<table>
<thead>
<tr>
<th></th>
<th>Not Allowed</th>
<th>Allowed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IMPACT FEE:</strong></td>
<td></td>
<td><strong>CONTRACTUAL CHARGE:</strong></td>
</tr>
<tr>
<td>• Automatically assessed on developer as condition of development;</td>
<td></td>
<td>• Assessed on developer or property owner pursuant to development agreement or other contractual agreement;</td>
</tr>
<tr>
<td>• Calculated to fund future capital costs of water/sewer system</td>
<td></td>
<td>• Calculated to cover direct and indirect costs of expanding / extending public infrastructure to serve property(ies)</td>
</tr>
</tbody>
</table>

*Unless unit has local act authority

<table>
<thead>
<tr>
<th><strong>TAP/CONNECTION FEE:</strong></th>
<th><strong>USER FEE:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Assessed on developer or property owner when property connects to water or sewer system;</td>
<td>• Assessed on water/sewer customer (after property connected);</td>
</tr>
<tr>
<td>• Calculated to cover direct and indirect costs of connecting property to system</td>
<td>• Calculated to cover past, current, and future costs necessary to serve property;</td>
</tr>
<tr>
<td></td>
<td>• May include profit component</td>
</tr>
</tbody>
</table>