

Agreement with Li Ranch for the Purchase and Sale of Groundwater Rights

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Chief Operating Officer – Corpus Christi Water

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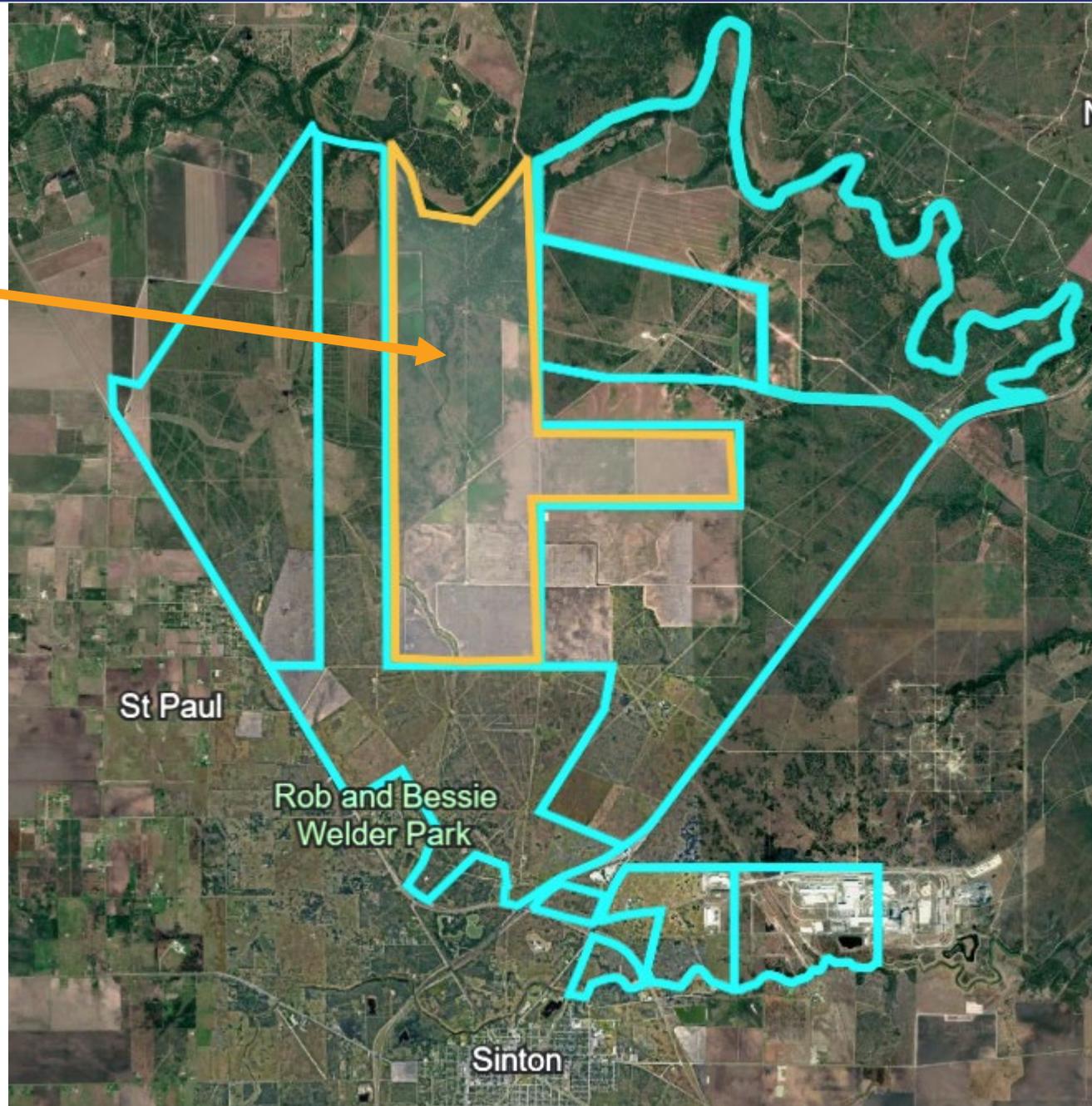


Background

Ordinance authorizing execution of a Groundwater Rights Purchase and Sale Agreement with Nancy Fleming Shelton, Trustee of the Nancy Fleming Shelton Trust u/w/o Roger Fleming, Zorilla-Malone Properties, Ltd, Lynn O'Connor Carter, Nancy O'Connor and T. Michael, each Individually and as Co-Trustees of the Mary Madeline O'Connor Family Exempt Trust and the Mary Madeline O'Connor Family Non-Exempt Trust for purchase of Li Ranch as part of the Evangeline Groundwater Project in an amount up to \$38,000,000.00; and amending the FY 2026 Capital Budget, with FY 2026 funding available from Water Capital Fund

- As part of the City's efforts to strengthen its water portfolio and ensure adequate water supply, staff negotiated an Option Agreement and Purchase and Sale Agreement for groundwater rights associated with Li Ranch as part of the Evangeline Groundwater Project
- The Option to Purchase becomes binding on the City when it closes on the Evangeline Groundwater Purchase and Sale Agreement
- The Closing of the Li Ranch Groundwater Purchase and Sale Agreement occurs after Li Ranch obtains production, drilling, and transport permits from the San Patricio County Groundwater Conservation District

Li Ranch
(~5047 acres)



Fiscal Impact

- The fiscal impact to Corpus Christi Water in FY 2026 is an amount up to \$38,000,000.00
 - Includes purchase price specified in the agreement
 - Additional expenditures may be required for permitting, infrastructure construction, and any long-term monitoring or reporting obligations tied to the groundwater rights, with funding sourced from the Water Capital Fund
- To support this agreement, the adopted Capital Budget will be amended to appropriate \$38,000,000.00, and the Capital Improvement Plan will be updated

Staff Recommendation

Staff recommends authorizing execution of the Li Ranch Groundwater Purchase and Sale Agreement in the amount of \$38,000,000.



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