

CITY OF CORPUS CHRISTI

CORPUS CHRISTI WATER

TO: Peter Zaroni, City Manager
FROM: Drew Molly, P.E., Chief Operating Officer
COPY: Mayor & City Council
DATE: August 22, 2025
SUBJECT: Water Supply Projects Update

[Handwritten signature] 8/22/25

Corpus Christi Water (CCW) continues to evaluate a number of alternative water supply projects.

These projects are in addition to the Inner Harbor Water Treatment Campus, which was suspended at the request of City Council on July 29, 2025, until more information is provided by the Texas Water Development Board (TWDB) to determine if the current project funding can be appropriated to alternative projects. The suspension of work directs Kiewit to stop work on design services and the demonstration plant.

It also directs Freese and Nichols (FNI), the owner's agent, to stop work on all owner representative services. The suspension of work is effective August 1, 2025, and ends August 28, 2025, or until further Council action.

Kiewit acknowledged receipt of the project suspension and has communicated how this suspension will potentially impact project costs and schedule in a letter dated on August 1 to the Program Management Office.

Inner Harbor Water Treatment Campus (IHWTC)

Two agenda items related to the Inner Harbor Water Treatment Campus (IHWTC) – the City's desalination initiative, originally scheduled for the August 26 City Council meeting, have been rescheduled. They will now be considered by Council on September 2.

The first item is consideration of a contract amendment for continued design up to the 60% milestone and development of the guaranteed maximum price (GMP). Council first heard this item at the July 29 meeting and voted at that time to postpone a decision for 30 days.

The other item for consideration is a financial agreement with the TWDB to accept the second tranche of IHWTC funding from the State Water Implementation Fund for Texas (SWIFT) low-interest loan program. The first receipt of these loan funds was approved in November 2024, and the deadline to approve the next round of funding is September 5.

The industry partners have committed their resources, at no cost to the City, to provide services in the form of meetings, workshops, discussions, studies, and other support as needed in support of the project development. City staff will use this partnership to help strengthen the project team and ensure the guaranteed maximum price is fair and reasonable.

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If City Council approves continuing the IHWTC project design development, staff will immediately integrate the industry partners into the project management process.

City staff is providing a Total Project Cost one-pager that shows each contract/amendment and the amount spent on each. There is no change in the IHWTC Project cost. See attached.

Nueces River Groundwater Wells Project

Phase 1 – Groundwater Well Implementation for Diversions to Nueces River

Phase 1 consists of obtaining the necessary Texas Commission on Environmental Quality (TCEQ) Bed and Banks permit to discharge up to 15,680 acre-feet per year (approximately 14 MGD) of groundwater into the Nueces River. As of today, the current expenditure for this project is \$15,391,317. There is no change in Nueces River Groundwater Wells Project cost.

Interra Incorporated, the City's project hydrogeologist, has estimated the long-term safe yield from the Eastern Well Field to be approximately 11 MGD.

A summary of the activities includes:

- Well Field 1 (Eastern Well Field)
 - Completion of Well No. 1
 - Completion of Well No. 2
 - Completion of Well No. 3
 - Completion of Well No. 4
 - Delivery of pumping equipment for Well No. 5 has been delayed and is now expected during the week of August 25, with installation scheduled for the following week
 - City staff anticipate the well to be operable by the end of August
 - Completion of Well No. 6
 - Completion of permanent pumping equipment for Well No. 7
 - City staff anticipate the well to be operable by next week
 - Scheduled test pumping and water sampling at Well No. 8 from August 23 to 25

On June 11, 2025, the TCEQ declared the permit to be administratively complete. The City began discharging groundwater into the Nueces River in accordance with the approved monitoring plan and in compliance with all State and Federal laws. A notice of the application on June 27, 2025, was sent to the downstream interjacent water right holders of record in the Nueces River Basin, Texas Parks and Wildlife Department, and the Public Interest Council.

The temporary bed and banks permit was granted by TCEQ on August 7, 2025.

Phase 2A & 2B – Proposed Future Brackish Reverse Osmosis (RO) Treatment Plant

Phase 2A of the Nueces River Groundwater Project will utilize groundwater from the eight new wells (Eastern Well Field) as a source of water for a future brackish groundwater plant. The City has estimated that the eight groundwater wells will provide approximately 11 MGD of drinking water to its current supply. Preliminary and conceptual design work has commenced for the development of a future plant and is included in the Region N Water Plan.

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Phase 2B of the Nueces River Groundwater Project will utilize groundwater from the 251-acre Sutherland tract (Western Well Field) purchased by the City. City staff anticipate developing additional groundwater wells at this location.

Evangeline Groundwater Project

On August 12, the Council made a motion to direct City staff to prepare a purchase agreement for water rights on approximately 22,788 acres of property in San Patricio County. The motion was made to direct City staff to prepare a term sheet for a potential water source project involving 24 million gallons of water rights. City staff will work on deliverables, such as the land title, transfer permits, and drilling permits, before bringing a formal proposal back to council.

South Texas Water Authority (STWA)

The South Texas Water Authority board voted on Tuesday, August 19, not to discharge its brine into Petronila Creek and announced its plans to explore deep well injection.

EV Ranch Groundwater Project

There is no update to add regarding the EV Ranch Groundwater Project for this week.

CC Polymers Seawater Desalination Treatment Plant

City staff, the City's consultant, CDM Smith, will meet with CC Polymers next week to review their Seawater Desalination Treatment Plant Project.

Harbor Island Seawater Desalination Project

City staff will meet with John Byrum, Executive Director of Nueces River Authority next week. No agenda for the meeting has been established.

Reclaimed Water Infrastructure Project

On April 8, 2025, the Council approved a professional services contract with Garver to provide the preliminary design services for this project. Garver received the executed contract on June 20, which includes evaluating alternative water reclamation and reuse applications that would add a new water supply for the City.

The main tasks associated with this project include:

- Develop a Reuse Alternatives Summary
- Develop a 12-month source water characterization report at Greenwood and Oso WWTP.
- Develop pilot study protocol documents, as required by TCEQ, which will serve as the basis for a future pilot plant design.

These opportunities include conveying effluent to Industrial users and also the Nueces River. An additional meeting will be scheduled to explore these options.

Attachment: IHWTC Total Cost One-pager



Total Spent to Date

Company	Total Spent to Date
Freese and Nichols	\$12,669,776
Kiewit	\$17,617,948
Other Contracts	\$3,990,138
Total	\$34,277,862



Total Spent to Date w/ Total Remaining Encumbrances

Company	Spent to Date	Total Remaining Encumbrance	Combined Total
Freese and Nichols	\$12,669,776	\$8,711,963	\$21,381,739
Kiewit	\$17,617,948	\$30,017,230	\$47,635,178
Other Contracts	\$3,990,138	\$62,659	\$4,052,797
Total	\$34,277,862	\$38,791,852	\$73,069,714
Figures based on initial contracts approved in 2015 through June 30, 2025			