CITY OF CORPUS CHRISTI
CORPUS CHRISTI WATER

TO: Peter Zanoni, City Manager

FROM: Nicholas Winkelmann, P.E., Chief Operating Officer

COPY: Mayor & City Council

SUBJECT: **WATER SUPPLY UPDATE NO. 60**

DATE: June 12, 2026

Corpus Christi Water (CCW) continues to advance multiple water projects to add new water supply sources. The strategic goal is to develop a diversified water supply portfolio comprising groundwater, wastewater reuse, seawater, and surface water.

Groundwater

Evangeline Groundwater Project

On June 8, the San Patricio Groundwater Conservation District (SPCGCD) held a board meeting. The agenda included consideration and potential action regarding the emergency permit request submitted by Evangeline Laguna LP. The board declined a motion to draft rules to establish an emergency process in the district rules for considering such requests. Therefore, the board did not consider the request to drill the eleven proposed wells on an emergency basis.

SPCGCD has not provided any information regarding the next steps for the contested case hearing. The City anticipates that the next steps in this process will be communicated to the parties in the near future.

Engineering and construction work on this project continues to progress by both Pape Dawson Engineers (Pape) and Garney Construction (Garney). Deliveries of the required High-Density Polyethylene (HDPE) and Polyvinyl Chloride (PVC) water line piping continue. As of today, 127,829 linear feet of HDPE and PVC water line have been delivered to the site. This accounts for approximately 79% of the total water line pipe required for the project.

Garney construction continues with site work, with a total of 1,671 LF of pipeline installed and 6,943 LF of pipe fused. Three crews are on site; one mobilized the week of June 22, and another is scheduled for the following week. Approximately 50 crew members, along with various subcontractors, are present on site. Additionally, deliveries of long-lead materials are ongoing.

The delivery date for water for this project will be revised once the City receives further information regarding SPCGCD's next steps. Due to permitting delays, water is not expected to be supplied by November 2026. The schedule outlined in this memo will be updated and extended monthly until permitting approval is secured.

The total expenditure for this project to date, including professional services, construction services, legal, and administration, is $46,502,457.

On February 17, the Council approved the purchase of groundwater rights at Li Ranch. The closing condition requires the seller to obtain permits for production, drilling, and transportation. Hydrogeologists have identified potential well locations, and the site has been surveyed accordingly. This information will be shared with the seller to initiate the well drilling permit application process.

Nueces Groundwater Program

As of today, the current expenditure for the Eastern Well Field Project is $18,659,641, and for the Western Well Field Project is $32,088,639. The Texas Water Development Board approved the $30,000,000 grant on January 21.

Production from the Nueces Groundwater Program was temporarily halted due to inflow into the river caused by recent weather events. The runoff between Wesley Seale Dam and the Calallen barrier resulted in a significant rise in river water levels. During this period, routine testing and calibration of river measurement devices were performed. Well pump production resumed on June 10.

The pumping assembly for the tenth well in the Western Well Field has been designed, and we are awaiting delivery of equipment to proceed with installation. Development of the eleventh well is underway, with test pumping and water quality assessments scheduled to be completed within the next week. Installation of the drilling and production screens for the twelfth well is currently in progress. Additionally, test drilling and material procurement for future wells are ongoing. Data continues to be supplied to the hydrogeologist for model calibration and aquifer analysis.

Nueces Electric Cooperative expects to complete infrastructure improvements along FM 624 and within the well field to enable the operation of twelve wells powered by permanent electric power by the end of June. This schedule is contingent upon suitable weather conditions for construction.

Brackish Groundwater Reverse Osmosis Treatment Project

Garver Engineering continues designing the conveyance line, with the 75% submittal expected within a week. City staff continue meeting with local contractors to discuss construction. Delivery of pipe materials for the conveyance line has begun for both the 36" PVC water line and the 3" fiber-optic conduit. These materials are being delivered to the ON Stevens Water Treatment Plant for staging. As of today, 10,960 linear feet of 36" PVC pipe have been delivered.

The initial construction package for the conveyance line is approximately 90% complete, with City staff finalizing comments. The comprehensive Phase 1 package will be delivered to the contractor

by mid-June. Material arrivals are underway, and construction is expected to begin shortly after the full set of plans is provided. The project will be executed through four distinct construction packages, with the contract for the first packages already issued. A preconstruction meeting is scheduled for June 15.

Two 500,000-gallon ground storage tanks have been procured for installation at the O.N. Stevens Water Treatment Plant (ONSWTP), which will be a required component of the Brackish Reverse Osmosis treatment system. Additionally, a 3,000,000-gallon ground storage tank has been secured for the pump station at the Western Well Field. CCW Engineering has completed the design of the pump equipment for these pump stations, and the pumps have been approved for manufacturing.

It is expected that the conveyance line and well field pump station will be online by the end of December 2026.

Design work proceeds on discharge options for the Reverse Osmosis Plant, including evaporative ponds, an injection well, and surface discharge. Initial discussions with TCEQ have been held to address permits for the treatment plant, conveyance line, and discharge methods. Preliminary engineering efforts for the injection well design remain underway.

CCW is working with AEP and HDR on the electrical service and upgrades required at the ONSWTP for the pumping equipment and the reverse osmosis treatment process. AEP has confirmed that power is available to support the phased implementation and startup of the treatment equipment. The phased implementation will align with the delivery of the reverse osmosis treatment units.

The expected water delivery via the Brackish Reverse Osmosis process is 3.91 MGD in February/March 2027, 5.3 MGD in May 2027, 5.3 MGD in September 2027, and 6.7 MGD in March 2028, for a total of 21.3 MGD.

The current expenditure for this project is $14,249,418.

Seven Seas Water Group

On May 5, Council authorized City staff to negotiate with the Seven Seas Water Group (Seven Seas) on a brackish reverse osmosis project in Nueces County.

Seven Seas holds an option on approximately 5,000 acres of land and aims to secure additional properties if the project proves feasible. Seven Seas is also in the process of finalizing a contract to drill a test well on the site, which is critical for conducting an aquifer test and a hydrogeologic study of the region. It is expected that the driller will mobilize to the project site by the end of June to begin the drilling of the test well.

CCW will conduct a hydraulic review of the water system to determine how water produced by this facility could be integrated into the overall distribution system.

Wastewater Reuse

Reclaimed Water Infrastructure Project

On May 12, Council approved a Construction Manager at Risk (CMAR) contract. The CMAR contractor will work closely with the design engineer, Ardurra, to accelerate the construction of a conveyance line linking the Oso WWTP to Greenwood WWTP. This initiative supports the use of approximately 10 MGD as part of the larger Wastewater Reuse Project. An amendment to this contract, which includes additional funding for the full construction guaranteed maximum price (GMP), will be presented for consideration at the June 23 or June 30 Council meeting.

Ardurra is progressing toward 100% design, with the submittal deadline set for June 23. Final signed and sealed drawings are projected to be completed by July 14. The final design phase is underway, incorporating input from Reytec, the CMAR contractor. Multiple bids have been received from contractors for various work packages, with evaluation ongoing. The project will employ a multi-package delivery approach, enabling simultaneous construction of the pipeline and pump station to accelerate the schedule. Procurement efforts include sourcing 36-inch HDPE pipe, vertical turbine pumps, and electrical equipment. The final phase of this project is expected to be completed in mid-2027.

The current expenditure for this project is $2,289,395.00.

Ongoing discussions with other stakeholders are underway concerning future effluent supply agreements and potential end users. The Council has approved contracts with Valero and Flint Hills Resources (FHR). Both companies are actively working to accelerate their delivery schedules to reduce potable water consumption as quickly as possible. Valero plans to utilize 3 MGD in the initial phase of its project, expanding to as much as 8 MGD in the subsequent phase. FHR anticipates starting with 1 MGD, increasing to up to 3 MGD in later phases. Valero has begun construction this week. The draft TCEQ permit necessary for FHR to commence use of effluent water from the Allison Wastewater Treatment Plant was received this week. FHR is also advancing rapidly with its construction schedule, aiming to start utilizing the effluent water within the next few months.

Seawater

Inner Harbor Seawater Desalination

On June 2, City staff presented a contract with the Corpus Christi Desal Partners (CCDP) for consideration. The scope of the contract included engineering services to 60% design, construction, and operation of a demonstration plant, coordination of the demonstration plant with TCEQ, and development of a Guaranteed Maximum Price (GMP). The value of the contract is $78,610,000. CCDP anticipates that this work will take approximately 12 months from the date of contract execution. The established preliminary guaranteed maximum price (pGMP) for the entire project is set at $978,770,000. Council approved a motion to delay this decision until September 1, 2026.

The timeline for the next steps related to this loan was presented at the Council meeting. The City will need to request a restructuring of the SWIFT Loan to adjust key milestone timelines due to the delay.

On May 15, the Bureau of Reclamation informed CCW that the City will receive an official memorandum endorsing the review team's recommendation to approve the feasibility study for the Inner Harbor project. This formal communication advances the grant application to the next stage in securing funding, which is due by August 26. However, due to the delay in project approval, the City may need to forgo the application process for this grant at this time

At the June 2 Council meeting, the Farfield modeler, Spheros Environmental, and its subconsultant, Hazen and Sawyer, presented the Farfield model results.

The modeler's conclusions, presented at the meeting, are as follows:

- 3D far-field modeling shows that the introduction of desalination discharge into the Inner Harbor may increase daily stratification locally by up to 2 ppt

- Changes to stratification events dissipate due to tides and other environmental conditions over a time scale of 2 weeks to 1 month

- Outside of Inner Harbor and Corpus Christ Channel stratification changes are generally less than 0.5 ppt

- Dissolved Oxygen was not modeled in this study; however, these findings suggest that the risk of desalination discharge exacerbating dissolved oxygen deficits in areas outside of the Corpus Christi Channel and Inner Harbor appears to be minimal

Spheros is working through its contractual scope and is on track to deliver the technical report for the Farfield model by June 30, 2026. Plummer and Associates, the City's consultant, will review the reports and their findings.

The following documents regarding both current and previous modeling and aquatic life assessments are uploaded on the project page at www.securingwater.corpuschristitx.gov.

- Essential Fish Habitat Assessment as Prepared for the US Army Corps of Engineers
- Corpus Christi Seawater Desalination Receiving Water Salinity Critical Dilutions
- City of Corpus Christi Desalination Study concentrate Modeling at Inner Harbor Channel
- Far Field Meeting Minutes and presentations'

NRA - Harbor Island Seawater Desalination Project

City staff met with NRA and LAN this week to review ongoing design efforts for the pumping system and conveyance line under this contract. LAN acts as the program manager for this segment. Contracts are anticipated to be awarded to various engineering firms for the comprehensive design of the conveyance line. CCW and its engineering team will analyze the alignment to determine the optimal connection point. Additionally, CCW will conduct hydraulic modeling and other analyses to complete preliminary engineering assessments, providing insight into the costs associated with the City's portion of the project.

The NRA board selected IDE as the development partner for this project.

Barney Davis Seawater Desalination Project

On March 17, the Council approved a motion authorizing City staff to work with CPS Energy in exploring options for establishing a seawater desalination treatment plant adjacent to the Barney Davis Power Plant. On April 24, City staff met with CPS Energy representatives to reaffirm CPS Energy's commitment to coordinate with the City on a seawater desalination project at the Barney Davis Power Plant. On June 1, a meeting was held to discuss potential next steps and the possibility of forming a Public Utility Association. Ongoing discussions continue with CPS Energy regarding this project site.

CC Polymer (Aquatech)

On March 24, the Council approved a motion authorizing City staff to negotiate a water supply agreement with Aquatech, which has agreed with CC Polymers to complete the plant, install the necessary infrastructure, and obtain all required permits to operate the existing desalination facility and to sell water to the City.

CCW, City staff, and Aquatech have met four times to date, with a subsequent meeting scheduled for next week. This session will focus on reviewing project timelines, including the formation of a Special Purpose Vehicle by Aquatech, as well as key milestones and permitting requirements outlined in their initial letter of intent.

During the meeting, Aquatech stated that 8 MGD of the 9.4 MGD capacity will be available one year after contract execution and financial closure, with an additional 5 to 6 MGD becoming available after two years. City staff were informed that no permit modifications are necessary for the existing TCEQ intake and discharge permit; however, a TCEQ permit will be required for plant operation as a potable water supply. To provide an additional 5 to 6 MGD, a modification to the water-right (consumptive-use) permit will be required. Aquatech proposes a 25-year agreement.

CCW is currently modeling the connection point and the integration of this additional water into the distribution system.

Additional Seawater Desalination Project

On May 5, Axe H2O presented to the Council a proposal for a potential seawater desalination plant on the south side of Corpus Christi. CCW and City staff have been in contact with Axe H2O representatives.

According to the Axe H2O documentation, the proposed site for the seawater desalination facility is the Barney Davis Power Plant, owned by CPS Energy. The City is actively engaged in discussions with CPS Energy to establish a partnership at this location. Once a formal agreement is reached and a development plan approved, the City will issue a request for proposals (RFP) to design, build, and operate the facility. Axe H2O will be invited to respond to the RFP when it is released.

Surface Water

Western Reservoirs (Lake Corpus Christi and Choke Canyon Reservoir)

As of today, Lake Corpus Christi is at 28.0% capacity, with 71,673 acre-feet of water stored. Choke Canyon Reservoir is at 8.1% capacity, with 53,886 acre-feet of water stored. The combined Western Reservoir capacity is 13.7%.

Lake Texana

As of today, the Lavaca Navidad River Authority (LNRA) reports that Lake Texana's reservoir is 99% full, compared with 87% at this time last year. LNRA also informed CCW that it is reviewing its current Drought Contingency Plan to potentially modify it for the next calendar year.

Lower Colorado River

The Lower Colorado River is managed by the Lower Colorado River Authority (LCRA). The City of Corpus Christi holds an annual run-of-river right of 35,000 acre-feet. Currently, there are no notices of potential restrictions from LCRA.

Status of Water Rate Appeals through the Public Utilities Commission (PUC)

In March 2024 and March 2025, Outside-City-Limits (OCL) ratepayers, led by large-volume customers, appealed their water rates to the Texas Public Utility Commission (PUC). The cases were consolidated under PUC Docket 56427.

On March 16, witnesses for the OCL ratepayers filed direct testimony, collectively proposing adjustments of $39,900,000 in 2024 and $36,800,000 in 2025. On May 1 and May 8, the PUC Staff filed direct testimony recommending an adjustment of approximately $6,400,000 to 2024 rates and no adjustment to 2025 rates. The process will continue according to the current schedule detailed below.

Staff and our consultants continue to prepare for the hearing on merits scheduled for Juen 24 -26 where both will be testifying.

May 1, 2026	PUC Staff provided Direct Testimony on the recommended revenue requirement. [On March 16, witnesses for the OCL ratepayers filed direct testimony cumulatively proposing adjustments of $39.9 million in 2024 and $36.8 million in 2025. On May 1 and May 8, the PUC Staff filed direct testimony recommending approximately $6.4 million in adjustments for 2024. The PUC Staff recommended no adjustments to 2025 rates.]
May 1, 2026	PUC Staff provided Direct Testimony on the recommendation for rate-case expense recovery. [PUC Staff recommends full recovery of the City's rate appeal expenses incurred through December 31, 2025, in the amount of $453,771.]
May 8, 2026	PUC Staff provided Direct Testimony regarding cost allocation and rate design. [The City's attorneys and consultants are reviewing the recommendations.]
May 8, 2026	Objections to PUC Staff Direct Testimony. [None were filed.]
May 15, 2026	Responses to Objections to PUC Staff Direct Testimony
May 18, 2026	Deadline to send discovery on PUC Staff Direct Testimony. [AWCC on behalf of petitioners filed Request for Information to Commission Staff regarding Staff's recommended increase in large volume user minimum from $24,202 to $34,417.]
May 22, 2026	City Rebuttal Testimony [City is filing rebuttal testimony of 5 witnesses.]
May 27, 2026	Objections to City Rebuttal Testimony [None have been filed.]
June 3, 2026	Responses to Objections to City Rebuttal Testimony
June 5, 2026	Deadline to take depositions on all parties
June 5, 2026	Deadline to file dispositive motions, if any

June 5, 2026	Deadline to supplement discovery on direct testimonies
June 8, 2026	Deadline to serve discovery on City Rebuttal Testimony
June 12, 2026	Deadline for responses to dispositive motions, if any
June 17, 2026	Submission of Witnesses to be Cross-Examined
June 17, 2026	Deadline for prehearing submissions, including Hearing Exhibits, Witness Lists, and Final Waivers of Cross-Examination
June 17, 2026	Deadline for prehearing filings
June 17, 2026	Prehearing Conference (via videoconference)
June 24-26, 2026	Hearing on the Merits (via videoconference)
July 10, 2026	Initial Briefs
July 24, 2026	Reply Briefs [Including proposed Findings of Fact, Conclusions of Law, and Ordering Paragraphs]

The City is using NewGen Strategies & Solutions LLC as its expert witness. Lloyd Gosselink Attorneys at Law represents the City in this matter.

Annual Drinking Water Quality Report

The annual drinking water quality report, as required by the TCEQ, has been finalized and published on the City's website. The water quality report is available in the CCW Water Quality Reports section at www.corpuschristitx.gov.

Upcoming Community Engagement

Wednesday, June 24	Moody High School Gymnasium, 1818 Trojan Drive District 3
Wednesday, July 15	Ethel Eyerly Senior Center, 654 Graham Road District 4
Thursday, August 6	Grace United Methodist Church, 14521 Northwest Boulevard District 1

Wednesday, August 26 Antonio E. Garcia Arts & Education Center, 2021 Agnes St.
District 1

Wednesday, September 16 Lindale Senior Center, 3135 Swantner Drive
District 2

Projected Delivery of New Water Sources

The Evangeline project will be updated once the City has greater certainty about SPGCD timeline and next steps. CCW expects the reuse estimates to improve, but City staff must first verify additional information before estimated delivery dates can be adjusted.

2026 Projected Delivery of Additional Water (MGD)														
Source	**Project**	**J**	**F**	**M**	**A**	**M**	**J**	**J**	**A**	**S**	**O**	**N**	**D**	**Total**
Groundwater	WWF River Delivery			6	4	3	4							17
Groundwater	ERF Property (WWF Extension)						2	4	3					9
Groundwater	Evangeline	*Depending upon further communication from the SPGD and permit status*											*4*	*4*
Reuse	FHR										1			1
Total														**31**

2027 Project Delivery of Additional Water (MGD)														
Source	**Project**	**J**	**F**	**M**	**A**	**M**	**J**	**J**	**A**	**S**	**O**	**N**	**D**	**Total**
Groundwater	Evangeline	2	2	1	2	1	1	2	1	1	2	1	1	17
Reuse	FHR												1	1
Reuse	Valero	3												3
Total														**21**

2028 Project Delivery of Additional Water (MGD)														
Source	**Project**	**J**	**F**	**M**	**A**	**M**	**J**	**J**	**A**	**S**	**O**	**N**	**D**	**Total**
Groundwater	Evangeline	2	1											3
Reuse	Valero	5												5
Reuse	Additional Customers	6												6
Total														**14**

Notes:

1) Western Well Field (WWF)
2) The projected delivery for each of our new water supply sources will be updated weekly as various factors influence the completion and partial completion of each project.
3) EWF and WWF daily production is dependent upon adherence to the operating protocol established by the bed & banks permit.
4) Evangeline Production estimates will be updated once there is more certainty of the timeline for the next steps in the permitting process.
5) Well Production is dependent upon results from pumping and aquifer testing
6) Reuse is an offset of the potable water demand