



County of Los Alamos

Council Meeting Staff Report

September 15, 2021

Agenda No.: 6.B.

Indexes (Council Goals): DPU FY26 - 2.0 Achieve and Maintain Excellence in Financial Performance

Presenters: Bob Westervelt

Legislative File: RE0469-21

Title

Approval of Incorporated County of Los Alamos Resolution No. 21-23, a Resolution Removing Uncollectible Utility Accounts from the Incorporated County of Los Alamos Accounts Receivables List for - Fiscal Year 2016 & Fiscal Year 2017

Recommended Action

I move that the Board of Public Utilities endorse Incorporated County of Los Alamos Resolution No. 21-23; A Resolution Removing Uncollectible Utility Accounts from the Incorporated County of Los Alamos Accounts Receivables List for - Fiscal Year 2016 and Fiscal Year 2017, and forward to the Council with a recommendation for approval.

Utilities Manager's Recommendation

The Utilities Manager and staff recommend that the Utilities Board endorse Resolution No. 21-23 and forward to County Council with a recommendation for approval.

Body

Pursuant to 3-37-7 NMSA 1978, it is requested that the Board of Public Utilities approve the write off of the accounts listed in the Resolution, Exhibit A, which have been deemed uncollectible. 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, the Resolution will be presented to Council for final approval and adoption.

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. The APPA reports in their 2017 survey that comparably sized utilities (5,000 - 10,000 customers) have a weighted average of .0019 per revenue dollar. The County has a ratio of .000142 for FY2016 and a ratio of .00038 for FY2017, in both cases excluding sales to DOE. This shows for FY2016 and FY2017 the County's ratio of uncollectible utility accounts is significantly lower than other similar size utilities.

Utilities write-offs for fiscal year 2016 consist of 31 accounts totaling \$8,5550.08. Utilities write-offs for fiscal year 2017 consist of 58 accounts totaling \$24,292.45. Please note the balance due listed on Exhibit "A" includes GRT & GGRT in the amounts of \$390.32 & \$150.17 respectively for fiscal year 2016 and \$846.59 & \$554.40 respectively for fiscal year 2017.

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

<u>Utility</u>	<u>FY2016</u>
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Electric	\$ 2,811.17
Gas	\$ 2,207.02
Water	\$ 617.38
Sewer	\$ 1,321.56
Subtotal	\$ 6,957.13 (amount requiring Utility Board Approval for FY16)

Refuse	\$ 1,052.46
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FY16 TOTAL	\$ 8,550.08
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<u>Utility</u>	<u>FY2017</u>
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Electric	\$ 8,991.59
Gas	\$ 2,747.78
Water	\$ 2,749.09
Sewer	\$ 6,320.08
Subtotal	\$20,808.54 (amount requiring Utility Board Approval for FY17)

Refuse	\$2,082.92
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FY17 TOTAL	\$24,292.45
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Attachments

A - Resolution No. 21-23