



---

Meeting Date: February 26, 2020  
Staff Contact: Stan Allred, Chief Financial Officer

**TITLE:** R-20-7 - 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 \$45,597.05.

**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-20-7

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 \$45,597.05 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

CCB ACCT #	MAILING ADDRESS	AMOUNT DUE
4646508461	10013 FAIRFAX CT	\$ 49.62
2180054708	9015 PORT RD NW	\$ 60.11
6418973494	3408 JAMESWAY DR SW	\$ 189.53
2658363061	5009 GINGER CT SW	\$ 38.85
9558499471	3216 "A" DEL RIO SW	\$ 17.85
<b>Compost Sales</b>		Subtotal \$ 355.96

1005729560	1320 WHEELER AVE SE	\$ 1,679.45
7139489560	1221 TAPIA BLVD SW	\$ 1,462.97
3474929560	1321 BARELAS RD SW	\$ 4,046.26
3042589560	4004 WALLACE ST SE, 1/2	\$ 5,380.38
3630929560	1023 JOHN ST SE	\$ 3,294.45
8636957111	10437 CALLE PERDIZ NW	\$ 4,582.22
7947189560	10457 SGT PEPPER CT NW	\$ 1,280.23
3666189560	10516 4TH ST NW	\$ 2,548.65
3547619401	SEPTIC HAULER ACCT.	\$ 1,209.62
5454489560	1110 LOVATO RD SW	\$ 4,485.66
3972489560	1805 JERRYS CT SW	\$ 3,914.82
8672929560	1001 2ND ST SW	\$ 4,645.40
9973539560	1130 FORRESTER AVE NW	\$ 1,124.84
3934939560	1118 SAN MATEO BLVD SE	\$ 3,879.68
9647389560	4465 ISLETA BLVD SW	\$ 1,706.46
<b>Water/Wastewater</b>		Subtotal \$ 45,241.09

Grand Total \$ 45,597.05