

# Proposed Policy Amendments Impact Fee Study Report

*Clay Duffie*  
*General Manager*

Fiscal Year 2022 Public Hearing – June 14, 2021



# MPW Proposed Policy Amendments

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Operating Policy 5.1 – Financial Activity



Operating Policy 6.4 – Connection Policy

These policies can be reviewed on MPW's website:

<https://www.mountpleasantwaterworks.com/customers/rates/FY-2022-Proposed-Operating-and-Capital-Budget>

# MPW Impact Fee Study Report

May 19, 2021

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## Purpose of the Impact Fee Study Report:

Evaluation to calculate cost-justified water and wastewater impact fees for consideration by MPW in accordance with the guidance provided by MPW's Cost Recovery Policy<sup>1</sup> and consistent with common industry practice and applicable state laws.

In general, appropriate impact fees should comply with the Rational Nexus test which states that:

- 1) Need for capacity charges is a result of new growth;
- 2) Amount of the charge does not exceed the reasonable cost to provide capacity to accommodate growth; and
- 3) Funds collected must be adequately earmarked for the sufficient benefit of the new customers required to pay the fee.

In addition, Title 6-12 of the South Carolina Code of Laws provides additional guidance for determining and imposing development impact fees.

Consistent with Section 6-1-1080, this report documents the basis, use, calculation, and method of collection of impact fees for MPW.

Report can be reviewed in its entirety on MPW's website:

<https://www.mountpleasantwaterworks.com/customers/rates/FY-2022-Proposed-Operating-and-Capital-Budget>

# Questions