

CITY OF CORPUS CHRISTI

CORPUS CHRISTI WATER

TO: Peter Zanoni, City Manager

FROM: Drew Molly, P.E., Chief Operating Officer



COPY: Mayor & City Council

DATE: July 4, 2025

SUBJECT: Water Supply Projects Update

Corpus Christi Water (CCW) continues to evaluate the four major alternative water supply projects, which include the Nueces River Groundwater Wells Project, the Evangeline Groundwater Project, the South Texas Water Authority (STWA), and the EV Ranch Groundwater Project. These are in addition to the Inner Harbor Water Treatment Campus, which is currently progressing with design under the City Council (Council) approved design-build contract with Kiewit.

Inner Harbor Water Treatment Campus (IHWTC)

The project consists of three phases with Phase 1 having two parts (A and B). Phase 1A of the project was completed on June 1, 2025, and included planning, initiation of the Basis of Design Report, and development of the pilot plant protocol.

At the upcoming July 15th City Council meeting, Brett Van Hazel will present the near- and far-field modeling, as well as the cost model.

Phase 1B began in April 2025 and was designed to include multiple “Steps” (contract amendments).

Phase 1B – Step 1 included support from the main technology supplier in the development of the Basis of Design Report, as well as planning and design support from the transformer supplier, and GHD's near- and far-field modeling. This phase is complete.

Phase 1B – Step 2 will be executed by June 30, 2025, and includes the following tasks:

- Pilot plant fabrication details for construction
- Project management
- Pilot plant procurement and construction
- Pilot plant operations for approximately 90 days

Phase 1B – Step 3 includes administrative support in the development of the main technology supplier procurement package, vendor package review, and award. This phase is complete.

Phase 1B – Step 4 includes design development to bridge engineering services from Phase 1A to Phase 1B – Step 5, and all costs will be tracked on a time and material basis. This phase is ongoing.

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Phase 1B – Step 5 will be presented to City Council on July 29th, which will include full design and GMP development.

The total project expenditure for Phase 1 to date (Through May 2025) includes:

- Freese and Nichols - \$3,050,200
- Kiewit - \$11,982,461

**Please see the attached total price breakdown as of today.*

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 expenditures for this project are \$13,244,096.

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
 - Completion of test pumping on Well No. 5
 - Design work for the permanent pump began this week
 - City staff anticipate the well to be operable by the end of July
 - Permanent pump will arrive mid-July for Well No. 6
 - City staff anticipate the well to be operable by the end of July
 - Drilling completed on Well No. 7
 - Test Pumping to begin next week
 - City staff anticipate the well to be operable by the end of August
 - Drilling has begun on Well No. 8
 - City staff anticipate the well to be operable by the end of August

Bed and Banks Permit

The City's TCEQ Bed and Banks Temporary permit application was declared administratively complete on June 11th. On June 27, a 30-day notice of the Draft permit was issued to the adjacent water right holders.

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

Phase 2 of the Nueces River Groundwater Project will utilize groundwater from the eight new wells 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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Evangeline Groundwater Project

There is no update to add regarding the Evangeline Groundwater Project for this week. City staff continue to work with representatives of Evangeline Laguna, LP.

South Texas Water Authority (STWA)

The City entered into a Memorandum of Understanding (MOU) with STWA on June 23, 2025, ahead of the deadline set by City Council on June 10th. A summary of the comments made at the June 10th city council meeting by Kleberg County Judge Rudy Madrid, and General Manager of STWA, John Marez is provided below:

- STWA can convey up to 28 MGD
- Discharge from the plant will be conveyed to Baffin Bay.
- The estimated timeline to deliver this project is approximately 24 months
- A contract between the City and STWA needs to be in effect by September 1, 2025
- STWA will provide maintenance and operation for the lifetime of the facility
- The rate will not exceed \$5.50 for 1,000 gallons of water over the 30-year contract
- The additional cost of water to the City will be determined by:
 - The cost of electricity, which would be priced into the rate separately
 - Annual rate increases tied to the Consumer Price Index (CPI)
- There will be no upfront infrastructure costs or debt to the City

City staff are committed to bringing back a contract within 45 business days, which would be August 14, 2025, for a vote at the city council meeting on August 19th. The success of achieving the August 19th milestone will depend on the ability of STWA to provide the City with timely information for the City to evaluate the project.

The City and its consultant team repeatedly requested documents from STWA throughout the month of May but was informed that a response from attorney general's office would be required to consider the legality of releasing the information. On June 20th, the City received confidential documents including a hydrogeologic study for 10 MGD, a water supply contract between SSW and STWA, and a lease agreement with the Ed Rachel Foundation. Unfortunately, this delayed the City's consultant team to conduct its preliminary analysis of this project.

EV Ranch Groundwater Project

There is no update to add regarding the EV Ranch Groundwater Project for this week. City staff continue to work with Dr. Mintz and Darrell Brownlow.

Contract Values

Phase	Vendor	Deliverables	Status	Value
Phase 1A	Kiewit	Planning, Pilot Protocol, Basis of Design Report (BODR)	Complete	\$9,245,347.00
Phase 1B, Step 1	Kiewit	Near/Far Modeling, Long-Lead Materials, BODR Tech Support	Complete	\$4,708,860.39
Phase 1B, Step 2	Kiewit	Pilot Plant Construction and Operation	In progress	\$12,000,000.00
Phase 1B, Step 3	Kiewit	Procurement Packages Development	Complete	\$1,680,970.59
Phase 1B, Step 4	Kiewit	10-60% Design, Guaranteed Maximum Price	In progress	\$20,000,000.00
Phase 2	Kiewit	Plant Construction	Not started	Finalizing in Cost Model
Phase 3	Kiewit	Plant Operation and Maintenance	Not started	Finalizing in Cost Model
Owner Agent Services - Phase 1	Freese and Nichols	Project Administration, Special Services	In Progress	\$12,000,000.00
Total Actual and Committed To Date				\$59,635,177.98

Actual Payments by Month

Description	December 2024	January 2025	February 2025	March 2025	April 2025	May 2025	June 2025
Phase 1A - Kiewit	\$2,062,908.00	\$1,673,536.00	\$1,535,758.00	\$1,754,383.00	\$1,401,435.00	\$355,060.00	\$462,267.00
Phase 1B, Step 1 - Kiewit					\$468,000.00	\$1,050,410.79	\$3,190,449.60
Phase 1B, Step 2 - Kiewit							
Phase 1B, Step 3 - Kiewit						\$1,680,970.59	
Phase 1B, Step 4 - Kiewit							
Phase 1 - Freese & Nichols	\$250,200.00	\$500,000.00	\$800,000.00	\$800,000.00	\$400,000.00	\$300,000.00	
Monthly Cost	\$2,313,108.00	\$2,173,536.00	\$2,335,758.00	\$2,554,383.00	\$2,269,435.00	\$3,386,441.38	\$3,652,716.60
Cumulative Cost	\$2,313,108.00	\$4,486,644	\$6,822,402.00	\$9,376,785.00	\$11,646,220.00	\$15,032,661.38	\$18,685,377.98