

**MINUTES OF PERKASIE BOROUGH
SPECIAL PUBLIC UTILITY COMMITTEE MEETING NOTES
March 29, 2010**

620 West Chestnut Street
Perkasie, Pennsylvania

ATTENDANCE:

Public Utility Committee Members:	Marty Gahman James Purcell Florence Frei Steve Algeo
Other Council Members:	Chris Nicolosi Rich Hendricks
Mayor:	John Hollenbach
Borough Manager:	Daniel P. Olpere
Assistant Borough Manager:	Andrea L. Coaxum
Finance Director:	Shannon Drosnock
Electric Superintendent:	Harold Stone
Electric Foreman:	Fred Schutte
Borough Electric Consultant:	James Havrilla Norm Baron

The meeting convened at 7:05 p.m. Mr. Purcell opened the meeting.

PUBLIC FORUM

Margaret Farley, from the Shadywood community, spoke to Council about the high electric rates and her high electric bill.

Kathy Weirbach, 101 N. 5th Street and owner of Perkasie Florist, said that she is in support of lowering the electric rates paid by businesses, but she does not want to see an increase for residential customers. She also does not understand why businesses are charged a demand fee.

Luther Chontofalsky, 270 Parkridge Drive, commented on the way that Council chose to pass the electric rate increase on to residents and businesses over two years.

Juan Ayala, 629 Race Street asked if the Borough could possibly re-bid the contract to save money. Mr. Ayala brought data from the U.S. Energy Administration showing that spot prices had decreased.

Mr. Gahman, President of Borough Council, told the audience to be hesitant about energy prices found on the internet. He explained the difference between the spot market and buying futures.

NEW BUSINESS

Chairperson of the Public Utility Committee, Mr. Purcell, explained the purpose of the meeting- to discuss publicly any options that the Borough may have to lower business electric rates without raising residential electric rates.

Mr. Olpere introduced the Borough electric consultant, Jim Havrilla, from Utility Engineers. Mr. Havrilla explained the bid process that the Borough followed in 2008 to procure electric. He also discussed electric prices and how, because electric is a commodity, the prices fluctuate. He also explained the difference between the Borough and Public Utility Commission (PUC) providers. Mr. Havrilla talked about the rate hikes that have been passed by many PUC companies, as well as potential future rate hikes.

Mr. Olpere introduced Fred Schutte, one of the Borough 1st Class Electric Lineman. Mr. Schutte is in charge of providing the load profile service to Borough businesses. Mr. Schutte showed a PowerPoint presentation on the load profile software and how it has helped many Borough businesses understand their demand charges.

Mr. Olpere opened the floor for questions from the public.

Kathy Weirbach asked if demand was charged nation-wide or if it was a charge just used by Perkasio.

Dan Garges, owner of Tidal Wave Car Wash had a question concerning the 15 minute average used in calculating the demand.

Mr. Purcell stressed the importance of doing an energy audit on your home or business, i.e. insulating your home, installing energy saving windows and doors, etc.

Kathy Weirbach commented on the energy usage in her store. She stated that because of the nature of her flower business, she doesn't have one big spike, just even high usage from running refrigerators.

The Borough consultant, Mr. Jim Havrilla, introduced two different scenarios for reducing rates for commercial customers. The first scenario would give all commercial businesses 5kw free instead of the current 3kw. This would cost the Borough an estimated \$95,000 per year. The second scenario would be to increase the credits for primary customers.

Mr. Purcell stated that he would not vote to increase residential rates in order to help the businesses. Be he is in support of helping the businesses with their consumption through projects like the load profile software.

Mr. Nicolosi agreed with Mr. Purcell.

Ms. Frei commented on the residential devices that Mr. Schutte spoke of during his presentation.

Kathy Weirbach asked Council if the Borough made money on electric sales. Mr. Gahman and Mr. Purcell explained that the profits from electric sales run the rest of town. All capital projects

are paid for with electric sales. If the Borough did not have revenue from the sale of electric, taxes would have to be increased. Mr. Gahman added that the rate increases passed on to residents and businesses have nothing to do with the Borough's profit. The Borough's wholesale rate was increased by 82%.

Hope Fischer said that she plans to just use less electric.

Resident Justin Stottlar, 4 S. 8th Street, commented on how he read that Sellersville just locked in at \$0.08. Mr. Purcell explained the difference between that number and the "future" prices that the Borough purchases. Mr. Stottlar also commented on how most people can't afford to add insulation to their home or put in new windows. He also commented on how the Borough lights are left on all night. Mr. Olpere stated that the lights are left on at Borough buildings for security issues.

PUBLIC FORUM

Charlene Flounders from Shadywood Village commented on how poorly insulated her housing is through the Bucks County Housing Authority.

Luther Chontofalsky commented on how a small business that he shops at cuts back during a recession.

Juan Ayala thanked Council for holding the public meeting.

Ms. Frei thanked the people of Shadywood Village for attending the meeting.

ADJOURNMENT

Meeting adjourned at 8:35 pm.

Daniel P. Olpere
Borough Manager/Secretary