



## Policy 5.3.2 – Assessment of Impact Fees

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### REASON FOR POLICY

To establish the method by which Impact Fees will be calculated and assessed.

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### DEFINITIONS

*These definitions apply to the terms as they are used in this policy.*

| <b>Term</b>                       | <b>Definition</b>  |
|-----------------------------------|--|
| Impact Fee                        | Impact fees are charges assessed to properties to recover part of the capital costs of expanding the water and wastewater infrastructure to serve said properties. Considered as a capital-recovery charge, impact fees allow recovery of the capital costs of developing the capacity directly from the customers who will benefit from it. Impact fees are further defined in Section 8 of the Cost Recovery Policy. |
| Residential Equivalent Unit (REU) | An REU is equal to 300 gallons per day. REUs are allocated to all MPW customers. When REUs are calculated, MPW will round up to the next whole number.   |

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### POLICY

MPW will collect impact fees from all properties to recover part of the capital costs of expanding the water and wastewater infrastructure to serve said properties.

#### Calculation of Impact Fees

The number of REUs for a development is determined by South Carolina Department of Health and Environmental Control (SCDHEC) Unit Flow Contributory Guidelines and MPW Guidelines for Development. If a category is not covered by either, or there is a conflict, then MPW staff will assign flows based upon methods that best reflect the potential demand that a customer will place on the water and/or wastewater systems.

For undeveloped lots other than single-family residential subdivisions, impact fees will be assessed at a minimum of one REU per lot.

Existing facilities that did not pay impact fees were grandfathered and assigned capacity in 1991 based on twelve months of historical consumption data:

- a. Where new ownership of such an existing facility occurs, credit for existing assigned capacity will be granted.

- b. When improvement or expansion of such facilities is planned, the policy above shall be followed.

### **Payment of Impact Fees**

When MPW's water and/or wastewater systems are available to a specific site planned for development and only a water meter and/or a wastewater service lateral is required to connect the planned service to MPW's water and/or wastewater systems, water and/or wastewater impact fees must be paid prior to or at the time of issuance of a building permit by the Town of Mount Pleasant or the County of Charleston.

When MPW's water and/or wastewater systems are not available to a specific property planned for development, the property owner is required to install new main lines, and impact fees are due prior to MPW accepting the water/wastewater system extension for operation.

MPW will not charge water impact fees for installation of private fire lines connecting to the water system.

### **Additional Impact Fee Assessment**

Additional impact fees will be assessed for any construction or change in the use of a property that increases the use of the water and/or wastewater systems beyond that previously approved by MPW or beyond that for which impact fees have already been paid. The additional assessment will charge current impact fees in effect at the time of construction or change in use and must be paid to MPW prior to construction or change in use.

If a customer fails or refuses to pay additional impact fees assessed by MPW, water and/or wastewater service to the property may be discontinued.

### **Refund of Impact Fees**

If after the first full calendar year of active service, use of the water and/or wastewater systems remains below the flow associated with the calculated number of REUs the property owner may request in writing (by form submittal) a partial refund of the impact fees paid up to the difference between the original assessed number of REUs for the property and monthly average of the highest quarter of REUs used.

The right to request a refund will expire at the conclusion of the second full calendar year of active service. Upon completion of the second full calendar year of active service, any reduction in REUs shall be governed by MPW Policy 5.3.3 "Request for Reduction of REUs".

### **Assignment of Impact Fees**

REUs are not a transferable asset and are paid for and assigned to a specific piece of property. MPW will not allow the transfer of REUs (impact fees) between locations within its service area.

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## REFERENCES

- An Analysis of Unit Contributory Loadings, Mount Pleasant Waterworks 1987 REU Study
- SCDHEC Unit Flow Contributory Guidelines
- MPW Policy 5.2.2 – Impact Fees
- MPW Guidelines for Development
- MPW Cost Recovery Policy
- MPW Resolution 03-96
- MPW Current Budget Resolution Establishing Customer Chagres
- MPW Resolution 05-2011 – Water and Wastewater Use Resolution of the Mount Pleasant Waterworks Service Area.
- Town of Mount Pleasant Ordinances Amending Chapter 51 of Title V

## DOCUMENT CONTROL

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