



CITY OF
CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for the City Council Meeting February 17, 2026
Second Reading February 24, 2026

DATE: February 17, 2026

TO: Peter Zaroni, City Manager

FROM: Nicholas J. Winkelmann P.E. Chief Operating Officer
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**CORPUS CHRISTI CONTAINERIZED BRACKISH WATER TREATMENT PLANT &
CONVEYANCE SYSTEM**

CAPTION:

Ordinance authorizing a contract with FCC Aqualia USA Corp. of Katy, Texas for design, procurement, assembly, commissioning and operation of a containerized brackish water desalination plant in the amount of \$43,548,474.00 for the CCW Containerized Brackish Water Treatment Plant project; authorizing construction contracts for ancillary improvements required for the brackish treatment plant in an amount up to \$11,451,526.00; authorizing emergency construction contracts for the pump station and conveyance system from the Western Well Field to ON Stevens WTP in an amount up to \$120,000,000.00; and amending the FY 2026 Capital Budget, with FY 2026 funding available from Water Capital Fund.

SUMMARY:

Staff requests City Council authorization to negotiate and execute an agreement with Aqualia to design, procure, assemble, and commission a containerized brackish water treatment plant at the O.N. Stevens Water Treatment Plant. The project will deliver 21.3 million gallons per day (MGD) of treated water from a 24 MGD brackish well supply, with interim output milestones at approximately 3.91 MGD by month 11, 5.33 MGD by month 14, and 10.65 MGD by month 18. This fast track, modular solution mitigates the risk of entering a Level 1 Water Emergency by November 2026. The agreement will include full operations and maintenance (O&M) services and operator training during phased startup and for five years following final commissioning, ensuring reliable production and a smooth transition to CCW at contract end.

Staff requests City Council authorization to enter into emergency construction contracts for construction of water pipelines, storage tanks and pump station to convey water from the Western Well Field to the Containerized Brackish Water Treatment Plant at ON Stevens WTP. This approach will further the diversification of the water supply portfolio.

BACKGROUND AND FINDINGS:

Corpus Christi's primary surface water sources—Lake Corpus Christi and Choke Canyon Reservoir—have reached historically low levels due to prolonged drought, triggering Stage 3 Water Restrictions and intensifying the need for immediate supplemental supply. In response, Corpus Christi Water is advancing a portfolio of new supply initiatives, including wastewater reuse, groundwater development, and seawater desalination. As part of this strategy, the proposed emergency modular brackish reverse osmosis (RO) facility would deliver near-term production on an accelerated schedule by integrating within the O.N. Stevens Water Treatment Plant footprint and receiving 24 MGD of raw brackish water from the City's western well field.

The City is proposing to assign this effort to Aqualia, a global water management firm founded in 1980 with more than 45 years of experience, 14,000 employees worldwide (including over 270 in Texas), and operations serving 45 million people across 18 countries. Aqualia brings extensive expertise in alternative delivery models, managing more than 700 public water services under long-term concessions, operating 1,000 wastewater treatment plants, 300 drinking water treatment plants, 50 desalination facilities, and maintaining over 60,000 miles of pipeline network, including 48 desalination plants currently in operation.

Production from the modular RO system will be phased, beginning at month 11 with 3.91 MGD from interim containerized units, increasing at months 14 and 18, and reaching full commissioning at month 24 with 21.3 MGD of treated water. Interim units will be decommissioned at final commissioning and transferred to the City for future deployment. The treatment process incorporates pressurized zeolite filtration, microfiltration, and single-pass RO designed for approximately 85 percent recovery, producing blended permeate and bypass water that meets CCW's target of ≤ 800 mg/L TDS and EPA secondary standards; disinfection and remineralization will occur at O.N. Stevens. The modular delivery approach enables parallel fabrication and factory testing while City civil and site work proceeds, reducing schedule risk and enabling water delivery on an emergency timeline. Aqualia/MDS will provide five years of operations and maintenance following final commissioning, including hands-on training for CCW's licensed operators and maintenance personnel. Key project dependencies include receipt of complete water quality data for new wells, timely delivery of City-provided civil foundations, power supply (460 V, 3-phase), brine and backwash disposal infrastructure and permitting, and customs clearance for imported components. This project directly supports the City's strategic objective to diversify and strengthen the regional water supply.

The groundwater conveyance line and pump station are designed to deliver water from the western well field to the O.N. Stevens Water Treatment Plant. By transporting groundwater directly to the treatment facility, this infrastructure is expected to reduce flows to the Nueces River and help limit evaporation losses from the surface water system. The pump station and associated storage tank are proposed within the western well field property, with an approximately 13-mile of transmission pipeline conveying the groundwater to the proposed RO treatment plant for treatment and subsequent distribution throughout the system.

ALTERNATIVES:

The alternative would be for the city not to enter into an agreement with Aqualia and fund the

conveyance system. Proceeding without this would materially heighten the likelihood that the regional system is unable to maintain adequate treated water production, increasing the probability of entering a Level 1 Emergency. Such an outcome would impose severe operational constraints, intensify economic and community impacts, and further limit the City's ability to support residential, commercial, and industrial customers during a critical period of water scarcity.

FISCAL IMPACT:

The fiscal impact to Corpus Christi Water in FY 2026 is \$43,548,474 for Aqualia's design, procurement, assembly, and commissioning activities, reflecting a stated accuracy range of ±10 percent. An additional \$11,451,526 in City-borne costs—outside of Aqualia's capital price—covers required civil and site improvements, including container foundations, filter pedestals, the effluent sump, tank foundations, site access, electrical interconnections, brine and backwash management infrastructure and associated permitting, as well as pump station and conveyance system from the Western Well Field to ON Stevens WTP in an amount up to \$120,000,000.00. Payments to Aqualia will be made according to defined milestones across engineering, fabrication and shipment, and on-site commissioning phases. To support this project, the adopted Capital Budget will be amended by \$175,000,000, and Project 26155/26160, CCW Containerized Brackish Water Treatment Plant & Conveyance System, will be added to the Capital Improvement Plan.

Operations and maintenance costs correspond to the phased operational ramp-up. Year 1 (interim 3.91 MGD) is estimated at \$224,830; Year 2 (averaging approximately 11.01 MGD as production increases from 25 percent to 50 percent of final capacity) is estimated at \$4,197,040; and Year 3 (full 21.3 MGD) is estimated at \$6,413,094. Beginning in Year 4 and continuing through Year 7, O&M costs will escalate at five percent annually. Electricity costs are excluded from Aqualia's pricing and will be borne directly by the City. O&M payments will be made monthly under a Take-or-Pay structure, with funding incorporated into the annual operating budget process.

FUNDING DETAIL:

Fund: 4494 – Water CIP 2026

Organization/Activity: 89

Department: 45

Project # (**CIP Only**): 26155/26160 - CCW Containerized Brackish Water Treatment Plant & Conveyance System

Account: 550910

RECOMMENDATION:

Staff recommends that the City Council authorize the City Manager to negotiate and execute an agreement with Aqualia to deliver the containerized brackish water treatment plant at O.N. Stevens WTP with phased production beginning within 11 months and full 21.3 MGD capacity within 24 months, and to enter into a five-year O&M agreement following final commissioning that includes hands-on training for CCW personnel, and recommends City Council authorize the City Manager to enter into emergency construction contracts for construction of site work and ancillary work identified in Aqualia's proposal, storage tanks, pipelines and pump stations required to convey water from the Western Well Field to the containerized brackish water treatment plant at O.N. Stevens WTP.

LIST OF SUPPORTING DOCUMENTS:

Proposal
CIP Project Page