



AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting of March 18, 2025
Second Reading Ordinance for the City Council Meeting of March 25, 2025

DATE: March 18, 2025

TO: Peter Zaroni, City Manager

FROM: Ryan Skrobarczyk, Director of Intergovernmental Relations
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Acceptance of 2025 Texas Defense Economic Adjustment Assistance Grant Program in the amount of \$988,567.12 for the Wastewater Lift Station Modernization for NAS-CC and \$330,000 for Condensate Return Station Replacement for CCAD. Authorizing the purchase of 15 45 gallons per minute condensate return stations for \$330,000.

CAPTION:

Ordinance accepting and appropriating two grant awards in the amount of \$988,567.12 and \$330,000 in funding from the Office of the Governor's Texas Military Preparedness Commission Defense Economic Adjustment Assistance Grant (DEAAG) program with the required matching contributions from the City totaling \$309,209.22 for the Lift Station Modernization Project at Naval Air Station-Corpus Christi (NAS-CC) and the Condensate Return Station Replacement Project at Corpus Christi Army Depot (CCAD) and authorizing the purchase of fifteen 45-gallons per minute (GPM) Condensate Return Stations (CRS) for \$330,000.

SUMMARY:

To receive the Defense Economic Adjustment Assistance Grant (DEAAG) program funds, the State of Texas requires award recipients to sign Grant Agreements identifying the responsibilities of the recipient and the State. An appropriation of \$39,600 and \$269,609, respectively will be made from the City's Capital Improvement Program Military Commission Account to fund the City's required cash matches for these grants. Reimbursement grant funds will be deposited into the 1078 – Military Grant Fund for the acquisition of 15 45 gallons per minute CRS at CCAD and for the Lift Station Modernization at NAS-CC.

BACKGROUND AND FINDINGS:

On December 30, 2024, the City of Corpus Christi was awarded two grants from the State of Texas totaling \$1,318,567.12. The first grant was allocated for the acquisition of 15 CRS at CCAD and the modernization of a wastewater lift station at NAS-CC.

Grant 1 - Acquisition of 15 CRS at CCAD:

The project involves replacing 15 smaller CRSs and two larger CRSs located in Building 8 of the CCAD, where engine cleaning and component rebuilding take place. These CRS are essential for heating the workplace and reducing relative humidity in critical shop environments. By

replacing the deteriorating CRSs and installing two new larger units, the project is expected to save approximately \$290,000 annually in costs associated with water supply, wastewater treatment, chemicals, heating, and softener salt.

In 2022, deteriorating and leaking CRSs wasted around 3,000,000 gallons of water. CCAD estimated that approximately 3,317,254 gallons of raw water were used that year, with 317,254 gallons directly linked to Building 8 operations which utilized steam and water from the system, making it non-returnable. This wasted water resulted in additional costs of about \$83,580 per year for water supply and wastewater treatment, an extra \$65,000 for chemicals, over \$102,000 for heating new water from 70 degrees to 220 degrees, and roughly \$39,000 annually for water softener salt. The wastewater treatment plant at NASCC is also expected to benefit from reduced treatment operations.

CCAD is a crucial resource for aviation and a key component of the Army's Organic Industrial Base. It repairs damaged aircraft and customizes each aircraft, engine, or part to meet specific mission requirements, thereby extending the operational life of existing aircraft. The CRSs play a vital role in providing heating and humidity control within the workplace. The water generated by the CRSs is utilized in CCAD's Engine Cleaning Shop to produce the steam necessary for heating vats and cleaning engine parts. Currently, half of the CRSs are in disrepair, with corroded tanks and pumps either malfunctioning or leaking. For CCAD to maximize operational efficiency and reduce water consumption, it is essential that the CRSs operate at full capacity.

Project Cost Leverage	Dollars	Percentage
DEAAG	\$330,000	48.5%
Federal	\$311,300	45.7%
City of Corpus Christi	\$39,600	5.8%

Grant 2 – Modernization of a wastewater lift station at NAS-CC:

As a critical component of Continuity of Operations, NASCC's Lift Station 288 is the primary distributor of domestic and industrial waste generated by NASCC's largest tenant, the CCAD Industrial Complex, to the NASCC Wastewater Treatment Plant (WWTP). The current operation at half capacity poses significant risks; if the lift station were to fail, it would threaten NASCC's wastewater system and disrupt operations at CCAD. This failure could also result in wastewater spills, leading to environmental hazards for humans and wildlife. Installing a new lift station with a backup generator will ensure compliance with federal and state environmental regulations, reduce maintenance and repair costs for both CCAD and NAS-CC, and enhance the resiliency of the NAS-CC.

Phase two of the previously awarded NASCC wastewater collection system project involves the removal and replacement of two submersible sewage grinder pumps within an underground wastewater lift station. This phase will also include replacing the associated control panels, installing a diesel-powered emergency generator for the lift station, and routing a new electrical power supply. This lift station is essential for the primary distribution of domestic waste generated by the Corpus Christi Army Depot (CCAD) Industrial Complex to the NASCC WWTP. It is currently classified as a critical facility for Continuity of Operations.

Lift Station 288 was constructed in 1978, making it 46 years old, and was last repaired in 2011, during which pumps and controllers were replaced. This underground storage tank has submersible grinder pumps that handle domestic wastewater from CCAD Building 8 and other CCAD and tenant command facilities. The total capacity of the lift station is approximately one million gallons per day. Still, it is currently operating at only half that capacity due to one non-functioning submersible grinder pump.

Project Cost Leverage	Dollars	Percentage
DEAAG	\$988,567.12	44%
Federal	\$988,567.12	44%
City of Corpus Christi	\$269,609.22	12%

ALTERNATIVES:

Rejecting the grant awards will prevent the repair of these critical infrastructure pieces, and the Texas Military Preparedness Commission will reallocate the funds to other defense communities in Texas.

DEPARTMENTAL CLEARANCES:

Budget, City Manager, Engineering, Finance, Legal

FISCAL IMPACT:

Accepting the grants will provide \$1,318,567.12 to fund the replacement of Condensate Return Stations and wastewater lift station modernization. The City of Corpus Christi will provide a required match of \$309,209.22 to cover the project procurement, management, and grant administrative services from the Capital Improvement Program Military Commission Account.

FUNDING DETAIL:

Fund: 1078; Military Grant Fund
Department: 19; Intergovernmental Affairs
Org: 89; Grants & CIP Projects
Activity: Lift Station - NASCC
Account:
Amount: \$988,567.12

- Fund: 1078; Military Grant Fund
Department: 19; Intergovernmental Affairs
Org: 89; Grants & CIP Projects
Activity: CRS Units - CCAD
Account:
Amount: \$330,000

Fund: 3543; TMPCCO
Department: 33; Streets
Org: 89; Grants & CIP Projects
Activity: 24202 - DEAAG – NASCC Removal and Replacement of Pumps and Motors within two lift stations
Amount: \$269,609.22

Fund: 3543; TMPCCO
Department: 33; Streets
Org: 89; Grants & CIP Projects
Activity: 25032 – DEAAG-Condensate Return Stations CCAD
Amount: \$39,600

RECOMMENDATION:

Staff recommends approval of these grant agreements.

LIST OF SUPPORTING DOCUMENTS:

Ordinance

Award Letter for DEAAG – CCAD Condensate Return Station Replacement

Award Letter for DEAAG – NASCC Lift Station Modernization

Draft Agreement – CCAD Condensate Return Station Replacement

Draft Agreement – NASCC Lift Station Modernization

Certificate of Funds

Presentation