



## **AGENDA MEMORANDUM**

First Reading for the City Council Meeting of October 21, 2025  
Second Reading for the City Council Meeting of November 11, 2025

---

**DATE:** October 21, 2025

**TO:** Peter Zaroni, City Manager

**FROM:** Nicholas Winklemann, P.E. Interim Chief Operations Officer for Corpus Christi Water  
[NickW@cctexas.com](mailto:NickW@cctexas.com)  
(361) 826-1796

<b>Groundwater Rights Purchase and Sale Agreement with Evangeline/Laguna, LP</b>
----------------------------------------------------------------------------------

### **CAPTION:**

Ordinance authorizing execution of a Groundwater Rights Purchase and Sale Agreement with Evangeline/Laguna, LP in the amount of \$169,491,700.00; execution of an Interlocal Cooperation Agreement with City of Sinton for possible remediation activities due to the Evangeline Groundwater Project; and amending the FY 2026 Capital Budget, with FY 2026 funding available from Water Capital Fund.

### **SUMMARY:**

The agreement with the Evangeline/Laguna, LP is for a groundwater rights purchase in the amount of \$169,491,700. The execution of the agreement also includes the approval of an interlocal agreement with the City of Sinton for future remediation.

### **BACKGROUND AND FINDINGS:**

During the September 23rd council meeting, Council approved the negotiated term sheet for fee simple groundwater rights. The negotiated contract includes a purchase price of \$7,437 for 22,789 acres of groundwater rights. As part of the purchase, surface use agreements and surface accommodation agreements will be provided to the City. The negotiated contract also includes a \$1,000,000 earnest and option payment for a 120-day inspection period with an additional \$3,250,000 to be escrowed at the end of the inspection period and applied to the purchase price at closing.

The seller will have 180 days after the inspection period to provide final, non-appealable permits for twenty-two wells, production permit, and transport permit with closing to occur sixty days after all permits are obtained.

Pre-engineering has begun to review surface use agreements, identify well locations, determine alignment for water line and electrical infrastructure, locate the required pump station, and integrate the groundwater source with the conveyance of the Mary Rhodes Pipeline. Hydrogeologic modeling is also being conducted to determine long term safe pumping for the well field.

**ALTERNATIVES:**

An alternative would be to defer the acquisition of an additional water supply.

**FISCAL IMPACT:**

The fiscal impact for Corpus Christi Water in FY26 in the amount of \$169,491,700.00 coming from Water Capital Funds. As this item was not part of the Adopted Capital Budget for FY26 an amendment to the budget is needed and a corresponding reimbursement resolution that authorizes the expenditure of the funds.

**FUNDING DETAIL:**

Fund: 4492 – Water CIP  
Organization: 89 – Grants & Capital  
Department: 45 - Water  
Activity: 27100 – Evangeline/San Patricio Co. Groundwater Program  
Account: 530040 - Water rights/royalty/row expenses

**RECOMMENDATION:**

Staff recommends the execution of a Groundwater Rights Purchase and Sale Agreement with Evangeline/Laguna, LP in the amount of \$169,491,700.00 and amending the FY26 Capital budget.

**LIST OF SUPPORTING DOCUMENTS:**

Groundwater Rights Purchase and Sale Agreement with Evangeline/Laguna, LP  
Interlocal Cooperation Agreement with City of Sinton