

**CITY OF BUFFALO
ANNUAL REPORT
ON THE
OPERATION OF THE
BUFFALO WATER SYSTEM
2008-09**

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1.0 Introduction-Executive Summary

American Water is pleased to submit this summary of operations and is proud to have served the Buffalo water Board as the contract operator of the Buffalo Water System since 1997.

This report will cover the eleventh full contract year as the contract operator for the Buffalo Water Board and the first year of the contract amendment period. Data in some tables, where included, will list the cumulative operating results of the contract period covered. Some of the data included in this report may cover differing periods of time since reports and activities in some cases may be based on calendar periods as opposed to contract periods, where appropriate, reporting periods will be identified either by contract period or calendar year.

The System has continued to undergo numerous changes in physical appearance, work practices, policies and procedures throughout the year in support of the Division of Water's program of continuous improvement. In accordance with American Water's agreement with the Water Board, this report will briefly summarize the operation of the system. In general, the focus of this operations contract has been on structural changes to operational issues and re-engineering of work practices. Significant cultural changes were effected during the first five years of operation, and the focus during this period term has been to improve the efficiencies of the staff and overall operations. Additionally, our plan is to continue work on the general appearance of the facilities to improve the operating conditions for the staff, improve training and safe work practices and to enhance the perception of the public that the highest quality of water is our primary mission.

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2.0 Operational Highlights

2.1 Compliance Summary/Water Quality

During the contract period 2008/09, water quality met all Federal and State regulatory requirements. The plant treated and pumped 23,600,000,000 gallons of finished water into the distribution system during the 2008/09 fiscal period for use by Water Board customers. A summary of raw and finished water data is shown on *Attachment 3.1*.

2.2 The main points regarding facility operation can be summarized as follows:

In accordance with directives from the Department of Homeland Security, all facilities continue to operate under a code yellow reduced threat level and the staff maintains an elevated alert status at all times. Security Guards are stationed at the main entrance gate at the Porter Service Center and also at the Exchange Street Customer Service office during regular business hours. Day/night vision security cameras located at each remote tank site monitor the tank facilities as well as critical locations in the pump station and water treatment facility.

Due to the reduction of system losses and consumption demands, American Water managers with input from plant operators and distribution personnel installed a 12" recirculation line which returns excess finished water from the main pump headers back to the finished water conduit which is designed to relieve peak pressure spikes in the system. This "recirculation line" has been in continuous service since it was commissioned in 2004 and continues to be successful in helping to manage increased pump pressures in the Col. Ward pump headers resulting in a reduction in main breaks in the distribution system. The reduction in the number of main breaks has also significantly reduced the number of overtime hours required to respond to emergency main breaks. Work is also proceeding on the project to modify the high service pumping scheme at both the Col. Ward and Massachusetts Avenue pumping stations in conjunction with the emergency back up power plan. The first phase of this project, which will include the replacement of one of the 50 MGD pumps at the Massachusetts Pump Station with an 18 MGD pump. The second phase of this plan will include the installation of a series of smaller capacity pumps at the Col. Ward Pump Station. When complete, operators will have a wider range of pump selections that will result in more efficient operations with a potential reduction in electric costs.

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Distribution Department

Reorganization of staffing and operating procedures has continued to improve performance in this department. Improvements in time management and scheduling of emergency repairs have resulted in a significant reduction in the number of overtime man-hours required to respond to and repair after hour's main breaks.

Work during this past year on the "Critical Valve Operating Program" has been focused primarily on the main transmission loops resulting in permanent improvements to system flows and pressures on the most critical components in the system. The systematic review of distribution maps and field verification of these most critical valves has identified a number of large valves that have been out of service for a number of years. The improvement in system flows throughout the transmission system has also resulted in improved water quality and reduced customer complaints. The department has also taken a more innovative and cost effective approach to large valve repairs. Where possible, valve gears and operating mechanisms are removed and rebuilt by a local machine shop saving several thousand dollars over the cost of replacing these 36 and 48 inch valves. Valve repair versus replacement (1) reduces the cost of labor (2) minimizes the inconvenience to the water customers (3) extends the limited funds available for infrastructure upgrades. Operating pressures recorded at the extreme northern and southern locations in the distribution systems indicate that pressures have increased from 5-12 psi.

Work on the project to assign GPS locations to all hydrants and critical transmission valves in the system is ongoing and progress is slow due to a shortage of qualified staff to complete this work. Work has been completed for all 8,400 hydrants and each hydrant can now be viewed on an electronic map of the distribution system. The next phase of this program will focus on assigning locations to the critical system valves. When completed, this program will provide the department with a detailed database of the condition, and location of each hydrant and critical valve and will give us the ability to generate electronic maps that will improve system maintenance as well as improved coordination between various departments during emergency events.

The Distribution Department and American Water has been working with the Department of Public Works on a collaborative project to link distribution records and maps to a GIS system currently under development of the City of Buffalo. An initial deployment has been rolled out on a trial basis and is now available to selected staff within the department.

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2.2.1 Leak Detection Summary

American Water's approach to leak detection includes both a "sweep" of sections of the distribution system using sophisticated listening devices to record sound levels at each fire hydrant that are logged on system maps and a more focused follow-up in specific locations. The initial sound sweep assists supervision in targeting locations with consistently elevated sound values which is then followed by a high level investigation of specific sections of the system utilizing electronic correlators to pinpoint locations requiring excavation and repairs.

Ideally, crews would be scheduled to sweep or listen to 1/3 of all system hydrants or approximately 2,467 hydrants during each maintenance season. Although distribution crews have continued work on this important program, targets for some scope of services have lagged behind due to staffing shortages and the increased focus on activities to support the delinquent collection program. To date, distribution crews have checked approximately 8,326 hydrants and logged the sound levels on distribution maps that are used to determine where more in depth investigation is required. As staff becomes available, additional resources will be assigned to this work and a greater number of hydrant soundings can be logged for future reference during leak correlation surveys. Work crews have also continued to conduct more detailed investigations in those areas where initial surveys have been completed and initiated proactive repairs of leaks from water mains resulting in the reduction of water loss. The change in approach from reactive to proactive maintenance has also reduced the number of emergency main repairs and corresponding labor costs for distribution overtime hours.

2.3 Staffing/Labor Relations

Labor relations were generally positive during this period although moral continues to deteriorate due to the number of long term vacancies in many areas. There continues to be issues related to the lack of progress with contract negotiations between some of the unions and the City. Complaints and grievances were typically resolved without the need for arbitration, we continue to meet with representatives of the various bargaining units to improve communications and discuss issues of concern to the members and management. American Water is continuing efforts to re-engineer operations procedures with the assistance of staff and representatives from the various collective bargaining units.

Recent retirements and vacancies continue to present operational problems for all departments in the Division of Water. Staffing levels were

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variable and fluctuated between 121 and 123 full time employees during this period. The number of full time staff assigned to the Division of Water as of June 2009 was 121 out of 132 full time budgeted positions for that fiscal period. American Water is continuing to work with the Commissioner of Public Works to fill open positions in the Division of Water. A number of positions, including Heavy Equipment Operator, Caulkers, and Water Service Workers, Water Maintenance Workers, Pump Operators, Filter Plant Operators and Customer Service representatives, meter readers and meter mechanics remained open at various times during this contract period.

We have continued to experience staffing problems during vacation periods and have requested temporary seasonal workers to supplement short-term vacancies and to assist during heavy billing periods but these positions have remained unfilled. Staffing vacancies in the meter reading and meter repair shop resulted in periods where the number of estimated meter reads exceeded the benchmarks established for actual meter reads. However, American Water is continuing to implement and modify the recommendations made by the meter reading process improvement team. The plan includes the assignment of two meter mechanics that will focus exclusively on repairs for accounts with consecutive estimates in order to reduce the reoccurrence of estimated reads in the future. The plan also includes new management oversight controls for “real time” reports of field performance utilizing the improved functionality of the new “hand held” reading equipment and an agreement with staff to remain flexible regarding work assignments and to assist with meter reading schedules when necessary.

Due to continuing staff shortages, several staff members have been trained and temporarily reassigned to the meter reading group to assist the meter reading staff. We are pleased to report that this modified work plan continues to be successful in reducing the number of estimated reads with the temporary assignment of personnel from other departments and the implementation of our process improvements in this area.

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- American Water and staff initiated the following process improvements in an effort to reduce the number of consecutive estimates:
 1. Continuing efforts to fill vacant positions for meter readers and meter mechanics
 2. AWE-QA/QC Manager assigned to an oversight role for meter reading program, conducting field audits to reduce erroneous blocked remote codes.
 3. Process improvement team initiated regular team meetings to continue work on process improvement opportunities
 4. Reduced the number of meter reading error messages for field repairs from 29 to 12; will improve accuracy of data provided to meter mechanics
 5. Restarted “Consecutive Estimate Notification project”
 6. Rotating meter routes with incomplete reads to reduce consecutive estimates
 7. Working on plan to reconfigure selected meter routes to restructure meter cycles
 8. Finalized plan to replace inefficient meter reading hand-held equipment, expected to improve efficiency of meter readers and management reports

Our Customer Service Manager and supervisors continue to reorganize the staff and have revamped standard operating procedures to improve our response to customer issues.

2.4 Health and Safety

American Water continues to focus on improving working conditions for the Water Boards staff and reducing work related injuries and lost time incidents by (1) conducting training seminars (2) weekly “tailgate meetings” (3) safety inspection audits and tracking work related injuries (4) purchase and implementation of additional safety equipment and personal protective equipment (PPE). A monthly Health and Safety Committee meeting is held to discuss and recommend improvements to the health and safety of all employees. Attached to this annual report you will find a copy of the “Annual Safety Report-2008/09”, *Attachment 3.3*.

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2.4.1 Training

American Water has continued to work closely with the Western New York Council on Safety and Health (WYNCOSH) and has taken positive steps to ensure the health and safety of employees. Since the commencement of the contract, training to upgrade employee skills and employee safety courses have totaled over 4,881 hours.

American Water also utilizes the training services of Siemens; Dival Safety; American Trainco and American Water's own Training Division. Some of the courses include: Personnel Protection Equipment; Electrical Arc Flash; Trenching and Shoring; Electrical Safe Working Practices; Fork Lift; Dig Safely; Microsoft Office; Job Hazards and Stress. American Water has developed a new program whereby all employee training is automatically calculated for each employee throughout the year.

American Water project staff worked closely and in cooperation with Union Safety representatives and American Water's corporate safety audit team during recent plant safety inspections. We have implemented recommended safety improvements and safe work practices that have greatly improved the overall operation of the facility. The Buffalo O&M Operations has also been able to take advantage of increased access to internal Health & Safety training resources and staff and Division of Water employees have participated in a number of seminars and received regular safety bulletins from American Water.

The new dedicated training center at the Col. Ward Pump Station has been instrumental in increasing the focus on training for staff and is another example of the successful joint efforts between American Water and the department to improve performance for the operation. Full credit must be given to the employees who, together with management, designed and upgraded this important new training facility.

2.5 Water Quality and Complaint Summary

American Water is proud of its continuing efforts to improve water quality for the citizens of Buffalo. We have continued to meet and exceed all water quality regulations imposed by the USEPA and NYDOH, including all expanded sampling requirements implemented during this past year. American Water continued to improve the finished water turbidity by optimizing the use of treatment chemicals and improved monitoring procedures by the plant operators. American Water managers, along with

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plant supervisors, continued to evaluate and improve the treatment processes to identify ways to improve the quality and efficiency of operations. Improvements continued in the process lab and our lab technicians and operators received additional training to improve their skills in diagnosing treatment problems to ensure the highest level of quality.

A team of water quality professionals from the Erie County and New York State Department of Health conducted the annual inspection of the Buffalo water treatment operation and found the plant to be operating within all acceptable standards. The inspection team provided suggestions on how to improve the operation and indicated that they were pleased with the quality of water being produced and the efforts displayed to continually improve the process.

A detailed “Water Quality” table listing a number of water testing parameters and test results for the period covering July 2008 through June 2009 is included as *Attachment 3.1*.

Water Quality Complaint Investigations

American Water with the help of our staff has implemented a water quality investigation team consisting of qualified laboratory technicians and field investigators. The water quality team reviewed current sampling protocols and recommended process changes that expanded testing parameters resulting in more detailed field sampling data for analysis. Customers with concerns about the quality of their water can contact our lab directly or through the customer service or emergency contact number to report a concern. Customers also now have the option to contact us by visiting the departments’ web site at www.buffalowaterauthority.com. Field investigators contact the customer to arrange a convenient time to meet with the customer and will take samples for quality testing as well as providing customers with explanations pertaining to water quality and helpful hints to improve their understanding of these important issues. A total of 47 complaints were logged and investigated for the period of July 2008 through June 2009, a reduction of 15 complaints from the previous fiscal year. The Water Quality Complaint Table is included as *Attachment 3.2*.

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2.6 Quantity of Water

Finished water flows continued to decline due to improved leak management, the reduction in consumption as a result of the meter installation program and the decline in number of currently active water accounts. The actual volume of finished water pumped to the system was 23.60 billion gallons during 2008/09 compared to the quantities recorded for the previous year at 24.64 billion gallons, a reduction of 1.04 billion gallons. We intend to continue our efforts to reduce unaccounted for water in the future by concentrating on efforts on our proactive leak detection and repair program that has already resulted in some very positive improvements. We are pleased to report that through the combined efforts of the leak detection program and an aggressive approach to main repairs and focus on water service leak violation notices that the annual water system loss was reduced from 11.94 billion gallons in 2004 to 9.13 billion gallons in 2008, a 2.7% reduction since the last Unaccounted for Water Study.

We also expect that a heightened awareness of water consumption as a result of the meter program, and the focus on flat-to-meter conversions, which have continued during this past year, will continue to result in reduced consumption.

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Water Pumpage Summary-2008/09				
	2008		2009	
	Raw	Finished	Raw	Finished
January			2.09766	2.06706
February			1.94497	1.90527
March			2.13311	2.08965
April			1.99865	1.95488
May			2.03398	2.00261
June			1.91508	1.88481
July	2.10537	2.07277		
August	2.10024	2.06707		
September	1.91967	1.89070		
October	1.91003	1.87966		
November	1.81694	1.78904		
December	2.02736	1.99222		
Total-Fiscal yr-Finished in (Gals)	11.8796	11.6915	12.12345	11.90428
Avg./mo (BG)	1.9799	1.9486	2.02057	1.98405
Avg./day (Gals)	65,093,753	64,062,795	66,429,858	65,228,942
Fiscal Year (Billion Gallons)			July 2008 to June 2009 --	23.60

2.7 Customer Service/Satisfaction Surveys

Improving the level of customer service is essential to American Water's commitment to the Water Board's customers and is one of the most critical measurements of its success. During the past year, efforts continued to develop and improve customer service policies and procedures within the department.

Operations improvements include:

- Continued to monitor performance utilizing an electronic phone system that tracks the number of calls placed and percent of calls answered as well as the "average time to answer" data. The system also provides customers with expanded messaging services advising them of the average expected time to answer their call as well as other informative information. We have developed a number of internal benchmarking tools used to monitor phone performance and to alert management when trends develop that may need to be adjusted.

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- Continuing improvements to the Oasis billing and service order system, incorporating the latest technology for utility account systems.

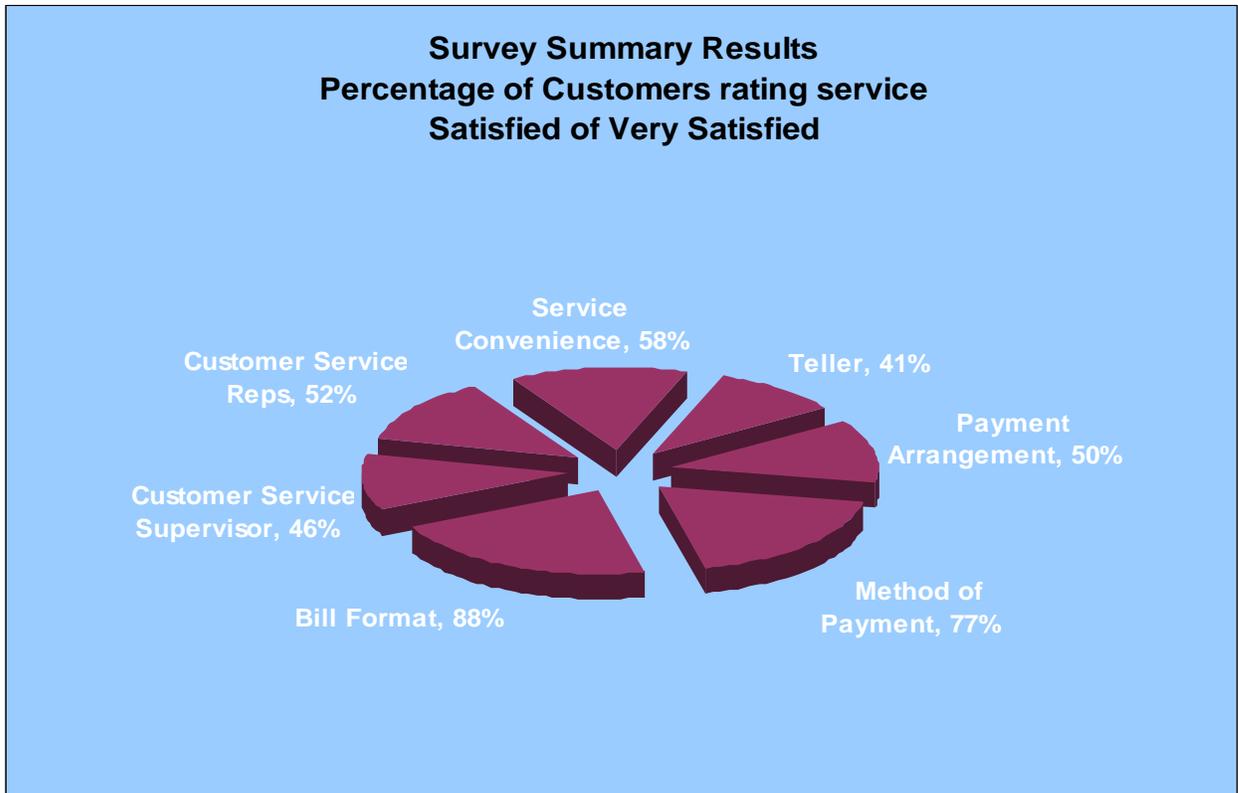
Continued efforts to support the delinquent excavation program targeting seriously delinquent accounts that we were previously unable to terminate due to non-functioning curb stops. Due to the increase in the number of properties that have been turned back on illegally, we are continuing to employ the new practice of installing a concrete plug in the service box that will make it possible for service crews to visit more locations and render the service box and valve inoperable where the service has been restored illegally.

In order to gage the level of performance of the staff and the effectiveness of the improvement initiatives as required in the scope of services, American Water initiated a program to distribute a series of customer satisfaction surveys in 2004. During this contract period, American Water expanded and improved the customer survey program by taking advantage of an automated selection and mailing process with our bill processing vendor. By utilizing the resources of the bill processing vendor, we were able to increase the number of surveys mailed to customers. Approximately 6,000 surveys were mailed to customers beginning in January 2009 and 1,531 customers returned completed surveys or 26% of the surveys mailed. The scope and topics included in our customer service survey was also expanded during this period. Although our team is constantly focused on the concept of continuous improvement, we are pleased to report that over 77% of all customers surveyed were either satisfied or very satisfied with the billing process. However, the results in the table do indicate that customers were less satisfied with the direct interaction with the customer service staff. We surmise that the increase in the number of delinquencies, foreclosure activity and difficulty with meeting payment arrangements due to the downturn in the economy have negatively impacted the results in these areas. American Water's management team will use this data to help us to structure the focus of our training programs in the future to improve the customer's experience with the customer service representatives. The customer satisfaction survey outreach will continue to be expanded in the future to cover a wider range of services and the results will be evaluated to assist us in improving the level of service provided to the Board's customers.

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The following table and graph show the results of the customer satisfaction surveys returned with a rating of “satisfied” or “very satisfied”.

Method of Payment	77%
Bill Format	88%
Customer Service Supervisor	46%
Customer Service Reps	52%
Service Convenience	58%
Teller	41%
Payment Arrangement	50%



Detailed charts documenting the following categories are included at the end of this report as *Attachment 3.6*; (1) Method of Payment (2) Bill Format (3) Customer Service Rep Supervisor (4) Customer Service (5) Service Convenience (5) Teller (6) Payment Arrangement.

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Quarterly contract compliance reviews with water division staff have been conducted by CRA to ensure that contract specifications were adhered to via Oasis and other reporting systems. All administrative areas were found to be in compliance or exceeded the requirements in the scope of services. These areas continue to be reviewed by American’s management staff on a monthly basis. All exceptions are documented within the reporting system and reported as required.

2.8 Collections and Financial Reporting

The collection of delinquent accounts has also been a focus of American Water throughout the term of our contract. American Water has continued aggressive efforts to maintain and increase the collection rate to minimize the effect on any potential rate increase. The data contained in the table below lists collection rates for the close of the fiscal year 2008/09. We have also noted and reported to the board that due to the difficulty customers continue to experience with the poor economy, that payments have been reduced and the percentage of collections has decreased during the past year

	Current Period July 08 to June 09	Previous Period July 07 to June 08	Variance	% Change
Cumulative Charges	\$34,235,370	\$37,064,812	(\$2,829,442)	-7.63%
Adjustments	(\$2,070,533)	(\$3,688,278)	(\$1,617,745)	43.86%
Net Charges	\$32,164,837	\$33,376,534	(\$1,211,697)	-3.63%
Cumulative Payments	\$32,294,514	\$34,266,740	(\$1,972,226)	-5.76%
Percent of Collections	100.40%	102.67%	-2.26%	

American Water recognizes the balance between service and collections, focusing on customers who cannot afford to pay and require special payment arrangements, as opposed to those who can afford to pay but do not. Utilizing our billing system’s ability to produce meaningful aged balance reports, we have categorized debtors into aged blocks. We have found that a large number of accounts have remained inactive with no payment activity over a period of several years. We are continuing to conduct field surveys to confirm the status of these locations and a “vacant/verify” program utilizing resources from both the customer service and distribution groups continue to identify inactive properties

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that are now occupied. The accounts for these properties are reactivated and billed for services provided. A number of these accounts found to have delinquent balances have also been included in the list of properties scheduled for the annual foreclosure auction.

American Water, in conjunction with the Water Board and staff, has developed a number of processes and activities designed to support the collections efforts required to maintain an acceptable level of customer payments. These efforts require the cooperative efforts of the billing staff as well as field support from the distribution department. On average approximately 50% of customer accounts are delinquent, as a result of this relatively high percentage of delinquent accounts a significant amount of effort is required to support the delinquent collection programs. The distribution department allocates nearly 30% of it's resources on a regular basis to support the collections programs which include, delinquent account postings, non payment turn-off's, water service restoration, verification of accounts terminated with no payment activity, investigation of illegal water use and service terminations where warranted and noncompliance notification and terminations where necessary. A detailed summary of these activities is included as *Attachment 3.7*.

2.9 Fleet Conditions and Vehicle Purchase Plan

The overall condition of the fleet continues to improve due to the focus on critical preventive maintenance as well as routine service repairs performed by off site maintenance specialists. We have followed the plan initiated during our initial contract where all vehicle repairs and routine preventive maintenance is outsourced to pre-selected qualified fleet maintenance professionals. The scheduling, routing and logging of vehicle maintenance is tracked through our CMMS program and is managed by one of the Assistant Water Superintendents who is experienced in this type of work. This approach continues to reduce downtime for important service vehicles since major repairs can be completed after hours if necessary and this professional approach has also significantly improved vehicle reliability and safety. A team of distribution supervisors was charged with the responsibility for determining the priorities for vehicle purchases to insure that the vehicle appropriation identified in the contract is properly targeted and to make sure that the type of vehicles purchased was the best match for the departments needs.

During the initial five-year term of the contract, \$1.604 million was dedicated to a combination of new vehicle purchases and repairs for the fleet. At the end of the initial five year plan, the total expenditure for new vehicle purchases was ahead of plan by approximately \$108,175. As part of the extended operating plan

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under the "Contract Amendment", the vehicle plan was extended to cover a seven year period and the total aggregate expenditure target was increased \$2,245,600. As the condition of the fleet continues to improve, the cost of repairs on a monthly basis has decreased allowing us to reallocate additional resources to the purchase of new vehicles. With the contract amendment expanding the vehicle plan to seven years, the additional funds carried forward are applied to the purchase of new vehicles in the seven year plan. The summary table below shows the breakdown and progress against the plan through 6/30/09. At the end of year six of the plan, the cumulative expenditure for new vehicle purchases was ahead of plan by \$202,943.

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Cumulative report									
Actual							Original Plan		
Contract Year	Contract Period	Cumulative Purchase + lease	Cumulative Repairs	Cumulative Purchase & Repairs	Variance - Purchase only	Variance - Purchase & Repairs	5 Year Cumulative Purchase	5 Year Cumulative Repairs	Aggregate Total
Year one	7/1/03-6/30/04	112,418	167,179	279,596	(7,582)	(41,204)	120,000	200,800	320,800
Year two	7/1/04-6/30/05	296,738	343,085	639,823	56,738	(1,777)	240,000	401,600	641,600
Year three	7/1/05-6/30/06	455,564	518,057	973,621	95,564	11,221	360,000	602,400	962,400
Year four	7/1/06-6/30/07	576,110	686,013	1,262,122	96,110	(21,078)	480,000	803,200	1,283,200
Year five	7/1/07-6/30/08	708,175	850,694	1,558,869	108,175	(45,131)	600,000	1,004,000	1,604,000
Year 6	7/1/08-6/30/09	922,943	1,034,229	1,957,172	202,943	32,372	720,000	1,204,800	1,924,800

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2.10 Sludge Removal Project

American Water has continued the process of manually cleaning the North and South Sedimentation Basins throughout the term of our contract. We have contracted with qualified sludge dewatering contractors to press the liquefied sludge and we have also partnered with the Department of Public Works to take advantage of existing municipal disposal contracts to maximize the value of the funds allocated for sludge removal and disposal. Operational problems with the sludge incinerators at the Buffalo Sewage Treatment facility have forced us to dewater and remove all sludge to an offsite waste facility.

During the 2008/09 sludge cleaning season approximately 1,500 dry tons of sludge was removed from the sludge storage lagoon as well as the north and south sedimentation basins. American Water will continue to explore alternative methods to remove sludge from the treatment train.

2.11 Community Involvement

American Water has continued to support the community in a variety of ways. Our staff has continued to work with the Buffalo Schools to foster an understanding of the importance of the water supply and treatment process conducting a number of tours for students at the Col. Ward Pump Station so that those students may learn more about our important water resources. American Water and plant staff also continued to support and participated in the Mayor's "Citizen's Participation Academy". Several food drives have been conducted, donating food to local charities and food banks. Some of the programs we have sponsored are; the Annual "Olmstead Winterfest", the Exchange Street Business Association, the Pine Grill Reunion, the AFSCME service awards dinner, Michigan Street Preservation Corporation-Nash House Museum revitalization project and the Exchange Street community picnic. American Water also made a significant commitment to support the Mayor's Summer Reading Program as a major corporate sponsor for this important program targeted at improving the skills for inner city school students. We have also been working with the local "Off Leash Dog Park" organization on improvements to the LaSalle Park facility and have committed to a substantial monetary contribution to their organization. Past fund raising efforts established and supported by American Water included events to assist Roswell Park Cancer Institute and Pediatric Ward, the Toys for Tots Campaign, the Allentown Children's Theater project, Buffalo in Bloom as well as the United Way, the Buffalo Police Benevolent Association, New York Coalition for the Homeless, Father Baker's Home, and the Women's Shelter.

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2.12 Capital Improvement Recommendations

Although American Water is not directly responsible for capital works programs for the facility, we are required by contract to review the critical needs of the facility and to make recommendations for consideration in the Board's upcoming capital improvement plans. American Water meets regularly with facility managers and supervisors and a list of recommended facility improvements is prepared and submitted to the Board's consultants that may be required for major repairs or improvements that would have a positive impact on operations. The list of recommended improvements for the 2009/10 capital plan is included with this report as *Attachment 3.8*.

Report prepared by:
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