


**CITY OF CORPUS CHRISTI
CORPUS CHRISTI WATER**

TO: Peter Zaroni, City Manager
FROM: Nicholas Winkelmann, P.E., Chief Operating Officer 
COPY: Mayor & City Council
SUBJECT: WATER SUPPLY UPDATE NO. 62
DATE: June 26, 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

At its June 8 board meeting, the San Patricio Groundwater Conservation District (SPCGCD) decided not to adopt a proposed emergency rule that would allow expedited consideration of certain requests. Consequently, the district did not review the Evangeline Laguna group's proposal to drill eleven proposed wells on an emergency basis. The SPCGCD will communicate next steps to all involved parties shortly, and the date for the next board meeting has not yet been determined.

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, with 4,558 linear feet (LF) delivered this week. As of today, 144,438 LF of HDPE and PVC water line have been delivered to the site. This accounts for approximately 86% of the total water line pipe required for the project.

Garney Construction continues with site work, with a total of 5,193 LF of pipeline installed and 8,636 LF of pipe fused. One pipe crew and four support crews are on site, with an additional crew expected to mobilize by the end of next week. Approximately 60 crew members, along with various subcontractors, are present on site. Additionally, deliveries of long-lead materials such as valves, piping, fittings, and well casing are ongoing.

Pape Dawson will have 100% design documents completed by July 1. A review meeting will follow with City and CCW staff to complete this design process.

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The delivery date for water for this project continues to be revised. 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 \$47,033,397.

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. This information will be provided to the seller to initiate the well drilling permit application process.

Nueces Groundwater Program

On June 26, the Corpus Christi Aquifer Storage and Recovery Conservation District (CCASRCD) held a public hearing and board meeting. The public hearing was held to receive public comment regarding the City requested amendment to the current production permit for the Western Well Field and to add drilling permits on the Ed Rachal (ERF) property.

The total authorized annual volume of 29,028 acre-feet would remain unchanged as the request would reallocate production across wells located on the ERF property. The purpose of the request is to enable the City to optimize well field operations, increase system reliability, and optimize pumping distribution across available wells. This is a best management approach that would enhance the overall hydrogeologic efficiency of the wellfield.

During the District meeting, the board authorized temporary drilling permits and did not make any decision on the production permit. Additionally, the board approved a motion to hire outside legal counsel to review the standing of the various parties that have submitted a claim to contest the applications.

The Nueces County Groundwater Program is a key component in the diversification strategy for the Regional Water Supply. Other components include surface water, wastewater reuse, and seawater. Diversification allows for the proper management of these important resources.

As of today, the current expenditure for the Eastern Wellfield Project is \$18,704,353, and for the Western Wellfield Project is \$32,198,461. The Texas Water Development Board approved the \$30,000,000 grant on January 21.

Production from the Nueces Groundwater Program remains temporarily halted due to inflows into the river from recent weather events. Runoff between Wesley Seale Dam and the Calallen barrier caused a significant rise in river levels. In June, well pump operations were limited to 9 days because of these inflows, resulting in a total groundwater withdrawal of 58.9 million gallons to date.

The pumping assembly for the ninth well in the Western Wellfield has been designed, and we are awaiting delivery of equipment delivery to proceed with installation. Installation is expected within the next week. Test pumping and water quality testing for the tenth well have been completed,

enabling the design of the permanent pumping assembly. Development and test pumping are ongoing for the eleventh and twelfth wells.

Furthermore, ongoing efforts include test drilling and material procurement for future wells. Data continues to be provided to the hydrogeologist for model calibration and aquifer analysis. Recently, Well Pump No. 9 experienced a power surge caused by a lightning strike during a weather event. CCW is collaborating with our pump contractor to resolve the issue.

Nueces Electric Cooperative is making steady progress on infrastructure enhancements to deliver permanent power to the Western Wellfield. The Western Wellfield infrastructure is targeted for completion at the end of June, while upgrades along FM 624 are projected to be finalized between mid and late July. These upgrades have been delayed by recent wet weather. All improvements are essential to support the operation of twelve wells with a reliable, permanent electric supply. Please note that this timeline remains dependent on favorable weather conditions for construction.

Brackish Groundwater Reverse Osmosis Treatment Project

Garver Engineering continues designing the conveyance line, with a 90% submittal expected this week. Geotechnical work for the foundation of the three-million-gallon ground storage tank at the Western Wellfield is complete. Additionally, the pump equipment for the associated pump station has been ordered.

The conveyance line will be constructed in five distinct construction packages. One package is complete, and the remaining packages are nearing completion. The contractor for the initial phase of this line is under contract and scheduled to commence work at the end of June. The conveyance line and well field pump station are expected to be online by the end of December 2026.

Infrastructure enhancements at the O.N. Stevens Water Treatment Plant (ONSWTP) are progressing. Two 500,000-gallon ground storage tanks have been secured and are essential to the Brackish Reverse Osmosis treatment system. The geotechnical work for the ground storage tanks at ONSWTP is complete, allowing design to proceed and construction to follow. Efforts are underway to acquire long-lead electrical components for power supply upgrades at ONSWTP associated with this project. AEP has confirmed power availability to support the phased deployment and commissioning of treatment equipment. The implementation plan aligns with the delivery schedule for the reverse osmosis treatment units.

Discussions on discharge options for the Reverse Osmosis Plant, including evaporative ponds, an injection well, and surface discharge, are progressing. Initial engagement with TCEQ has addressed permitting for the treatment plant, conveyance line, and discharge methods. Preliminary engineering for the injection well design is ongoing. The discharge permitting package is expected to be finalized by mid to late July, with the plant permitting package expected to be completed in early August.

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 \$16,477,724.

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 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. The driller is expected to mobilize to the project site by July 10. The test well and testing are expected to be completed by the end of July. Hydraulic and water testing analysis will be conducted in August.

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 selected CMAR contractor will work closely with the design engineer, Ardurra, to expedite construction of a conveyance line connecting the Oso Wastewater Treatment Plant (WWTP) to the Greenwood WWTP. This project is part of the larger Wastewater Reuse Initiative, which will utilize approximately 10 million gallons per day (MGD). An amendment, including additional funding for the full construction guaranteed maximum price (GMP), will be presented for consideration at the June 30 Council meeting. The GMP for total construction, including the reclaimed water transmission main, pump station, wet well, and related infrastructure, is \$107,531,622.

Ardurra is progressing on design, with the final signed and sealed drawings projected to be completed by July 14. The project will employ a multi-package delivery approach, enabling simultaneous construction of the pipeline and pump station to accelerate the schedule. The bid packages for this project include four for pipeline installation, one for the pump station, one for pipe supply, and one for the required pumping assemblies. The final phase of this project is expected to be completed in mid-2027.

The land agreement with TAMUCC is advancing as the City's Legal team works towards execution.

The current expenditure for this project is \$2,297,982.

Ongoing discussions with other stakeholders are advancing on future effluent supply agreements and potential end users. The Council has approved contracts with Valero and Flint Hills Resources (FHR), which together represent approximately 11 MGD of the 16 MGD available. Both entities are actively working to expedite their delivery schedules to minimize potable water use.

Valero plans to use 3 MGD in the initial phase of its project, expanding to up to 8 MGD in subsequent phases. FHR anticipates starting at 1 MGD and increasing to 3 MGD in later phases. Valero has begun construction, initiating work on a pipeline bore under I-37. To date, contractors have installed 2,000 LF of twenty-four-inch pipe. Another 4,000 linear feet of pipe is in progress and expected to be installed by mid-July. The complete conveyance line is approximately nine miles long.

The draft TCEQ permit required for FHR to begin using effluent water from the Allison Wastewater Treatment Plant has been received. FHR is progressing quickly on its construction schedule and aims to begin using the effluent water within the next few months. Construction activities by FHR at the Allison Wastewater Treatment Plant remain ongoing, with significant progress made over the past month.

Seawater

Inner Harbor Seawater Desalination

On June 2, City staff presented a contract proposal with the Corpus Christi Desal Partners (CCDP) for review. At the meeting, Council approved a motion to postpone the decision until September 1, 2026, though the impact of this delay on the pGMP remains uncertain.

The timeline for the upcoming project loan milestones was reviewed at the recent Council meeting. The City plans to request a restructuring of the SWIFT Loan to adjust key milestone timelines due to the delay. The request was formally submitted to TWDB on June 18, 2026. The next TWDB meeting is scheduled for July 13. It is currently unknown whether this request will be on the agenda.

On May 15, the Bureau of Reclamation notified 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, with a deadline of August 26. However, due to the delay in project approval, the City may need to forgo the grant application at this time.

It is expected that Spheros Environmental will have a draft technical report and model made available to the City by June 30, 2026. Plummer and Associates, the City's consultant, will review the reports and their findings.

Previous documents regarding current and prior modeling and aquatic life assessments are available on the project page at www.securingwater.corpuschristitx.gov.

NRA - Harbor Island Seawater Desalination Project

City staff met with NRA and LAN to review ongoing design work for the pumping system and conveyance line under this contract. LAN serves as the program manager for this segment. CCW and its engineering team will analyze the alignment to determine the optimal connection point.

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

Another coordination meeting is scheduled with LAN and CCW on July 7.

TCEQ approved the final water rights permit for Harbor Island on June 17. While there is an existing approved 50 MGD discharge permit, the plan is to forgo it and instead use the TCEQ draft offshore discharge permit for the plant, which is expected to receive full approval by the end of the calendar year.

Barney Davis Seawater Desalination Project

On March 17, the City Council approved a motion authorizing City staff to work with CPS Energy to evaluate 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 partnering on the desalination project at this location. On June 1, a meeting discussed next steps and the potential formation of a Public Utility Association. Conversations with CPS Energy regarding this project site are ongoing.

CC Polymer (Aquatech)

CCW, City staff, and Aquatech met five times to review the project scope, timelines, operational strategies, and the letter of intent. Aquatech will establish a Special Purpose Vehicle (SPV) for this project. This entity will, in turn, issue construction and operational contracts to Aquatech.

During this week's meeting, Aquatech reviewed the timeline in detail. Key components of this timeline, which are initiated upon execution of a water sale agreement, include the following:

- Six months maximum for the establishment of the SPV, and the Financial Investment Decision to start after the execution of the water sale agreement
- Twelve months for the build-out of the plant and the construction of the potable water infrastructure after the Final Investment Decision, with the ability to provide 9.4 MGD
- Six additional months for the ability to provide a total of 12.5 MGD
- Eighteen additional months for the ability to provide a total of 14 MGD

Following the completion of the Final Investment Decision, construction activities will work in parallel.

City staff was informed that no modifications are required to the existing TCEQ intake and discharge permit. However, a TCEQ permit will be required for plant operation as a potable water supply. Additionally, to increase capacity by 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.

The draft non-binding letter of intent has been received and is expected to be executed early next week.

Surface Water

Western Reservoirs (Lake Corpus Christi and Choke Canyon Reservoir)

As of today, Lake Corpus Christi is at 33.8% capacity, with 86,490 acre-feet of water stored, an increase of 11,845 acre-feet since June 19. One year ago, Lake Corpus Christi Reservoir Capacity was 21.8%.

Choke Canyon Reservoir is at 8.6% capacity, with 57,095 acre-feet of water stored, an increase of 4581 acre-feet since June 19. One year ago, Choke Canyon Reservoir Capacity was 13.4%.

The combined Western Reservoir capacity is 15.7%, compared with 15.7% a year ago.

Lake Texana

As of today, the Lavaca Navidad River Authority (LNRA) reports that Lake Texana's reservoir is 100% full, compared with 100% 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 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.

City staff and consultants prepared for the hearing on the merits, which was originally scheduled from June 24 to 26. This week, City staff was informed that the hearing will be postponed at the request of OCL ratepayers. The new date is set for the week of July 13. The rescheduled hearing will involve multiple City staff members, consultants, and legal representatives over three days.

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This delay will affect the timeline below. An updated schedule will be included in next week's memo.

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) – Postponed and re-scheduled for week of July 13.
- July 10, 2026** Initial Briefs – Date to be revised once we have more information from the Hearing on Merits
- July 24, 2026** Reply Briefs – Date to be revised once we have more information from the Hearing on Merits.

[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 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

A community engagement session was held at Moody High School this week to discuss the strategic plan for water diversification and the status of the water supply project. CCW will host the following community engagement events.

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 SPCGCD 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	2	2						17
Groundwater	ERF Property (WWF Extension)						2	4	3					9
Groundwater	Evangeline	<i>Depending upon further communication from the SPGD and permit status</i>											0	
Reuse	FHR										1			1
Total														27

2027 Project Delivery of Additional Water (MGD)														
Source	Project	J	F	M	A	M	J	J	A	S	O	N	D	Total
Groundwater	Evangeline	3	2	2	2	2	1	2	2	1	2	1	1	21
Reuse	FHR												1	1
Reuse	Valero	3												3
Total														25

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 Wellfield (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