

PERRECA

ELECTRIC CO., INC.

SAFETY

TEAMWORK

EDUCATION

PRODUCTIVITY

STEP NEWS

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A MESSAGE FROM OUR PRESIDENT

Thanksgiving?

One of the good things about not being a kid anymore (besides being past my midlife crisis) is perspective. It's October 14th, I'm sitting in my kitchen, the 11 o'clock news is droning on in the background and I'm pondering my choices as to what to write about. As I organize my thoughts, I hear the T.V. guy mention the Cuban missile crisis starting 44 years ago today which gives me my perspective.

I, like most of the rest of the world, have watched with great interest (and alarm) at what has taken place in the world financial markets in the past few weeks. As I think back about being on the brink of nuclear war 44 years ago, it brings to mind any number of other crises that we have met as a nation. The Arab oil embargo, the assassinations of John F. Kennedy Jr., Robert F. Kennedy, and Dr. Martin Luther King Jr., the impeachment of Richard Nixon, the savings and loan crisis, wars, floods, hurricanes and on and on.

All of these events have two things in common. The first is that we prevailed, we overcame and we succeeded. It wasn't always quick or easy but we did it. The second is that the media always tried to convince us that it was the end of the world. This crisis that we are in now may or may not be as bad as it's made out to be, that's not for me to judge. The one thing that I'm sure of is that we, as Americans, shall see our way through this too.

That's cause for Thanksgiving!

Carl

*Happy Holidays
and a
Happy New Year
from
all of us at
Perreca
Electric, Co., Inc.*

*May you all
have a safe and
joyous season.*

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WHERE THERE'S NO SUBSTITUTION FOR INTEGRITY

MAJOR ACCOUNTS DIVISION

Robert Kaehler, Executive Vice President

KEEPING OUR CUSTOMERS SUCCESSFUL IS OUR ONLY ATTITUDE

Many contractors lose sight of the need to help their customers be successful. If our customers lose business so do we; if our customers thrive we will to. We focus our help on three main issues:

PROJECTS PRICED RIGHT

Taking jobs at a low ball price only to pray on change orders is a disservice to the customer and ultimately will become a short term relationship. Customers deserve the total cost impact at bid time and not at a time after a signed contract. Working with the customer through the bidding process rather than laying traps is far more productive for both parties and creates a level of trust. There's not a customer out there today that's not working against a tight budget and in some cases one that has become outdated. The ability to recognize a bad bid is the customer's biggest defense of success.

SCHEDULE

The clock is always ticking on most projects and nobody knows that more than the customer and the commitments they're up against. In most cases the customers themselves have customers or clients to support and at the least, have financially committed responsibility. Contractors have a professional, and, on most projects, a contractual obligation to meet or beat completion dates and to that end have to be diligent and forthcoming on potential delays. No experienced contractor has ever completed a project where there wasn't some sort of delays regardless of whose fault, but how many have contributed to the resolution rather than the demise?

QUALITY

Some would say today that customers are more interested in price rather than quality. In very limited cases that may be true but why can't they have both? All customers want the best bang for their buck, meaning price has to hold hands with quality. Quality installations are not magic, nor are done by accident, but are accomplished through these words; pride, experience, talent and attitude. Having these credentials will insure that the customer receives the highest level of quality and the right team on every project. It's everyone's responsibility— from the corporate officers down through the managers, supervisors and ultimately the installers in the field— to be totally committed to this way of providing quality projects, and the customers shouldn't settle for anything less.

The right contractor attitude goes hand in hand with repeat business and the ability to maintain repeat business means you're getting it right.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION (NECA) CONVENTION

Phil Huggins, Senior Vice President

In October, I had the opportunity to attend the National Electrical Contractors Association Convention in Chicago. The convention and trade show focused on green technologies for the future and the opportunities that exist in these new technologies. The 300 exhibitors and workshops featured many ideas for the “Green Future.”

Besides the usual alternative to conventional power generation such as solar photovoltaic and wind, the convention also showcased other alternatives such as:

1. LED lighting which uses significantly less electricity and has a lamp life of 100,000 hours.
2. “Green” lighting controls with various sensors, timers, and solid state dimming technologies
3. Electric sub-metering for the “Green Facility Environment”
4. Fuel Cell Installations
5. Retrofitting and updating existing systems to improve efficiency with energy auditing, automation controls, etc.

As of July 2008, a poll in the Electrical Contractor Magazine, showed that 46% of all electrical contractors worked on projects that included green/sustainable building elements. These numbers are likely to increase due to the rise in conventional energy cost.

Along with the “Green Theme” there were many new money and time saving ideas using new tools, materials, and software. Gaining knowledge, skills, and awareness of new products, methods, and technologies will keep us competitive in this rapidly expanding market.

CURRENT EVENTS EFFECTING OUR INDUSTRY

- The Orange County Electrical Licensing will take effect April 2009.
- The Dutchess County Electric License legislation passed on October 16, 2008, and once filed in Albany, the law will take effect.

DO YOU HAVE THE PROPER INTERNAL CONTROLS IN PLACE AT YOUR COMPANY?

Julie Forman CPA, Chief Financial Officer

In these trying economic times, the lack of an established internal control system and procedures can be detrimental to a company's existence. It is the responsibility of management to establish and maintain adequate internal control over financial reporting. Internal control is made up of the following five integrated components: control environment, risk assessment, control activities, information, and communication and monitoring.

The control environment is the company's culture or the "tone at the top" set by management. If the attitude and behavior of the company's management toward internal control policy and procedures is indicative of the policies and procedures, the purpose and objective of the internal control is gone. Aspects to look at when evaluating the control environment are management's integrity and ethical values, organizational structure, management's philosophy and operating style, personnel policies and procedures of the company, and assignment of authority and responsibility.

Risk assessment is a process by which management identifies possible risks that may affect the company. These risks may be in the form of financial reporting or in the operations and growth of the company. A contractor must also assess the different individual contracts it decides to bid on. Such risks may include adequate labor, availability of subcontractors, location of the job, type of work, cash flows, equipment usage and time, and weather conditions.

Control activities are the actual policies and procedures that are designed to ensure that actions by company personnel are within the objectives established by top management. These activities include operations, financial reporting, and compliance. The policies establish what should be done and procedures detail how the policies should be followed.

Information and communication are keys to the success and failure of any business. In today's market the efficient use of technology is vital. E-mail can be used to document verbal discussions and to send documents electronically. Cell phones allow you to contact people more readily. GPS navigational and monitoring tools allow you to locate and monitor heavy equipment usage. In addition, the use of the Internet and BlackBerry devices allow for information to be available at a moment's notice; for example, getting financial information from your office while at a job site, weather conditions, or material supplier's information.

Monitoring is the process that assesses the quality of internal control performance over time. Without monitoring the internal controls in place at a company, they can become circumvented by deceitful employees or procedures can become outdated by changes that occur within the system or with technology.

These five components make up every facet of a company's organization from accounts receivable to accounts payable, shipping to receiving, project start to completion. Without adequate internal controls your company can be spiraling out of control. In these economic times these little things are important in keeping the company on course for future success.

PERRECA NEWS & IN THE NEWS

Come visit our newly updated website at www.perreca.com. Thanks to Jennie Knapp in Accounts Payable for her help in getting this up and running.

Perreca Electric was listed in the August publication of the *New York Construction* magazine as one of the top 50 specialty contractors in the Tri-state region.

Perreca Electric was featured in the fall issue of *Green Business Quarterly*, see website to link to article.

Perreca Electric was an active participant in the first annual Mid-Hudson Valley Construction Career Day that was held on October 15th and 16th in Newburgh, NY. The two day event attracted approximately 800 high school students from Dutchess, Orange, Ulster, and Sullivan Counties. The event is part of a national effort to strengthen our nation's construction workforce in the future, along with giving students a firsthand look at the opportunities in the construction industry. This event allowed students to participate in hands-on activities including operating equipment, tools, and using materials with electricians, operating engineers, laborers, iron workers, masons, carpenters and plumbers along with a wide variety of specialty vendors, contractors, town, city, county and state agencies.



After 2 days of working with a suspended work platform 180 feet in the air, attached to Olori's 115 ton crane, Perreca completed the cable installation for the Mercury Emissions Monitoring System at the Danskammer power plant.

The Major Accounts Division is presently providing emergency removal and repair work at the Mirant Bowline power plant as a result of a primary voltage fault. Major primary gear and cabling was destroyed and

is in the process of being replaced. Due to the asbestos contamination from the fault, the area has been tented and all employees are required to wear half face respirators and full suits. All employees also are trained and certified in working in an asbestos environment. Perreca is a New York State certified asbestos contractor.



ALTERNATIVE HEATING UNIT SAFETY

Patrick Galietta, Safety Director

Now that the cooler weather is here and with the higher cost of heating prices predicted for this winter, you may be looking into or using an alternative or supplemental heating source to keep warm. Some of the more popular include fireplaces, wood, coal or pellet stoves, kerosene, gas or electric space heaters. All of these units have the potential to increase the risk of carbon monoxide poisoning or fire. Let's take a look at a few simple things you can do to get the most out of the heating unit you choose and the precautions to take to keep things safe.

FIREPLACES & STOVES

If you're planning on using your fireplace, wood or pellet stove make sure the chimney is clean. The vent or chimney should be inspected for leaves, sticks, debris or animals nesting that could cause a blockage. Always remember to open the damper before starting a fire.

SPACE HEATERS

Electric or gas units put out a lot of heat in a confined space, so anything blocking the heat path receives the full amount of heat. A heater can ignite almost anything. Keep combustibles at least 3 feet away from each unit. All space heaters need air movement around them. Kerosene heaters have a flame and should not be used unless they are vented directly outside; anything that burns gives off carbon monoxide. Allow your heater to cool down before refueling and only refuel it outdoors. All

space heaters should have anti-tip shutoff devices.

SMOKE ALARMS & CARBON MONOXIDE DETECTORS

Using any heating unit increases the chance of an incident caused by smoke, fire or carbon monoxide poisoning.

The best safety strategy is to install enough smoke alarms in order to get the earliest warning of danger. Install a smoke alarm on every level. If you sleep with the doors closed, a smoke alarm should be in each bedroom, not too close to the kitchen, which may cause problems from cooking.

Nuisance or false alarms, are a concern; you may be tempted to disconnect or remove a battery from the detector and forget to reconnect or reinstall the battery, leaving the area without a device to detect an authentic fire.

Carbon Monoxide (CO) usually comes from a faulty

heating appliance fueled by natural gas, LP gas (liquefied petroleum), oil, kerosene, wood or coal. Running engines also produce CO.

Carbon monoxide cannot be seen, smelled or tasted. It is poisonous to people and animals, because CO displaces oxygen in the blood. The only way to detect CO is to have a CO alarm.

If you are installing only one detector, it is recommended it be located near sleeping areas, where it can wake you if you are asleep. For extra protection, CO detectors should be placed on every level and in every bedroom. Detectors should not be placed within 15 feet of heating or cooking areas.

Test smoke alarm and carbon monoxide batteries every month. It's a good practice to replace batteries when resetting the clocks in the fall and spring of the year. Always follow the manufacturer's instructions for testing and replacement of batteries.


Think Safety First!!!

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