&E*, and other sports programming/promotional opportunities.
- Selective use of broadcast TV, e.g. news broadcasts on *Sacramento Channel 3*, and *Reno Channel 8* could be considered on a very selective basis.

3. DIRECT MAIL

RATIONALE:

- Direct mail provides an opportunity to explain deregulation in detail, with the hopes that customers will spend extended time with the piece.
- Direct mail allows for extremely efficient targeting of the customer base (zip code, customer code, spending level, etc.).
- Direct mail provides an opportunity to explain the benefits and services of Lodi Electric to customers.

EXAMPLES OF DIRECT MAIL WE RECOMMEND INCLUDE:

- Brochures, newsletters, postcards, bill stuffers, etc.

4. OUTDOOR

RATIONALE:

- Provides geographic flexibility, allowing us to target specific areas.
- Builds consumer awareness with mass reach.
- Supports the print, radio and cable TV efforts.
- Reaches the residents that drive to work each day.

TYPES OF OUTDOOR:

- Billboards on freeway and street locations in and around Lodi.

OUTDOOR COMPANIES WE WOULD RECOMMEND INCLUDE:

- *Outdoor Systems*
- *Valley Outdoor Advertising*

PUBLIC RELATIONS

OBJECTIVE

STRATEGY

PUBLIC RELATIONS OBJECTIVE/STRATEGY

OBJECTIVE:

To dovetail with our advertising strategy of focusing on service and commitment to the local community, the primary goal of our recommended public relations campaign is to heighten awareness of Lodi Electric through high visibility support of community activities. This will illustrate the difference between a public and private utility while informing the public of Lodi Electric's important role as an integral part of their community. It will also show the public that they have ownership in their utility and that it is vital to the well being of the city to continue to support it.

STRATEGY:

PHASE ONE:

- Development and distribution of unique and creative press kits that will dovetail with the images established in the advertising campaign. Kits will include background information on Lodi Electric, an overview of deregulation and how it will affect customers, biographies of key personnel, rate comparisons, answers to frequently asked questions, and calendars of events sponsored by/supported by Lodi Electric.
- Distribution of opinion pieces to key local media.
- Suggestion to The *Lodi News Sentinel* that a key Lodi Electric employee write a periodic deregulation column.
- A colorful newsletter distributed quarterly to customers can be targeted by zip code or other variables to provide information about deregulation, Lodi Electric's activities, etc. Each issue can contain helpful hints on understanding the upcoming changes, conserving energy, getting involved locally and enjoying the Lodi environment.

PHASE TWO:

Sponsorship of a series of community events in the Lodi area. For maximum impact, focus on activities for families with children as well as seniors.

Examples include:

- Exploration of sponsorship opportunities at the annual Lodi Grape Festival.
- Development of mutually beneficial activities with the wineries, grape growers, etc.
- Sponsoring a youth mural project with energy/conservation themes through local schools and local civic groups such as The Lodi Arts Commission and The Rotary Club.
- Working with local libraries as a collection site for a public book donation drive/Friends of The Library Programs.
- Sponsorship of an Earth Day cleanup project in April (Keep America Beautiful Month) with tree/seed giveaways (in cooperation with major growers in Lodi area)
- Celebration of Public Power Week within the community with a local "Power Breakfast" Pancake Morning.
- Youth fingerprinting/ID day with local police department/service clubs.
- Media tie ins with cable networks such as *USA Network*, *Lifetime* and *A&E* networks (currently, a promotion and accompanying contest supporting the broadcast of a new production of *Moby Dick* on USA network is available to local advertisers- a great educational promotion with schools).

Event Sponsorship such as the Electric Light Parade in December, Field and Fair Day, Concert series at Hutchins St. Square, and others. Lodi Electric can tie in with existing events and/or seek community public/private sector partners such as The Lodi Parks and Recreation Department, The Chamber of Commerce, The Arts Commission, The Rotary Club, Lions Club, etc. to create new ones.

RECOMMENDED CAMPAIGN TACTICS

RECOMMENDED CAMPAIGN TACTICS

As a member of the California Power Network, Lodi Electric will benefit from the group's development of print, radio, TV, outdoor, media relations and collateral materials. By using these existing materials in combination with some new Lodi Electric-specific materials, we will be able to keep our production dollars at a minimum and maximize our media budget's efficiency.

For Lodi Electric, we recommend a mixture of:

Public Information/Media Relations

and

Traditional Marketing/Advertising

If our budget allows, we will also extend our communications with employee-specific projects.

1. Our **public information/media relations program** has already begun to inform customers about deregulation by using the print and broadcast news. In addition to providing the media and local community with a consistent and accurate source of information, this program will also provide positive editorial support to assist Lodi Electric in educating and retaining their existing customers. Part of the public relations work will stem from the work currently done for the CalPower campaign, while other projects will be developed for use in Lodi alone.
2. This public information campaign will lay the groundwork for **traditional marketing and advertising**. The advertising and printed pieces developed for this portion of the program will share a common "look and feel." Some of the ads for use in Lodi will come from the CalPower campaign, and others will be developed specifically for the utility. By integrating a mix of existing ads and new work, we will keep production dollars to a minimum.

The following pages outline each selected tactic in order of priority and lists estimated costs for public information activities and advertising. Please note that actual media time/space and printing costs will follow.

RECOMMENDED TACTICS

In order of priority

Category: Traditional Advertising

Tactic: Newspaper Advertising

Customers will turn to the news press for information on deregulation. Newspaper ads can build brand identity and provide detailed information, as well as support any media relations work we do within the publication. We recommend a combination of existing CalPower newspaper advertising and custom Lodi ads for the local press.

Rationale:

Upscale, educated adults read newspapers daily or on Sundays and appreciate the timely, informative nature of its advertising.

Tactic: Brochure

An information-rich brochure explaining the benefits of a public power utility like Lodi Electric and the facts about deregulation as it applies to Lodi Electric customers will be a valuable part of this plan. We can adapt the CalPower brochure to include 1-2 panels of Lodi-specific information so that the piece will be tailored for the Lodi market. The brochure will encourage customers to call the utility with questions or comments and will share the "look and feel" of the general CalPower campaign.

Rationale:

A brochure gives us the opportunity to be copy-intensive, since people tend to spend more time with a printed piece than any other type of marketing.

Tactic: Direct Mail

A unique direct mail campaign can be an ideal medium to promote a contest, sweepstakes or giveaway specifically to your customers. For example, we could giveaway a "free year of electricity" to one public power customer as a way to focus attention on the CalPower message and the collateral materials. This way, customers will be more likely to spend time with our materials.

Rationale:

Direct mail provides an efficient way to target Lodi Electric customers. This medium is perfect for delivering specific messages cost effectively. The print nature of this medium also encourages people to spend more time with the piece than they would with a broadcast (TV/radio) tactic.

Tactic: Out-of-Home

Out-of-Home media in Lodi includes:

- Billboards - permanent bulletins, 30-sheet posters panels, and eight-sheet poster panels

Rationale:

Each of these vehicles will allow us to reach customers, promote brand awareness/recognition and provide deregulation information.

Tactic: Bill Stuffers

By inserting vivid, engaging bill stuffers that share the overall campaign's "look and feel," we will compound the exposure of our messages to customers. These bill stuffers can reinforce our key messages.

Rationale:

Although bill stuffers have a low rate of readership among customers, if we create pieces that are dramatically colored and interesting, we will be able to take advantage of the most cost-effective vehicle... their own electricity bill.

Tactic: Cable TV

Cable TV commercials, produced for CalPower and tagged with the Lodi Electric logo, will give us the ability to target our audience by selecting specific programming. For example, we can develop an NBA basketball sponsorship (targeting men) or air commercials on Lifetime (for women). The 60-second commercials available through CalPower will eliminate dramatic production costs from this media selection.

Rationale:

Television is engaging, emotional, intrusive and impactful. We will be able to achieve high levels of awareness and reach large groups quickly with this medium.

Category: Media Relations

Tactic: Press Releases, Distribution and Monitoring

As a CalPower participant, Lodi Electric will benefit from the comprehensive press kit and press releases created, distributed and monitored by AL&Z. As Lodi Electric participates in local events and promotions, we can develop press releases to complement the CalPower effort.

Rationale:

By proactively forwarding releases to the press, Lodi Electric will have an active hand in affecting the stories that their customers read in the newspapers. The third-party objectivity associated with newspapers will lend further credibility to our perspectives.

Tactic: Opinion Piece

Again, as a CalPower participant, Lodi Electric will benefit from the opinion piece written and distributed by AL&Z at no incremental cost. Most likely, this opinion piece will promote the results of the deregulation impact study being conducted on behalf of CalPower.

Rationale:

Our chances of having Lodi's community-focused weekly paper, *The Lodi News-Sentinel*, pick up and run the opinion piece are strong. The legitimacy and credibility created by this kind of successful editorial are extremely valuable.

Category: Events

Tactic: Grape Festival and Harvest Fair (September)

This is the largest annual event in Lodi. It is held September 17-20 and is equivalent to a county fair in nature. There are over 350 booths and annual attendance of approximately 100,000 people. It's mission is to promote the agricultural products of San Joaquin County. The Festival strives to present outstanding, family oriented exhibits that not only entertain but educate. It also serves as an important venue for non-profit organization fundraising with well over \$100,000 raised each year. This year will mark the 61st year of the Festival.

Suggested Lodi Electric involvement:

- Sponsorship of "Discovering Science", a new exhibit area to be added to the Festival in 1998. It will be a professionally organized and themed exhibit and will utilize the work of local school children as well as adults. There will be an electricity area within this exhibit.
- Sponsorship of *The Kids Zone* with children's art and recycling center
- Sponsorship of the *Safetyland* area (with local fire/police/school bus safety demos, etc.)
- Sponsorships of stages, grape stomps, etc.

The Grape Festival organizers will custom design a sponsorship package for the Lodi EUD

Tactic: Chamber of Commerce "Street Faires" (May and October)

These twice yearly annual events are presented by the Lodi Chamber of Commerce on the 1st Sunday of May and October. With over 30,000 people in attendance and 700 vendors these arts/craft/antique events are extremely popular with local residents. These fairs serve as a major fund-raiser for The Lodi Chamber of Commerce.

Suggested Lodi Electric involvement:

- Have a presence at the events with a themed booth reflecting, for example the history of electricity. A contest can be organized (prize of free electricity for 6 months?), giveaways to attract public's attention, create stronger presence and positive feeling in the community
- Co-sponsorship role in printing/production/distribution of official event brochures.
- Co-sponsorship role in paid print/cable TV advertising schedule.
- Other Chamber of Commerce joint opportunities where available.

Tactic: Joint Promotions with Lodi Department of Parks and Recreation (Year Round)

The Lodi Department of Parks and Recreation has a very important and highly visible role in the community. Its programs attract thousands of spectators and participants annually. Softball tournaments, swim meets, boat races, car shows and many, many other events and activities are held annually. It would be extremely beneficial for Lodi Electric to be more involved as a recognized sponsor of some of these events and programs.

Suggested Lodi Electric involvement:

- Sponsorship/matching funds/scholarships for after-school program in less affluent areas where families want the services but are unable to pay the \$3 per child per day.
- Sponsorship of Parks and Rec. sponsored Easter Egg Hunts - provide all materials for hunt (\$1,000)
- Sponsorship of League in Youth Baseball and Soccer program (\$125 per team, 24 teams in league: \$3,000)
- Recognition of placement of new light poles and standards along Youth Park area path (three 20' standards, \$4,500)

Tactic: Support Of Senior Citizen Programs

Seniors comprise a large and influential segment of Lodi's population. Therefore, it would be extremely worthwhile for Lodi Electric to get involved in various programs designed for Seniors.

Suggested Lodi Electric involvement:

- Support of Therapeutic Wellness Swimming Program at the Senior Center at Hutchins Street Square

- Promote Lodi Electric services that could be of special interest to seniors such as special Medical rates, the Medical Shut-off Notification Program, Third Party Notification Service, and special rates for SSI and SSP recipients.
- Support of Adult Day Care Program at Senior Program

Tactic: Samuel Salas Park Scoreboard Sponsorship

The new Samuel Salas Park is the premier park in Lodi. It features four new sports fields - 3 baseball, and one softball. The park will host youth as well as adult teams. An estimated 80-100,000 people will visit the park each year. Four new scoreboards need to be purchased and sponsored by advertising revenue. Pepsi has already expressed interest in sponsorship. Lodi Electric can sponsor one of these boards. An added benefit for Lodi EUD is that the Scoreboards are visible from the street. The boosters of the Boys and Girls Club of Lodi is heading up this sponsorship search.

Suggested Lodi Electric involvement:

- Five years sponsorship of Board (see media plan for cost breakdown)
- Scoreboard acts as an advertising "billboard" with room for message from Lodi Electric.

Tactic: Joint Promotions with Lodi Arts Commission

The Lodi Arts Commission puts on a number of events and programs throughout the year that attract families as well as seniors to downtown Lodi's Hutchins Street Square. Having a role in the cultural heart of Lodi can be a very beneficial way for Lodi Electric to create awareness of its role in the community. The recent downtown revitalization provides a wonderful backdrop for any number of worthwhile events.

Suggested Lodi Electric involvement:

- Co-sponsorship of Friday Night Live, Cabaret Concert Series
- Support of Lodi Symphony, programs at Lodi Art Center

Tactic: Programs Support -The Friends of the Lodi Library

The Friends of the Library operate one of the few all-volunteer adult literacy programs in Northern California. Over fifty tutors are active in this worthwhile program on a yearly basis. The Friends also support an after school tutoring program for children, computer training, children's reading program, and a book delivery program for shut-ins - all at no charge. They have tremendous need for financial support of their programs, which are all underfunded.

Suggested Lodi Electric involvement:

- Provide all art supplies for children's program
- Join forces with area schools, Parks and Recreation Department, Soroptomists, Rotary Club to present a City wide spelling bee, "readathon", or other book/reading related event to raise funds for the Friends of the Library Programs.
- Join with Media One Cable TV to take advantage of cable network opportunities (for example USA Network is currently presenting a new adaptation of *Moby Dick*. Books and posters are available for local community promotions).

Tactic: Parade of Lights (December)

This event is sponsored by the City of Lodi in cooperation with the Lodi Downtown Business Association. Now in its third year, this event has proven to be extremely popular with Lodi residents. It is held on the 1st weekend in December.

Suggested Lodi Electric involvement

- Continue the tradition of a Lodi Electric themed float sponsorship

- Host a hot chocolate and cookies "thank you" reception for float decoration and parade volunteers.
- Use of footage from parade on Cable TV to promote Lodi Electric community involvement

Tactic: Cable Television Promotions (Quarterly)

As an advertiser on TCI cable, Lodi Electric can take advantage of promotional packages connected to various special broadcasts or holiday/annual promotions on cable networks. Examples of such promotions are outlined below. We recommend that Lodi Electric participate in four of these promotions per year - one every quarter.

Examples:

Ben Franklin's Birthday (January, 1999)

Ben Franklin, the father of electricity, will celebrate his birthday in January. A unique promotion can be developed around this to commemorate the event and his incredible scientific contributions in conjunction with local schools. This is a great opportunity to give a historical perspective to electricity. It can be done in conjunction with *The History Channel* and/or *The Family Channel* for added exposure.

Suggested Promotional Elements:

- Poster coloring contest for area schoolchildren (work to be displayed at Lodi Electric or other location TBD)
- Ben Franklin look-alike contest
- Cooperation with public library

Energy Fair (March, 1999)

Lodi Electric can sponsor an Energy Fair at the Lodi Senior Center. This could include a laser show, solar cook-out, exercise/water aerobics (creates energy in people!), and other activities. It can also involve a presentation of science projects/experiments with an energy theme in cooperation with local schools, service organizations (Judges from the Senior Center, Chamber of Commerce, and Lodi Electric)

Suggested Promotional Elements:

- Promotional spots on *Discovery Channel*, *A&E*, *The Learning Channel*. The focus would be programming with inventions and inventors as the theme.
- Community Programming taping and airing of the events.
- Giveaways from the Utility and the Networks

Other Promotional Ideas:

Shark Week (*Discovery Channel*-Summer), Breast Cancer Awareness (*A&E*-Fall), and World Cup Soccer (*Galavision*-Spring) are other popular Cable Television "events" that can be developed into community promotions targeted to specific demographic groups.

Tactic: On Hold Communication Service

Even if we decide not to include radio time in our communications plan, the CalPower radio commercials can be used while customers hold on the line at Lodi Electric.

Tactic: Community Events

Public Power Week, 4th of July Celebration at Lodi Lake, Lodi Youth Commission Teenlead Program, Labor Day Weekend Field and Fair Day, Power Pancake Breakfast, High School Career Day, etc. These events would further support Lodi Electric in the community at a low out-of-pocket cost.

LODI BUDGET BREAKDOWN THROUGH 6/30/99

TASK	DESCRIPTION	AMOUNT
Working Budget:		\$200,000

Media:

Lodi News Sentinel Newspaper Space	2x/mo for 14 months	\$22,200
Stockton Record Newspaper Space	1x/mo for 14 months	\$11,347
Media One Cable TV Time/ Promotions	14 months	\$33,350
Billboard Space-Valley Outdoor Advert.	14 months	\$23,380
Salas Park Scoreboard Sponsorship	over 5 years	\$ 5,000
Chamber of Commerce Newsletter	quarterly (5)	\$ 3,900
Chamber of Commerce Annual Directory	1 x per year	\$ 1,844
Scoreboard Sponsorship	over 5 years	\$ 5,000
Contingency Fund:		\$ 2,450
Media Subtotal:		\$108,471

Production:

Creating Lodi-specific Print Ads (3)		\$8,000
Customizing Newspaper Ads (6)		\$3,000
Customizing TV Spots (2)		\$1,600
Customizing/Printing Billboard Posters (12 x 2 concepts)		\$10,000
Customizing Brochure, Direct Mail, Bill Stuffers		\$4,000
On-Hold Radio Customization:		\$1,500
Brochure Printing (50,000)		\$20,000
Direct Mail Printing (50,000)		\$10,000
Bill Stuffer Printing (50,000 x 3)		\$12,000
Production Subtotal:		\$70,100

PR/Event Options (includes sponsorship/materials)

Grape Festival		\$5,000
C of C Street Faires (2)		\$2,500
Parks and Recreation Coop events		\$5,000
Senior Citizen Programs/Events		\$2,000
Arts Commission Events		\$2,000
Friends of the Library		\$1,000
Parade of Lights		\$1,000
PR/Event Subtotal:		\$18,500

Total:	\$197,071
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Additional Recommended Task:

Research:	Estimate*
Benchmark Study:	\$30,000
Research Subtotal:	\$30,000
Total:	\$227,071

* Estimates are based on current available knowledge and may change as the plan develops. These amounts are meant to give us some working totals, not final figures.

TIMING/NEXT STEPS

MARCH

APPROVE WORKING BUDGET
APPROVE MARKETING PLAN
CONDUCT BENCHMARK STUDY
ISSUE/APPROVE PRODUCTION QUOTES

APRIL

RESERVE MEDIA SPACE/TIME
CUSTOMIZE CALPOWER PRINT
CUSTOMIZE RADIO
DEVELOP LODI-SPECIFIC PRINT
CONTINUE WITH PR
CUSTOMIZE OUTDOOR WORK
CUSTOMIZE TV SPOTS

MAY

BEGIN EVENTS SCHEDULE
LAUNCH OUTDOOR WORK
LAUNCH DIRECT MAIL/BROCHURES
LAUNCH PRINT AND TV

JUNE-APRIL

AD AND EVENT CAMPAIGN CONTINUES

APRIL

CONDUCT CLOSING BENCHMARK STUDY



AL&Z Advertising

7 3 0 6 1
E L P A S E O
P A L M D E S E R T
C A L I F O R N I A

9 2 2 6 0
.....PHONE.....

760 779.0111
.....FAX.....

760 779.0108
.....E-MAIL.....

www.ALZ.com

Thank you for considering AL&Z Advertising, Inc., as a marketing partner to Lodi Electric. As the advertising agency selected by California's municipal utilities to create and implement a multi-media communications and media relations campaign, we are excited to be able to share our experience in order to help your customers see you in a whole new light.

As we investigated creative ways to accomplish your goals, we identified several communications challenges facing public power utilities as restructuring nears. These include:

- Educating customers about the fundamental differences between Investor-Owned Utilities (IOUs) and Consumer-Owned Utilities (COUs).
- Educating customers about what to expect in light of the upcoming changes in the electric utility industry with a marketing effort that will supplement the state's multi-million dollar campaign.
- Retaining current customers amidst the certain onslaught of aggressive marketing tactics by IOUs, out-of-state providers, independent energy providers and power marketers.

We are confident that you will find AL&Z to be the most qualified firm to provide you with superior service. In addition to being a top quality, highly awarded agency with a track record of delivering results, AL&Z has:

- Developed a thorough understanding of the electric utility industry, its key players and its main issues, and can "hit the ground running."
- Built a career in successfully communicating to diverse groups and bringing persuasive clarity to confusing marketing issues.
- Developed a proven system for managing a process involving multiple utility decision-makers.
- Spoken at various electric utility industry conferences, including the American Public Power Association annual conference and CEO roundtable.
- Tracked industry news on a daily basis with custom Internet searches, targeted usenet subscriptions and subscriptions to *The Sacramento Bee*, *The Lodi News Sentinel* and *The Stockton Record*. Relevant news and legislature is circulated throughout the office to keep account members current.

EXECUTIVE SUMMARY

AL&Z Advertising, Inc. was established in January, 1993, and quickly earned a reputation for award-winning creative and successful strategic marketing services. We offer clients a diverse range of services including:

- Marketing and advertising plan development
- Informational and educational campaign creation
- Market research and concept testing
- Integrated multi-media advertising campaign planning
- Media research, planning and purchasing
- Public relations planning and management
- Direct mail campaign creation
- Package design and corporate identity implementation
- Web site strategy, development and hosting

By founding AL&Z Advertising in 1993, principals Danny Amato and Naz Sesi came together as a highly awarded creative director, a strong strategic thinker, and a successful venture capitalist to create one of the fastest growing advertising agencies in Southern California. As a team, they have led AL&Z to between 100% and 300% growth each year.

Today, our 15 staffers create fresh, distinctive, intelligent and effective advertising that you'll come to recognize as our trademark. In the four years since opening, AL&Z has won more than 80 local Addy Awards, Regional Addy Awards and Best-of-Shows, and we have received national recognition for the high recall rates garnered by our print work.

AL&Z has successfully planned, designed and implemented campaigns for municipal, state and government clients, including work for consumer-owned utilities. Our approach is forward-thinking, multi-cultural, and validated by positive results. Our in-depth understanding of the issues and challenges facing these organizations has allowed us to help clients present ideas and proposals up through city councils and governing boards.

AL&Z CAPABILITIES

STRATEGIC MARKETING

For a campaign to be successful, the plan must be comprised of two key elements: (1) The Right Message, and (2) The Right Media. One without the other is often useless, and one created in a vacuum from the other is risky. Unless both message and media are conceptualized and executed in concert, we risk alienating the desired audience.

As such, we have taken a holistic approach to COUs' issues; We have investigated the industry, examined the situation, spoken with leaders, and analyzed the competition in order to recommend a direction grounded in strategy. This strategy will now be applied to the entire campaign, from media choices through creative concept. By making AL&Z a partner in the entire process, you'll have an agency that shares in your commitment to the results.

PRINT, BROADCAST & INTERACTIVE CREATIVE

We've won many awards for our creative, but more importantly, our work gets results. Our creative spans print, broadcast, radio, direct mail, outdoor, Internet and interactive. We will work to create a meaningful brand identity that will be instantly recognizable across various types of vehicles. This increases the individual impressions your message has on the desired audience and increases the efficiency of your marketing dollars.

Our print experience includes traditional newspaper and magazine advertising, custom inserts, retail and high tech catalog design and production, brochure and collateral development, direct mail and point-of-purchase signage and display. Our work with electronic or broadcast creative includes infomercials, TV, radio, digital animation, modeling, effects, photo manipulation and off-line non-linear editing. Depending on the budget for the campaign, we will evaluate all of these options for the program.

MEDIA

An efficient media plan is a rare combination of creativity, insight, and frugality. AL&Z crafts plans that invest the right amount, in the right places, at the right time, to influence the audience with a frequency that motivates action or affects perception. We routinely save our clients thousands of dollars a year by efficient and strategic media planning and purchasing.

Pre-Buy Media Research. AL&Z's in-house research tools help us gather detailed information on the target audience and potential media vehicles before we compile a media plan. A software system called **TAPSCAN™** allows us to gather market intelligence through a program called **QualiTap®**, providing access to qualitative research from **Scarborough**, Media Audit, MRI or Simmons, including information such as income, education, occupation, credit card usage, purchasing habits, household possessions and travel. This information can be broken down by zip code or county and merged with

broadcast and newspaper ratings to produce reports listing the media that reach the target audience most efficiently.

Media Planning And Purchasing. Once AL&Z has a solid understanding of the marketing objectives and the target audience, we access media vehicle data to determine the best mix for the campaign.

First, AL&Z uses **TAPSCAN®** and **TvSCAN™**, the most complete system for planning, scheduling and posting radio, TV and cable buys. **TAPSCAN®** and **TvSCAN™** give us access to current Arbitron and Nielsen ratings respectively, and provide lists of available programming in seconds. With these tools, for example, AL&Z can profile a selected station's dayparts in an hour-by-hour report, to determine the times of the day when a specific target audience is watching or listening. This information allows AL&Z to negotiate shrewdly, purchasing only the specific hours needed to reach the audience most effectively. AL&Z has implemented this procedure for our Inland Empire clients, and will extend pre-negotiated AL&Z volume discounts to our clients as appropriate.

MultiMedia™ is a program that helps AL&Z compute reach, frequency and complete cost analysis for TV, cable, radio and newspaper vehicles, individually or as a combined media mix, and displays all the data on a single page for easy comparisons.

Finally, AL&Z then uses **TAPCONNECT™**, a revolutionary on-line network that enables us to communicate and transfer information to the selected media vehicles over the Internet. The result is unprecedented efficiency and accuracy, and allows a station to transfer avails and rates directly into our media buyer's computer. This way we get answers and connect with media reps without the delay and frustration of playing phone tag all day.

Post-Buy Analysis. Both **TAPSCAN®** and **TvSCAN™** include reconciliation programs that help AL&Z generate post-buy summary reports for each station or for the buy as a whole. AL&Z will also include spot rotation summaries, break-averaging information and day-of-the-week and quarter-hour posting.

Should the actual schedule deviate in any way from the approved plan, AL&Z will negotiate on behalf of our clients for makegoods or credits. Plan affidavits and post-buy reports are forwarded regularly to our clients.

COMPETITIVE TRACKING

AL&Z understands that to know the competition is to service the client. We will make it a priority to track competitive marketing activity, spending levels, strategic directions and industry moves. For clients, we provide quarterly reports and make predictions on future action, incorporating this knowledge into every aspect of our work on the account.

CORPORATE ID

AL&Z designs logos and crafts corporate identity packages including collateral design for the group. To arrive at this new logo, we draft a creative briefing document that includes all of the attributes and messages we hope to convey with this new image. We give the art team color preferences, image goals and usage information so that they develop a set of new logo options that match our needs. We present several rounds of options or revisions until we arrive at the logo that is approved.

PUBLIC RELATIONS

AL&Z will harness the power of third-party editorial by planning a strategic public relations program. The plans will be designed to dovetail with existing marketing activities and include:

- Moderation of initial message workshops to identify key themes for communication across the board
- Development and distribution of press materials and kits
- Writing of all press releases
- Concepting, production, editing and distribution of video news releases
- Media training for spokespeople
- Planning of editorial tours for key personnel
- Identification of legislative testimonial placement
- Management of all media relations and story follow-up
- Coordination of press conferences
- Planning and management of community events

TECHNOLOGY

AL&Z's commitment to technology is realized by a cutting-edge art department, including high-end Macintosh workstations (each with substantial RAM and acceleration) that work together with color scanners, large-format B&W laser printers, color-calibrated 21" monitors, and large-format color thermal wax transfer laser printers.

In addition to the art department, AL&Z has installed two state-of-the-art digital, video editing bays, capable of providing full, non-linear editing and production for all multi-media and broadcast projects. With our Media 100 system, it is possible to transfer digital information created for print material directly to video or CD-ROM across the network, seamlessly and quickly.

INTERNET SERVICES

Should we determine that this campaign warrants a new Web presence, AL&Z's Internet and information technology services can offer customized solutions that are on target with current communications strategies. At this stage, it seems that Web activity may be more useful to municipal utilities from a customer service point of view, offering service interactive information and scheduling, account balances, energy saving tips, etc.

In this case, we would call upon our strategic alliance with Science Applications International Corporation (SAIC) to offer access to network, database and security engineering services from a firm responsible for setting standards in secure on-line communications and commerce. Based in San Diego and international in scope, SAIC is the largest employee-owned technology firm in the United States.

Our combined services include:

- Web Site Design, Construction, and Maintenance.
- Web Strategy Development, Site Promotion, and Visitor Tracking and Analysis.
- Web Server Hosting and Bandwidth Management.
- Network and Security Design and Engineering.
- Database Management.
- CGI, JAVA, ACTIVE X and HTML Programming.
- Internet Firewalls and Encryption.
- Intranet.
- Extranet.
- Electronic Mail.

As listed above, AL&Z can create an Intranet network between participating utilities for the expedited exchange and dissemination of information. If this is of interest, we can discuss this option in further detail.

AL&Z TEAM MEMBERS

AL&Z's 15 staffers each serve on several accounts, depending on the size and scope of the project. The AL&Z team assigned to this account is made up of the same team that manages the activity of California's municipal utilities. This deregulation platoon includes:

JODI BEASLEY, ACCOUNT SUPERVISOR, LEAD PROJECT MANAGER

Jodi will function as the main point person for the Lodi account and will manage all aspects of the project. She will represent the client's interests to the agency, and will make recommendations on behalf of the agency to the client. Jodi will brief the creative, media and production departments on all projects, will manage the process internally and will present all work to the client. Jodi has also been the key account contact for California's municipal utilities, and understands achieve success with a large group of participants.

Jodi joined AL&Z in 1995 to oversee all Agency accounts and manage business development. As Account Supervisor, Jodi also manages research assignments, plans and implements public relations programs and spearheads new business pitches.

Prior to AL&Z, Jodi was an Account Executive with J. Walter Thompson in San Francisco, working on a team of more than 70 people on the Sprint Telecommunications account. Jodi handled strategic and creative direction for the brand's residential, business and international divisions, managing a \$120 million annual budget. Jodi also lived in Santa Fe, NM, working at Hine & Cross Associates as an Account Supervisor. There she managed all account activity on projects including Coors, Kraft General Foods, Fi-Bar, and Blue Sky Natural Soda.

Jodi holds a B.S. in Journalism from the Medill School of Journalism at Northwestern University, and is a graduate of the American Association of Advertising Agencies program in Advanced Advertising Studies.

DEBORAH GODLEY, MEDIA DIRECTOR

Deborah will research, plan, present and purchase strategic multi-media plans across print, outdoor, radio and TV. She will negotiate on behalf of the client and will serve as the pointperson for all media representatives. Once a buy is placed, Deborah will monitor its run for accuracy and will reconcile the purchase with post-buy affidavits.

As our Media Director, Deborah uses *Tapscan* software to access Arbitron and Nielsen data in order to plan media buys most effectively. It is not unusual for Deborah to save clients tens of thousands of dollars through her savvy negotiations.

Prior to AL&Z, Deborah was the Marketing Director for The La Quinta Arts Foundation, where she handled media and supervised design and production of all advertising. Prior to this position, Deborah had her own marketing and advertising consulting firm in Los Angeles, Utopian Marketing Group, and brought to the table marketing, advertising and public relations experience from San Francisco, New York and Dallas.

Deborah holds a B.A. in English Literature from Leicester University, Leicester, England, and a Masters in Urban Studies and Economics, also from Leicester University.

JOLAINE COLLINS, DIRECTOR OF PUBLIC RELATIONS

As AL&Z's director of public relations, Jolaine Collins brings a diversity of public relations, corporate and media experience to the account. Jolaine will plan and implement all public information activities for the account, including media relations and media skills training for spokespersons. Jolaine is also the key public relations staffer for the California municipal utilities, and has been following the situation as it develops in Lodi.

Jolaine has managed and implemented statewide, issue-oriented campaigns for a variety of clients, including those relating to:

- Public Transit
- Flood Control
- Traffic Safety
- Healthcare
- Municipal Water Supply and Purity

A former newspaper reporter and editor, she was a communications staff member of a Fortune 100 company, and an account supervisor and director for an international public relations agency.

An accredited business communicator (ABC), Jolaine specializes in communications management, speaker training and media relations for private and public sector organizations. She's conducted training for top management of AT&T Wireless Services, The National Highway Traffic Safety Administration, Vision Service Plan, Raley's, Mercy Healthcare, and has trained speakers for three statewide ballot campaigns.

Jolaine holds a B.S. degree from the School of Journalism at the University of Colorado, Boulder.

DANNY AMATO, CREATIVE DIRECTOR/PRINCIPAL

Danny will function as the lead creative officer on the account, and will be responsible for concept direction and creative team management. Danny will be available for creative presentations on an as-needed basis.

As one of the founders of AL&Z in 1993, Danny's role as Creative Director showcases his ability to consistently translate a strategy or positioning statement into visual design—in record time. An expert on the Macintosh, Danny uses today's technology to speed the work through production.

Danny has become one of the most awarded creatives in the Southern California's Inland Empire. His 85 local and regional Addies and countless print awards, including 2 Inland Empire Gold Ad Awards, are a testament to his distinctive work. Danny graduated in 1984 from the La Jolla Academy of Advertising Arts in San Diego. Danny manages a team of art directors including:

- **Bernie Muehr, Senior Art Director**

Bernie has strong backgrounds in print and broadcast creative design, and is fluent in Adobe AfterEffects, Electric Image, Form Z, Photoshop, Illustrator and Quark software programs. Bernie holds a B.F.A. in Design from the University of Iowa.

- **Diane Niemann, Art Director**

Prior to joining AL&Z, Diane spent 14 years in graphic design and advertising for Northern and Southern Californian companies including Foote, Cone & Belding/SF, J. Walter Thompson/SF and McKesson Corporation. Diane is fluent in Photoshop, Illustrator and Quark and Adobe AfterEffects, and she holds a B.F.A. in Visual Communications from California State University at Long Beach.

SELECTED CLIENT LIST

AL&Z has amassed an extensive base of client experience, ranging from municipal and state organizations to healthcare groups. Our accounts span the nation, from San Diego, California, to Ypsilanti, Michigan. Listed below is a partial listing of our client experience to date, as it is relevant to this type of campaign.

Municipal and State Organizations

- CalPower (California's Municipal Utilities Association)
- City of Alameda Bureau of Electricity
- City of La Quinta
- City of Palm Desert
- City of Palm Springs
- Imperial Irrigation District
- New Mexico Department of Economic Development
- Palm Springs Convention and Visitors' Bureau
- Palm Springs Film Festival
- Roseville Electric
- Truckee Donner Public Utilities District

Retail/Financial

- Harris' Department Stores
- Hemet Federal Savings & Loan Association
- Palm Springs Savings Bank
- Sesi Lincoln/Mercury

Healthcare

- Desert Hospital
- Desert Hospital Foundation
- Inland Empire Health Plan
- ProCare
- Tower Health

Industrial

- Richmond Technology, Inc.
- U.S. Filter

Hospitality

- Embassy Hotel & Theatre
- Hotel St. Francis, Santa Fe, NM
- Hyatt Regency Suites
- Hyatt Grand Champions Resort
- Sheraton Hotel, Anaheim, CA

RESOLUTION NO. 98-51

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING THE PROFESSIONAL SERVICES
AGREEMENT WITH AL&Z ADVERTISING, INC. FOR
PUBLIC EDUCATION, MARKETING AND MEDIA
SERVICES FOR ELECTRIC UTILITY AND
AUTHORIZING THE CITY MANAGER TO EXECUTE
SAID AGREEMENT

=====

BE IT RESOLVED, that the Lodi City Council does hereby approve the Professional Services Agreement with AL&Z Advertising, Inc. for Public Education, Marketing and Media Services for Electric Utility; and

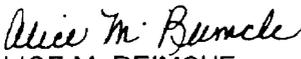
BE IT FURTHER RESOLVED, that the City Manager is hereby authorized and directed to execute the Professional Services Agreement on behalf of the City of Lodi.

Dated: March 18, 1998

=====

I hereby certify that Resolution No. 98-51 was passed and adopted by the City Council of the City of Lodi in a regular meeting held March 18, 1998 by the following vote:

- AYES: Council Members - Johnson, Land, Mann and Sieglock (Mayor)
- NOES: Council Members - None
- ABSENT: Council Members - None
- ABSTAIN: Council Members - Pennino


ALICE M. REIMCHE
City Clerk

H-5

DUNCAN, DUNCAN & ASSOCIATES, INC.
P.O. BOX 1066
WOODBIDGE, CA 95258-1066
(209) 334-6717
FAX # (209) 334-2521

FACSIMILE MESSAGE

DATE: 3/18/98
TO: ALICE REINHE
COMPANY: _____
FROM: BOB JANNON
RE: _____
NUMBER OF PAGES (INCLUDING THIS PAGE): 2
SEND TO FAX #: 333-6807

If there are any questions or problems with this transmission, please contact the undersigned at (209) 334-6717.

COMMENTS: THIS GENTLEMAN ASKED
THAT THE RESOURCES BE
GIVEN TO EARL COUNCILMAN

THANKS

[Signature]
SIGNATURE OF SENDER

MARCH 12, 1998

FROM: RAYMOND J. ^{Jack} LOFTUS
609 WINDSOR DR.
LODI, CA. 95240
(209) 369-4520

RE: SUGGESTIONS TO THE UTILITY DEPT.
OF LODI

REALIZING THAT WE ARE FACED WITH DEREGULATION, WE OF LODI
HAVE TO PREPARE FOR STRONG COMPETITION IN ORDER TO HOLD THE
LODI PEOPLE AS GAS AND ELECTRIC CUSTOMERS.

AS I SEE IT NOW, AND IN THE FUTURE, THE UTILITIES DEPT. WILL
BE FACED WITH UPGRADING MANY PARTS OF THE OLDER PART OF TOWN,
AS WELL AS PLANNING FOR NEW SCHOOLS, REDOING OLD LINE SYSTEMS,
(WHICH IS IN DIRE NEED) AND ALSO MORE UNDERGROUND LINES.

I SUGGEST THAT THEY DO NOT SPEND \$200,000.00 ON ADVERTISING,
BUT INSTEAD KEEP THE PROFIT FROM THE DEPT. (WHICH IN THE PAST
HAS BEEN MILLIONS) IN ITS OWN FUND ~~JUST FOR THIS WORK.~~

TO KEEP THE LODI PEOPLE IN THE SYSTEM, GIVE THEM A 10% CREDIT
ON THEIR BILLS + THE 2 1/2% STATE MANDATE. WE WILL HAVE LARGE
COMPANIES OFFERING GREAT DEALS, WHICH SOME PEOPLE WILL GIVE
THOUGHT TO. WE COULD LOSE THEM.

WE SHOULD HAVE A WELL DEFINED ENGINEERING PLAN TO PROVE OUR
PLAN TO THE CITY COUNCIL WHICH WILL INCLUDE THREE NEW MEMBERS.
THIS WILL BE A GOOD TIME TO EXPLAIN AND GET THEM ON OUR SIDE.

THE CITY OF LODI HAS BEEN USING THE PROFIT FROM THE UTILITY
DEPT. (WHICH IS 2 TO 3 MILLION A YEAR AS A SLUSH FUND. WE
WE ALSO HAVE A NEW CITY ENGINEER. HE CAN ALSO BE HELPFUL.
I THINK NOW IS THE TIME TO ACT, BEFORE THE BIG COMPANIES
MOVE IN.

SINCERELY,
YOUR FRIEND
LODI RESIDENT SINCE 1936

Jack Loftus