

**MINUTES OF PERKASIE BOROUGH  
SPECIAL PUBLIC UTILITY COMMITTEE MEETING  
OCTOBER 15, 2013**

620 West Chestnut Street  
Perkasie, Pennsylvania

ATTENDANCE:

Council Members:	Stephen Algeo Steve Pizzollo Jim Purcell Jim Ryder Justin Stottlar (arrived 6:29 PM)
Mayor:	John Hollenbach
Borough Manager:	Daniel P. Olpere
Electric Superintendent:	Harold Stone

Perkasie Borough Chair of the Public Utility Committee Jim Purcell convened the meeting at 6:00 P.M. The Mayor led the prayer and Pledge of Allegiance.

**PUBLIC FORUM**

No one in the audience was present so there was no public forum.

**NEW BUSINESS**

Long Range Infrastructure Plan

Mr. Purcell introduced the subject of the long range infrastructure plan. Electric Department Superintendent Harold Stone reviewed the plan in some detail. Following the review of the contents of the plan, the Committee reviewed with the Superintendent and the Manager the results of today's bid opening for circuit breakers and relays. There was discussion on the prices and needs for this equipment. Justin Stottlar joined the meeting at 6:29 P.M.

Jim Ryder questioned the results of the testing that was done at the substation. Mr. Stone felt that the test results were reliable and that the equipment should be replaced as recommended. He stated that Utility Engineer's did review the results of the circuit breakers test.

Concern was expressed about only receiving 2 bids, 1 of which was a complete bid, out of the 12 companies that picked up bid specifications. Jim Purcell questioned whether the equipment should be rebid. Justin Stottlar said he wanted to see more complete bids. The Manager stated that we should ask Utility Engineers why we did not receive more bids. Were the bidder's too busy, was there not enough time or were the bid specs too tight for them to meet them? Jim Ryder requested a breakdown of Utility Engineers time and cost estimates for their part of the work. The Manager reviewed some preliminary results regarding possible lease purchase of the equipment. The rates so far have been obtained from one credit union and rates are pending from one of the local banks. GE Capital has not yet responded. Jim Ryder suggested checking with Westinghouse and predicted that they might also be able to provide lease/purchase options, especially if equipment is purchased from them. Steve Pizzollo questioned what the back-up plan was if the equipment were to fail. Jim Ryder stated he wanted to check further options.

Budget Plan for Commercial Customers

Jim Purcell reviewed some of the preliminary findings of the staff regarding the possible budget plan for commercial customers. The biggest problem appears to be that in the event of a default the landlord of the commercial building would need to pick-up the cost difference. These costs are much higher than the

landlords would incur for a residential customer. Justin Stottlar stated that the landlords should be able to cover the expense through other means such as a security deposit. Jim Ryder suggested that we consider using a lien for delinquent commercial customers. Another one of the members suggested that other municipalities be contacted to determine whether they allow commercial budget plans.

#### Street Lights in Town Center

Chairman Jim Purcell asked the Superintendent to review the status of the street lights in the town center. Mr. Stone advised that currently lights are being replaced throughout the Borough with LED lights as they fail. He stated that to replace the lights in town center would cost anywhere from \$500 per head for high pressure sodium to \$800 per head for LED's. There are approximately 55 lights in the town center. Jim recommended replacing one street a year. Mr. Stone stated that he would calculate the electric savings involved in replacing the lights.

#### **OTHER BUSINESS**

##### Mutual Aid-Hatfield Borough

The Manager reviewed a recent request from Hatfield Borough to contract with Perkasio Borough for basic electric services.

##### Rate Study

There was an extensive discussion regarding the potential rate study. The Manager explained that rate studies are typically done when rates are going down. While it is not an urgent matter if the Borough is to ever do a rate study, next year would be the appropriate time to do it with the anticipated drop in electric rates. The advantage of the rate study would be to determine the true cost and needs of the Borough and to be able to balance the various interest in setting proper and equitable rates.

#### **PUBLIC FORUM**

Susan Green of 624 East Walnut Street expressed concern about the cost of the rate study.

#### **OTHER BUSINESS**

Discussion continued regarding the Borough's proposed 2014 budget and the need to reduce or explain costs.

#### **ADJOURNMENT**

The meeting adjourned at 8:23 PM.

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Daniel P. Olpere, Borough Manager