

Wilmington, Delaware
September 3, 2026

#0270

Sponsor:

Council
Member
Oliver

WHEREAS, pursuant to Section 2-363 of the City Code, City Council deemed it necessary and proper to specify the requirements for review and approval of City-sponsored grant applications and proposals, including authorization for expedited grant applications when necessary prior to Council's approval by resolution; and

WHEREAS, the Department of Public Works submitted a grant application to the Delaware Department of Health and Social Services, Division of Public Health ("DHSS") for a Drinking Water State Revolving Fund grant in the amount of \$2,525,000; and

WHEREAS, the grant funds will be used to reimburse the City for upgrades to the existing water distribution system in the Dunleith neighborhood to increase the available fire flow and system pressure in such neighborhood; and

WHEREAS, no matching funds are required; and

WHEREAS, City Council deems it necessary and proper to authorize the grant application for the aforesaid purpose.

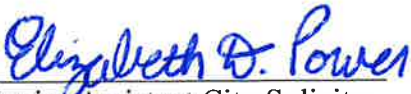
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF WILMINGTON that the Department of Public Works' grant application to DHSS for a for a Drinking Water State Revolving Fund grant in the amount of \$2,525,000, or such other amount that DHSS awards, is hereby authorized.

BE IT FURTHER RESOLVED that the Commissioner of Public Works, or her designee, shall be authorized to take all necessary actions to accept any and all funds associated with the grant application and to fulfill the grant requirements.

Passed by City Council,

ATTEST: _____
City Clerk

Approved as to form this 3rd
day of September, 2026.


Senior Assistant City Solicitor

SYNOPSIS: This Resolution authorizes the Department of Public Works' grant application to the Delaware Department of Health and Social Services, Division of Public Health ("DHSS") for a Drinking Water State Revolving Fund grant in the amount of \$2,525,000, or such other amount that DHSS awards. The funds will be used to reimburse the City for upgrades to the existing water distribution system in the Dunleith neighborhood to increase the available fire flow and system pressure in such neighborhood. No local matching funds are required.

FISCAL IMPACT STATEMENT: The Office of Management and Budget ("OMB") has reviewed and analyzed this Resolution along with the three supporting documents: the DHSS Drinking Water Bond Bill Grant Guidelines and Application, including the City's project budget; the draft Drinking Water Grant Agreement; and Appendix B, the reimbursement request. OMB also consulted with the Department of Public Works to confirm the funding and accounting treatment of the grant-funded project.

The application identifies a total project budget of \$2,525,000 in the Water/Sewer Fund, including \$2,200,000 for construction, \$200,000 for contingencies, \$115,000 for engineering, and \$10,000 for administration.

The grant is structured on a reimbursement basis. The City must first incur eligible project costs and then seek reimbursement from the State. Costs incurred before the Delaware Department of Finance approves the Purchase Order allocating the Grant Funds, costs that are not eligible for reimbursement, and costs exceeding the amount authorized by the grant award or Purchase Order would remain the City's responsibility. The project must be completed and the final reimbursement request submitted by June 30, 2027. The draft agreement states that extensions of the Purchase Order will not be granted and that previously disbursed grant funds must be repaid if the project is not completed as described.

In summary, the grant is expected to cover the entire identified project budget with no City match, and Public Works has confirmed that no separate City capital appropriation or capital-program spending authority will be required. Following Council approval, Accounting will establish the grant project in the Water/Sewer Fund, where the grant revenue and related project expenditures will be recorded. However, because the grant is reimbursement-based, the General Fund will experience a limited and temporary cash-flow impact by advancing funds for eligible project expenditures until reimbursement is received from the State. This timing difference does not increase the net cost of the project, assuming those expenditures are fully reimbursed. Any costs not reimbursed under the grant agreement would remain the responsibility of the City's Water/Sewer Fund.

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