

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. 69

DATE: August 14, 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.

Surface Water

Western Reservoirs (Lake Corpus Christi and Choke Canyon Reservoir)

As of today, Lake Corpus Christi is at 91.7% capacity, compared with 19.0% one year ago. The USGS Nueces River gauge at Three Rivers, Texas, reports a streamflow of 528 cubic feet per second, compared with 2,970 cubic feet per second last week.

Choke Canyon Reservoir is currently at 24.4% capacity, up from 12.5% one year ago. The USGS gauge near Tilden reports a streamflow of 0.00 cubic feet per second, compared with 5.77 cubic feet per second last week.

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 95% capacity, compared with 93% 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 will begin 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.

Groundwater

Evangeline Groundwater Project

Evangeline Laguna LP's attorney has submitted a scheduling order to the Administrative Law Judges (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 ALJ, other parties, and the San Patricio County Groundwater Conservation District (SPCGCD) have not yet been received.

The next SPCGCD board meeting is scheduled for August 21. The filing deadline for the upcoming board elections is Monday, August 17, at 5:00 p.m.

Due to permit delays, water delivery from Evangeline is not expected to begin before the end of 2026. If permits are obtained by September 1, delivery may begin in February 2027. The schedule will be revised once more details about the contested case hearing are available from SPCGCD.

Construction on the project continues under Garney Construction (Garney). 169,448 LF have been delivered to the site, and 41,846 LF of pipeline have been 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 three pipe crews on site, which is a reason for the increased weekly installation production of 4,890 LF. The crews have reached the milestone of 25% of the total pipe installed. The fourth pipe crew has also mobilized and will begin fusion of the 48" HDPE next week.

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. Additional construction pay requests are under review. Contract Amendment 3 for Garney construction is expected to be presented to Council for approval on August 25. The amendment primarily reflects updated pricing from 60% to 100% design. Overall project costs remain below the estimates in the initial binding proposal.

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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. Hydrogeologists have identified potential well locations, and the site survey is complete. As well, once sites are selected, CCW will work with the seller on the next steps under the agreement. CCW will provide the seller with the information needed to initiate the well drilling permit application. The total expenditure for this project is \$316,875, which is solely the option fee.

Nueces Groundwater Program

Production in the Eastern Wellfield was paused this week. The Western Wellfield continued operating in accordance with the established monitoring protocols of the TCEQ bed and banks permit. Over the past seven days, production from the Nueces Groundwater Program was 5.1 million gallons (MG), 08/13, 4.7 MG on 08/12, 8.3 MG on 08/11, 8.4 MG on 08/10, 8.6 MG on 08/09, 8.9 MG on 08/08, and 7.7 MG on 08/07. The Eastern Wellfield remained offline during this period.

This week, calibration and maintenance inspections of the river water-quality measuring devices were conducted. These activities required shutting down the well pump operation in accordance with protocol. Progress continues on the Nueces Groundwater Program, including test drilling, geophysical logging, and infrastructure improvements. Nueces Electric Cooperative is actively improving infrastructure to ensure a permanent power supply for the Western Wellfield. Upgrades along FM 624 and within the wellfield are expected to be completed by the end of August, weather permitting.

Work is ongoing at the Western Wellfield 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.

As of today, the total expenditure for the Nueces Groundwater Project, including both the Eastern and Western Wellfields, is \$70,191,863. The Texas Water Development Board (TWDB) awarded a \$30 million grant on January 21, reducing the City's net expenditure to \$40,191,863.

Brackish Groundwater Reverse Osmosis Treatment Project

Construction is underway for the conveyance line connecting Western Wellfield to the O.N. Stevens Water Treatment Plant (ONSWTP), designed to transport water directly to the facility without involving the Nueces River. Multiple contractors are managing pipeline and boring activities to ensure the project's timely completion. The conveyance line and pump station are expected to be operational by the end of December 2026.

The electrical engineer has determined the required electrical components, and City staff have coordinated with vendors to acquire them, including long-lead items such as transformers. Power supply is already established for all treatment equipment. Additionally, AEP has scheduled upgrades to be completed by 2027 to support ONSWTP infrastructure improvements.

The design package for the Brackish R.O. Plant and related infrastructure, including electrical enhancements, is 90% complete. Civil engineering plans for the project improvements at

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ONSWTP are approximately 60% complete after CCW review. The two 500,000-gallon ground storage tanks are designed and projected for completion by December 2026. Civil work is underway to prepare foundations for the new R.O. facility.

The projected water delivery via the Brackish Reverse Osmosis (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. The company expects to drill a test well and a monitoring well to a depth of 3,500 feet. After installation, they will test the water quality and the formation's capacity at the test well. These tests are scheduled to be completed by the end of August. The full analysis and hydrogeologic report are expected to be completed by the end of September.

This week, CCW and City staff met with Seven Seas representatives to get an update on their groundwater investigation and to a potential water supply agreement.

Wastewater Reuse

Reclaimed Water Infrastructure Project

The Wastewater Reuse Program includes several ongoing projects designed to deliver 16 MGD of reclaimed effluent to reduce demand for potable water. A primary element is the reclaimed water infrastructure project, which transports reclaimed water from the Oso Wastewater Treatment Plant to the Greenwood Wastewater Treatment Plant. This project involves 10.5 miles of 36-inch force main, pump stations, electrical systems, and mechanical components, supplying approximately 10 to 11 MGD to contracted entities. Reytec, the construction manager at risk (CMAR), has begun acceptance and delivery of the 36-inch HDPE pipe. The delivery schedule is on track, with open-cut force main construction planned to begin the week of August 17.

The project team has secured all necessary TXDOT permits and is actively pursuing additional right-of-way approvals, easements, and resolving potential utility conflicts, with construction expected to start soon. 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 utilize 3 MGD, expanding to 8 MGD in subsequent phases. At present, most of the 9-mile, 24-inch conveyance pipeline has been installed, and the project is on track to

finish early. Next week, Valero contractors will start work on a 10 MG ground storage tank, expected to be completed by spring 2027.

Flint Hills Resources (FHR) is progressing quickly on its construction schedule and expects to begin using effluent water within the next few months. Construction activities by FHR at the Allison Wastewater Treatment Plant is ongoing, with Phase 1 treatment trailers already in place. FHR plans to start with 1 MGD and increase to 3 MGD in later phases. System testing is projected to begin within two months, with effluent water anticipated later this year. Additionally, FHR has started discussions this week regarding startup and commissioning protocols.

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

Seawater

Inner Harbor Seawater Desalination

The City has requested that the SWIFT Loan be restructured to adjust key milestone deadlines due to delays. This request was formally submitted to the TWDB on June 18, 2026. However, it was not included on the agenda for the TWDB board meeting on August 12. The next meeting is scheduled for August 26.

Spheros has completed the far-field model report, which is now available online on the Securing Water webpage. Additional documentation, including details on current and past modeling efforts and aquatic life assessments, can be found at securingwater.corpuschristitx.gov.

This week, CCW discussed with the Coastal Bend Bays and Estuaries (CBBE) the process for the independent academic assessment of the model. CBBE recommended potential independent reviewers and proposed a project scope. CCW has requested a recommendation for a reviewer who is entirely independent of any project aspect, as the purpose of this review is to evaluate the model's merits exclusively, without including aquatic life assessments.

NRA - Harbor Island Seawater Desalination Project

The Nueces River Authority (NRA) held its board meeting today to discuss several agenda items related to the Harbor Island Seawater Desalination project. These included authorizing the Executive Director to execute a Phase I development agreement with IDE, execute Task Order No. 2 with LAN for program management and design services, and execute Task Order No. 1 with HDR Engineering for design services associated with the Conveyance System. IDE is progressing the project design from pre-design to 30% completion and preparing a Class 4 construction estimate to project the potential cost of water treatment at this facility. This work is planned to be completed within 90 to 120 days. The current estimated plant cost is \$6.2 billion.

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.

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

Barney Davis Seawater Desalination Project

This week, City Staff and CCW held discussions with CPS Energy representatives and interim CEO Mr. Frank Amaraz to reaffirm the details of a possible land lease agreement for a seawater desalination plant at the Barney Davis power plant site. A follow-up meeting will be scheduled within the next two to three weeks to review the potential plant location and other considerations. RSAH2O is providing professional services to further evaluate a Public Utilities Agency (PUA).

CC Polymer (Aquatech)

A fully executed letter of intent (LOI) between Aquatech International LLC with its to be formed special purpose vehicle (SPV), and the City of Corpus Christi has been executed.

CCW is currently modeling the connection point and the integration of this water supply into the distribution system. Other considerations will include water quality integration and blending into the CCW system.

Key components of the letter of intent include the following:

- Both parties agree to work on a Water Sale Agreement (WSA) which will specifically include water purchase rate, amounts, water quality standards, and delivery timelines
- Water Supply and offtake schedule
 - Nine to twelve months from WSA execution – 9.4 MGD
 - Fifteen to eighteen months from WSA execution – additional 3.1 MGD
 - Thirty to thirty-six months from WSA execution – additional 1.5 MGD
- Identification of the interconnection point
- SPV will construct and operate a remineralization/potabilization plant
- The WSA will include performance guarantees
- The WSA will include conditions for acceptance
- The WSA will be a take-or-pay agreement
- The SPV will determine all TCEQ regulatory requirements, including the potential of becoming a public water system to distribute treated water

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

The Hearing on the merits was held 7-13 and 7-14 before the ALJ. On August 5, the parties submitted initial briefs to the ALJs. The parties will submit reply briefs and proposed findings of fact, conclusions of law, and ordering paragraphs to the ALJs by August 19, 2026. The ALJs will then draft a Proposal for Decision (PFD) which will be submitted to the PUC for review. The PFD is the ALJ recommendation to the PUC. We anticipate that the PFD will be filed in mid-October for possible consideration by the PUC in November.

Upcoming Community Engagement

Water community engagement events are scheduled for the following dates:

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| 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:

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| Monday, August 17 | Corpus Christi Police Training Academy
District 5 – 6:00 pm to 7:00 pm |
| Wednesday August 19 | Northwest Senior Center (Calallen/Annaville)
District 1 – 6:00 pm to 7:00 pm |
| Monday, August 24 | Seashore Learning Center
District 4 – 6:00 pm to 7:00 pm |