



American Water Receives Award From National Council For Public-Private Partnerships

Partnership Pays Dividends for Buffalo Water System

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American Water, the nation's largest private water company, today announced that it has received the 2005 Public-Private Partnership Award from the National Council for Public-Private Partnerships (NCPPP). The NCPPP awarded American Water the honor in the "Service" category for the company's innovative work with the City of Buffalo's water system.

Services provided by American Water to the City of Buffalo include repair and maintenance of the distribution system; water treatment and pump station operation; residuals management; customer service; billing and collections; and water meter repair and installation.

After six years of working with American Water, the City of Buffalo has recognized \$21 million in savings through operational and financial improvements. The American Water-City of Buffalo partnership has made significant improvements to the city's water system, including the complete automation of customer records, the design and construction of a brand new customer service center and a new computerized maintenance and management system.

"A profound change has taken place in how water business is conducted in Buffalo as a result of our partnership with American Water," said Mayor of the City of Buffalo, Anthony Masiello. "Buffalo's initial goals of rate decrease and stabilization during the first five-year contract were achieved."

Additional improvements resulting from the partnership include an initial water rate reduction of 8%, held for five years; improved water quality and reduced turbidity by 450%; an innovative labor contract resulting in no voluntary staff reductions and a 26% increase in productivity; and the implementation of multiple community projects, with the focus on helping disadvantaged Buffalo residents.

"The partnership between American Water, the City of Buffalo and the unions has resulted in truly remarkable achievements. Our industry-leading internal systems and procedures, coupled with Buffalo's willingness to proactively modify its practices, have lead to substantial cost reductions, measurable performance improvements, and superior service to citizens. This is the ultimate goal of partnership," said James R. Campolung, Project Manager of American Water.

"We are proud to receive the NCPPP Award, and we share this honor with our friends and colleagues of the Buffalo Water Board," he continued.

Each year, the NCPPP recognizes organizations that have successfully completed unique and innovative public-private partnerships, illustrating the best practices and applications in the field. A leader in operations and maintenance of water and wastewater facilities, American Water began working with the Buffalo Water Board in 1997. The city tapped American Water to upgrade, operate and maintain its aging water system, requiring the implementation of water-industry standards and a benchmarking process to measure and enhance performance.

The 2005 NCPPP Awards ceremony will take place at the 2005 Annual Meeting and Awards Banquet, held on November 16 at the Hilton Alexandria Old Town in Alexandria, VA.

With a history of over 100 years, American Water provides high quality water, wastewater, and other related services to over 18 million people in 29 states and 3 Canadian provinces. Employing approximately 7,000 and reporting over \$2 billion in revenue, American Water is an integrated part of RWE's water division, which includes Reading-based Thames Water. More information can be found by visiting www.amwater.com.

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