

PERRECA

ELECTRIC CO., INC.

SAFETY

TEAMWORK

EDUCATION

PRODUCTIVITY

STEP NEWS

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QUALITY

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A MESSAGE FROM OUR PRESIDENT

Enough Rope

When spring arrives, I do pretty much what everybody else does. You get a nice day and you piddle around in the yard. You wash the salt off of the snow blower, clean the garage and try to get life organized for the change in the seasons.

That's where my trouble started. I have (no, had) one of those battery jumper packs that you plug in the wall and it's ready to boost whenever you need it. It hasn't worked in a year, but I keep it plugged in, in the vain hope that it will repair itself. After tossing that, I've moved to the pile of trailer tires that the cords keep breaking in. I keep telling myself that I'm going to send them back to Goodyear in hopes that they can figure out why they keep failing. Then it's the broken jack and compressor from Sears, the leaking hoses, the broken tools, everything in a pile ready for the trash can. Why is all this stuff, two years old or less, now junk? The only thing that it all has in common is that it's all made in China.

OK, I've learned my lesson. I'm not buying any more junk. So I'm off to Home Depot and then Lowes because I need to replace my stuff. I want American made stuff. THE GOOD STUFF! Fat chance, they only have more of what I just threw away.

How did we get in this dilemma? I believe in world trade but when did we decide, as a nation, that all we wanted to buy was the cheapest junk that's made, just to save a few pennies? I know why many manufacturers have their products made in China: cheap labor and lax pollution controls.

While we're all busy feeling good about how "green" we've all become, we have shipped some of our dirtiest manufacturing overseas. We then buy the products with a clear conscience. I have read that 25% of the visible pollution over California is from China's steel mills. So I'm going to reduce my carbon foot print. I'm only buying the good stuff!

Carl

*Happy Retirement
to John Gabel.*

*After nearly
24 years,
John retired
April 30th.*

*We all wish
him the best!*

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Perreca Electric Co., Inc.

WHERE THERE'S NO SUBSTITUTION FOR INTEGRITY

MAJOR ACCOUNTS DIVISION

Robert Kaehler, Executive Vice President

THE SUN IS PROVIDING NEW OPPORTUNITIES

A major Photovoltaic manufacture has entered the Hudson Valley. Spectrawatt, a new start-up company, has signed an agreement with the IBM Corporation to lease a large building on their East Fishkill Campus. Their intent is to set up a factory and establish a corporate headquarters to address the ever increasing demand for Photovoltaic cells. The tooling and manufacturing process will provide the most state of the art facility of its kind. Spectrawatt's first factory line will have an initial manufacturing capacity of 60 megawatts and additional lines are already being planned with site capacity exceeding 120 megawatts within the first two years of operation.

The Major Accounts Division is proud to announce that that they have been chosen to partner with the design build team that includes the owners, engineers, construction manager and other prime contractors. We are committed to giving Spectrawatt what we do best and that can only be total customer satisfaction. Make your customers successful and they, in turn, will make you successful. Design build projects are becoming more and more a part of our business, and our ability to deliver this service in the way we can has set us apart from most. Customers big and small have seen the design build approach as the way to reduce cost and construction time. As for the Spectrawatt project, we are nearly complete with the design, with construction starting in mid-summer and completing early next spring.

We at Perreca welcome Spectrawatt to the Hudson Valley and wish them all the success they have worked so hard for.

SUNY Orange Community College Project Awarded

The Major Accounts Division was awarded the SUNY Orange Community College Kaplan Hall project in Newburgh. The bids were very close as Perreca was the low bidder by a little more than one tenth of one percent from the second low bidder and was less than two percent lower than the third bidder.

This project includes the new construction of a 90,000 square foot building and parking deck. Perreca is very pleased to be working with the County of Orange again and Holt Construction as the Construction Manager. The project completion is December 2010.

Kurt Kaehler who did a great job in the bidding process will be assigned as the Project Manager.

GENERAL ACCOUNTS DIVISION

Philip Huggins, Senior Vice President

As the economic climate changes, Perreca is also seeking ways to adapt to meet the industries' needs. We must be ready for the construction surge most economists predict. Preparing for the future has never been more important. With the decline in private sector construction and a good portion of the stimulus funding directed to public works projects, Perreca is seeking and bidding a good amount of these projects.

As we add new customers to our client base we continue to provide quality service to our long standing customers. Three projects we are currently involved in with our long standing customers are:

- **Dynegy Northeast Generating Regional Office**
A 5000 sq. ft. office complex located at Stewart International Airport



- **Mount St. Mary College**
A 140 Bed Dormitory located on the Mt. St. Mary Campus

- **St. Luke's Cornwall Hospital**
A two story, 22,000 sq. ft. Cancer Treatment Center



As the world becomes more aware of the need to conserve energy, there are more opportunities in green and sustainable energy construction. Two examples of these projects which we recently completed are:

- **NY State Thruway Exit 17 complex:** uses 8 gas-fired micro turbines to produce electricity for 8 buildings and the site lighting with heating and cooling as a by-product.
- **Beacon Center for Environmental Innovation and Education** – a platinum leads project with geothermal heating and cooling systems, solar hot water system, energy efficient mercury free lighting, a green roof, and composting toilet system.

PREPARE FOR THE BUMPY RIDE

Julie Forman CPA, Chief Financial Officer

As we all know “CASH IS KING,” and in these times more than ever managing cash is essential for survival. One of the main reasons companies go out of business is because they do not manage their cash and run out! Here are some tips to manage your cash position:

- **MONITOR YOUR CASH DAILY.** With today’s technology you can monitor your bank inflows and outflows on a real time basis. Maintain a rolling cash flow projection and anticipate late payments in this economy.
- **MANAGE YOUR RECEIVABLES.** Turn receivables into cash as quickly as possible. Make collection calls on the first day that payments are late. Send statements prior to payments being due rather than when they are already late.
- **MONITOR YOUR INVENTORY LEVELS.** Use what you have already paid for before buying more.
- **MANAGE VENDOR RELATIONSHIPS.** If you have the ability to pay, it is time to renegotiate discounts for timely payments. If you are short on cash and need to pay later than negotiated terms, call your vendors and be upfront on when you will pay.
- **PREPARE FOR THE DOWNTURN WITH YOUR LENDING INSTITUTION.** Meet with your lender and make sure you have the borrowing capacity you need for these cash constraints. Make sure you have an adequate line of credit and/or an overdraft facility.
- **KNOW WHO YOU ARE DOING BUSINESS WITH.** Run credit checks on clients before doing business with them. Don’t assume that because you did business with them before with no issues, you will be as lucky the next time around.
- **MANAGE YOUR EXPENSES.** Analyze your bills to see if you can cut costs. Consolidate gas cards to negotiate discounts with one vendor. Talk to your phone company about discounts. It is time to question everything you pay to make sure you are getting the best price and you really need what you are paying for.
- **CONFRONT PROBLEMS EARLIER RATHER THAN LATER.** Negotiate up front as the problems arise rather than waiting until it is too late.

At a seminar I recently attended, it was stated that the construction industry typically lags the overall economy by 12 to 18 months. The current U.S. construction forecast is projected to be negative until 2011. It is going to be a bumpy ride for the foreseeable future so hold onto your cash and be prepared!

STEPPING OUT OF THE DARKNESS

by Spyros Manouvelos, Project Manager/Estimator General Accounts Division

Difficult and challenging times are nothing new to American history.

In 1873, lack of regulation and rampant corruption lead to panic on Wall Street. The ensuing stock market crash ushered NYC into a depression. In those days the numerous homeless people were housed in police stations and public buildings; there was talk of building homes in Central Park to house them.

Four years into the depression, on a cold winter day, a peculiar sculpture appeared on the west side of Madison Square Park. It was an outstretched arm of a woman holding a torch. The French wanted to present the gift to America if the New Yorkers would cover the expense of the pedestal. New Yorkers refused to pay; as noted in the New York Times, “No true patriot can support expenditures for a bronze female in the present state of our finances.” For five years the arm lay outstretched waiting for a pedestal. Finally, enough money would be raised, primarily from small donations of the working class and new immigrant population, to build The Statue of Liberty.

As the panic ensued and dragged, the stage was inadvertently set for the most dramatic transformation in capitalism’s history. It would be dominated by a 38 year old banker named James Pierpont Morgan. After reigning in Wall Street and consolidating railroads, profits earned allowed Morgan to invest in new emerging technologies.

In the summer of 1882 a 35 year old Thomas Alva Edison, financed by JP Morgan, worked around the clock to complete the first permanent electrical power plant in the world at 257 Pearl Street. Then precisely at 3pm on September 4, 1882, an electrician threw the first switch, current flowed through 14 miles of underground cable illuminating 3,000 incandescent lamps in lower Manhattan. The effect as described by a reporter of the time was “so weird and beautiful.” The era of the gas lamp and the depression were coming to a close.

Edison wasn’t present to throw the first switch, but he did arrange for his primary financial backers offices to be the first building illuminated by electricity. As night fell on the offices of 23 Wall Street, the lights glowed into the night. Night after night the offices of JP Morgan glowed into the night when everything else in New York was dark. It was JP Morgan plotting a course into the future; the dawn of the industrial age had begun, and one of the biggest growth periods in history. This is just one of the early examples of how Wall Street has made a lasting effect on Main Street.

Today it seems green technology is the emerging technology we may need to pull us out of the current financial crisis. But who of us is going to take the lead? What symbol will motivate and inspire future generations?

DRIVING SAFETY

Patrick Galietta, Safety Director

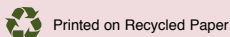
S
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PRODUCTIVITY

Please contact me at
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with your comments
or suggestions.



As the summer driving season heats up, more people will be traveling— and more people will be driving in unfamiliar situations. This could have an impact on your daily commute. The facts show that drivers can control most of their own actions but we are totally powerless when it comes to the actions of other drivers.

The best way to drive is to keep your eyes on the road and both hands on the wheel. This sounds easy enough, if you think back to when you were learning to drive, with a family member, friend or drivers education teacher this was probably one of the first basic rules of driving that you practiced.

Today with all the distraction we face both inside and outside of the vehicle, it's easy for our minds or eyes to wander. Experts predict that 70% of all wireless calls are made from cars. Let's add voice mail, texting, email, internet access and navigation systems. It's easy to see how a drivers' attention can be diverted from the road.

Keeping attention on the road is important. Talking on a cell phone is not only distracting because dialing, holding the phone (even on speaker), and talking tends to shift perceptions, so that we look without seeing. This is especially true when in an emotional conversation, causing drivers to not be fully aware of their environment.

ROAD RAGE, TAKE THE TEST: Do You Have Road Rage?

Road rage is a hostile behavior directed at other drivers. Studies show aggressive driving results from frustration and ranges from being annoying, (tailgating, honking) to dangerous (running red lights, aggressive lane changes). Aggressive driving causes distraction from the road and shifts attention to someone playing mental games.

1. Maintain a safe distance when following motorists, motorcycles, bicyclist, etc.?	5. Try to get out of the way of an aggressive driver?	9. Come to a complete stop before turning right on red?
2. Stop for red lights?	6. Drive posted speed limits, use proper lane changes?	10. Yield to faster traffic by moving right?
3. Avoid challenging other drivers?	7. Refrain from flashing headlights to signal a desire to pass?	Score Yourself... Are you an aggressive driver or safe operator? Answering "NO" to more than 5 questions means you're a more aggressive driver.
4. Focus on driving, and avoid distracting activities (smoking, cell phones, reading or shaving)?	8. Avoid returning inappropriate gestures?	

DRIVE DEFENSIVELY

Put simply, defensive driving is a way of driving where the driver takes every possible precautionary measure to prevent accidents or incidents from happening. It is the best way to ensure the safety of a driver along with his or her passengers.

Follow These Tips: <ul style="list-style-type: none">• Allow enough time to get where you are going safely. Check traffic reports and try to avoid congested areas.• Pay attention to your own driving. Don't provoke other drivers.• Don't challenge aggressive drivers. Move out of the way, don't respond to	<ul style="list-style-type: none">rude gestures and avoid eye contact.• Take deep breaths in traffic, listen to soothing music and don't take other drivers' actions personally.• Report aggressive driving to the police. Provide plate number, description of driver, location and direction of travel.
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