

Regulation 305

SERVICE DEFAULT, SUSPENSION, AND ABANDONMENT

(a) **Purpose of Regulation**

This Regulation defines service default, service suspension, and service abandonment; defines the circumstances under which the account for a customer service may be declared to be in default status, suspension status, or abandoned; and provides the procedures for declaring a service's account to be in default, suspension, or abandoned.

(b) **Definitions**

- “Default” is when there is no known customer of record (“account holder”) for the account of a customer service. This status occurs most commonly when a property served by the Water System has been sold, the existing account holder has notified the District of the sale and requested closure of the existing account, and no one has contacted the Water System to apply as the account holder for the customer service. It can also occur when an existing account holder cannot be contacted by any of the means of contact provided by the account holder that are currently on file with the District.
- “Suspension” is when service to the property served by a customer account has been discontinued for nonpayment of charges and such discontinuation has been in effect for at least 92 days without the customer of record having discharged the delinquency or having entered into a plan with the District for deferred or reduced payments or an alternative payment schedule, or, having entered into a plan with the District for deferred or reduced payments or an alternative payment schedule, the customer has failed to fulfill the terms of the plan.
- “Abandoned” is when, after the account for a customer service has been in suspended status for at least one year, the District’s Board of Directors has made a finding that the customer service for the property has been abandoned. Once a service has been declared by the District’s Board of Directors as abandoned, the served parcel is considered to no longer be connected to the Water System’s facilities (re-establishment of water service to the parcel requires an application for a New Service Connection).

(c) **“Default” Status Procedure**

The General Manager may declare a service’s customer account to be in default status when the District has been unable to contact anyone associated with the property served by the customer account for a period of 30 consecutive days and a notice of intention to terminate water service has been posted prominently at the property for a minimum of 14 days. In the case of the account for an existing customer, attempts to contact the customer must have been made using all means of contact provided by the customer and on file with the District (such as mail address, email address(s), phone number(s), in-person contact at the served premises). Service to a property whose customer account is on default status may not be discontinued pursuant to the provisions of Regulation 303 or 304 so long as no rates and charges have become delinquent. If rates and charges assessed to the account of a service that is on default status become delinquent as provided in Regulation 303 or 304, discontinuation of the water service may be initiated pursuant to the provisions of Regulation 303 or 304.

(d) **“Suspended” Status Procedure**

The General Manager may declare a service’s customer account to be in suspended status if (1) 92 days have elapsed from the date a “48-Hr Notice of Service Termination” was provided to the service’s account holder pursuant to the procedure in Paragraph (d) of Regulation 303 in the case of a residential service or

Paragraph (b) in Regulation 304 in the case of a non-residential service, and (2) the customer of record has not discharged the delinquency or has not entered into a plan with the District for deferred or reduced payments or an alternative payment schedule, or, having entered into a plan with the District for deferred or reduced payments or an alternative payment schedule, the customer has failed to fulfill the terms of the plan. The meter to a property served by an account that has been placed on suspended status must be shut off or otherwise disabled from capability to provide water to the property. When an account is placed on suspended status, the Water System shall place the customer account on “Inactive” status in the receivables system so that no further rates and charges will be booked to the suspended customer account; however, the General Manager shall maintain a record of the rates that charges that would have been posted to the customer account had it remained on “Active” status, and all such noted rates and charges, plus the rates and charges outstanding at the time the account was placed on “Inactive” status, must be paid in full as a condition of discharging the delinquency, cancelling the suspended status, and re-activating the existing service to the property.

(e) **“Abandoned” Status Procedure**

After a customer account has been on suspended status without interruption for one year, the General Manager may initiate the procedure for the District’s Board of Directors to find that the customer service for the property served by the customer account that is on suspended status has been abandoned. A notice of a public hearing before the District’s Board of Directors to consider making a finding of abandonment shall be provided by all of the following means: (1) by mail to the last known mailing address for the customer account, said notice to be placed with postage prepaid in the USPS mail at least 30 days prior to the date of the public hearing; (2) by posting at a prominent location at the situs address, said posting to be made at least 30 days prior to the date of the public hearing; (3) by legal notice published on three occasions at intervals of at least one week in a newspaper of general circulation in the District, said third such notice to be published at least six (6) days prior to the date of the public hearing.

The public hearing on abandonment must be conducted at a duly noticed meeting of the Board of Directors of the Inverness Public Utility District, at which time any member of the public wishing to address the Board of Directors on the matter of abandonment of the customer service shall be afforded an opportunity for a reasonable period of time to make a statement and to submit documentary evidence relevant to the issue of the proposed finding of abandonment of the customer service for the subject property. Following the public hearing, the Board of Directors shall review the public record, consider all testimony and evidence that has been submitted, and make a determination either supporting or not supporting a finding of abandonment of the customer service for the subject property. Alternatively, the Board may issue a conditional finding that the customer service has not been abandoned in exchange for an agreement with an interested party for payment in full within thirty (30) days of all rates and charges that are outstanding, including rates and charges that accrued during the period the customer account was on suspended status, plus a penalty equal to ten percent (10%) of the total of all rates and charges that are payable, plus the District’s employee time, materials, and overhead costs of re-establishing service to the property. Such a conditional finding of the Board of Directors shall include a clause that states that a failure to discharge the agreed-upon obligation in full within the stated 30-day period shall nullify the conditional finding that the customer service has not been abandoned and place in effect in its place a finding that the customer service has been abandoned. The determination of the Board of Directors shall be final and binding.

In the event of a finding of abandonment, the water meter shall be removed, the service lateral from the District’s distribution main shall be capped, and the subject property shall be officially regarded as not served by the Inverness Public Utility District Water System. Any subsequent request for water service to

the subject property shall be processed in accordance with the requirements for a New Service Connection in Regulation 101.

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Regulation 101: Adopted, May 27, 2020 (Ordinance 95-2020)