

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY'S GENERAL OBLIGATION BOND (LEAD REMOVAL PHASE IV PROJECT), SERIES A OF 2026-DWSRF, IN ORDER TO PROVIDE THE FUNDS NECESSARY FOR THE REPLACEMENT OF APPROXIMATELY THREE TO FOUR MILES OF OLD CAST IRON WATERMAIN IN THE CITY'S WATER DISTRIBUTION SYSTEM; PROVIDING FOR THE SALE OF THE 2026A BOND TO THE DELAWARE DRINKING WATER STATE REVOLVING FUND; AND AUTHORIZING OTHER NECESSARY ACTION

WHEREAS, the City of Wilmington (the "City") has determined to undertake a project in the City consisting of the replacement of approximately three (3) to four (4) miles of old cast iron watermain in the City's water distribution system, as specified in the City's capital budget for its Fiscal Year ending June 30, 2026 (collectively, the "Project"); and

WHEREAS, in order to finance the Project and pay certain administrative costs relating to the Project and the costs of issuing the 2026A Bond (as defined herein), the City has determined to issue its General Obligation Bond (Lead Removal Phase IV Project), Series A of 2026-DWSRF, in a principal amount not to exceed \$13,000,000; and

WHEREAS, the City has heretofore adopted the General Obligation Bond Ordinance, No. 83-019, Division 7 of Article VI of Chapter 2 of the Wilmington City Code (the "General Ordinance"), authorizing the City to issue general obligation bonds secured by a pledge of the City's full faith, credit, and taxing power, for the purpose of, among other things, paying the costs of capital projects; and

WHEREAS, this Ordinance is a Supplemental Ordinance adopted pursuant to the General Ordinance and provides for the issuance and sale of the 2026A Bond.

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

SECTION 1. Defined Terms. Terms used in this Ordinance and not otherwise defined shall have the meaning specified in the General Ordinance.

SECTION 2. Authorization of the 2026A Bond. The City hereby authorizes the issuance of its General Obligation Bond (Lead Removal Phase IV Project), Series A of 2026-DWSRF (the "2026A Bond"), or such other series designation as the Bond Committee (as defined herein) shall determine, in a principal amount not to exceed \$13,000,000 pursuant to and in accordance with the General Ordinance, as supplemented by this Ordinance and the Bond Committee Resolution (as defined herein), for the purpose of financing the Project. The 2026A Bond shall be sold to the Delaware Drinking Water State Revolving Fund.

The 2026A Bond shall be in such principal amount (not exceeding \$13,000,000), shall bear such rate or rates of interest, shall mature in such principal amounts and on such dates, shall be subject to redemption, shall be sold at such price and in such manner, and shall be in such form and contain or be subject to such other terms and conditions, as shall be determined by the City's Bond Committee (the "Bond Committee") pursuant to a resolution of said committee (the "Bond Committee Resolution").

#0176

Sponsor:

Council
Member
Harlee

SECTION 3. Execution of the 2026A Bond. The 2026A Bond shall be executed by the manual or facsimile signatures of the Mayor, the City Treasurer, and the City Auditor, and by the manual or facsimile impression of the City seal, both attested by the manual or facsimile signature of the City Clerk or Deputy City Clerk. The 2026A Bond in definitive form may be printed, typewritten, or lithographed without steel engraved borders.

SECTION 4. Security for the 2026A Bond. The full faith, credit, and taxing power of the City is hereby pledged to the prompt payment of the principal of, premium, if any, and the interest on the 2026A Bond. The 2026A Bond shall be the direct and unlimited obligation of the City, and unless paid from other sources, the City shall levy *ad valorem* taxes upon all taxable property in the City for the payment of the 2026A Bond subject to the limitation contained in applicable law.

SECTION 5. Further Action. The appropriate officers of the City are hereby authorized and directed to take all such action, execute, deliver, file, and record all such documents, publish all notices, and otherwise carry out the intent of the General Ordinance and this Ordinance in the name of and on behalf of the City.

SECTION 6. Inconsistent Provisions. In the event that any provision of the 2026A Bond, or any term or condition contained in any agreement relating to the 2026A Bond, shall be inconsistent with any of the provisions of the General Ordinance, the provision of the 2026A Bond, or this Ordinance, such agreement shall be controlling with respect to the 2026A Bond and such agreement.

SECTION 7. Relation to General Ordinance. This Ordinance is supplemental to the General Ordinance and all sections of the General Ordinance, except as modified herein in accordance therewith, are applicable to the 2026A Bond authorized hereunder.

SECTION 8. Effective Date. This Ordinance shall become effective upon its passage by City Council and approval by the Mayor.

First Reading..... February 5, 2026
Second Reading..... February 5, 2026
Third Reading.....

Passed by City Council,

President of City Council

ATTEST: _____
City Clerk

Approved as to form this 4th
day of February, 2026.

Elizabeth D. Power
Senior Assistant City Solicitor

Approved this ____ day of _____, 2026.

Mayor

SYNOPSIS: This Ordinance authorizes the issuance of a General Obligation Bond (Lead Removal Phase IV Project), Series A of 2026-DWSRF (the “2026A Bond”), in an amount not to exceed \$13,000,000, which will be sold to the Delaware Drinking Water State Revolving Fund in order to (A) finance the replacement of approximately three (3) to four (4) miles of old cast iron watermain in the City’s water distribution system, as set forth in the City’s capital budget for its Fiscal Year ending June 30, 2026, (B) pay administrative costs relating to such capital project, and (C) pay the costs of issuing the 2026A Bond.

FISCAL IMPACT STATEMENT: The Office of Management and Budget has reviewed and analyzed this Ordinance that authorizes the issuance of the 2026A Bond, along with related documentation provided by the State of Delaware. The 2026A Bond is for a term of twenty years at an annual interest rate of 2.0%. Annual debt service (principal and interest payments) will be paid semi-annually and will be due only after the project has been completed. In addition, once the project has been completed, up to \$6,100,010 in principal forgiveness will be applied, resulting in a net principal amount borrowed of \$6,899,990. So long as the project is completed on time, the annual debt service payment on the net borrowed amount (after forgiveness) will be \$420,287. Over the course of the 20-year life of the 2026A Bond, the City will pay out a total of \$8,405,740, of which \$6,899,990 will be for the principal repayment and \$1,504,750 will be for interest costs. In addition to the debt service payments, there is a one-time bond issuance cost of approximately \$7,000.

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