



CITY OF KINGMAN COMMUNICATION TO COUNCIL

TO: Honorable Mayor and City Council

FROM: Tina Moline

MEETING DATE: March 17, 2026

AGENDA SUBJECT: Adopt a Notice of Intent to Set a Public Hearing for May 19th to Consider Increasing Water Rates and Establishing New Water Fees

SUMMARY:

As part of the City's ongoing financial oversight, the Water System's financial plan is regularly evaluated to confirm that revenues adequately support operating costs, capital needs, and the maintenance of a 60-day operating cash reserve. Staff's review of the Water System's financial plan indicates that current revenues are not sufficient to fully support existing service levels, operating expenses, capital requirements, and the City's 60-day cash reserve target.

Staff has developed two rate options for Council's consideration. One of the options adjusts certain service fees, such as delinquency notice and non-payment disconnection fees. These fees have not been updated for many years, and the costs associated with providing these services are not currently being fully recovered. The other option does not include any adjustments to service fees.

Both rate and revenue options presented are intended to address the fiscal sustainability of the Water Operating Fund and Water Capital Renewal Fund while balancing service expectations and cost impacts to customers.

FISCAL IMPACT:

Until Council selects a rate option to consider, the fiscal impact is unknown at this time.

STAFF RECOMMENDATION:

Adopt a Notice of Intent to Set a Public Hearing for May 19th to Consider Increasing Water Rates and Establishing New Water Fees

SUGGESTED MOTION:

Adopt a Notice of Intent to Set a Public Hearing for May 19th to Consider Increasing Water Rates and Establishing New Water Fees

ATTACHMENTS:

Water System Financial Plan Update - NOI Presentation
Notice of Intent 2026-0317