

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: July 11, 2025

SUBJECT: Water Supply Projects Update

 07-11-25

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.

The demonstration plant construction is currently 10% complete.

At the July 15 City Council meeting, Brett Van Hazel will present the near- and far-field modeling.

Phase 1B began in April 2025 and will include multiple "Steps" (contract amendments). Phase 1B, Step 2 was executed June 30, 2025, and includes:

Pilot plant fabrication details for construction

- Pilot plant funding
- Project management
- Pilot plant procurement, construction, and targeted operations

Additionally, Phase 1B, Step 5 will be presented to Council on July 29, which will include design advancement and development of a guaranteed maximum price (GMP).

Total Phase 1 Spent 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.*

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To date, the City has not purchased any equipment for the Inner Harbor Project. The city has executed an amendment to allow Kiewit to secure a place in line for long lead medium voltage transformers and to receive design services from that vendor. No transformers have been purchased, which will come during the construction phase.

The city has also executed an amendment with Kiewit for the demonstration plant. All equipment utilized for this effort will be rental equipment and returned to the vendor after the demonstration plant is decommissioned.

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 \$13,305,237.

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
 - Design of permanent pump is completed on Well No. 5
 - City staff anticipate the well to be operable by the end of July
 - Installation of permanent pumping to begin next week on Well No. 6
 - City staff anticipate the well to be operable by the end of July
 - Test pumping will begin this weekend on Well No. 7
 - 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 submitted the Temporary Bed and Banks Permit application on May 12, 2025. The application required submission of water quality data for the proposed groundwater wells in addition to the proposed monitoring plan.

On June 11, 2025, the TCEQ declared the permit to be administratively complete, which enables the City to discharge groundwater into the Nueces River in accordance with the approved monitoring plan and in compliance with all State and Federal laws. As the project continues to develop, the City has coordinated closely with TCEQ and other water users downstream, by supplementing approximately 3 million gallons per day (MG) of groundwater into the river.

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

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supply. Preliminary and conceptual design work has commenced for the development of a future plant and is included in the Region N Water Plan.

Evangeline Groundwater Project

The City continues to meet with the Evangeline team, and met as recently as July 9 with their leadership. The team is developing a counteroffer for the proposed project and anticipates a valuation of this water in late July.

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 10. City staff will work diligently to secure a contract with STWA by the date agreed upon in the MOU. The success of achieving the August 24 milestone will depend on the ability of STWA to provide the City with timely information for the City to evaluate the project. The MOU outlines a number of required deliverables that must be provided in order for the City to fully evaluate such a proposal, including the project schedule, project cost, and environmental impact to name a few.

The STWA hosted a groundbreaking ceremony on July 8 for their first test well completed in Driscoll, Texas.

EV Ranch Groundwater Project

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

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