

Submitted by staff at 10/15/12  
Board meeting. Item 16

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**From:** R. J. Roland [mailto:rjayroland@gmail.com]  
**Sent:** Wednesday, October 10, 2012 6:11 PM  
**To:** Dave Stoldt  
**Cc:** R. J. ROLAND  
**Subject:** Spiked Water Bills From CAL AM

OCT 11 2012

MPWMD

Dear MPWMD Board Members;

I am unable to attend the 15 October meeting due to business travel. However, if I were able to attend my question would concern the distribution of the extra money that CAL AM receives above and beyond the base rate for water.

**Background:** I assume CAL AM's business model is to recover their cost and some % profit from the base rate that is charged to everyone. Once a customer exceeds the base rate the model graduates the fees very rapidly. Given it does not cost CAL AM any more to provide water in excess of the base rate (the pumps, lines, staff are already paid for) then the excess fees must be realized as profit.

My questions are that if my assumption is correct (or close) then why should CAL AM be realizing such excess profit at the community's expense? Would it not be more fair for the water consumer to be rationed rather than pay CAL AM for "controlling" their use of water? There are some who can afford whatever the rate is but is that even fair to them? If water is scarce shouldn't it be rationed by you, the MPWMD, and not under CAL AM control?

Thank you,

Jay Roland

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