



## AGENDA MEMORANDUM

First Reading for the City Council Meeting of May 06, 2025  
Second Reading for the City Council Meeting of May 13, 2025

**DATE:** May 06, 2025

**TO:** Peter Zaroni, City Manager

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<p><b>Nueces River Raw Water Pump Station - Land &amp; Property Purchase and Lease Agreements</b></p>
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### **CAPTION:**

Ordinance authorizing three real estate sales contracts totaling up to \$1,534,880 to purchase properties necessary for the Nueces River Water Pump Station Project, located in Council District 1, as follows: (1) 13702 N. Hillwood Trail from Jeffrey & Cindy Kirby for \$619,000.00 plus \$4,000.00 closing costs; (2) 13710 N. Hillwood Trail from Jose & Selinda Zepeda for \$140,000.00 plus \$4,000.00 closing costs; and (3) 13720 N. Hillwood Trail from Steven Hook for \$769,880.00 plus \$4,000.00 closing costs; and authorizing two short-term lease agreements to lease property to (1) Jeffrey and Cindy Kirby for 13702 North Hillwood Trail for \$500.00 per month for six months and (2) Michael Cervantes for 13720 North Hillwood Trail for \$1,000.00 per month for three months; with FY 2025 Funding available from the Water Capital Fund.

### **SUMMARY:**

The ordinance authorizes land and property purchase of three tracts of land and lease agreements with two property owners for the installation of a 54-inch raw water supply line and to protect and maintain the existing raw water pipelines in the corridor leading to the O.N Stevens (ONS) Water Treatment Plant.

### **BACKGROUND AND FINDINGS:**

CCW has been pursuing a long-range plan to enhance the capacity and reliability of the ONS Water Treatment Plant. An integral part of the treatment plant's capacity and reliability is supplying raw water to the head of the plant. That raw water was originally supplied by a pump station located on the banks of the Calallen pool approximately 0.80 miles northwest of ONS Water Treatment Plant. The raw water from the Calallen pool is transferred through two 54-inch water lines. The pump station and twin raw water transmission mains were completed in the mid-1950's.

The original raw water pump station was built on a 6.6-acre tract that the City acquired fee simple. The twin pipelines were installed in a utility easement running in a straight line southeast to the receiving structure at ONS Water Treatment Plant. During the 1960's, the area surrounding the pipelines began to develop. The pipeline easement was incorporated into subdivision plans and became Smith Drive.

In 1998, the Smith Drive right-of-way was also used as a corridor to route the 72-inch diameter Mary Rhodes pipeline to ONS. Every drop of raw water reaching ONS is conveyed through the Smith Drive right-of-way.

The capital improvement plans for ONS developed over a decade ago included upgrades to the Nueces River pump station and the addition of a new 54-inch raw water transmission line. Construction is underway for the southern portion of the new pipeline, however, staff concluded that directly burying a new pipeline in close proximity to the original 1950's pipelines was too risky. As water demands have evolved, it is no longer possible to take one of the existing pipelines out of service during construction. There is a very narrow corridor approaching the raw water pump station that is constrained by existing homes and topography. Tunneling was determined to be the only safe method by the engineer and the City staff to install the new pipeline without risking damage to the existing pipelines. A project was added to the FY25 CIP (25014-Nueces River Raw Water Pump Station Piping & System Upgrades) to install the northern half of the new pipeline largely by tunneling.

After approval of the FY25 CIP, staff began to explore whether real estate acquisition could reduce risks, reduce construction cost and enhance long-term operability of the raw water system. Three properties were identified on the west side of Smith Drive whose acquisition would enhance the constructability of the new 54-inch pipeline and greatly reduce the need for tunneling. The purchase price for the three properties is more than offset by the construction cost savings from converting to open trench instead of tunneling. By utilizing direct bury construction and improving the alignment, the construction costs are estimated to decrease by as much as five million dollars.

Additionally, the Mary Rhodes pipeline is installed close to a steep slope at the edge of the Smith Drive western right of way in the vicinity of the pump station site. Erosion of the steep slope presents a threat to the 72-inch pipeline. Acquiring the proposed real estate will allow the placement of fill material on that lot to help mitigate the risk of slope failure.

The total size of these three lots is 3.12 acres. All properties are adjacent to Smith Drive and the three existing water supply pipelines. The tract of land at 13720 Hillwood Trail includes the steep slope that presents a threat to the three existing water lines. Two of the three properties are currently occupied. The lease option will provide additional time for the occupants to relocate.

The addition of these properties will allow for improved constructability of the new 54-inch water line and will reduce the risk of construction damage to the existing pipelines. Other benefits include better management and pipe corridor protection for these critical water supply assets. The future maintenance of these properties will be the responsibility of CCW.

### **ALTERNATIVES:**

The alternative is not to purchase the land and improvements which would result in higher project costs and limit CCW ability to better manage and protect this critical pipeline corridor.

### **FINANCIAL IMPACT:**

The fiscal impact for Corpus Christi Water in FY 2025 is an amount up to \$1,534,880.00 with funding available from Water Capital Fund.

**Funding Detail**

Fund: Water Capital 2024 (Fund 4491)  
Department: Water (45)  
Organization: Grants & Capital Projects (89)  
Project: Nueces River Raw Water Pump Station Piping and System Upgrades (25014)  
Account: Land and Right of Way CIP (550701)  
Activity: 25014  
Amount: \$1,534,880.00

**RECOMMENDATION:**

Staff recommends authorizing execution of three real estate sales contracts for (1) 13702 N. Hillwood Trail from Jeff & Cindy Kirby in the amount up to \$619,000.00 plus estimated closing costs up to the amount of \$4,000.00; (2) 13710 N. Hillwood Trail from Jose & Selinda Zepeda in the amount up to \$140,000.00 plus estimated closing costs up to the amount of \$4,000.00; and (3) 13720 N. Hillwood Trail from Steven Hook in an amount up to \$769,880.00 plus estimated closing costs up to the amount of \$4,000.00 for a maximum total amount up to \$1,534,880.00 and authorizing two short-term lease agreements with (1) Jeffrey and Cindy Kirby for 13702 North Hillwood Trail for \$500.00 per month for a six month term and (2) Michael Cervantes for 13720 North Hillwood Trail for \$1,000.00 per month for a three month term as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Real Estate Sales Contracts  
Lease Agreements