

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: August 8, 2025

SUBJECT: Water Supply Projects Update

Drew Molly 8/8/25

Corpus Christi Water (CCW) continues to evaluate a number of alternative water supply projects.

These projects are in addition to the Inner Harbor Water Treatment Campus, which was suspended at the request of City Council on July 29, 2025, until more information is provided by the Texas Water Development Board (TWDB) to determine if the current project funding can be appropriated to alternative projects. The suspension of work directs Kiewit to stop work on design services and the demonstration plant.

It also directs Frese and Nichols (FNI), the owner's agent, to stop work on all owner representative services. The suspension of work is effective August 1, 2025, and ends August 28, 2025, or until further Council action.

Kiewit acknowledged receipt of the project suspension and has communicated how this suspension will potentially impact project costs and schedule in a letter dated on August 1 to the Program Management Office.

Inner Harbor Water Treatment Campus (IHWTC)

City staff has received several inquiries from Councilmembers regarding the City's Inner Harbor Desalination project's contractual obligations and expenditures to date. To provide additional clarity, City staff is providing a Total Project Cost one-pager that shows each contract/amendment and the amount spent on each, dating back to 2015. The total expenditures to date for the IHWTC Project is \$34,277,862. The remaining encumbrances allocated to this project is \$38,791,852. These figures are outlined in the attachment.

Over the last ten years, the City has entered into contractual agreements with companies to perform services and secured assets in support of the Inner Harbor Project. The general services include permit administration and support, project administration, securing electrical service, legal support, land acquisition, and planning/design. The total value of the executed contracts and amendments from 2015 to present is approximately \$73 million. This value represents money that has been allocated for the work but not necessarily spent.

The IHWTC Total Cost Breakdown provided in previous water supply projects updates only represents the monthly expenditures for FNI and Kiewit since the start of design development (Phase 1), which began in December 2024.

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 expenditure for this project is \$15,288,952.

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
 - Delivery of pumping equipment for Well No. 5 is expected next week
 - City staff anticipate the well to be operable by mid-August
 - Completion of Well No. 6
 - Delivery of pumping equipment for Well No. 7 is expected next week
 - City staff anticipate the well to be operable by mid-August
 - Development on Well No. 8 is continuing, followed by test pumping and water sampling
 - City staff anticipate the well to be operable by the end of August.

On June 11, 2025, the TCEQ declared the permit to be administratively complete. The City then started 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 5 million gallons per day (MGD) of groundwater into the river.

As of July 28, 2025, the 30-day public notice period ended, and assuming no protests are received, a temporary bed and banks permit will be issued, likely next week.

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

Phase 2A of the Nueces River Groundwater Project will utilize groundwater from the eight new wells (Eastern Well Field) 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.

Phase 2B of the Nueces River Groundwater Project will utilize groundwater from the 251-acre Sutherland tract (Western Well Field) purchased by the City. City staff anticipate developing additional groundwater wells at this location.

Water Supply Projects Update

Page 3

Evangeline Groundwater Project

City leadership team met with Evangeline on August 6 to discuss their best and final counteroffer to the City. Evangeline's counteroffer will be presented to the City Council in executive session on August 12.

South Texas Water Authority (STWA)

The City team met with STWA, Seven Seas, and their legal team on August 1. A summary of the meeting minutes is being finalized.

EV Ranch Groundwater Project

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

CC Polymers Seawater Desalination Treatment Plant

On August 6, CDM Smith met with CC Polymers to discuss the following items:

- Permitting and Regulatory Requirements
- CCP Initial Offer
- Desalination Plant Completion, Commissioning, and Training
- Complete Engineering for Expansion
- Conditions of Purchase

On August 7, CCW staff received a summary of the meeting described above from CDM Smith.

Nueces River Authority Harbor Island Project

On August 12, as part of the Corpus Christi Water (CCW) update on Alternative Water Supply Projects that is scheduled for City Council to provide an update on the Harbor Island Project will be presented by the Nueces River Authority (NRA). This update was requested by a Council Member and will include the following information:

- Current project status and permits
- Summary of the lease agreement with the Port of Corpus Christi (POCCA)
- Delivery method for design and construction
- Timeline for design, construction, and water delivery
- Planned size of the project and estimated capital costs
- Staffing plan for the project's operations
- Estimated cost of water (\$/GA)
- Information about the reservation fee program, including the deadline for the City of Corpus Christi to participate

Reclaimed Water Infrastructure Project

On April 8, 2025, the Council approved a professional services contract with Garver to provide the preliminary design services for this project. Garver received the executed contract on June 20, which includes evaluating alternative water reclamation and reuse applications that would add a new water supply for the City.

The main tasks associated with this project include:

- Develop a Reuse Alternatives Summary
- Develop a 12-month source water characterization report at Greenwood and Oso WWTP.
- Develop pilot study protocol documents, as required by TCEQ, which will serve as the basis for a future pilot plant design.

Additionally, Ardurra met with the City Manager and CCW staff on August 4 to discuss opportunities to develop effluent.

These opportunities include conveying effluent to Industrial users and also the Nueces River. An additional meeting will be scheduled to explore these options.



Total Spent to Date

Company	Total Spent to Date
Freese and Nichols	\$12,669,776
Kiewit	\$17,617,948
Other Contracts	\$3,990,138
Total	\$34,277,862



Total Spent to Date w/ Total Remaining Encumbrances

Company	Spent to Date	Total Remaining Encumbrance	Combined Total
Freese and Nichols	\$12,669,776	\$8,711,963	\$21,381,739
Kiewit	\$17,617,948	\$30,017,230	\$47,635,178
Other Contracts	\$3,990,138	\$62,659	\$4,052,797
Total	\$34,277,862	\$38,791,852	\$73,069,714

Figures based on initial contracts approved in 2015 through June 30, 2025
