

AGENDA MEMORANDUM

Action Item for the City Council Meeting November 18, 2025

DATE: November 6, 2025

TO: Peter Zanoni, City Manager

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

NickW@corpuschristitx.gov

(361) 826-1796

Resolution to Authorize Second Amendment to the Agreement for Sale of Treated Water to South Texas Water Authority

CAPTION:

Resolution authorizing a three-year extension of the Agreement to provide treated water to South Texas Water Authority.

SUMMARY:

South Texas Water Authority is requesting the current Water Supply Agreement between the City of Corpus Christi be extended for a term of three years, to be effective on January 1, 2026. The extension would be under the same terms as the current Water Supply Agreement. The current Water Supply Agreement continues through December 31, 2025. The three-year extension would expire on December 31, 2028.

BACKGROUND AND FINDINGS:

On September 10, 1980, the City of Corpus Christi, through City Council Ordinance 15749, authorized an Agreement with South Texas Water Authority for the sale of treated water to South Texas Water Authority. Treated water is currently being provided to the South Texas Water Authority from the O.N. Stevens Water Treatment Plant via a 42-inch conveyance line, with the water meter located near County Road 52 and U.S. Highway 77.

The South Texas Water Authority was created by the Legislature in 1979 to provide dependable water supplies to residents in central Kleberg County and western Nueces County. The Authority also manages the Nueces Water Supply Corporation and the Ricardo Water Supply Corporation through contracts with those entities. A nine-member Board of Directors oversees the Authority. The Kleberg County Commissioners Court names five directors, and the Nueces County Commissioners Court names four. An Administrator oversees day-to-day operations with 17 staff members.

The current contract expires on December 31, 2025. On October 31, 2025, South Texas Water Authority submitted a request to extend the term of the existing Water Supply Agreement by three additional years, effective January 1, 2026. The terms and conditions of the agreement would

remain the same.

South Texas Water Authority continues to operate within the terms of its agreement and has an approximate daily usage of 1.2 to 1.8 million gallons. Annual revenues generated by South Texas Water Authority in FY 2025 was \$1,734,079.

ALTERNATIVES:

The alternative is to let the existing Water Supply Agreement between South Texas Water Authority and the City of Corpus Christi expire on December 31, 2025.

FISCAL IMPACT:

There is no fiscal impact for Corpus Christi Water with this extension.

Funding Detail:

Fund: N/A

Organization/Activity: N/A

Department: N/A

Project # (CIP Only): N/A

Account: N/A

RECOMMENDATION:

City staff recommends the approval of this Resolution.

LIST OF SUPPORTING DOCUMENTS:

STWA Request to CCW Resolution Existing Water Supply Agreement with STWA Settlement Agreement SPMWD and STWA