



## MEMORANDUM

DATE: August 12, 2022

TO: Daniel Duchniak, General Manager

FROM: Cortney Nagel, Interim Administrative Services Manager

RE: Bankruptcy – Writing Off Accounts

I am recommending that the Water Utility write off \$16,906.90 of receivables to the allowance. \$3,770.66 is due to water charges that have gone to bankruptcy. \$8,033.88 relates to customer invoices that are greater than two years old and \$5,102.36 is for hydrant meter accounts that the Utility was not able to collect on. As you will recall, bankruptcy filings cannot be sent to the tax roll. We also examine the customer invoices and recommend writing off balances on the customer invoices 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 \$97.69 on the \$6,168.78 of accounts written off last year.

Please contact me with any questions that you might have.

**Recommended Motion:** Approve writing off \$3,770.66 of water charges, \$8,033.88 of customer invoices, and \$5,102.36 for hydrant meter invoices, as recommended by staff.