

AN ORDINANCE TO AUTHORIZE AND APPROVE THE FIRST AMENDMENT TO AN AGREEMENT FOR WATER AND SEWER SERVICE LINE PROTECTION PROGRAMS BETWEEN THE CITY OF WILMINGTON AND AMERICAN WATER RESOURCES, LLC

#0189

Sponsor:

**Council
Member
Oliver**

WHEREAS, pursuant to Section 2-308 and Section 8-200 of the City Charter, the City of Wilmington is authorized to enter into contracts for the supply of personal property or the rendering of services for a period of more than one year if approved by City Council by ordinance; and

WHEREAS, in 2016, the City publicly advertised a request for proposals for water and sewer service line protection programs and subsequently negotiated and entered into an agreement (the "Agreement") with American Water Resources, LLC ("AWR"), the vendor that submitted the highest ranked proposal; and

WHEREAS, the Agreement makes warranty protection services available to residential owners of water service lines and sewer laterals located in the City; and

WHEREAS, participation by homeowners in such warranty service line protection programs is completely voluntary and is paid for by the homeowners under the terms of agreements between the respective homeowners and AWR; and

WHEREAS, pursuant to the Agreement, AWR will annually (i) pay the City ten percent (10%) of the warranty fees collected by AWR from participating homeowners during the preceding twelve-month period less refunds for cancellations and (ii) fund up to Twenty Thousand Dollars (\$20,000.00) for water and sewer line repairs for customers selected by the City; and

WHEREAS, the Agreement was approved by City Council via Ordinance No. 16-039 and a copy of the Agreement is attached as Exhibit "A" to such ordinance; and

WHEREAS, the Agreement commenced in 2016 and was for a period of five (5) years with five (5) one-year extension options; and

WHEREAS, the City has exercised all of the extension options; and

WHEREAS, the City and AMR would like to amend the Agreement to (i) extend its duration for a period of five (5) years from July 1, 2026 through June 30, 2031 and (ii) cap the fees that AWR may charge homeowners for the warranty protection services at \$12.99 per month, all as set forth in the First Amendment to the Agreement (the “Amendment”), a copy of which, in substantial form, is attached hereto and incorporated by reference herein as Exhibit “A”; and

WHEREAS, it is the recommendation of the Department of Public Works that City Council authorize the City to enter into the Amendment; and

WHEREAS, City Council deems it necessary and appropriate to authorize the City to enter into the Amendment.

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

SECTION 1. The Amendment to the Agreement (being the First Amendment to Agreement for Water and Sewer Service Line Protection Programs between the City and AWR), a copy of which, in substantial form, is attached hereto and incorporated by reference herein as Exhibit “A”, to extend the duration of the Agreement for the period of five (5) years commencing on July 1, 2026 and ending on June 30, 2031 and to cap the fees that AWR may charge homeowners for protection services at \$12.99 per month, is hereby approved, and the Mayor, or his designee, is hereby authorized to execute the Amendment, as well as to take all additional undertakings related thereto as may be necessary.

SECTION 2. This Ordinance shall become effective upon its passage by City Council and approval by the Mayor.

First Reading.....February 19, 2026
Second Reading..... February 19, 2026
Third Reading.....

Passed by City Council,

President of City Council

ATTEST: _____
City Clerk

Approved as to form this 19th
day of February, 2026.

Elizabeth D. Power
Senior Assistant City Solicitor

Approved this ____ day of _____, 2026.

Mayor

SYNOPSIS: This Ordinance authorizes the City to execute a first amendment to an agreement with American Water Resources, LLC (“AWR”) that makes water and sewer line warranty protection services available to homeowners in the City. The amendment will (i) extend the duration of the agreement for five (5) years commencing on July 1, 2026 and ending on June 30, 2031 and (ii) cap the fees that AWR may charge homeowners for warranty protection services at \$12.99 per month.

FISCAL IMPACT STATEMENT: The Office of Management and Budget has reviewed this Ordinance and analyzed the proposed first amendment to the 2016 agreement with AWR that established a voluntary water and sewer service line protection program (“SLPP”) for City homeowners, which is attached as Exhibit “A” to the Ordinance. The SLPP is administered entirely by AWR at no direct cost to the City. The City receives an annual revenue share equal to ten percent (10%) of SLPP fees collected from enrolled homeowners (projected to be about \$38,000 annually), and up to \$20,000 per year from AWR’s H2O fund, which the City uses to assist low-income City homeowners with water and sewer line repairs. The first amendment will extend the duration of the agreement for five (5) years and will cap the SLPP fees collected from enrolled homeowners at \$12.99 per month.

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EXHIBIT A

**FIRST AMENDMENT TO AGREEMENT FOR
WATER AND SEWER SERVICE LINE PROTECTION PROGRAMS**

This FIRST AMENDMENT TO AGREEMENT FOR WATER AND SEWER LINE PROTECTION PROGRAMS (this "Amendment"), is entered into this ____ day of _____, 2026, to be effective as of July 1, 2026 (the "First Amendment Effective Date"), by and between the City of Wilmington, a municipal corporation of the State of Delaware (the "City"), and American Water Resources, LLC, a Virginia limited liability company ("AWR").

WHEREAS, the City and AWR entered into that certain Agreement for Water and Sewer Service Line Protection Programs effective August 5, 2016 (the "Agreement"); and

WHEREAS, the City and AWR desire to amend the Agreement as set forth in this Amendment.

NOW THEREFORE, in consideration of those mutual undertakings and covenants hereinafter set forth and with the intent to be legally bound, the City and AWR hereby agree as follows:

1. Section 1 (Term) of the Agreement is amended to add the following sentence to the end of Section 1:

“The City and AWR agree to an additional Renewal Term for a period of five (5) years commencing on July 1, 2026 and ending on June 30, 2031.”

2. The last sentence of Section 2.5 (SLPP Fees) is hereby deleted in its entirety and replaced with the following:

“Anything to the contrary notwithstanding, however, AWR agrees that during the Renewal Term of July 1, 2026 through June 30, 2031, Member Customer SLPP charges shall not exceed \$12.99 per month.”

3. All initially capitalized terms used and not defined in this Amendment shall have their respective meanings as defined in the Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the City and AWR have caused this Amendment to be executed by their respective duly authorized representatives to be effective as of the First Amendment Effective Date.

CITY OF WILMINGTON

Signature: _____

Name: Vincent R. Carroccia

Title: Deputy Commissioner of Public Works

AMERICAN WATER RESOURCES, LLC

Signature: _____

Name: Josh Cohen

Title: Chief Commercial Officer