



Meeting Date: October 23, 2019
Staff Contact: Stan Allred, Chief Financial Officer

TITLE: R-19-24 - Authorizing the Removal of Certain Uncollectable Accounts from the Albuquerque Bernalillo County Water Utility Authority Accounts Receivable Records FY2015 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 (4) years old totaling \$35,821.39.

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-19-24

1 **RESOLUTION**

2 **AUTHORIZING THE REMOVAL OF CERTAIN UNCOLLECTABLE ACCOUNTS FROM**
3 **THE ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY**
4 **ACCOUNTS RECEIVABLE RECORDS FY2015 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 water and wastewater services and are owed to the
9 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 \$35,821.39 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

Exhibit A

CCB ACCT #	ACCOUNT NAME	MAILING ADDRESS	AMOUNT DUE
6829234295	MCCLUNEY, CLIFF	12509 TOWNER AVE NE	\$ 32.29
6175221570	TENORIO, ROBERT	3911 OAKMOUNT DR SE	\$ 38.06
0782651780	DE LEON, GILBERT	9401 EUCLID AVE NE	\$ 65.10
0802269328	BATTEN, MARSHALL	10708 FENCIA LN SW	\$ 65.89
1906181425	BROWN, JANET M	10021 LA PAZ NW	\$ 70.09
1815609716	ARZA, FIDEL REYES	539 CALLE DE LOS HIJOS	\$ 74.81
7589587412	ORTEGA, ELIVARDO	9420 PERALTA NE	\$ 17.06
2775309495	MIRABAL, DAVID	11000 DEL CARMEN ST NW	\$ 24.68
5916745633	CORTEZ, ROBERT O	9440 RIVERFRONT NW	\$ 24.68
7382491478	PETERSON, BRENT	1724 BUFFALO DANCER TRL NE	\$ 72.97
6216632439	OLIVAS, MEGHAN	983 MOLTEN PL	\$ 157.76
6022760420	HARRISON, MARIA	1624 FRANCISCA RD NW	\$ 236.25
7321139834	VIGIL, MICHAEL	4557 ROCKAWAY LOOP NE	\$ 343.35
3508642679	ARAMILLO, JOSHUA	3208 PITT CT	\$ 405.30

Compost Sales

Subtotal \$ 1,628.29

7470369560		11812 LEXINGTON AVE NE	\$ 678.43
3787139560		1409 DONA LUISA ST SW	\$ 2,868.12
4637239560		2216 DESERT BREEZE DR SW	\$ 1,386.63
8401639560		250 GENE AVE NW	\$ 2,274.85
4318469560		1817 NAKOMIS CT NE	\$ 1,023.32
3498869560		301 59TH ST NW	\$ 2,871.07
4920479560		8301 CAMINO DEL VENADO NW	\$ 1,330.05
7265489560		2308 SHADY LN SW	\$ 580.03
3446489560		2715 MALPAIS RD SW	\$ 3,321.80
4909829560		1008 ARNO ST SE	\$ 3,022.41
7139829560		1524 ARNO ST SE	\$ 1,131.80
6393373248		5981 AVENIDA LA BARRANCA NW	\$ 3,849.13
4873059560		3212 MADEIRA DR NE	\$ 1,594.61
3054329450		5304 SUR VISTA RD NW	\$ 2,927.83
7144769560		4623 LA VIDA NUEVA DEL NORTE SW	\$ 1,336.99
4953439560		4646 CHETWOOD LN SW	\$ 1,601.01
9116389560		2607 SALVADOR RD SW	\$ 2,395.02

Water/Wastewater

Subtotal \$ 34,193.10

Grand Total \$ 35,821.39