



MEMORANDUM

DATE: August 11, 2025

TO: Water Utility Commission

FROM: Cortney Nagel, Administrative Services Manager

RE: Bankruptcy – Writing Off Accounts

I am recommending that the Water Utility write off \$5,248.27 of receivables to the allowance. \$4,499.64 relates to water charges that have gone to bankruptcy and \$748.63 is an invoice to a customer that is greater than two years old. We do not have any hydrant meter rental accounts to write off this year. As you will recall, bankruptcy filings cannot be sent to the tax roll. We examine customer invoices and recommend writing off balances that have been in collection for approximately 18 months.

While the write-off affects the net balance of receivables in the general ledger, we keep the customer account detail. This enables us to reinstate the accounts and post collections if the customers end up paying part of their debt. We received payments of \$1,348.97 on the \$3,960.92 of water accounts written off last year.

Please contact me with any questions that you might have.

Recommended Motion: Approve writing off \$5,248.27 of water related charges, as recommended by staff.