

## **ISLE OF PALMS WATER AND SEWER COMMISSION ASSESSMENT OF IMPACT FEES POLICY**

- I. **Background:** The Isle of Palms Water and Sewer Commission (IOPWSC) assesses impact fees to new customers as a one-time capital recovery charge. This fee is used by IOPWSC to recover a proportional share of the construction costs of water and wastewater infrastructure to provide service capacity to its customers. Under the current rate structure, impact fees for residential customers are based on the square footage of the residence. All existing homes in January 2007 were assigned capacity based on the square footage listed in the Charleston County Real Property Tax Records or other public records available at that time.

### **II. Assessment of Impact Fees to New Construction**

Impact fees are assessed to new customers based on the units of service the new residence or establishment is expected to require from the water and/or sewer systems. For residences the units of service are based on an equivalent residential unit (ERU) which is the daily peak water demand (450 gpd) and the daily average sewer demand (300 gpd) expected for a single-family residence 2,000 sq ft or less. Additional units of service are assessed to larger residences based on the additional expected demands that larger homes typically place on the water and/or sewer systems.

- a. IOPWSC assesses impact fees for new single-family residences based on the following tiers:
  1. 2,000 sq ft or less
  2. 2,001 sq ft to 3,500 sq ft
  3. Greater than 3,500 sq ft
- b. For non-residential establishments, IOPWSC will determine the number of units of service associated with the establishment based on the South Carolina Department of Environmental Control (SCDHEC) Unit Flow Contributory Guidelines, to assess impact fees.

### **III. Additional Impact Fee Assessment:** Additional impact fees will be assessed for any new construction previously approved by the City of Isle of Palms or change in use of water or wastewater usage beyond that for which impact fees have already been paid for an existing or prior structure on the property.

- a. For non-residential establishments, this additional impact fee will be calculated based on the increase in unit contributory loadings.
- b. For single-family residences that are torn down and a new residence is built, the additional impact fees will be calculated based on the incremental new square footage of the residence. This additional impact fee also applies to additions to an existing residence based on the increase in the square footage of the residence.
- c. The additional impact fees will be calculated based on the current impact fees in effect at the time of construction or change in use.
- d. The additional impact fees must be paid prior to construction or change in use.

**IV. Remedies for Failure to Pay:** If a customer fails to pay any impact fees assessed by IOPWSC, IOPWSC may discontinue providing water and wastewater service to the property upon 30 days prior written notice to the customer. A customer may appeal the calculation of its assessment in writing for a hearing before the full IOPWSC Board of Commissioners. The determination of the IOPWS Board of Commissioners shall be final and binding upon the customer and IOPWSC.

**V. References:**

SCDHEC Unit Flow Contributory Guidelines

IOPWSC Final Water and Sewer Impact Fee Report, January 2023

2007 Report on Water and Sewer Rates

Date of Approval: June 21, 2023