



Policy 5.3.3 – Impact Fee Management

REASON FOR POLICY

To establish policies regarding Impact Fees assessed by Mount Pleasant Waterworks (MPW) and assessment of customer usage of water and wastewater services.

DEFINITIONS

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

| Term | Definition |
|-----------------------------------|--|
| Impact Fee | Impact fees are charges assessed against 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 the service. 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. |

POLICY

Request for Reduction in REU's after second full calendar year of active service

If a property uses less water than allowed under the number of REUs assigned to the property or for which impact fees were paid, the property owner may request in writing to MPW a reduction in the REUs applicable thus reducing the monthly water and wastewater Basic Facility Charges. Only one request for reduction of REUs shall be allowed per fiscal year. The reduction of REUs shall not be less than the monthly average of the highest quarter for the most recent three years. All requests for reduction of REUs must be received in writing (by form submittal) by MPW prior to March 15th each year. Should the request for reduction be approved, the effective date of the reduction shall be July 1st.

If REUs are reduced for a property after the second full calendar year of active service, there will be no refund of previously paid impact fees. If the usage of the water and wastewater systems

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within any given month surpasses the reduced amount of assigned REUs the customer shall be responsible for excessive use charges as set forth in MPW Policy 4.1.1.

Increase of Reduced REUs

If a property owner previously reduced the number of REUs or if the REUs have lapsed the property owner may adjust active REUs once per year to a number that does not exceed the REUs originally assigned to the property. In order to add any reduced or lapsed REUs back to the property, impact fees or back BFCs must be paid at MPW's current rate in accordance with Policy 5.3.2 (whichever is less).

Purchase of Additional REUs

The property owner at any time may purchase additional REUs at any time by paying MPW's current impact fees in accordance with MPW Policy 5.3.2.

REFERENCES

- 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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| Managed by: <i>Engineering Department</i> | Responsible Position: <i>Engineering Manager</i> | Contact Position: <i>Engineering Manager</i> |
| Date Approved: <i>July 1, 1996</i> | Last Update: <i>December 18, 2017</i> | Version: 5.0 |