
Meeting Date October 22, 2025
Staff Contact: Susan Lander, Controller

TITLE: R-25-43 – Authorizing the Removal of Certain Uncollectable Accounts from the Albuquerque Bernalillo County Water Utility Authority Accounts Receivable Records FY2021 and Prior

ACTION: Receipt Be Noted

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 \$33,977.30.

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 Utility 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.

Attachments:

Resolution

Exhibit A

Account #2897378571 as of 09/30/25	
Service	Write Off Amount
Water/Wastewater	\$ 32,159.97
Loans	\$ 933.84
Outside Billing	\$ 19.50
Water/Wastewater/Loan Delinquency Fees	\$ 863.99
Total WUA Write Off	\$ 33,977.30

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. R-25-43

1 **RESOLUTION**

2 **AUTHORIZING THE REMOVAL OF CERTAIN UNCOLLECTABLE ACCOUNTS FROM**
3 **THE ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY**
4 **ACCOUNTS RECEIVABLE RECORDS FY2021 AND PRIOR**

5 WHEREAS, Pursuant to NMSA 1978 § Section 3-37-7, pertaining to the
6 determinations of uncollectable accounts and their removal from accounts receivable, the
7 Chief Financial Officer (CFO) has submitted herewith a list of accounts receivable which
8 were incurred in providing various billing, water and wastewater services and are owed
9 to the Albuquerque Bernalillo County Water Utility Authority (Water Authority); and

10 WHEREAS, the CFO states that diligent efforts have been made to collect these
11 accounts receivable and the respective amounts due; and

12 WHEREAS, the CFO has determined that these accounts receivable are
13 uncollectable and have been uncollectable for more than four years; and

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

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

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

23 BE IT RESOLVED BY THE WATER AUTHORITY:

24 The Water Authority Board finds that the Water Authority’s uncollectable accounts
25 receivable in the amount of \$33,977.30 as shown in Exhibit A which is attached hereto
26 and by this reference made part hereof shall be removed from the Water Authority’s
27 accounts receivable records as uncollectable in accordance with provision NMSA 1978 §
28 Section 3-37-7.

[+Bracketed Material+] - New
[-Bracketed Material-] - Deletion