



AGENDA MEMORANDUM

First Reading for the City Council Meeting of September 2, 2025
Second Reading for the City Council Meeting of September 9, 2025

DATE: September 2, 2025

TO: Peter Zaroni, City Manager

THRU: Drew Molly, Chief Operations Officer, Corpus Christi Water
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Recycled/Reclaimed/Effluent water fees and regulations effective January 1, 2026

CAPTION:

Ordinance amending Corpus Christi Code Chapter 55 Article XIX regarding Recycled/Reclaimed/Effluent water regulations and fees, providing for waiver of effluent water service fee, effective January 1, 2026, providing for publication and penalties.

SUMMARY:

This amendment clarifies and amends language throughout section 55 article XIX and establishes a new fee for Reclaimed/Effluent distribution to permittees into private containers at City wastewater facility of \$15 per permitted customer for 0 to 300 gallons and \$30 per permitted customer for 301 to 600 gallons or daily available maximum. The new fee is needed to partially recover the cost of operating the reclaimed water station at the wastewater plant. The amendment also links the recycled water rate for service provided to the user's on-site facilities to the City's raw water cost adjustment rate. This was done in an effort to reflect a more consistent and rational pricing structure. Amendments to section 55 article XIX will be effective January 1, 2026.

BACKGROUND AND FINDINGS:

As part of the FY2025–26 Proposed Budget Workshop and community engagement process, the implementation of a new fee to support ongoing operations at the reclaimed water station was recommended. This fee is intended to partially offset personnel costs included in the proposed FY2026 budget.

Following a detailed operational cost analysis, staff determined that a flat fee of \$15 for 1 to 300 gallons and \$30 for 301 to 600 gallons or daily maximum per permitted customer, per pickup, is appropriate to recover approximately 66% of the station's annual operating expenses. Based on current utilization levels, this fee is projected to generate approximately \$366,825 over a twelve-month period. To ensure equitable access and operational sustainability, staff also recommends capping daily pickup volumes per permitted customer. The Chief Operating Officer of Corpus Christi Water may waive fees for a permitted customer in recognition of community-benefiting actions or public service contributions.

The Chief Operating Officer of Corpus Christi Water may waive the fee for a permitted customer in recognition of community-benefiting actions or public service contributions. In conjunction with this proposal, staff conducted a comprehensive review of Municipal Code Section 55, Article XIX, which governs reclaimed water services. It was determined that the existing rate structure for reclaimed water delivered to on-site facilities through the purple pipe system should be revised to align with the raw water rate. Accordingly, the reclaimed water rate will be adjusted from \$1.00 per 1,000 gallons in FY25 to \$1.13 per 1,000 gallons in FY26. The revenue from this change will generate approximately \$5,670. This adjustment will promote consistency and establish a more rational pricing framework for reclaimed water used for irrigation purposes.

Finally, staff completed a thorough review of the language throughout Section 55, Article XIX. Revisions have been proposed to clarify provisions, correct outdated references, and ensure full compliance with current legal and regulatory standards.

ALTERNATIVES:

Do not authorize the amendment.

FISCAL IMPACT:

The amendments will go into effect on January 1st, 2026. The fiscal impact for Corpus Christi Water in FY26 is \$273,360 in additional wastewater revenue for the reclaimed water station operations and \$5,670 for the reclaimed water conveyed through the purple pipe system to various customers like Corpus Christi Country Club.

FUNDING DETAIL:

Fund: 4200 - Wastewater Fund

Org: 33000 – Wastewater Admin

Dept: 46 - Wastewater

Account: 324660 – Effluent water purchase

RECOMMENDATION:

City staff recommend approval of this amendment.

LIST OF SUPPORTING DOCUMENTS:

Ordinance amending City Code Section 55 Article XIX