

**AN ORDINANCE TO AMEND CHAPTER 45 OF THE CITY CODE TO
RETAIN A THIRD-PARTY VENDOR TO CONDUCT A FULL
OPERATIONAL AND FINANCIAL ASSESSMENT OF THE WATER/SEWER
FUND AND PERFORM A FEASIBILITY STUDY TO ESTABLISH AN
AFFORDABLE WATER PROGRAM**

#0026

Sponsor:

**Council
Member
Darby**

WHEREAS, *Wilm. C. (Charter)* § 5-403 states that “rate and charges [for water, sewerage, and stormwater] ... shall be such as to yield to the city at least an amount equal to operating expenses and interest and sinking fund charges on any debt incurred or about to be incurred for water supply, sewage and sewage disposal purposes.”; and

WHEREAS, the COVID-19 pandemic has had devastating effects on the City’s poorest citizens; and

WHEREAS, in response, City Council passed Ordinance 23-019 on May 18, 2023, establishing a Permanent Water Utility Assistance Program to assist City utility customers with their water and sewer bills; and

WHEREAS, the Permanent Water Utility Assistance Program only assists City residents who are homeowners, and not in arrears, on the back end, *i.e.*, after they receive their bill, and requires a “set up” fee; and

WHEREAS, even with the Water Utility Assistance Program, City residents are having trouble maintaining their bills; and

WHEREAS, between January 1, 2024 – August 21, 2024, 1,096 customers were in arrears; and

WHEREAS, between January 1, 2024 – August 21, 2024, 498 customers were placed on the 96-hour water shut-off list; and

WHEREAS, between January 1, 2024 – August 21, 2024, 214 customers utilized the Utility Assistance Program; and

WHEREAS, an outside vendor may provide an independent, more accurate assessment of a possible Affordable Water Program; and

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON
HEREBY ORDAINS:**

SECTION 1. Chapter 45 of the City Code is hereby amended by adding a new Section 45-7 thereto containing the underlined language to read as follows:

Sec. 45-7. – Assessment of an Affordable Water Program.

(a) *Authorization.* The department of finance is hereby authorized to create an affordable water program recommending rates for low-income residents; and

(b) *Program and Rate-Setting Recommendations.* In creating an affordable water program, the department of finance may hire an outside vendor to study the matter and recommend to the department setting specific water rates as part of a proposed program. The department of finance in consultation with the department of public works shall consider any recommendations made and may, in its discretion and in compliance with Section 5-403 of the City Charter, accept in whole or in part, or reject, any such recommendations.

(c) *Administration and Enforcement.* Administration and enforcement shall be coordinated by the department of finance. The department is authorized to prescribe, adopt, promulgate, and enforce rules and regulations pertaining to any aspect of the administration and enforcement of this program, including, but not limited to, establishing additional minimum eligibility requirements, application procedures, and required documentation. The department of finance shall develop a policy manual that shall govern the administration of this program.

SECTION 2. Chapter 45 of the City Code is hereby amended by renumbering certain reserved sections thereof by deleting the stricken language and adding the underlined language to read as follows:

Secs. 45-78 – 45-30. – Reserved.

SECTION 3. The Department of Finance or the Department of Public Works is encouraged to issue its findings and recommendations so that affordable water rates may be set for the fiscal year beginning July 1, 2025.

SECTION 4. This Ordinance shall become effective upon its passage by City Council and approval by the Mayor.

First Reading.....April 3, 2025
Second Reading.....April 3, 2025
Third Reading.....

Passed by City Council,

President of City Council

ATTEST: _____
City Clerk

Approved this ____ day of _____, 2025.

Mayor

SYNOPSIS: This Ordinance amends Chapter 45 of the City Code to authorize the Department of Finance to retain an outside vendor to make recommendations concerning the creation of an affordable water program and the setting of water assessment rates. The Ordinance also permits the Department, after review, to accept in whole or in part, or to reject these recommendations.

FISCAL IMPACT STATEMENT: The fiscal impact is unknown at this time but should be *de minimis* because the Charter requires the City's utilities to remain revenue neutral.