



AGENDA MEMORANDUM
City Council Workshop of August 13, 2025

DATE: August 13, 2025
TO: Peter Zanoni, City Manager
FROM: Amy Cowley, Director of Management and Budget
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361-826-3796

FY 2026 Proposed Budget Workshop #2: Corpus Christi Water Operating and CIP

STAFF PRESENTER(S):

	<u>Name</u>	<u>Title/Position</u>	<u>Department</u>
1.	Drew Molly	Chief Operating Officer	CCW

OUTSIDE PRESENTER(S):

1.	Andy McCartney, CPA, MBA	Principal Consultant	NewGen Strategies & Solutions
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ISSUE:

This is the second of four City Council workshops to discuss the FY 2026 Proposed Operating and Capital Budget. The topic for the second workshop includes Corpus Christi Water proposed Operating, CIP Budgets and Rates.

BACKGROUND:

At this workshop, the City Council will be presented with the FY 2026 Proposed Budget for Water and Wastewater, to include rate recommendations. FY 2026 Budget Workshop #2: Corpus Christi Water Operating and CIP Proposed Budget. The focus of Corpus Christi Water (CCW) is 24-hour daily utility operations to provide clean and dependable water and wastewater services to customers. This entails reliable delivery of safe potable water and raw water to customers in addition to the collection, treatment, and disposal of wastewater. Rate changes are proposed for Water and Wastewater in FY 2026. The proposed rate changes achieve the City's goal of establishing a more equitable rate structure. A typical water residential customer using 6000-gallons of water a month will see a monthly increase of \$4.78. The monthly increase for a typical residential Wastewater customer with a 5000-gallon winter quarter average will be \$4.20. The net impact of these two is an increase of \$8.98 per month. The FY 2026 combined Proposed Operating and Capital Budget for the Water and Wastewater Departments is \$776.8 million and includes funding from the Water Fund, Wastewater Fund and Capital Improvement Program. The FY 2026 budget reflects Corpus Christi Water's (CCW) focus on maintaining its commitment to

provide the highest level of service while minimizing inflationary impacts. CCW has requested 16 new positions in the proposed budget and 1 position transferring from Water Fund to Wastewater Fund. Water FY 2026 Proposed Capital Budget includes \$248 million for the maintenance and expansion of our water sources and supply which includes the construction of the design-build funding for the new drought-resistant Inner Harbor Desalination Plant, \$54 million for significant improvements to the O.N. Stevens Water Treatment Plant to increase treatment capacity and improve operational resiliency. Also included is \$88 million in infrastructure and facility improvement programs that will continue to focus on pipe replacement and upgrades to existing assets. Wastewater FY 2026 Proposed Capital Budget includes \$38 million for continued expansion and improvements to the six wastewater treatment plants, \$16 million for the repairs and improvements at over 100 lift stations and operation facilities and \$55 million for collection system infrastructure.

LIST OF SUPPORTING DOCUMENTS:

PowerPoint – not attached (Water and Wastewater)

[FY 2026 Proposed Operating Budget](#)

[FY 2026 Proposed Capital Budget](#)

Schedule of Proposed Water and Wastewater Rate Changes