

Short-term non-refundable Option for Potable Water Reservation and Diversion Contract with the Nueces River Water Authority from the Harbor Island Seawater Desalination Plant

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NRA – Harbor Island Seawater Desalination

Project Details: Phase 1 – 100 MGD reverse osmosis seawater desalination treatment plant

- Procurement: Public Private Partnership (P3) Design, Build, Finance, Operate, Maintain (DBFOM), & Transfer
- Plant will include:
 - Offshore marine works (seawater intake and brine discharge facilities)
 - Electrical distribution to Harbor Island and onsite power facilities

Required Permits

1. TCEQ Intake
2. TCEQ Discharge
3. USACE (US Army Corps of Engineers) Construction on Harbor Island
4. USACE Bore under the Island
5. USACE Right of Way permit for Diversion and Discharge lines into the Gulf

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Timeline for Water Delivery

- Estimated construction start in March 2027 and produce water by December 2029
- City conveyance pipeline must be completed by December 2029

Interest by Customers

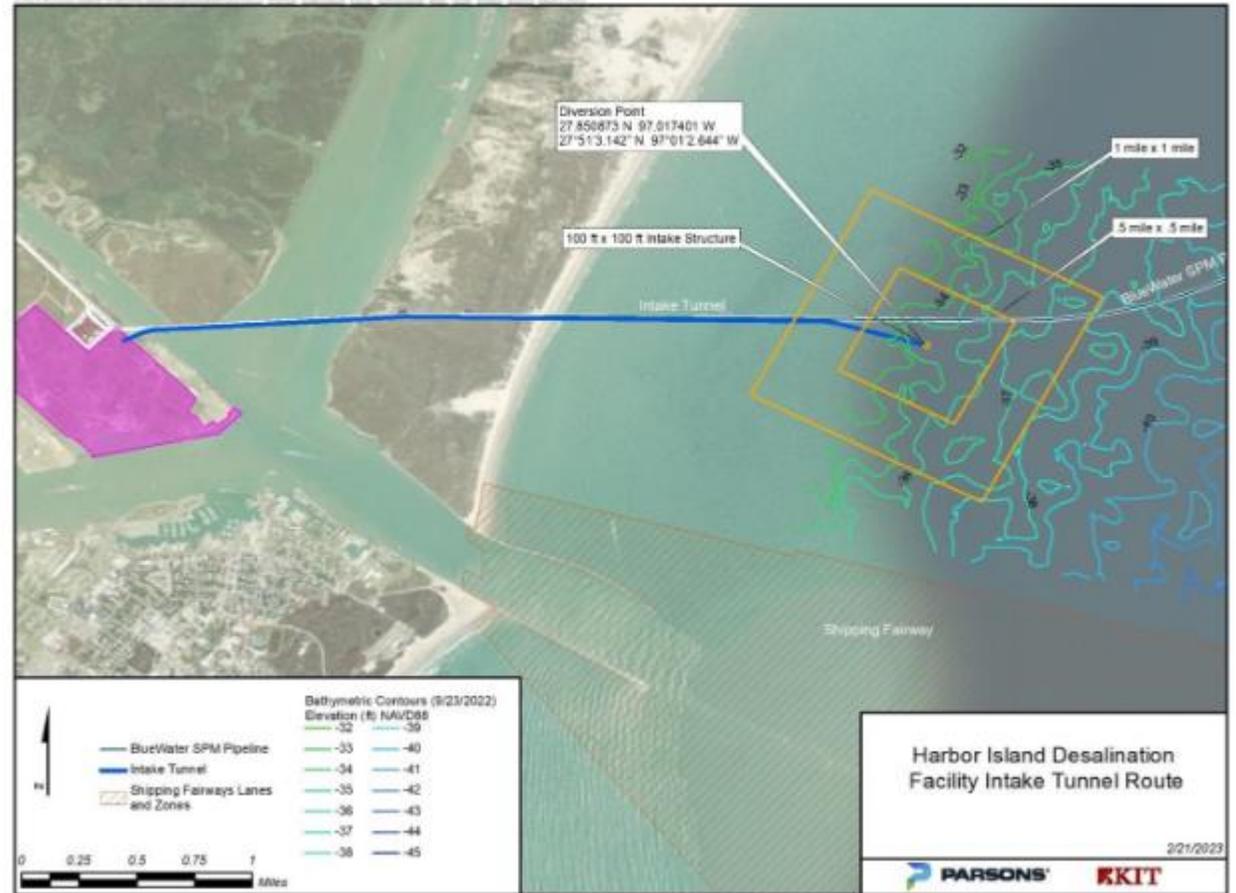
- Wholesale
- Large Volume Users

Long Term Water Demand

* Demands from City of Corpus Christi Water Master Plan. Does not include future large volume users or new industries.

** Does not include future potential demands

Year	Projected Maximum Treated Water Demand* (MGD)	Existing Raw Water Demands** (MGD)	Total System Demands (MGD)
2031	122	31	153
2036+	137	31	168



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What has NRA done?

- Signed lease with the PCCA
- Secured Reservation Option Contracts for approx. 30% of water
- Issued RFQ for designer for the product pipeline from Aransas Pass to San Antonio and Austin*
- Developing RFP for P3 Partner – Expected to post by the end of October



- Approximately 6 miles of product water pipeline to a delivery point* in Aransas Pass, as described in the Port of Corpus Christi's TCEQ and USACE and GLO permits and approvals
- * Product water will connect to a regional distribution system, separately financed, designed, built, owned, and operated by NRA

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Lease Agreement between the Port of Corpus Christi & NRA

- 30 acres of Port-owned land
- 50-year agreement (w/extension)
- Right to build and operate
- Includes water pipeline easements
- Improvements owned by NRA
- Port responsible for facility permits & Water Rights
- Rights conveyed to NRA through lease
- The City will receive a \$0.10 discount per 1,000 gallons on the final price of water

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Agreement proposed to City

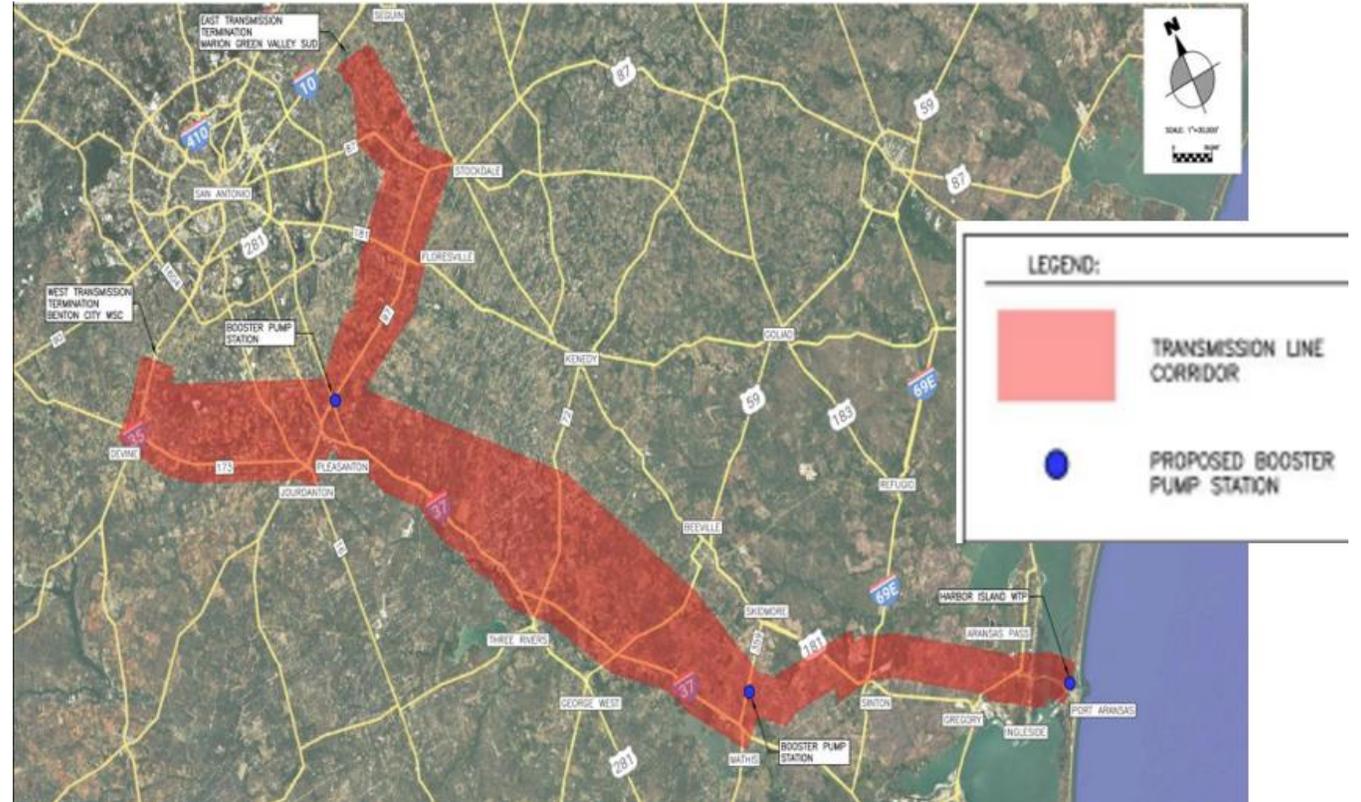
1. Option to purchase potable water from NRA; terms of a water supply contract will be negotiated in the future and transportation costs will be at City's sole expense
2. Availability and timing of potable water for purchase is not guaranteed
3. Water rates are unknown
4. Reservation amount is the quantity of potable water that the City will be entitled to contract with NRA to purchase
5. Option Period – Effective date of Option Contract until Plant is producing water
6. Non-refundable Option Fee - \$24.44 per acre-foot times 2 years

Water Purchase Agreement Amount	Reservation Fee
30 MGD	\$1,642,578.98
40 MGD	\$2,190,105.30
50 MGD	\$2,737,631.62

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Benefits of the agreement:

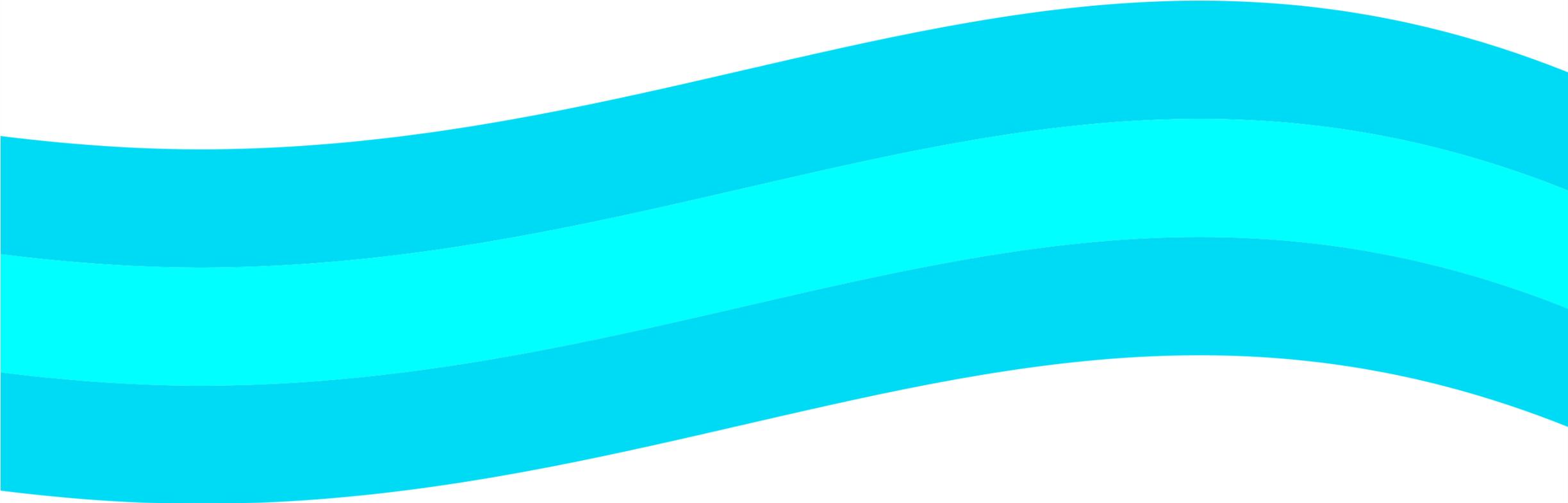
- Input during conveyance design
- Partner in a regional project
- Diversification of water supply portfolio



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Considerations for Project Execution:

- TCEQ intake & discharge permits are not obtained
- Cost. Although NRA presented a typical cost of \$10-\$15 per thousand gallons in its presentation, NRA would not agree to capping a future take-or-pay contract at \$15/thousand gallons. The current cost included in the Reservation Contract is \$24.44 per acre-foot
- NRA is currently working with electric power companies in South Texas to provide transmission-level power to Harbor Island
- NRA must obtain financing
- City conveyance line has not been designed. The connection point is unknown. Easements will be required

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Thank you!

