

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. 74

DATE: September 18, 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.

Surface Water

Western Reservoirs (Lake Corpus Christi and Choke Canyon Reservoir)

As of today, Lake Corpus Christi is at 85.1% capacity, compared with 15.9% one year ago and a decrease of 1.4% from last week. The USGS Nueces River gauge at Three Rivers, Texas continues to decrease and reports a current streamflow of 48.6 cubic feet per second, compared with 63.98 cubic feet per second last week.

Choke Canyon Reservoir is currently at 22.5% capacity, compared with 11.5% one year ago and a decrease of 0.4% last week. The USGS gauge on the Frio River near Tilden is reporting a streamflow of 0.00 cubic feet per second. The USGS gauge on the San Miguel Creek near Tilden is reporting a streamflow of 0.00 cubic feet per second. No significant inflow was recorded into Choke Canyon for nearly the past six weeks.

The combined Western Reservoir capacity is 39.9%, a decrease of 0.7% from last week.

Lake Texana

As of today, the Lavaca Navidad River Authority (LNRA) reports that Lake Texana's reservoir is at 86% capacity, compared with 85% at this time last year.

Water Supply Update No. 74

Page 2

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. This week, the authority has lifted its previous advisory about diminishing river flow.

TWDB Region N Planning Group

CCW is working with the Texas Water Development Board (TWDB) to update the volumetric survey for Lake Corpus Christi and Choke Canyon Reservoir. TWDB expects to complete the technical report within a month. This data will support the update of CCW's Availability Modeling in coordination with TWDB's Region N Planning Group.

Agreed Order and Western Reservoir Pass-Thru Requirements

On August 25, 2026, the Executive Director of the Texas Commission on Environmental Quality (TCEQ) approved a request from the City, the Nueces River Authority (NRA), and the City of Three Rivers to temporarily suspend certain special conditions, including pass-thru requirements, related to the Water Right Permit under the 2001 Agreed Order affecting ADJ 21-3214.

During the TCEQ Commissioners' meeting on September 9, 2026, the Executive Director's decision was affirmed by a unanimous vote. The emergency order will terminate on December 23, 2026. However, if the combined storage capacity of the reservoir system is below 50% on December 23, 2026, the order will be renewed for no more than 60 days. The extension will terminate on February 21, 2027. CCW received the official signed and confirmed order from TCEQ this week.

Groundwater

Evangeline Groundwater Project

The Administrative Law Judge (ALJ) has not yet confirmed the dates for the contested case hearing associated with the requested drilling and transport permits. Pre-file testimony is being prepared by potential hearing participants, with submissions expected by mid-December.

Construction on the project continues under Garney Construction (Garney). To date, 56,853 linear feet (LF) of pipeline have been installed at a weekly rate of 2,099 LF. Approximately 35.25% of the pipeline is complete, with 104,758 LF remaining. Pipe installation progress slowed this week due to tunneling work required for gas line crossings. Ongoing work includes the pump station, road construction, hydrostatic testing of the water line, site access, and preparations to connect to the Mary Rhodes Pipeline (MRP). Multiple crews are actively working onsite. CCW and City Staff continue to meet with Pape Dawson and Garney to review upcoming milestones and the project's construction timeline.

To date, total project expenditures, including professional services, construction services, legal, and administrative expenses, is \$119,564,969.

On February 17, 2026, 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 across both the Eastern and Western Wellfields has been purposefully limited this week. During the seven-day period as shown, the Nueces Groundwater Program yielded 5.8 million gallons (MG) on 09/17, 5.8 MG on 09/16, 6.7 MG on 09/15, 5.9 MG on 09/14, 5.6 MG on 09/13, 5.9 MG on 09/12, and 6.0 MG on 09/11. The average daily production for this period was 6.0 MGD. Daily production totals are posted weekly on securingswater.corpuschristitx.gov.

Progress on the Nueces Groundwater Program continues with test drilling, geophysical logging, and infrastructure enhancements. This week, construction began on two monitoring wells in the Western Wellfield, designed to access deeper parts of the aquifer. Over the next two to three weeks, two additional pumping tests will be conducted to collect more data to support the ongoing development of the hydrogeologic model. These efforts at the Western Wellfield are part of CCW's management strategy to optimize hydrogeologic efficiency.

Working with its hydrogeologist and the Corpus Christi Aquifer Storage and Recovery Conservation District (CCASRCD), CCW is developing a well monitoring and observation network both on-site and off-site. The network will measure water level elevations across various formations of the Gulf Coast Aquifer. Wells are currently being drilled at the Western Wellfield to monitor threshold water level elevations that could serve as triggers for altering production scenarios. Additional work is being conducted to establish three permanent subsidence monitoring stations at the Western Wellfield and one at the Eastern Wellfield.

Nueces Electric Cooperative (NEC) has provided an updated projection for the completion of infrastructure upgrades along FM 624, expected by early October 2026. Additionally, energizing the original twelve wells in the Western coincides with the completion of the FM 624 upgrades.

As of today, the total expenditure for the Nueces Groundwater Project, including the Eastern and Western Wellfields, is \$71,962,327. On January 21, 2026, the TWDB awarded a \$30 million grant, reducing the City's net expenditure to \$41,962,327.

On September 17, the CCASRCD held its regular meeting. At the meeting, CCW provided its required quarterly update on the Nueces Groundwater Program's operations, presented information to the board on the Well Assistance Program, and proposed an Operating Plan.

Ballard Pits Overview

As there were previous questions regarding the status of the Ballard Pit Superfund site and any potential impact to the Eastern Wellfield, background information and answers are provided in the paragraphs below.

The Ballard Pits State Superfund site encompasses approximately 296 acres of vacant, undeveloped land at the end of Ballard Road, west of its intersection with County Road 73. Historically, the site was operated by the Ballard Sand and Gravel Company, which conducted soil excavation activities. This operation resulted in the formation of three unlined waste pits, known as the East, West, and North Pits. In the 1960s, various companies transported waste to the site for disposal in these pits. In January 2006, TCEQ designated the site as a State Superfund site.

By 2014, TCEQ had removed waste and soil contamination and remediated the affected properties. TCEQ installed 38 monitoring wells to continue its ongoing monitoring efforts. In January 2022, TCEQ established a Plume Management Zone (PMZ) to control and prevent exposure to contaminated groundwater and NAPL within the zone. The PMZ encompasses the West and East Pits and extends off-site beneath residential properties east of the East Pit.

In 2025, during the development of the Eastern Wellfield, the City reviewed the Ballard Pits. CCW analyzed TCEQ reports showing that only a shallow zone in the West Pit contained petroleum contamination, while deeper groundwater remained unaffected.

CCW collected groundwater and soil samples from wells at the wellfield's far west and east ends. No petroleum hydrocarbons were detected. TCEQ-operated offsite monitoring wells confirmed the absence of groundwater contamination outside the PMZ.

Additionally, a FY 2025 TCEQ report, dated August 27, 2025, indicates that the TPH groundwater plume has not extended beyond TCEQ's defined boundaries and that surface contamination appears to be decreasing. Currently, the site is in the operation and maintenance phase, requiring TCEQ to collect groundwater samples twice a year to monitor for contamination by petroleum hydrocarbons and light non-aqueous phase liquid (NAPL) within the designated PMZ.

Overall, the site remains stable under long-term management, with contamination confined to shallow zones within the former waste pits and no impact on surrounding groundwater resources.

Brackish Groundwater Reverse Osmosis Treatment Project

The design package for the Brackish Reverse Osmosis (R.O.) Plant and related infrastructure, including electrical upgrades, received conditional approval from TCEQ on September 8.

The design of this Brackish R.O. System offers operational flexibility, capable of treating between 3 MGD and a maximum of 24 MGD. This design intends to use the treatment flexibly to diversify the water supply as needed. 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

Water Supply Update No. 74

Page 5

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.

Construction continues on the conveyance line connecting Western Wellfield to the O.N. Stevens Water Treatment Plant (ONSWTP). This conveyance line will transport water directly to the facility, independent of the Nueces River. Two pipeline installation contractors and one boring contractor have mobilized and are working. To date, 5,035 LF, or 7.9% of the 63,644 LF pipeline, have been installed. CCW is also working with NEC to provide power to the pump station located at the western well field. Permanent power is expected to be provided for this infrastructure by the end of November 2026. The approximately thirteen-mile conveyance line and pump station are expected to be near completion by the end of December 2026, with final completion anticipated in January 2027.

The current expenditure for this project is \$26,064,446.

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. As the Seven Seas Water Group advances the feasibility for this project, CCW continues to meet to review the technical, commercial, and legal aspects of a potential water supply agreement, with the next meeting scheduled for this coming week.

At the site, a test hole has been drilled to a depth of 3,500 feet to enable geophysical logging. The logging is complete, and a hydrogeologist has selected the target formation for water-quality and water-quantity testing. The drilling contractor has constructed a test well with a target total depth of 2,300 feet and a diameter of 4 inches. This test well was developed and pumped this past week, allowing for water quality samples to be obtained. Further formation testing is expected to be conducted next week. The full analysis and hydrogeologic report are expected to be drafted by the end of September 2026.

The current projected production for this project is 10 MGD, but this will require verification through aquifer testing and hydrogeologic analysis.

Seven Seas is also determining the TCEQ requirements for providing wholesale treated water to the CCW system.

Wastewater Reuse

Reclaimed Water Infrastructure Project

The Wastewater Reuse Program comprises several ongoing projects to provide approximately 16 MGD of reclaimed effluent and reduce the use of potable water.

Construction has begun on two of the three pipe segments for the 10.5-mile, 36-inch force main, which will deliver approximately 10-11 MGD from the Oso WWTP to the 10 MG tank at the

Greenwood WWTP. The total length of this conveyance line is 54,750 LF, with 7,894 LF (14.4%) installed. Site work at the Oso WWTP to construct the new pump station is ongoing, with the interior wall formwork for the first lift of the required caisson now installed. Rebar installation will begin in the upcoming week.

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 \$8,973,403.

Valero plans to start using 3 MGD of reclaimed water this year and will increase to 8 MGD upon completion of the conveyance line from Oso to Greenwood. Progress includes pipeline testing, fabrication of the Greenwood pump station, construction of the chemical storage tank foundations, and electrical and instrumentation work at Greenwood WWTP. Foundation work continues for the 10 MG ground storage tank.

Flint Hills Resources (FHR) is making rapid progress on its construction schedule and anticipates beginning the use of effluent water within the next few months. Construction activities by FHR at the Allison WWTP are proceeding, with piping connections almost complete and preparations underway for commissioning and startup. CCW has approved the metering and instrumentation plan.

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

Seawater

NRA - Harbor Island Seawater Desalination Project

The Nueces River Authority (NRA) has selected IDE as its development partner. IDE is currently developing a preliminary design to determine water costs. The final water pricing is expected to be complete by January 2027, enabling the negotiation of a water supply agreement.

On June 17, 2026, TCEQ approved the final water rights permit for Harbor Island. The discharge permit is scheduled for the TCEQ Board agenda on September 23, 2026, where a recommendation for approval will be made. CCW continues hydraulic modeling and analyses to complete preliminary engineering assessments, providing insights into costs associated with the City's portion of the project.

The City has allocated a \$2.7 million reservation and option fee for 50 MGD of the plant's capacity.

CC Polymer (Aquatech)

On July 31, 2026, a fully executed letter of intent (LOI) was entered into between Aquatech International LLC, its soon-to-be-formed special purpose vehicle (SPV), and the City.

On September 11, 2026, CCW, City Staff, and Aquatech representatives held a meeting to discuss the terms and conditions of the Water Supply Agreement (WSA).

Aquatech is working through the process of negotiating agreements with CC Polymer and the City simultaneously, as they will be coordinated agreements.

CC Polymer is progressing toward the mechanical completion of the seawater desalination plant, with commissioning scheduled to begin in early 2027. Aquatech is expected to manage and perform the commissioning activities.

Currently, Aquatech is assessing the TCEQ requirements for supplying wholesale treated water to the CCW system.

Barney Davis Seawater Desalination Project

CCW and CPS Energy staff are planning to schedule a meeting next month to discuss the required site survey work, including the potential plant site. The site survey work is necessary as the two parties work towards a potential land lease agreement. Utilizing the available capacity of the existing intake permit at this location would provide a potential for 65 MGD of treated water.

State Water Infrastructure for Texas (SWIFT) Loan

The City has formally requested a restructuring of the SWIFT Loan to modify key milestone deadlines due to project delays. This request was submitted to the TWDB on June 18, 2026. The upcoming TWDB board meetings are scheduled for October 1 and November 12.

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

The hearing on the merits was held on July 13 and 14, 2026, before the ALJ. On August 5, 2026, the parties submitted their initial briefs to the ALJ. The City, represented by its attorney, filed its reply brief with 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 3 to 6 weeks.