



July 21, 2015

Honorable Mayor Halliday and City Council  
777 B Street  
Hayward, California 94541

**Re: City Council Meeting, July 21, 2015  
Agenda Item 23. Recommended FY2016 and FY2017 Water and Sewer Service Rates  
and Connection Fees**

Honorable Mayor Halliday and Council Members:

We have reviewed the staff report regarding proposed changes in water usage rates and in water system connection fees to partly offset SFPUC increases to the City. It appears that the City is contemplating changing the basis for establishing the connection fees.

As we interpret the report, the City may alter the connection fees so that the size of the connection includes the water usage necessary for the required home sprinkler systems. We oppose such a change. It is the common practice in Bay Area cities, including currently in Hayward, to charge a water connection rate based on the home's water usage independent of the expanded demand for the emergency fire sprinkler system.

We are very concerned that the City's proposed new method to establish the basic water connection fee significantly increases the cost of building a safer home. This increased fee is anti-competitive and unfair to home builders and their customers. It imposes another disincentive to homebuilders to choose to construct in Hayward and places an ever higher cost on homebuyers who want to move to live in Hayward.

The City may have the need to yet again increase fees and rates, but the change in the methodology of computing this fee is unnecessary. We urge the City to continue to compute the water connection fee with regard to a home's projected water consumption without an increase for fire sprinkler needs.

Sincerely,

Michael Letchinger  
For STONEBRAE L.P.