

FACT SHEET May 3, 2009

# Buffalo Water Authority Amanda Schieber University at Buffalo Law Student



Colonel Ward Pumping Station on Porter Ave. 1

# What is the Buffalo Water Authority's website and contact information?

- ➤ The Buffalo Water Authority's website is www.buffalowaterauthority.com.
- > The agency's office for Customer Service and Billing:

281 Exchange Street Buffalo, NY 14204 716.847.1065

- The water treatment plant is at 2 Porter Avenue, Buffalo, NY 14201
- ➤ Service Inspections & Permits: 716.851.4782
- Meter Shop: 716.851.4741

#### What geographic area does the Water Authority serve?

The Buffalo Water Authority serves the property within the City of Buffalo's boundaries. In addition, any person or property outside the city can use Buffalo's water system pursuant to a contract or agreement with the water board.<sup>2</sup>

### Who runs the Buffalo Water Authority?

The Buffalo Water Board runs the Buffalo Water Authority. The board consists of five members:

Oluwole McFoy- Chairperson

Donna Estrich- Vice Chairperson

Gerald E. Kelly- Board Member

Charles McGriff-Board Member

William Sunderlin- Board Member<sup>3</sup>

However, American Water, Inc., a private company, manages the City of Buffalo's water system. The Water Board signed a contract with American Water to manage the system in 1997.<sup>4</sup>

#### How are the members of the water board appointed?

The Mayor appoints the members of the water board for a two-year term upon affirmation by the Buffalo Common Council. The Mayor then chooses the Chairman of the Water Board from among the members. At least one member of the board must have experience in the science of water resource development.<sup>5</sup>

# What are the key legal provisions governing the Water Authority's work?

- ➤ The Buffalo Water Authority is governed by Buffalo Municipal Water Finance Authority Act codified as section 1048-a et seq. of Title 2-B of Article 5 of the New York State Public Authorities Law.<sup>6</sup>
- ➤ The Water Authority must keep in mind the State Health
  Department and the regulations they promulgate for keeping the
  water supply safe for citizens to use.<sup>7</sup>
- ➤ City Charter and Administrative Code of the City of Buffalo, especially the Division of Water §§15-17, 18.8

### What are the key powers the Water Authority has?

The Buffalo Municipal Water Finance Authority Act governs the Water Board. In general, the Buffalo Water Authority is empowered to establish, fix, revise, change, collect, and enforce the payments of all fees, rates, rents, and other service charges for the use of the services furnished by the system. The Buffalo Water Authority is in charge of setting rates and of capital improvements to the system as a whole over \$10,000. Some specific powers of the Water Board:

- (1) terminate water service<sup>11</sup>
- (2) sue and be sued<sup>12</sup>
- (3) enter into contracts necessary to carry out the main purposes of the Water Authority<sup>13</sup>
- (4) hold property in order to carry out the purpose of the Water Authority<sup>14</sup>
- (5) appoint officers and employees necessary to carry out its duties 15
- (6) apply for grants from the government and invest money to carry out its duties <sup>16</sup>

### A brief history of Buffalo's water system:

The beginning of Buffalo's water system dates back to 1827 with the formation of the Buffalo & Black Rock Jubilee Water Works. The entity supplied well and spring water through wooden pipes. In 1852, Buffalo Water Works Co. formed and pumped its water from the Niagara River. The city bought both companies in 1869 and began constructing an intake and tunnel system in the Niagara River, but unfortunately river turbulence and pollution eventually generated public demand for a new intake system. In 1913, the new intake system was completed and located just upstream from the original system, in Lake Erie's "Emerald Channel." A year later, Buffalo began chlorinating its delivered water, and in 1926 the Water Treatment Plant was built. The plant, known as the Colonel Ward Pumping Station, began utilizing coagulation and filtration along with disinfection of its delivered water that same year to keep the water as safe as possible with the latest technology. 17



Water Intake Building, located on Buffalo's "Emerald Channel" 18

#### The American Water- Buffalo Partnership:

Back in 1997, the Buffalo Water Authority faced many challenges. The quality of the water and the service were very inconsistent, and water rates were high. The Water Authority's finances were in bad shape due to outdated processes such as manual record keeping and low collection rates. In an effort to improve the water quality, the service provided to customers, and stabilize rates, the Buffalo Water Board entered into a contract with American Water, Inc. in September 1997.

Since that time, American Water boasts that the water system in Buffalo has improved exponentially. While the city continues to own the system, American Water took over the management of it, including treatment, pumping, distribution, metering, billing and collection, and customer service. American Water has improved the system by automating Buffalo's record keeping system, replacing about 20,000 old meters and installing 60,000 new ones, improving water quality, and rehabilitating the water treatment plant. American Water has so far reduced the Buffalo Water Board's annual budget by \$4 million. Buffalo has not had a single water system violation since the start of this contract, and the National Council for Public-Private Partnerships awarded the American Water-Buffalo partnership with its Outstanding Achievement Award in 2005. The US Conference of Mayors also awarded American Water and Buffalo the 2008 Excellence in Public-Private Partnership Award.

# What are some recent customer service issues facing the Water Authority?

Recently, there has been a great deal of public outcry for the Water Board to reconsider the late charges imposed on the people of Buffalo. As of December 2008, when a customer fails to pay their water bill on time, an 18.5% interest rate kicks in. That percentage is in addition to a 21% commission that American Water imposes on delinquent accounts. Lawmakers and citizens have been urging the water board to reconsider the late fees, claiming they make it difficult for people to catch up; especially now given the struggling economy.

In response to public unrest about the high price associated with late fees, the Buffalo Common Council has begun pushing for the passing of a "bill of rights" for water customers.<sup>23</sup> Common Council member Michael Kearns drafted a "Water Ratepayer Bill of Rights" back in May of 2008, which the Buffalo Common Council adopted that same month as part of their approval for a two-year contract renewal between American Water and the Buffalo Water Board.<sup>24</sup> This proposal will help people better understand how their water bill is calculated, allow customers to set up a payment plan, challenge their bills, and make water turnoff procedures clearer.<sup>25</sup>

According to Kevin Linder at Councilmember Kearns office, the "bill of rights" has not yet passed as of April 7, 2009. Mr. Linder described the Water Board as "very amendable" to the concerns of the public; however given the financial burden on the Water Finance Authority to make some of the changes called for, it has been difficult to pass the bill without further negotiations. Mr. Linder stated that both sides have been very open and accommodating and noted that he anticipates the bill's adoption sometime in the very near future. He also stated that one of the most important issues to Councilmember Kearns and himself was ensuring that once the bill is passed it includes a provision to prevent the Water Board from shutting off people's water in the winter time- a policy National Fuel follows. The "Water Ratepayer Bill of Rights" can be found at

http://mickeykearns.com/images/WaterBOR.pdf.

# What are some recent water quality issues facing the Buffalo Water Authority?

- ➤ In recent years, the Buffalo Water Authority has had to deal with some issues with the aesthetic qualities of its water. Buffalo has experienced some of the worst episodes of summer taste and odor in the water in past years than it has had throughout its' 90- year history. The good news is, although the water may have a taste or odor, it is still safe to drink.<sup>27</sup>
- ▶ Back in the 18<sup>th</sup> century, the zebra mussel, a small freshwater shellfish native to the Black and Caspian Seas, was introduced to North America. These mussels feed by filtering water containing microorganisms through their gills, removing nearly all particulate matter from Lake Erie. This means the water is much clearer, allowing light to penetrate deeper and more intensely than before the mussels lived in the lake. The unfortunate side effect is that the zebra mussels' existence has changed the ecosystem of Lake Erie. Besides changing the food chain within the lake, the increased light intensity accelerates the blue-green algae growing cycle; which results in the taste and smell issues.<sup>28</sup>

# How do Buffalo's water rates compare to other cities?

- ➤ In 2007, the average annual water bill for Buffalo customers was \$323.16.<sup>29</sup> Customers of the Monroe County Water Authority, which serves Rochester, NY and its surrounding areas, had an average annual water bill of \$213 in 2007.<sup>30</sup>
- ➤ The price of water in Buffalo is \$2.54/1,000 gallons up to 74,805 gallons (price goes down after that). In the City of Syracuse, water customers pay \$2.74/1,000 gallons. <sup>32</sup>

## What do I need to know about paying my water bill in Buffalo?

➤ Customers who use Buffalo's water system are billed quarterly. How much your quarterly bill will be depends on your usage, as measured by your meter.<sup>33</sup> To see about how much an average household will pay quarterly, see page 18 of the 2007-2008 Supplement of the Annual Water Quality Report, found at: <a href="http://www.buffalowaterauthority.com/wqr">http://www.buffalowaterauthority.com/wqr</a> interactive/2007%20-%202008%20WQR%20Web/Web%20supplement/Web%20supp5-12-08.pdf

Low-income senior citizens using the Buffalo water system can qualify for certain tax exemptions and discounts. Seniors who have owned their home for 12 consecutive months and reside in the Buffalo home as their primary residence with an income less than \$32,400 will receive certain tax exemptions. They also receive a discounted rate on their water bill. Qualified seniors must apply annually, and can do so by calling the Senior Tax Office at 716-851-5758.<sup>34</sup> To see the rates for both seniors and general customers, visit the water authority's website, specifically the Water Rates & Fees page at

http://www.buffalowaterauthority.com/water rates.htm.

Current Buffalo Water Authority customers can pay their bill online if they like by registering at http://www.citybuffalo.com/eCitizen/registration.aspx?FromCart=True. Alternatively, via

Western Union Convenience Pay, one can visit a local participating agent with their bill and pay with cash, check, or credit card. Western Union adds a \$1 processing fee to the total bill. For a list of locations where you can find Western Union Convenience Pay, visit

http://www.buffalowaterauthority.com/payment\_locations.htm<sup>35</sup>

> The water authority charges customers who pay their bill through the City of Buffalo website a \$2 convenience fee for checks and 2% convenience fee for credit cards. Customers who receive a notice of intent to disconnect water service by mail or on the door of their homes cannot pay using the website, and must contact the water authority directly to prevent having their water shut off.<sup>36</sup>

# How can I contribute input to the Buffalo Water Authority's decisions?

Visit the Buffalo Water Authority's "Contact Us" page through their website at http://www.buffalowaterauthority.com/contact.htm. Here you will find a form to fill out indicating suggestions, problems, complaints, or praise for the agency.<sup>37</sup>

#### Can I attend the Buffalo Water Board's meetings?

Yes! The Water Board's meetings are scheduled the second Wednesday of each month at 9am in City Hall room 502.<sup>38</sup>

## How do I learn more about the Buffalo Water Authority?

- Visiting the Buffalo Water Authority's homepage at <a href="http://www.buffalowaterauthority.com/">http://www.buffalowaterauthority.com/</a> is a great place to start.
- ➤ To learn more about the specific powers and duties of the water authority and the water board, the full text of the Buffalo Municipal Water Finance Authority Act can be found at <a href="http://www.suspect.com/laws/New-York-Laws/Public-Authorities/idx">http://www.suspect.com/laws/New-York-Laws/Public-Authorities/idx</a> PBA0A5T2-B.html.
- ➤ Additionally, one can find the regulations the Water Authority must follow at the water board's offices located at Department of Public Works, Parks and Streets, 502 City Hall, Buffalo, New York 14202.<sup>39</sup>
- For questions about the water quality, call the treatment plant laboratory at 716-851-4704. 40

codes.generalcode.com/codebook\_frameset.asp?t=tc&p=1237%5Fatp%2Ehtm&cn=1&n = [1]

<sup>&</sup>lt;sup>1</sup> http://www.buffalo<u>waterauthority.com/images/ward%20pumping%20station.jpg</u>

<sup>&</sup>lt;sup>2</sup>N.Y. Comp. Codes R. & Regs. tit. 21 §10085.2(a) (2005)

<sup>&</sup>lt;sup>3</sup> http://www.buffalowaterauthority.com/water%20board.htm

<sup>&</sup>lt;sup>4</sup> http://www.buffalowaterauthority.com/

<sup>&</sup>lt;sup>5</sup>N.Y. Pub. Auth. §1048(f)(2)

<sup>&</sup>lt;sup>6</sup> N.Y. Pub. Auth. §1048(a)-1049 *available at* <a href="http://www.suspect.com/laws/New-York-Laws/Public-Authorities/idx\_PBA0A5T2-B.html">http://www.suspect.com/laws/New-York-Laws/Public-Authorities/idx\_PBA0A5T2-B.html</a>.

<sup>&</sup>lt;sup>7</sup> N.Y. Comp. Codes R. & Regs. tit. 21 §10085.2(a) (2005)

<sup>&</sup>lt;sup>8</sup> http://www.e-

http://www.bfsa.state.ny.us/reports/mayorRecommended05-06Budget/503-

<sup>524</sup>MuniWaterAuthandWaterBoard.pdf

http://www.usmayors.org/bestpractices/private/buffalo.htm

<sup>&</sup>lt;sup>11</sup> N.Y. Comp. Codes R. & Regs. tit. 21 §10085.14(a)(1)-(6) (2005)

<sup>&</sup>lt;sup>12</sup> N.Y. Pub. Auth. §1048(g)(1)

<sup>&</sup>lt;sup>13</sup> N.Y. Pub. Auth. §1048(g)(5)

<sup>&</sup>lt;sup>14</sup> N.Y. Pub. Auth. §1048(g)(7)

<sup>&</sup>lt;sup>15</sup> N.Y. Pub. Auth. §1048(g)(8)

<sup>&</sup>lt;sup>16</sup> N.Y. Pub. Auth. §1048(g)(14)-(15)

<sup>&</sup>lt;sup>17</sup> http://www.buffalowaterauthority.com/historyofwater%20treatment.htm

Dearing, Bob, Cowboys Can't Hide Beauty, Courier Express, available at

http://www.buffaloah.com/a/water/waterintake/index.html

<sup>&</sup>lt;sup>19</sup> http://www.amwater.com/About-Us/accolades.html

<sup>20</sup> http://www.usmayors.org/bestpractices/private/buffalo.htm

http://files.shareholder.com/downloads/AMERPR/0x0x189109/c724da1a-e597-45b4-9448-0e9bfb48191c/AMER0158 Project% 20Sheets Buffalo-2.22.pdf

<sup>22</sup> http://www.amwater.com/About-Us/accolades.html

<sup>23</sup> Brian Meyer, City Takes a Look at Water Bill Woes, Buffalo News, Dec. 3, 2008.

<sup>24</sup> Common Council Adopts Water Ratepayer Bill of Rights, Buffalo News, May 21, 2008, available at http://mickeykearns.com/comment.php?comment.news.18

<sup>25</sup> Brian Meyer, City Takes a Look at Water Bill Woes, Buffalo News, Dec. 3, 2008.

<sup>26</sup> Telephone interview with Kevin Linder, Senior Legislative Assistant IV, Councilmember Michael Kearns Office, (April 7, 2009)

<sup>27</sup>http://www.buffalowaterauthority.com/aestheticqualities.htm

28 http://www.buffalowaterauthority.com/zebramussels.htm

<sup>29</sup> 2007-2008 Supplement, Annual Water Quality Report, Buffalo Water Authority, available at <a href="http://www.buffalowaterauthority.com/wgr\_interactive/2007%20-%202008%20WQR%20Web/Web%20supplement/Web%20supp5-12-08.pdf">http://www.mcwa.com/watqual.htm</a>

<sup>31</sup> 2007-2008 Supplement, Annual Water Quality Report, Buffalo Water Authority, available at <a href="http://www.buffalowaterauthority.com/wgr\_interactive/2007%20-%202008%20WQR%20Web/Web%20supplement/Web%20supp5-12-08.pdf">http://www.buffalowaterauthority.com/wgr\_interactive/2007%20-%202008%20WQR%20Web/Web%20supplement/Web%20supp5-12-08.pdf</a>

32 http://www.syracuse.ny.us/Pdfs/Water/2007%20Newsletter%20Web.pdf

<sup>33</sup>2007-2008 Supplement, Annual Water Quality Report, Buffalo Water Authority, available at <a href="http://www.buffalowaterauthority.com/wqr\_interactive/2007%20-%202008%20WQR%20Web/Web%20supplement/Web%20supp5-12-08.pdf">http://www.buffalowaterauthority.com/wqr\_interactive/2007%20-%202008%20WQR%20Web/Web%20supplement/Web%20supp5-12-08.pdf</a>

<sup>34</sup>http://www.buffalowaterauthority.com/information\_for\_low\_income\_seniors.htm

35 http://www.buffalowaterauthority.com/payment\_info\_online\_link.htm

36 http://www.city-buffalo.com/Home/CityServices/WaterPayment

http://www.buffalowaterauthority.com/contact.htm

 $\frac{38}{\text{http://www.buffalowaterauthority.com/water\%20board.htm}}$ 

<sup>39</sup> N.Y. Comp. Codes R. & Regs. tit. 21 §10085.2(a) (2005)

<sup>40</sup> 2007-2008 Supplement, Annual Water Quality Report, Buffalo Water Authority, available at <a href="http://www.buffalowaterauthority.com/wqr\_interactive/2007%20-%202008%20WQR%20Web/Web%20supplement/Web%20supp5-12-08.pdf">http://www.buffalowaterauthority.com/wqr\_interactive/2007%20-%202008%20WQR%20Web/Web%20supplement/Web%20supp5-12-08.pdf</a>