



CITY OF
CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for the City Council Meeting June 2, 2026

DATE: June 2, 2026
TO: Peter Zanoni, City Manager
FROM: Nicholas Winkelmann, P.E., Chief Operating Officer, CCW

One-Reading ordinance awarding a Design-Build contract to Corpus Christi Desalination Partners, LLC for 60% design services, design and construction of the demonstration plant and development and verification of the GMP in an amount up to \$78,610,000.00 for the Inner Harbor Seawater Desalination Treatment Plant Project; appropriating funds and amending the FY 2026 Budget, with funding available from the State Water Implementation Fund for Texas (SWIFT)

CAPTION:

One-Reading ordinance awarding a Design-Build contract to Corpus Christi Desalination Partners, LLC for 60% design services, design and construction of the demonstration plant, and development and verification of the GMP in an amount up to \$78,610,000.00 for the Inner Harbor Seawater Desalination Treatment Plant Project; appropriating funds and amending the FY 2026 Budget, with funding available from the State Water Implementation Fund for Texas (SWIFT).

SUMMARY:

The approved contract proposal will serve as the foundation for future design-build efforts for the Inner Harbor Seawater Desalination Water Treatment Plant.

BACKGROUND AND PURPOSE:

Corpus Christi Desal Partners (CCDP), the second-ranked design-build team in our Inner Harbor Seawater Desalination Water Treatment Plant Project procurement process, had a competitive score just behind the initially selected contractor in score. The City has negotiated a contract with CCDP for design services for the Inner Harbor Seawater Desalination Water Treatment Plant, covering planning, a demonstration plant, and 60% design. CCDP will work closely with the City, Texas Water Development Board, and TCEQ to establish a GMP.

CCDP is a joint venture between Acciona and MasTec. Acciona will leverage its engineering consulting expertise to develop the design for the Inner Harbor Seawater Desalination Water Treatment Plant, while MasTec will handle its construction. Both companies have extensive experience in large, complex infrastructure projects and a strong track record of successful delivery. CCDP will utilize a strong team of local, national, and international partners to ensure project success.

Acciona has engineered and commissioned over 540 water treatment facilities, with an aggregate capacity of 9,500 million gallons per day (MGD). The company has also designed, built, and operationalized 92 seawater reverse osmosis desalination plants, totaling 1,849 MGD. Currently, they manage 25 seawater desalination facilities producing more than 500 MGD. Among their notable projects is the 29 MGD Tampa Bay Desal Plant, the second-largest seawater desalination facility in the United States.

With over 70 years of experience, MasTec employs 35,000 professionals across 175 regional offices. Over the past 15 years, the company has successfully delivered 130 water and wastewater projects, encompassing Design-build, Design-build-operate, and Construction Manager at Risk methodologies. Certified as a Minority-Controlled Company by the National Minority Suppliers Development Council (NMSDC), MasTec ranks as the second-largest minority-controlled firm in the United States.

CCDP will leverage existing design documents to prepare a design-and-construction proposal with cost certainty for the Inner Harbor Seawater Desalination Water Treatment Plant Project. This process will adhere to the timeline outlined below:

1. **November 18, 2025:** Council to authorize the MOU with CCDP
2. **November 2025:** City to provide CCDP with all existing design documents
3. **December 2025 to February 2026:** CCDP prepares proposal(s) with price certainty for design and construction options for the Inner Harbor Seawater Desalination Water Treatment Plant Project to be reviewed by City staff and Council
4. **January 2026 to February 2026:** Council to consider approval of the CCDP proposal(s) for the Inner Harbor Seawater Desalination Water Treatment Plant Project, and direct City staff to develop a design-build contract for execution
5. **June 2, 2026:** Council to consider approval of the design-build contract with CCDP for the Inner Harbor Seawater Desalination Water Treatment Plant Project

The City has secured essential components for the Inner Harbor Seawater Desalination Water Treatment Plant Project, including approved intake and discharge permits from the Texas Commission on Environmental Quality (TCEQ) and the Army Corps of Engineers (ACOE), property agreement with Flint Hills Resources, power infrastructure agreements with AEP, low-interest SWIFT loans from the Texas Water Development Board, and the infrastructure necessary for water distribution across the City via the Navigation Pump Station.

The Inner Harbor Seawater Desalination Water Treatment Plant will provide CCW with a second stand-alone water treatment facility, providing resiliency to the water system.

ALTERNATIVES:

The alternative would be to cancel and not to proceed with the Inner Harbor Seawater Desalination Water Treatment Plant Project.

The City Council would be required to adopt a resolution authorizing the termination of the project and submit it to the Texas Water Development Board, along with a status report and a final accounting of all unspent funds. Following these actions, the next step would be defeasance. This process involves removing any outstanding SWIFT-supported debt from the balance sheet, recording the new debt issued to complete the defeasance transaction, and recognizing any associated losses in the financial statements.

These actions would potentially necessitate higher utility rates to support the new debt issued for the defeasance. In addition, formally discontinuing a long-term water supply initiative could be viewed unfavorably by credit rating agencies, creating potential downward pressure on both the City's General Obligation and Utility System ratings.

FISCAL IMPACT:

The fiscal impact on Corpus Christi Water for FY 2026 is \$78,610,000, with funding available through the Water Capital SWIFT Fund. Because this project was removed from the FY 2026 Capital Improvement Plan, an amendment to the CIP is required to restore the project and appropriate the necessary funding.

FUNDING DETAIL:

Fund: 4488 Water CIP SWIFT Loan 2
Organization: 89
Department: 45
Project # (CIP Only): E15117
Account: 550950
Activity: E15117014488EXP

RECOMMENDATION:

Staff recommends approval of the Design-Build contract with CCDP with price certainty for 60% design, design and construction of the demonstration plant and development and verification of the GMP for the Inner Harbor Desalination Plant project.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Presentation
Memo