

**CITY OF CORPUS CHRISTI
CORPUS CHRISTI WATER**

TO: Peter Zanoni, City Manager

FROM: Nicholas Winkelmann, P.E., Interim Chief Operating Officer 

COPY: Mayor & City Council

DATE: October 10, 2025

SUBJECT: Water Supply Update

Corpus Christi Water (CCW) continues to progress forward on our water supply projects working towards diversifying our supply portfolio.

Nueces River Groundwater Wells Project

As of today, the current expenditure for the Eastern Well Field project is \$15,762,146, and \$5,800,270 for the Western Well Field. The State has committed to providing a \$30,000,000 grant for this work.

In the Eastern Well Field, Well Nos. 1 to 8 are complete. Modifications have been completed to Well No. 1 to seal off lower-quality water to decrease the overall total dissolved solids (TDS) from the well. Subsequent testing of this well is scheduled to take place early next week. The City is currently discharging up to 8 MGD into the Nueces River in accordance with the approved monitoring plan and in compliance with all State laws.

In the Western Well Field, the status is as follows:

- Well No. 9 – Drilling complete, permanent pump has been designed, awaiting delivery of the permanent pumping equipment
- Well No. 10 – Drilling complete, test pumping and water quality sampling complete
- Well No. 11 – Drilling complete, test pumping and water quality scheduled to take place within the next week
- Well no. 12 – Drilling continues
- Well Field site work continues
- Water line and river outfall have been designed with construction ongoing

Investigative work continues regarding the influencing conditions of the Nueces River in an effort to support the application for the second bed and banks permit, which will be required for the Western Well Field.

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Evangeline Groundwater Project

During the September 23 council meeting, council approved the negotiated term sheet for fee simple groundwater rights which will be the basis for a final contract. Components of the term sheet include:

- Purchase price of \$7,437 for 22,789 acres of groundwater rights
- \$1,000,000 earnest and option payment for a 120-day inspection period with an additional \$3,250,000 to be escrowed at the end of the inspection period and applied to the purchase price at closing
- The seller will have 180-days after the inspection period to acquire final, non-appealable permits for twenty-two wells, production permit, and transport permit with closing to occur sixty days after all permits are obtained. The seller has stated that they would work to begin obtaining the permits as soon as the contract is approved
- Seller to provide clean and indefeasible title to groundwater rights with no rights of reverter with title insurance
- Conveyance of existing groundwater wells and appurtenances
- Assignment of surface use agreements and surface accommodation agreements to the City

The City will negotiate and pay for land use fees for infrastructure that will be located on the property identified in the surface use and accommodation agreements. This infrastructure will consist of water lines, electrical lines, pump station, roads, etc.

The property appraisal has been completed and has been distributed to City Council.

The property survey is expected to be completed on Monday, October 13, 2025.

Pape Dawson continues pre-engineering and due diligence efforts. This week a meeting was held with Pape Dawson, Hanson, and HDR to discuss the connection point to the Mary Rhodes Pipeline. A review of the existing easements will be conducted to ensure there are no easement clauses prohibiting the connection point.

City staff met with representatives of the City of Sinton and the Saint Paul Water Supply Corporation this week to discuss the project and future cooperation including an interlocal agreement. The interlocal agreement would be presented to council for consideration on October 21, 2025.

Reclaimed Water Infrastructure Project

CCW has been in discussions with multiple entities regarding the use of effluent water from our wastewater treatment plants. Discussions and negotiations are ongoing with multiple meetings occurring over the past week.

A follow-up meeting with Ardurra regarding effluent conveyance from the Oso Wastewater Treatment Plant is scheduled for next week.

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Garver continues to investigate reclaimed water potential with a focus on the following three options:

- Conveyance of effluent and TCEQ permitting to take water to the Nueces River
- Aquifer Storage and Recovery
- Direct potable reuse

Garver has also been communicating with TCEQ to understand any potential requirements for discharging effluent water from one of the wastewater treatment plants into the Nueces River. The summary of alternatives and input on the required permitting is expected to be available within the next week.

Nueces River Authority - Harbor Island Seawater Desalination Project

The project consists of a 100 MGD seawater desalination facility located on Harbor Island. The intake structure would be located approximately 1.3 miles southeast of San Jose Island. The discharge structure would be located approximately 1.8 miles southeast of San Jose Island. The City would need to develop a conveyance water line project to transport water from NRA infrastructure to a preferred connection point.

City staff will meet with John Byrum, Executive Director of the Nueces River Authority (NRA), to continue discussions regarding a reservation agreement on Monday, October 13. As requested by City Council CCW will present a reservation agreement with the NRA for consideration at October 21 council meeting.

The option fee for 56,007 acre feet per year or approximately 50 MGD is a one-time payment of \$2,737,622.16.

The option fee for 44,806 feet per year or approximately 40 MGD is a one-time payment of \$2,1980,117.28.

The option fee for 33,604 acre feet per year or approximately 30 MGD is a one-time payment of \$1,642,563.52.

Option fee is non-refundable and does not guarantee a delivery date for available water. The terms of a final water supply contract will be negotiated in the future once the NRA has determined the final cost of water. The NRA is currently working with electric power companies in South Texas to provide transmission level power to the project site.

Required permits include the following:

- TCEQ Intake: draft expected 10/2025
- TCEQ Discharge: draft expected 10/2025
- US Army Corps of Engineers (USACE) – Construction on Harbor Island
- USACE – Bore under the Island
- USACE – Structures and diversion

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The NRA's agreement with the Port of Corpus Christi (POCC) includes the following provisions

- 30 acres of land located on Harbor Island
- Fifty-year agreement with an extension to build and operate a water treatment plant
- Includes easements for water conveyance line
- The Port would obtain all TCEQ and ACOE permits

South Texas Water Authority

On September 23, South Texas Water Authority (STWA) Executive Director John Marez provided an update to council and provided the following information:

- The STWA Board of Directors approved the offering of water to City of Corpus Christi on September 9, 2025
- Raw water quality results from their test well were provided to the City as requested
- The water purchased by the City will be treated/finished water and meet or exceed all TCEQ primary and secondary drinking water standards
- The final target of Phase 1 of the project is 13 MGD with 3 MGD for STWA and 10 MGD available for sale to the City
- There could be an option to add additional water in 10 MGD increments
- A potential contract has been drafted by STWA to prepare for future negotiations

STWA has requested any current discussions focus first on the extension of their existing water purchase contract with the City which expires December 31, 2025.

CC Polymers Seawater Desalination Treatment Plant

CDM Smith, the City's consultant, has prepared a draft technical memo reviewing the proposal from CC Polymers and has recommended that a condition assessment be completed prior to any agreement for plant/equipment purchase. On October 14, this proposed water supply project will be discussed in the council meeting executive session.