

**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: July 18, 2025
SUBJECT: Water Supply Projects Update

 7/18/25

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.

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

The demonstration plant construction is approximately 15% complete. All equipment utilized for this effort will be rental equipment and returned to the vendor after the demonstration plant is decommissioned.

Additionally, Phase 1B, Step 5 will be presented to the City 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 (FNI) - \$3,050,200
- Kiewit - \$11,982,461

Attached to this memorandum is a budget and progress-status of each work activity by Kiewit and FNI, as well as an expenditure summary by month.

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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.

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 is \$13,305,237, unchanged from the last report.

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 has begun on Well No. 6
 - City staff anticipate the well to be operable by the end of July
 - Design of a permanent pump has begun 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

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 5 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 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 is scheduled to meet with the Evangeline team during the week of July 21 and potentially present a counteroffer based on a valuation analysis of this water by a third party consultant team.

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South Texas Water Authority (STWA)

City staff met on July 17, 2025, with the leadership team of the STWA, including their engineering consultant (i.e. ICE), as well as their attorney representing the STWA for the Seven Seas agreement to develop a 4 MGD plant in Driscoll.

Given that the STWA will not be in a position to confirm costs, timeline of delivery, or terms of the contract in the near future, the STWA confirmed that the August 24, 2025, deadline cannot be achieved.

EV Ranch Groundwater Project

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

Attachment: IHWTC Total Cost Breakdown

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