

Meeting Date October 23, 2024 Staff Contact: Marta Ortiz, Chief Financial Officer

TITLE:R-24-34 – Authorizing the Removal of Certain Uncollectable
Accounts from the Albuquerque Bernalillo County Water Utility
Authority Accounts Receivable Records FY2020 and Prior

ACTION: Recommend Approval

SUMMARY:

This legislation provides information to support a request to the Board authorizing the removal of uncollectable debt greater than four (4) years old totaling \$27,411.36.

FISCAL IMPACT:

Since 1965, pursuant to NMSA 1978, § 3-37-7, New Mexico municipalities have been expressly permitted to write off uncollectable debt. Counties and political subdivisions like the Albuquerque Bernalillo County Water Authority (Water Authority) may use the same process as a municipality to write off uncollectable debt through the procedure set forth in state law. This process will avoid an excessive accrual of accounts receivable while also accurately report the financial position of the Water Authority and comply with state debt-collection law. Further, the Water Authority should not represent to its customers, either in invoices or in any demand, that the customer owes any amount that was accrued more than four years prior to the demand.

The Chief Financial Officer (CFO) of the Water Authority states that:

- a) a utility account or any unsecured account services have been incurred;
- b) diligent efforts were made to collect the utility account or unsecured account and to locate a debtor;
- c) that the utility account or unsecured account has been uncollectable for a period of more than four years; and
- d) that in his opinion the utility account or unsecured account is uncollectable.

Staff recommends authorization to remove the uncollectable debt as shown in Exhibit A.

Exhibit A

Account #2897378571 as of 9/30/24		
Service	Writ	e Off Amount
Water/Wastewater	\$	26,232.30
Loans	\$	731.61
Outside Billing	\$	-
Water/Wastewater/Loan Delinquency Fees	\$	447.45
Total WUA Write Off	\$	27,411.36

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. R-24-34 1 RESOLUTION 2 AUTHORIZING THE REMOVAL OF CERTAIN UNCOLLECTABLE ACCOUNTS 3 FROM THE ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY 4 ACCOUNTS RECEIVABLE RECORDS FY2020 AND PRIOR 5 6 WHEREAS, Pursuant to NMSA 1978 § Section 3-37-7, pertaining to the 7 determinations of uncollectable accounts and their removal from accounts receivable, the 8 Chief Financial Officer (CFO) has submitted herewith a list of accounts receivable which 9 were incurred in providing various billing, water and wastewater services and are owed 10 to the Albuquerque Bernalillo County Water Utility Authority (Water Authority); and 11 WHEREAS, the CFO states that diligent efforts have been made to collect these

accounts receivable and the respective amounts due; and
 WHEREAS, the CFO has determined that these accounts receivable are

uncollectable and have been uncollectable for more than four years; and

WHEREAS, the uncollectable accounts receivable have been deemed "time barred debt", defined as any debt that is not enforceable in a judicial proceeding because the applicable statute of limitations has run; and

WHEREAS, because this debt is legally uncollectable, it is not a "donation" to a private party in violation of the anti-donation clause of the New Mexico Constitution, N.M. Const. Art. IX, Section 14; and

WHEREAS, an allowance for doubtful accounts has been recorded on the Water
Authority financial records which is more than sufficient to cover the uncollectable
accounts; therefore, there will be no impact on the current fund balances.

24 BE IT RESOLVED BY THE WATER AUTHORITY:

The Water Authority Board finds that the Water Authority's uncollectable accounts
receivable in the amount of \$27,411.36 as shown in Exhibit A which is attached hereto
and by this reference made part hereof shall be removed from the Water Authority's
accounts receivable records as uncollectable in accordance with provision NMSA 1978 §
Section 3-37-7.

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