



# CITY OF CORPUS CHRISTI

## AGENDA MEMORANDUM

Action Item for the City Council Meeting December 16, 2025

**DATE:** December 16, 2025

**TO:** Peter Zanoni, City Manager

**FROM:** Brett Van Hazel P.E., Director of Water Supply Management  
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Amendment No. 1 to the Master Services Agreement with Pape-Dawson Engineers, Inc. and a Construction Manager-At-Risk contract with Garney Companies, Inc. for the Evangeline/San Patricio Co. Groundwater Program

### **CAPTION:**

One-Reading ordinance authorizing execution of Amendment No. 1 to the Master Services Agreement with Pape-Dawson Engineers, Inc. of San Antonio, Texas for design services in the amount of \$15,000,000.00 and execution of a Construction Manager-At-Risk contract with Garney Companies, Inc. of Kansas City, Missouri for pre-construction services to assist in the design in the amount of \$3,000,000.00 for the Evangeline/San Patricio Co. Groundwater Program; and amending the FY 2026 Capital Budget, with FY 2026 funding available from Water Capital Fund.

### **SUMMARY:**

On September 23, 2025, City Council authorized a Master Services Agreement with Pape-Dawson Engineers to conduct preliminary design work for the project, work with HDR Engineering on a connection to the Mary Rhodes Pipeline and negotiate access easements with the real property owners.

This ordinance continues Pape-Dawson's work and authorizes execution of Amendment No. 1 to the Master Services Agreement with Pape-Dawson Engineers, Inc. of San Antonio, Texas for design services in the amount of \$15,000,000.00 and execution of a Construction Manager-At-Risk contract with Garney Companies, Inc. of Kansas City, Missouri for pre-construction services to assist in the design in the amount of \$3,000,000.00 for the Evangeline/San Patricio Co. Groundwater Program.

### **BACKGROUND AND FINDINGS:**

On October 21, 2025, City Council authorized execution of a Groundwater Rights Purchase and Sale Agreement with Evangeline/Laguna, LP in the amount of \$169,491,700 for groundwater rights under approximately 22,789 acres of real property located in San Patricio County adjacent to U.S. Highway 181 and U.S. Highway 77 (I-69) and located within the San Patricio Groundwater Conservation District. This agreement will allow the City to drill twenty-two new wells and utilize two existing wells to produce 24 million gallons per day of raw water to be pumped directly into

the Mary Rhodes Pipeline (MRP).

The agreement includes a groundwater rights purchase price of \$7,437 per acre for 22,789 acres, totaling \$169,491,700. Upon execution of the agreement, the City will have a 120-day inspection period, where the City will be responsible for performing its due diligence by reviewing access to proposed wells, wellfield layout, existing infrastructure, new pipeline and electrical routing, environmental testing, title and surface use agreement review, hydrogeology and land survey.

In conjunction with the inspection period, Evangeline/Laguna, LP will begin their permit period, where they will have 180 days to provide clear and indefeasible title to Groundwater Rights, Surface Use Agreements and Surface Accommodation Agreement to City, non-appealable permits for twenty-two wells, production permit, and transport permits with closing to occur 60 days after all permits are obtained. At the end of the permit period, if all conditions are met by all parties, the City will proceed with closing.

Given the expedited timeframe of delivering new groundwater into the Mary Rhodes Pipeline by November 2026, it's imperative that design development start immediately and in conjunction with the Evangeline/Laguna, LP permit period. The design is anticipated to take three months to complete. In addition, having a contractor on board during design will be key to timely delivery of groundwater. The City is proposing to execute a construction contract with Garney Companies, Inc. that follows a Construction Manager-At-Risk (CMAR) format. This format will allow the contractor to engage early in the process to help identify and procure long-lead items, provide critical design input, assist with the construction schedule and opinion of probable construction cost development, and start construction early 2026.

Garney Companies, Inc. was selected based on its extensive experience in the water industry and its familiarity with the project. Garney Companies, Inc. has been in business for over 60 years and is known as one of the nation's leading contractors in water and wastewater systems. Garney Companies, Inc. has been involved with the Evangeline/Laguna Groundwater Project since 2018 when the City published a Request for Information for Water Supply Projects. Garney also completed Mary Rhodes Pipeline Phase 2, the SAWS Vista Ridge project, and many other large-scale water supply project throughout the United States.

#### **PROJECT TIMELINE:**

Design Development	December 2025 – July 2026
Pre-Construction Services	December 2025 – February 2026

#### **ALTERNATIVES:**

In lieu of approving the Amendment No. 1 to the Master Services Agreement for design services and the Construction Manager-At-Risk contract for pre-construction services for the Evangeline/San Patricio Co. Groundwater Program, Council could elect to follow normal procurement processes and issue a Request for Qualifications and Request for Proposals, respectively. Council could also elect to postpone design development until a later date.

#### **FISCAL IMPACT:**

The FY26 Adopted Capital Budget did not allocate funding for this design and pre-construction services; an amendment is now required to incorporate the necessary resources to support these agreements. The fiscal impact for Corpus Christi Water in FY 2026 to perform design and pre-construction services for the Evangeline Groundwater Program is an amount not to exceed \$18,000,000.00, with funding available from the Water Capital Fund.

**FUNDING DETAIL:**

Fund: 4493 - Water Evangeline 2026 CIP Rv Bds  
Department: 45 - Water  
Organization: 89 – Capital & Grants  
Project: 27100 - Evangeline/San Patricio Co. Groundwater Program  
Account: 550950 – Outside Consultants  
Activity: 27100  
Amount: \$18,000,000.00

**RECOMMENDATION:**

Staff recommends approval of the ordinance authorizing execution of Amendment No. 1 to the Master Services Agreement with Pape-Dawson Engineers, Inc. of San Antonio, Texas for design services and execution of a Construction Manager-At-Risk contract with Garney Companies, Inc. of Kansas City, Missouri for pre-construction services to assist in the design of the Evangeline Groundwater Program.

**LIST OF SUPPORTING DOCUMENTS:**

Pape-Dawson Engineers, Inc. Proposal  
Garney Companies, Inc. Contract  
Presentation