

Evangeline/San Patricio County Groundwater Project

Amendment No. 2 to the Construction Manager-At-Risk Contract with Garney Companies, Inc., Contribution-in-Aid-of-Construction with AEP, Surface Use Agreements, and Reimbursement Resolution

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Chief Operating Officer - Corpus Christi Water

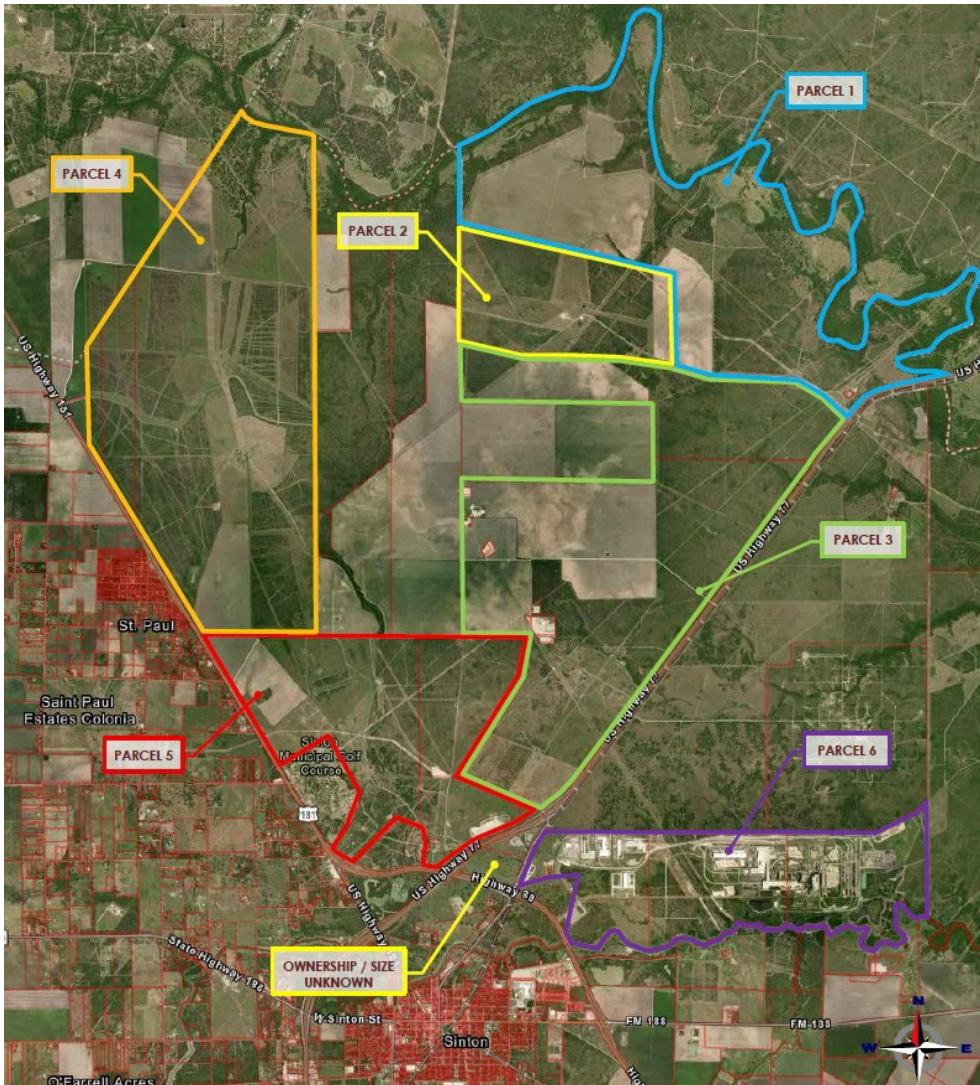
March 17, 2026



One-Reading Ordinance Authorizing:

- Amendment No. 2 to the Construction Manager-At-Risk (CMAR) contract with Garney Companies, Inc. of Kansas City, Missouri for construction services in the amount of \$187,876,831.00, for a total contract amount of \$373,266,623.00
- Surface Use Agreements with R.H. Welder Heirs, Ltd, Oakes David Edwards, III Son's Trust 1976A, Jason S. Edwards Son's Trust 1976A, Estate of Oakes David Edwards, Jr, Hamilton-Ingleside Limited, E-H Partnership, Ltd, and Diana Welder Hamilton Ranch Partnership, Ltd for a total amount up to \$11,947,397.00
- Contribution-in-Aid-of-Construction Agreement with American Electric Power, Texas (AEP) for \$8,953,223.00 for the Evangeline/San Patricio Co. Groundwater Project
- Amending the FY 2026 Capital Budget
- Establishing the City's intent to reimburse itself for the prior lawful expenditure of funds relating to any capital expenditures from the proceeds of one or more series of tax-exempt or taxable obligations to be issued by the City in an aggregate amount not to exceed \$294,000,000.00, with FY 2026 funding available from the Water Capital Fund

Evangeline Groundwater Project

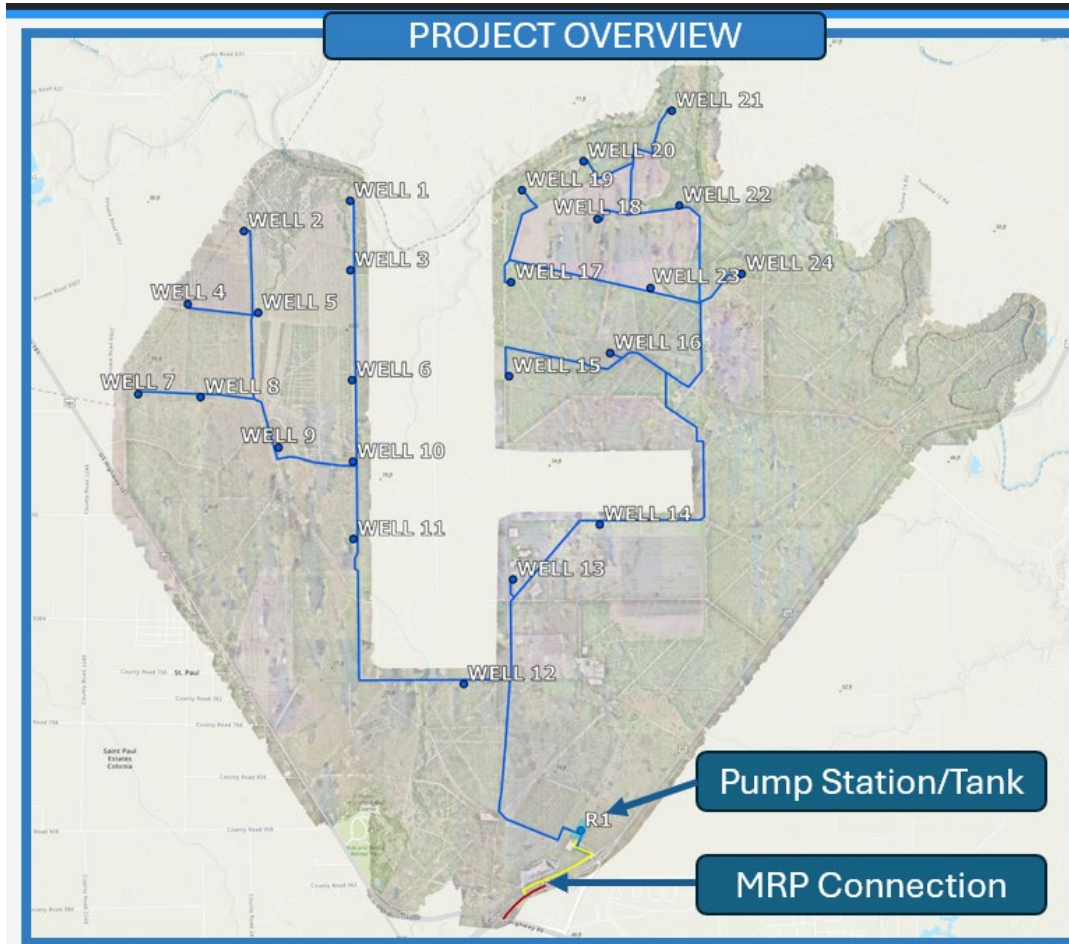


Project Overview

- Development of 22 additional wells (24 total)
- Well field water lines (approx. 35 miles)
- Connection to the Mary Rhodes Pipeline
- Electrical infrastructure and controls
- 3 MGD Ground storage tank
- 24 MGD high-service pump station
- Access roads

Evangeline Groundwater Project

Actions to date



- September 2025 - City Council authorizes a Master Services Agreement (MSA) with Pape-Dawson Engineers, Inc.
- October 2025 - City Council authorizes execution of a Groundwater Rights Purchase and Sale Agreement with Evangeline/Laguna, LP
- December 2025 - City Council authorizes execution of Amendment No. 1 to the MSA with Pape-Dawson Engineers, Inc. for design services, and execution of a CMAR contract with Garney Companies, Inc.
- February 2026 - City Council authorizes execution of Amendment No. 2 to the MSA with Pape-Dawson Engineers, Inc. for construction management and inspection services, and execution of a CMAR contract amendment with Garney Companies, Inc.

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Garney CMAR Amendment No. 2

- **Expands Garney's role to include several installation and procurement items, including:**
 - Transmission main pipeline installation
 - Well collection pipeline installation
 - Connection to the MRP
 - Temporary pump station construction
 - Pumping equipment procurement
 - Installation, which includes:
 - Site piping procurement and installation
 - Temporary pump station intake construction
 - On-site electrical infrastructure associated with the temporary pump station
 - Installation of SWPPP BMP systems along with the required inspection and reporting requirements
 - Site clearing, site construction, and well pad construction.

Evangeline Groundwater Project

Contribution-in-Aid-of-Construction with AEP, Surface Use Agreements, and Reimbursement Resolution

- **AEP Contribution-in-Aid-of Construction**

- Provides funding for design, procurement, and construction of electrical infrastructure to the pump station and 24 well sites
- The City's water delivery goals require construction to begin in May 2026

- **Surface Use Agreements**

- The City is purchasing groundwater rights from Evangeline/Laguna, LP with no access rights
- Surface Use Agreements will become effective at Closing of the City's purchase of the groundwater rights and will be assigned from Evangeline/Laguna, LP to the City
- Closing occurs within 60 days of Evangeline/Laguna, LP obtaining permits from the San Patricio County Groundwater Conservation District
- The City is negotiating Interim Surface Use Agreements with the property owners to allow construction of the infrastructure prior to Closing

- **Reimbursement Resolution**

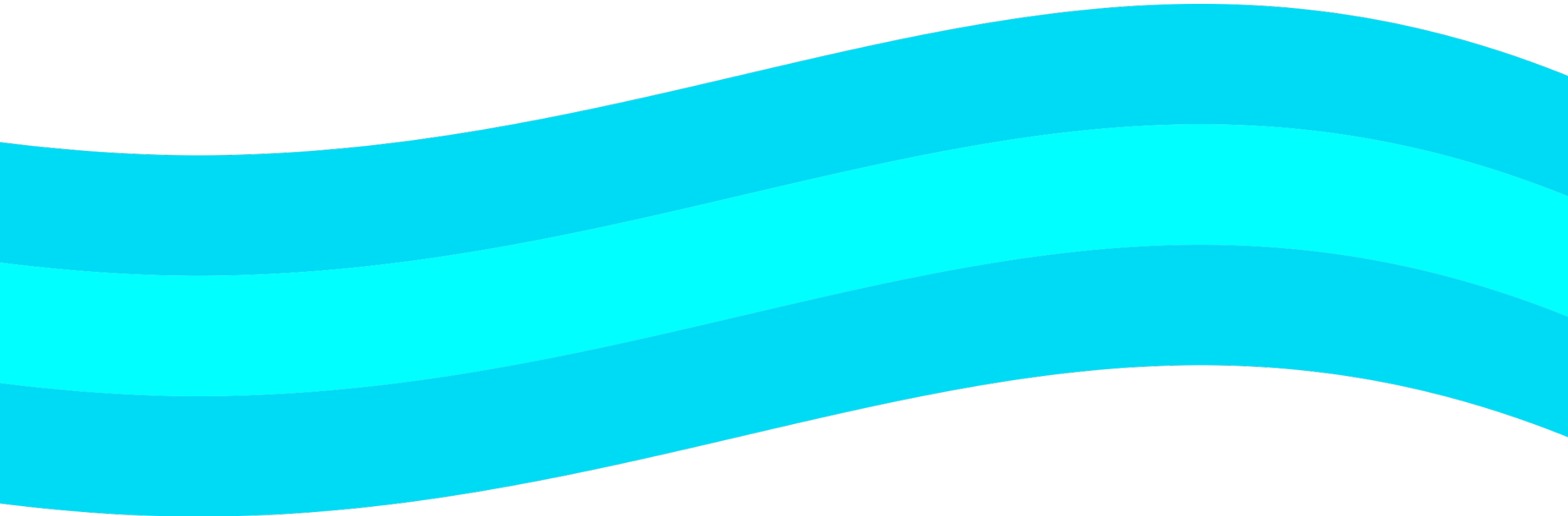
- The City Council has approved three reimbursement resolutions totaling \$383,500,000 to advance the Evangeline/San Patricio County Groundwater Program project
- These prior actions provided funding for the groundwater rights purchase agreement and for professional services and construction-related contracts
- To fully capitalize the program and ensure uninterrupted progress through design, procurement, construction, and commissioning, an additional reimbursement resolution in the amount of \$294,000,000 is required
- This final authorization will establish the remaining financial capacity needed to deliver the complete project scope and avoid the need for incremental returns to Council for funding approval

Evangeline Groundwater Project

Fiscal Impact and Staff Recommendation

- The fiscal impact for Corpus Christi Water in FY26 is \$187,876,831.00 for a Construction Manager-At-Risk (CMAR) contract amendment No. 2 with Garney Companies, Inc.; \$8,953,223.00 for Contribution-in-Aid-of Construction with AEP; and \$11,947,397.00 for Surface Use Agreements, with funding available from the Water Capital Fund
- Because the FY 2026 Adopted Capital Budget did not include appropriations for these actions, the budget must be amended to provide the necessary funding, as well as authorize a \$294,000,000.00 reimbursement resolution
- Once debt is issued for the project, the interim funding will be reimbursed with bond proceeds

Staff recommends approval of the ordinance authorizing execution of Amendment No. 2 to the Construction Manager-At-Risk (CMAR) contract with Garney Companies, Inc. of Kansas City, Missouri, Contribution-in-Aid-of Construction with AEP, Surface Use Agreements, and Reimbursement Resolution for the Evangeline/San Patricio Co. Groundwater Project.



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