

Policy 2005-5

Amortization Policy

Explanation

The District operates water and sewer systems (the “Systems”) throughout the County. In the design, construction, and connection of the Systems to residential, commercial, and industrial property, costs for tap fees, connection charges, capacity fees, and certain related costs (the “Eligible Costs”) are required to be paid by the property owners. In many cases, these costs are substantial and it is the County’s desire to permit these costs to be amortized over a term of years, not to exceed ten (10) years, in order to assist the property owners in addressing and meeting the costs for the Systems. The County desires to establish a procedure for the amortization of Eligible Costs reflected in this Policy.

Amortization Policy

1. As used in this Policy, the following definitions shall apply:

A. *Eligible Applicants.* “Eligible Applicants” shall mean all existing residential, commercial, and industrial properties that are required to connect to a public water and/or a public sewer system;

B. *Eligible Costs.* “Eligible Costs” shall mean tap fees, connection charges, capacity fees, and related costs charged by and payable to the Garrett County Department of Public Utilities in respect to connection to public water and/or public sewer systems. Eligible Costs shall not include grinder pumps, if such equipment is required in respect to a System;

C. *Application Fee.* “Application Fee” shall mean a nonrefundable Twenty-Five Dollar (\$25.00) fee payable to the Garrett County Department of Public Utilities for processing of each request for amortization of Eligible Costs by an Eligible Applicant;

D. *Amortization Term.* “Amortization Term” shall mean a term not to exceed ten (10) years for the amortization of Eligible Costs by an Eligible Applicant;

E. *Interest Rate.* “Interest Rate” shall mean the rate charged for the financing of Eligible Costs. The initial Interest Rate, under the terms of this Policy, shall be Five Percent (5%), simple interest; and

F. *Amortization Payments.* “Amortization Payments” shall mean those payments required to be paid on a quarterly basis sufficient to amortize the Eligible Costs over the financing term at the established Interest Rate.

2. All Eligible Applicants shall be permitted to apply to the Garrett County Department of Public Utilities for amortization of all Eligible Costs. The Eligible Applicants shall pay any and all fees required for processing of the amortization requests and shall execute such Agreements as the County may determine appropriate to provide for amortization of Eligible Costs over the financing term with payments to be made at the Interest Rate established by this Policy. Application for amortization shall be made available in the Department of Public Utilities and applications shall be directed to the Department of Public Utilities for processing.

3. Applications for amortization of costs, which are not “Eligible Costs” under the terms of this Policy, may be submitted to the Hardship Committee of the Department of Public Utilities. The applications for amortization of ineligible costs to the Hardship Committee shall not require a payment of a processing fee, in advance.

This act shall take effect on the 8th day of March, 2005, upon having been duly executed by the Board of County Commissioners of Garrett County, Maryland, at a meeting duly held on the 8th day of March, 2005

**BOARD OF COMMISSIONERS OF
GARRETT COUNTY MARYLAND**