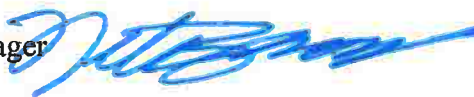


CITY OF CORPUS CHRISTI
OFFICE OF THE CITY MANAGER

TO: Mayor and City Council

FROM: Peter Zanoni, City Manager 

COPY: Executive Leadership Team

SUBJECT: Inner Harbor Desalination Project - No Cost Path Forward Proposal

DATE: November 7, 2025

As City Manager, it is my responsibility to ensure we continue delivering essential services and infrastructure that enable Corpus Christi and the region we serve to grow and thrive. With that in mind, over the past several weeks, without City Council coordination, I have revisited the Inner Harbor Desalination Project. I am recommending a path forward to provide a mid-term source addition to our water security.

Over the past several weeks, it has become increasingly clear that while groundwater will continue to serve as an immediate water supply during the current and future droughts, we must manage these resources carefully, using them intermittently.

As the leader who provides and manages resources for the City, I reached out to Corpus Christi Desal Partners (CCDP), the second team in our procurement process, which had a competitive score just behind the initially selected contractor.

CCDP brings together an impressive group of local, national, and international companies: Acciona, MasTec, Reytec, and Ardurra. Earlier this week on Wednesday, I convened senior leaders from these organizations here in Corpus Christi to finalize a path forward for the Inner Harbor Desalination Project.

I am pleased to report that I have secured a formal commitment from CCDP to develop a new proposal with price certainty for design and construction options for the Inner Harbor facility. The plan moving forward to a potential contract over the next six months as outlined below will be at no cost to the City. CCDP and I have developed a recommendation that will build on Kiewit's existing design data.

No Cost Path Forward Proposal for Potential Contract

Steps	Timeline	Action
1	Nov 18, 2025	Council to consider approval of the plan with CCDP as outlined above by the City Manager.
2	Nov 2025	City to provide CCDP existing Kiewit data (e.g., 10% design documents, cost model).
3	Dec 2025 - Feb 2026	CCDP prepares proposal with price certainty for design and construction options for the Inner Harbor Desalination Project to be reviewed by staff and Council.
4	Jan-Feb 2026	Council considers for approval CCDP proposals for the Inner Harbor Desalination Project and directs staff to develop a design-build contract for execution.
5	Mar-Apr 2026	Council considers approval of design-build contract with CCDP for the Inner Harbor Desalination Project.

Inner Harbor Desalination Project – No Cost Path Forward Proposal

Once the City Council has approved CCDP's proposal in March/April 2026, I will initiate a competitive process to secure a 30-year operations and maintenance agreement for the plant. This agreement will ensure the plant is managed by an experienced desalination operator, reducing risk to the City and accelerating readiness. Structuring the project this way also enables us to shift certain costs from debt to a long-term, manageable position within the City's water rate providing rate stability for all customers.

I want to thank Corpus Christi Desal Partners for their confident, quick response, and look forward to presenting this item for Council's consideration at the November 18 City Council Meeting. Having a stable, secure mid-term water supply is essential for our residents, for our business community, and for our future.