



Meeting Date: May 23, 2018
Staff Contact: Stan Allred, Chief Financial Officer

TITLE: R-18-15 – Authorizing the Removal of Certain Uncollectable Accounts from the Albuquerque Bernalillo County Water Utility Authority Accounts Receivable Records FY2013 and Prior

ACTION: Recommend Approval

SUMMARY:

This legislation provides information to support a request to the Board authorizing the removal of uncollectable accounts greater than four years old totaling \$138,560.49.

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 accounts as shown in Exhibit A.

Attachments:

Resolution
Exhibit A

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BILL NO. R-18-15

1 **RESOLUTION**

2 **AUTHORIZING THE REMOVAL OF CERTAIN UNCOLLECTABLE ACCOUNTS FROM**
3 **THE ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY**
4 **ACCOUNTS RECEIVABLE RECORDS FY2013 AND PRIOR**

5 WHEREAS, pursuant to NMSA 1978 § 3-37-7, pertaining to the determinations of
6 uncollectable accounts and their removal from accounts receivable, the Chief Financial
7 Officer (CFO) has submitted herewith a list of accounts receivable which were incurred in
8 providing water and wastewater services and are owed to the Albuquerque Bernalillo
9 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 has been deemed “time barred
15 debt”, defined as any debt that is not enforceable in a judicial proceeding because the
16 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 \$138,560.49 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 the provisions of NMSA
28 1978 § Section 3-37-7.

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

Exhibit A

WRITE OFFS FOR APRIL 2018

ACT NUMBER	ADDRESS	AMOUNT
7083389560	2500 KELLEY RD SW	\$1,526.71
8093189560	510 SANDIA VIEW RD NW	\$1,582.16
7021969560	509 60TH ST NW	\$1,678.80
3303589560	314 MITCHELL AVE SE	\$7,573.79
7477349560	321 SAN PABLO ST NE	\$1,913.09
7013589560	4504 AXTELL ST SE	\$1,886.26
7487829560	609 GARFIELD AVE SE	\$1,761.28
7153049560	345 CHARLESTON ST SE	\$1,863.06
7920389560	3501 ISLETA BLVD SW	\$1,664.16
5704289560	1400 NEETSIE DR SW	\$1,971.63
6934289560	900 PEREZ RD SW	\$1,999.29
4982189560	209 RANCHITOS RD NW	\$3,147.24
5813757351	9827 PINOT NOIR AVE SW	\$2,488.04
8091929560	302 THAXTON AVE SE	\$2,537.45
6431829560	508 ASPEN AVE NE	\$2,287.87
5894189560	6428 COMMERCIAL ST NE	\$9,741.31
7442929560	240 SMITH AVE SE	\$4,765.32
6086289560	1750 ISLETA BLVD SW	\$3,641.13
7220389560	2545 CUATRO MILPAS RD SW	\$3,479.45
3377289560	850 ARTHUR DR SW	\$3,895.66
1615289560	1218 MONTROSE PL SW	\$5,724.93
3915389560	2402 SALVADOR RD SW	\$13,406.37
5837289560	2047 MINNIE ST SW	\$9,001.52
5280189560	117 EL ENSUENO CIR NE	\$4,246.30
2779829560	409 LEWIS AVE SE	\$5,202.65
7681739560	902 SAN LORENZO AVE NW	\$1,739.40
5573929560	311 ATLANTIC AVE SW	\$1,301.77
2617829560	1804 HIGH ST SE	\$2,724.92
1510489560	2010 TEESFOR DR SW	\$1,664.98
1916049560	9412 SUSAN AVE SE	\$1,753.64
1237489560	7034 ISLETA BLVD SW	\$2,081.34
1515939560	834 SAN MATEO BLVD SE	\$1,625.15
4403739560	4310 12TH ST NW	\$2,922.78
7388769560	1404 55TH ST NW	\$4,259.04
7226389560	1326 BLAKE RD SW	\$4,301.79
1659389560	1319 LA VEGA DR SW	\$1,540.23
1594149560	1105 STUTZ DR NE	\$1,852.94
4888539560	3014 4th ST NW	\$595.30
1318539560	425 LOS ARBOLES AVE NW	\$2,296.16
1205539560	1317 6TH ST NW	\$2,364.69
5622589560	513 GRAPE CIR SE	\$3,150.15
5817359560	6816 INA DR NE	\$1,695.79
2365729560	1716 GERALD AVE SE	\$1,704.95
		\$138,560.49