

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. 70**

DATE: August 21, 2026

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

In July, CCW provided a total of 3.22 billion gallons of treated and raw water. Of this, 68% originated from Lake Texana and the Lower Colorado River. Additionally, 32% came from the combined Western Reservoirs (Lake Corpus Christi & Choke Canyon Reservoir) and the Nueces Groundwater Program through the Nueces River.

Surface Water

Western Reservoirs (Lake Corpus Christi and Choke Canyon Reservoir)

As of today, Lake Corpus Christi is at 91.2% capacity, compared with 18.1% one year ago and a decrease of 0.5% from last week. The USGS Nueces River gauge at Three Rivers, Texas, reports a streamflow of 261 cubic feet per second, compared with 528 cubic feet per second last week.

Choke Canyon Reservoir is currently at 23.9% capacity, compared with 12.3% one year ago and a decrease of 0.5% last week. The USGS gauge near Tilden reports a streamflow of 0.00 cubic feet per second. Zero inflow into Choke Canyon has been recorded over the past two weeks.

The combined Western Reservoir capacity is 43.2%, compared with 14.3% a year ago.

Lake Texana

As of today, the Lavaca Navidad River Authority (LNRA) reports that Lake Texana's reservoir is at 93% capacity, compared with 92% at this time last year.

Lower Colorado River

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

Agreed Order and Western Reservoir Pass-Thru Requirements

On August 11, the City, the Nueces River Authority (NRA), and the City of Three Rivers submitted an application to the Texas Commission on Environmental Quality (TCEQ) to temporarily suspend certain special conditions, including pass-thru requirements, for the Water Right Permit under the 2001 Agreed Order affecting ADJ 21-3214. Additionally, the City filed a written statement with the Texas Parks and Wildlife Department (TPWD).

TCEQ Executive Director has begun the review process. If the application is approved, it will be placed on the Commission's agenda. The Commission will decide whether to grant, modify, or deny the application. Additionally, the application could be sent to the State Office of Administrative Hearing (SOAH) for an emergency hearing.

A letter of support for this request was provided by State Senators Chuy Holjosa, Adam Hinojosa, Judith Zaffirini and State Representatives Todd Hunter, Denise Villalobos, and Ryan Guillen. Additional letters of support were furnished by the City of Beeville, City of Matthis, the San Patricio County Farm Bureau, Nueces County Water Supply and Improvement District No. 3, and the San Patricio Municipal Water District.

Groundwater

Evangeline Groundwater Project

Evangeline Laguna LP's attorney has submitted a scheduling order to the Administrative Law Judge (ALJ) and all parties involved regarding the contested hearing on drilling and transport permits. The order included proposed dates for the proceedings. Responses from the other parties, including the San Patricio County Groundwater Conservation District (SPCGCD) and City of Sinton, have been received. We are awaiting the ALJ to affirm the dates within the next week.

The SPCGCD board meeting was held today, August 21. During the meeting, the board approved a \$0.005 ad valorem tax rate, resulting in an estimated budget of approximately \$1.6 million. Additionally, a drilling permit for Steel Dynamics Inc. was approved. The board referred the Somerset Land Company's drilling and production permit for the City of Sinton to a preliminary hearing to assess standing, due to multiple protests. The appointment of a staff hydrogeologist was deferred to the next meeting. The board also canceled the upcoming election after rejecting two incomplete applications. One new candidate has filed for an uncontested seat.

Construction on the project continues under Garney Construction (Garney). 45,279 LF of pipeline has been installed, with the weekly installation total of 2,275 LF. 116,021 LF of pipeline remains to be installed. Additional work in progress includes the pump station, road construction, site

access, and preparations to connect to the Mary Rhodes Pipeline. There are currently four pipe crews on site. The required TXDOT permit for crossing US77 has been approved.

To date, total project expenditures, including professional services, construction services, legal, and administrative expenses, is \$85,348,524.

On February 17, the Council approved the purchase of groundwater rights at Li Ranch. The closing condition requires the seller to secure permits for production, drilling, and transportation. The total expenditure for this project is \$316,875, which is solely the option fee.

Nueces Groundwater Program

Production in both the Eastern and Western Wellfields has decreased this week and is expected to decrease again next week as water supply production is adjusted to match water system and operational requirements. Over the past seven days, production from the Nueces Groundwater Program was 7.9 million gallons (MG) on 8/20, 9.9 MG on 08/19, 10.9 MG on 08/18, 5.4 MG on 08/17, 11.8 MG on 08/16, 11.0 MG on 08/15, and 12.2 MG on 08/14. The average daily production for this period was 9.8 MGD.

Progress on the Nueces Groundwater Program advances with test drilling, geophysical logging, and infrastructure improvements. The current construction at the Western Wellfield is being implemented to meet the management strategy aimed at optimizing hydrogeologic efficiency. During the June 26 board meeting, the decision to consolidate the production permit was deferred. Interim approvals have been granted to facilitate ongoing construction of additional wells.

Nueces Electric Cooperative (NEC) is diligently upgrading infrastructure to ensure a permanent power supply for the Western Wellfield. These improvements along FM 624 and within the wellfield are projected to be completed by the end of August, weather permitting. NEC estimates that the installation of the remaining transformers for the first twelve wells, along with necessary upgrades, will be finished by mid-October, enabling operation of those wells. Currently, seven of these wells are powered by a permanent electric supply.

As of today, the total expenditure for the Nueces Groundwater Project, including both the Eastern and Western Wellfields, is \$70,655,630. The Texas Water Development Board (TWDB) awarded a \$30 million grant on January 21, reducing the City's net expenditure to \$40,655,630.

Brackish Groundwater Reverse Osmosis Treatment Project

Construction is underway on the conveyance line connecting Western Wellfield to the O.N. Stevens Water Treatment Plant (ONSWTP), designed to transport water directly to the facility without using the Nueces River. Multiple contractors are managing pipeline and boring activities to ensure timely completion. Currently, two pipeline installation contractors and one boring contractor have mobilized and are working. To date, 1,788 LF of the 63,644 LF pipeline have been installed. The conveyance line and pump station are expected to be operational by the end of December 2026.

The design package for the Brackish Reverse Osmosis (R.O.) Plant and related infrastructure, including electrical upgrades, is complete and currently undergoing quality control review. Civil engineering plans for improvements at ONSWTP are approximately 60% complete following CCW review. The two 500,000-gallon ground storage tanks are designed and are scheduled for completion by December 2026. Civil work is in progress to prepare the foundations for the new R.O. facility.

The projected water delivery via the Brackish R.O. process, using the Brackish Groundwater R.O. treatment equipment supplied by Aqualia, is 3.91 million gallons per day (MGD) in March 2027, 5.3 MGD in May 2027, 5.3 MGD in September 2027, and 6.7 MGD by March 2028, for a total of 21.3 MGD.

The current expenditure for this project is \$24,079,104.

Seven Seas Water Group

Seven Seas has an option to acquire approximately 5,000 acres of land and plans to purchase more properties if the project proves feasible.

At the site, a test hole has been drilled to a depth of 3,500 feet, enabling geophysical logging. The logging is complete, and a hydrogeologist has selected the target formation for water quality and quantity testing. The drilling contractor is currently constructing a test well intended to target a total depth of 2,300 feet and a diameter of 4-inches. A 36-hour production test is planned to assess water quality and quantity, with the test well serving as the sole monitoring point. Production testing is expected to begin within the next few weeks. The full analysis and hydrogeologic report are projected to be completed by the end of September.

This week, CCW and City staff met with Seven Seas representatives to review technical, commercial, and legal aspects of a potential water supply agreement.

Wastewater Reuse

Reclaimed Water Infrastructure Project

The Wastewater Reuse Program comprises several ongoing projects to provide 16 MGD of reclaimed effluent and reduce utilization of potable water. A key component is the reclaimed water infrastructure project, which transports reclaimed water from the Oso Wastewater Treatment Plant (WWTP) to Greenwood WWTP. This includes 10.5 miles of 36-inch force main, pump stations, electrical systems, and mechanical components, supplying approximately 10-11 MGD to contracted entities. Construction has begun on two of the three pipe segments, along with site work at the Oso WWTP to build the new pump station.

The total guaranteed maximum price (GMP) for the project, including the transmission main, pump station, wet well, and related infrastructure, is \$107,531,622. The project is projected to be completed by mid-2027.

The current expenditure for this project is \$8,890,688.

Valero plans to initially use 3 MGD, with an expansion to 8 MGD in later phases. Construction of the bore under Hwy 44 and the adjacent railroad is progressing well and is expected to be completed within the next week. Site work at Greenwood WWTP continues, including the installation of a 16-inch effluent line and the fabrication of pump station piping. The necessary pumping equipment for the Greenwood pump station is scheduled for delivery in mid-September. The majority of the 9-mile, 24-inch conveyance pipeline has been installed, and the project remains on schedule to finish ahead of the original timeline.

Flint Hills Resources (FHR) is progressing quickly on its construction schedule and anticipates using effluent water within the next few months. Construction activities by FHR at the Allison WWTP are ongoing, with piping connections being completed and preparations underway for commissioning and startup. Additionally, the metering and instrumentation plan has received approval from CCW.

Ongoing discussions with other stakeholders are progressing on future effluent supply agreements and potential end users.

Seawater

Inner Harbor Seawater Desalination

The City has formally requested to restructure the SWIFT Loan to adjust key milestone deadlines due to delays. The request was submitted to the TWDB on June 18, 2026. However, it was not on the agenda for the August 24 TWDB board meeting, with the next meeting set for September 10.

CCW has asked Coastal Bend Bays and Estuaries (CBBE) to recommend an independent reviewer to assess the technical merits of the model developed by Spheros Environmental, excluding aquatic life assessments. CCW will continue to work through this process with CBBE.

NRA - Harbor Island Seawater Desalination Project

On June 17, TCEQ approved the final water rights permit for Harbor Island. The discharge permit is expected to be on the TCEQ Board Agenda for the September 23, 2026, meeting, where a recommendation for approval will be made.

At the August 24 TWDB board meeting, they will consider approving a resolution to authorize the Executive Administrator to execute an agreement with the Nueces River Authority (NRA) for a \$7,000,000 grant pursuant to HB 500, 89th Legislative Session.

On August 14, the NRA held its board meeting to review several items related to the Harbor Island Seawater Desalination project. These included authorizing the Executive Director to execute a Phase I development agreement with IDE and to issue task orders with LAN and HDR Engineering. IDE is progressing the project design from pre-design to 30% completion and preparing a Class 4 construction estimate to assess potential water treatment costs at the facility.

Currently, the estimated cost of the plant is \$6.2 billion, and the work is expected to be completed within 90 to 120 days.

CCW continues hydraulic modeling and other analyses to finalize preliminary engineering assessments, providing insights into costs associated with the City's portion of the project.

Barney Davis Seawater Desalination Project

CCW and CPS Energy staff are planning to schedule a meeting in the next two to three weeks to review the potential plant site and discuss a possible land lease agreement.

CC Polymer (Aquatech)

A fully executed letter of intent (LOI) between Aquatech International LLC, its soon-to-be-formed special purpose vehicle (SPV), and the City of Corpus Christi. Currently, CCW is modeling the connection point and integrating this water supply into the distribution system.

Additional considerations include integrating water quality and blending into the CCW system. The next discussion, covering the technical, commercial, and legal terms of a potential water sale agreement, is scheduled for next week.

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

The hearing on the merits took place on July 13 and 14 before the ALJ. On August 5, the parties submitted their initial briefs to the ALJs. The City, represented by its attorney, filed the reply brief to the ALJ on August 19, 2026. The ALJ's proposal for decision and recommendation to the PUC is expected to be available in the next 4 to 6 weeks.

Upcoming Community Engagement

Water community engagement events are scheduled for the following dates:

Wednesday, August 26	Antonio E. Garcia Arts & Education Center, 2021 Agnes St. District 1 – 6:00 pm to 7:00 pm
Wednesday, September 16	Lindale Senior Center, 3135 Swantner Drive District 2 – 6:00 pm to 7:00 pm

CCW representatives will also be at the following budget input sessions:

Monday, August 24	Seashore Learning Center District 4 – 6:00 pm to 7:00 pm
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