

Council Meeting Staff Report

August 27, 2019

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| Agenda No.: | A. |
| Indexes (Council Goals): | * 2019 Council Goal - N/A |
| Presenters: | Bob Westervelt |
| Legislative File: | RE0411-19 |

Title

Approval of Incorporated County of Los Alamos Resolution No. 19-23. A Resolution Removing Uncollectible Utility Accounts from the Incorporated County of Los Alamos' Accounts Receivable List for Fiscal Year 2014

Recommended Action

I move that Council adopt Incorporated County of Los Alamos Resolution No. 19-23. A Resolution Removing Uncollectible Utility Accounts from the Incorporated County of Los Alamos' Accounts Receivable List for Fiscal Year 2014

Utilities Manager Recommendation

Staff recommends that the Utilities Board approve Resolution No. 19-23; A Resolution Removing Uncollectible Utility and Miscellaneous Receivable Accounts from Accounts Receivable List of Los Alamos County and forward to the Council with a recommendation for approval.

Board, Commission or Committee Recommendation

The Board of Public Utilities recommends approval of the resolution as presented.

Body

Pursuant to 3-37-7 NMSA 1978, it is requested that the County Utilities Board approve the write off of these uncollectible accounts. These accounts have been uncollectible for four (4) or more years, and all avenues for collection by the county have been exhausted. Once the Utilities Board has formally approved the write-offs for utility charges, a resolution will be prepared for County Council approval.

The New Mexico Attorney General's Opinion 70-88 indicated that writing off such uncollectible accounts has no effect on the County's future right to collection if circumstances change, and if collection is not barred by the applicable statute of limitations.

The amount of write-off for each utility was determined from the actual amounts billed. APPA reports that comparably sized utilities (5,000 - 10,000 customers) have a weighted average of .0046 per revenue dollar in FY2014. The County has a ratio of .002 for FY2014, excluding sales to DOE. This shows that FY2014 the County's ratio of uncollectible utility accounts is significantly lower than other similar size utilities.

Write-offs for fiscal year 2014 consist of 82 accounts for fiscal year 2014 totaling \$24,737.90, which were sent to J.C.C. Christensen & Associates, the collection agency contracted by Los Alamos County to assist in collecting on outstanding final accounts in which previous collection efforts have failed. Please note the balance due listed on Exhibit "A" includes GRT & GGRT in the amounts of \$1,056.64 & \$498.28 respectively.

Alternatives

The alternative is to maintain these amounts as receivables, an asset, on the County's books, with an offsetting liability, allowance for uncollectible accounts.

Fiscal and Staff Impact

The amount of write off is delineated below by fund:

Utility FY2014

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|----------|--|
| Electric | \$ 7,608.40 |
| Gas | \$ 6,923.78 |
| Water | \$ 2,577.31 |
| Sewer | \$ 5,503.64 |
| Subtotal | \$22,613.13 (amount requiring Utility Board Approval for FY14) |

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|--------|-------------|
| Refuse | \$ 2,124.77 |
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| TOTAL | \$24,737.90 |
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Attachments

A - Resolution No 19-23