
Meeting Date: December 4, 2018
Staff Contact: Stan Allred, Chief Financial Officer

TITLE: R-18-27 - 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 \$74,072.37.

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 it is attempting to collect on 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-18-27

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 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 \$74,072.37 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 NMSA 1978 § 3-37-7.

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

CCB ACCT #	MAILING ADDRESS	AMOUNT DUE
2245408992	9120 SILVERWOOD DR NE	\$ 47.52
3630628266	3316 COTTONWOOD LN SW	\$ 23.10
5503441047	2612 NORMENT RD	\$ 170.63
6007409020	8115 VENTANA AZUL NW	\$ 120.23
6930846978	8432 CASA MORENA CT NW	\$ 18.11
8691901765	6264 AZALEAS RD NW	\$ 6.30
8993344610	ATTN RON HENSLEY	\$ 19.50
8231706431	1319 DARTMOUTH DR NE	\$ 48.31
0908188120	9337 SMOKERISE AVE NW	\$ 13.65
4219800141	10712 FENCIA LN SW	\$ 63.53
Compost Sales	Subtotal	\$ 530.88

7265489560	2308 Shady Ln SW	\$ 1,495.92
1733189560	3317 Gabaldon Pl NW	\$ 6,955.91
2215059560	3308 Cardenas DR NE	\$ 3,100.56
1136289560	2809 Blake RD SW	\$ 2,807.84
2018349560	318 Mesilla ST NE	\$ 2,832.11
1099389560	1329 La Vega DR SW	\$ 2,770.92
1382539560	1516 Summer Ave NW	\$ 7,720.78
1956525871	2705 Morton Ln SW	\$ 730.96
1719289560	3027 De Vita RD SW	\$ 5,745.36
5096289560	2009 Minnie ST SW	\$ 5,304.46
9557612023	6646 Isleta Blvd SW	\$ 2,944.01
1254489560	407 Riverside Dr SW	\$ 907.83
7894049560	434 Utah ST SE	\$ 3,782.01
5835489560	3805 Santa Anita Rd SW	\$ 2,091.88
7291929560	2023 Hinkle ST SE	\$ 6,952.95
5933189560	3377 Gabaldon PL NW	\$ 1,794.94
2130349560	316 General Patch St NE	\$ 3,769.39
7530489560	305 Camino Ocho SW	\$ 1,819.44
5085194808	2425 Raymac RD SW	\$ 770.59
1476959560	1012 Sellers DR NE	\$ 1,863.94
7180929560	225 Lily Ave SE	\$ 7,379.69
Water/Wastewater	Subtotal	\$ 73,541.49

Grand Total \$ 74,072.37