


**CITY OF CORPUS CHRISTI  
CORPUS CHRISTI WATER**

**TO:** Peter Zanoni, City Manager  
**FROM:** Nicholas Winkelmann, P.E., Chief Operating Officer   
**COPY:** Mayor & City Council  
**SUBJECT:** WATER SUPPLY UPDATE NO. 57  
**DATE:** May 22, 2026

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Corpus Christi Water (CCW) continues to advance multiple water projects to add new water supply sources. The strategic goal is to develop a diversified water supply portfolio comprising groundwater, wastewater reuse, seawater, and surface water.

**Groundwater**

Evangeline Groundwater Project

On April 28, the San Patricio Groundwater Conservation District (SPGCD) convened a preliminary hearing to review protests related to Evangeline Laguna LP (Evangeline) well drilling and transport permits. Administrative Law Judge Alicia Franklin York (Judge) presided over the hearing, which included testimony from legal and technical experts representing the protesting parties and Evangeline.

On May 15, the Judge issued an opinion finding standing for all Protestants and recommending that the requested contested case be granted as to all permit applications, including 22 drilling permits and transport permit for The City of Sinton and the St. Paul Water Supply Corporation. Additionally, Mr. Charles Ring was granted standing to protest the transport permit. Mr. Ring has removed his request for consideration in an additional protest of the drilling permits.

As the opinion indicates, sufficient testimony was presented to recommend a full contested case hearing for the Protestants. SPGCD has determined that Judge York will also preside over the contested case hearing. The City anticipates that the next steps in this process will be communicated to the parties in the near future.

The SPGCD issued a production permit for 24 million gallons per day (MGD) in 2019 and renewed it in 2025. All permit applications fully comply with the SPGCD's rules. On April 2, a request was submitted to the SPGCD to issue emergency drilling and transport permits for eleven wells. The eleven wells identified in the request are the farthest from the Protestants' well locations. The City has requested that these permits be placed on the agenda for the next SPGCD board meeting.

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Engineering and construction work on this project continues to progress by both Pape Dawson Engineers (Pape) and Garney Construction (Garney). Deliveries of the required High-Density Polyethylene (HDPE) and Polyvinyl Chloride (PVC) water line piping continue. As of today, 59,688 linear feet of HDPE and PVC water line have been delivered to the site. The total amount of water line required for the project is 113,000 linear feet.

Site work continues to prepare construction pads and to support pipeline installation. Pipeline installation is scheduled to begin next week. Two additional pipeline crews are scheduled to mobilize to the site within the next 45 days to accelerate pipeline installation. AEP is on schedule to deliver power to the first four wells to be drilled by August 1.

The delivery date for water for this project will be adjusted once the City has more information on the SPGCD's timeline for the next steps.

The total expenditure for this project to date, including professional services, construction services, legal, and administration, is \$37,357,035.

On February 17, the Council approved the purchase of groundwater rights at the Li Ranch. A condition for closing the deal is that the seller obtain permits for production, drilling, and transportation. Hydrogeologists have identified potential well locations, and the site has been surveyed with these locations in mind. This information will be provided to the seller so that they can begin the well drilling permit application process.

### Nueces Groundwater Program

As of today, the current expenditure for the Eastern Well Field Project is \$18,52,605, and for the Western Well Field Project, \$28,143,193. The Texas Water Development Board approved the \$30,000,000 grant on January 21.

Production from the wells in the Nueces County Groundwater Program continues to comply with the water monitoring plan specified in the Bed and Banks permits. The system includes sixteen fully operational wells: eight powered by natural gas generators, five by permanent electric power, and three by temporary diesel-electric generators. An issue at Well No. 3 & 5 has been identified and will be remedied this upcoming week.

Overall, well production was delayed this week due to an electrical supply issue from NEC caused by a power outage. Additionally, increased inflow into the Nueces River from precipitation below the Wesley Seale Dam has raised river levels and flow over the Calallen Saltwater Barrier. Consequently, all wells in the Nueces Program have temporarily paused production.

Drilling and investigative work continue on an additional three wells. Test pumping and water quality testing will be conducted on another well through the weekend.

### Brackish Groundwater Reverse Osmosis Treatment Project

Garver Engineering continues designing the conveyance line, with the 75% submittal expected within a week. City staff continue meeting with local contractors to discuss construction. Delivery

of pipe materials for the conveyance line has begun for both the 36" HDPE water line and the 3" fiber-optic conduit. These materials are being delivered to the ON Stevens Water Treatment Plant for staging. As of today, 1,872 linear feet of HDPE pipe have been delivered. The first construction package for the conveyance line is currently at 90% design, and the contractor is expected to be released for construction within two weeks. The current estimate for completion of the conveyance line is December 2026.

Two 500,000 ground storage tanks have been procured for installation at the O.N. Stevens Water Treatment Plant (ONSWTP), which will be a required component of the Brackish Reverse Osmosis treatment system. One 3,000,000-gallon ground storage tank has been procured for the pump station at the Western Well Field. CCW Engineering has finalized the design of the pump equipment for these pump stations, and pumps will be ordered within the next week.

Preliminary design work continues on discharge options for the reverse osmosis plant, including evaporative ponds, an injection well, and surface discharge. Preliminary meetings with TCEQ have taken place to discuss permits for the treatment plant, conveyance line, and discharge options.

CCW is working with AEP and HDR on the electrical service and upgrades required at the ONSWTP for the pumping equipment and the reverse osmosis treatment process. AEP has confirmed that power is available to support the phased implementation and startup of the treatment equipment. The phased implementation will align with the delivery of the reverse osmosis treatment units.

The expected water delivery via the Brackish Reverse Osmosis process is 3.91 MGD in February/March 2027, 5.3 MGD in May 2027, 5.3 MGD in September 2027, and 6.7 MGD in March 2028, for a total of 21.3 MGD.

The current expenditure for this project is \$922,958.

#### Seven Seas Water Group

On May 5, Council authorized City staff to negotiate with the Seven Seas Water Group (Seven Seas) on a brackish reverse osmosis project in Nueces County.

CCW previously engaged with the Seven Seas Water Group (Seven Seas) to explore a potential project. Seven Seas holds an option on approximately 5,000 acres of land and aims to secure additional properties if the project proves feasible. Seven Seas are also in the process of finalizing a contract to drill a test well on the site, which is critical for conducting an aquifer test and a hydrogeologic study of the region.

CCW will conduct a hydraulic review of the water system to determine how water produced by this facility could be incorporated into the overall distribution system.

## **Wastewater Reuse**

### Reclaimed Water Infrastructure Project

On May 12, Council approved a Construction Manager at Risk (CMAR). The CMAR contractor will work closely with the design engineer, Ardurra, to expedite construction of a conveyance line from the Oso WWTP to Greenwood WWTP. This will allow an estimated 10 MGD to be used as part of the overall Wastewater Reuse Project.

Ardurra has completed 60% of the design, with the remaining 40% estimated to be completed by June 26. Work is ongoing to identify potential land and easement acquisitions for the pipeline and pump station at the Oso WWTP. City staff met with TAMUCC representatives to further discuss the additional property required at the Oso WWTP to accommodate the new pump station.

Ongoing discussions are underway with other entities regarding future effluent contracts and potential end users. Council has approved agreements with Valero and Flint Hills Resources (FHR) the month. Both companies are working hard to improve their delivery schedules to reduce their potable water usage as soon as possible. Valero expects to utilize 3 MGD in phase one of its project and up to 8 MGD in phase two. Flint Hills Resources expects phase one to be at 1 MGD and up to 3 MGD in phase two.

## **Seawater**

### Inner Harbor Seawater Desalination

City staff continue to work with Corpus Christi Desal Partners (CCDP) to finalize a contract to complete the 60% design, provide a guaranteed maximum price, and conduct system optimization testing. The contract is projected to be brought to Council for consideration on June 2, 2026.

On May 15, CCW was notified by the Bureau of Reclamation that the City will be issued a formal memo concurring with the review team's recommendation to approve the feasibility study for the Inner Harbor project. This official notification is the next step in the grant application process to provide funding.

A Far Field Advisory Committee Meeting was held on May 21. During the meeting, the modeling contractor, Spheros, provided an update on model development, calibration, and the preliminary results of the modeling runs and scenarios. Modeling progress to date has been significant and has included additional scenarios provided by the Committee.

The upcoming schedule for this Committee is as follows:

**May 28, 2026**                      Final presentation review of the model to the Committee

At the June 2 Council meeting, the Far Field Model Results are projected to be presented, and Council consideration of the CCDP and owner's representative contracts will be requested for approval.

NRA - Harbor Island Seawater Desalination Project

The NRA evaluation committee continues to review the qualifications of the project's development partner. IDE Technologies was selected as the development partner for this project at the board meeting this week.

LAN continues engineering work on the conveyance line. The pre-approval process with Water Utility Contractors has begun, focusing on the construction of the conveyance line and pump stations. CCW is scheduling a meeting with LAN to discuss the alignment of the conveyance line and the potential connection point.

TCEQ issued a draft intake and discharge permit for this facility. A public meeting on the discharge permit is scheduled for May 27.

Barney Davis Seawater Desalination Project

On March 17, the Council approved a motion authorizing City staff to work with CPS Energy to explore options for establishing a seawater desalination treatment plant next to the Barney Davis Power Plant. On April 24, City staff met with CPS Energy representatives, during which CPS Energy reaffirmed its commitment to coordinate with the City on a seawater desalination project at the Barney Davis Power Plant.

CC Polymer (Aquatech)

On March 24, the Council approved a motion authorizing City staff to negotiate a water supply agreement with Aquatech, which has agreed with CC Polymers to complete the plant, install the necessary infrastructure, and obtain all required permits to operate the existing desalination facility and to sell water to the City.

CCW, City staff, and Aquatech met on May 7 to discuss the project. During this meeting, Aquatech advised that 8 MGD of the 9.4 MGD capacity would be available one year after contract execution and financial closure, with an additional 5 to 6 MGD accessible two years later. City staff were informed that no permit modifications would be needed for the current TCEQ intake and discharge permit. However, a TCEQ permit will be required for the plant to operate as a potable water supply facility.

Aquatech provided a letter of intent this week to detail their project approach. This information will be reviewed, and a follow-up meeting will be scheduled with the Aquatech representatives.

Additional Seawater Desalination Project

On May 5, Axe H2O presented to the Council a proposal for a potential seawater desalination plant on the south side of Corpus Christi. CCW and City staff have been in contact with Axe H2O representatives and are awaiting additional information to evaluate the contractual terms and the feasibility of their proposed business concept. This information has not yet been provided by Axe H2O.

## **Surface Water**

### Western Reservoirs (Lake Corpus Christi and Choke Canyon Reservoir)

As of today, Lake Corpus Christi's reservoir is at 12.3% capacity, while Choke Canyon Reservoir's is at 7.4%. The combined capacity of these reservoirs stands at 8.4%.

### Lake Texana

As of today, the Lavaca Navidad River Authority (LNRA) reports that Lake Texana's reservoir is 83% full, compared with 75% at this time last year. LNRA also informed CCW that it is reviewing its current Drought Contingency Plan to potentially modify it for the next calendar year.

### Lower Colorado River

The Lower Colorado River is managed by the Lower Colorado River Authority (LCRA). The City of Corpus Christi holds an annual run-of-river right of 35,000 acre-feet. Currently, there are no notices of potential restrictions from LCRA.

## **Water Conservation Advisory Committee**

The Water Conservation Advisory Committee met on April 24 for a final review of the updated plan. The completed plan was presented and approved at the Council meeting on May 19.

## **Status of Water Rate Appeals through the Public Utilities Commission (PUC)**

In March 2024 and March 2025, Outside-City-Limits (OCL) ratepayers, led by large-volume customers, appealed their water rates to the Texas Public Utility Commission (PUC). The cases were consolidated under PUC Docket 56427.

On March 16, witnesses for the OCL ratepayers filed direct testimony, collectively proposing adjustments of \$39,900,000 in 2024 and \$36,800,000 in 2025. On May 1 and May 8, the PUC staff filed direct testimony recommending an adjustment of approximately \$6,400,000 to 2024 rates and no adjustment to 2025 rates. The process will continue according to the current schedule detailed below.

**May 1, 2026** PUC Staff provided Direct Testimony on the recommended revenue requirement.

[On March 16, witnesses for the OCL ratepayers filed direct testimony cumulatively proposing adjustments of \$39.9 million in 2024 and \$36.8 million in 2025. On May 1 and May 8, the PUC Staff filed direct testimony recommending approximately \$6.4 million in adjustments for 2024. The PUC Staff recommended no adjustments to 2025 rates.]

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- May 1, 2026** PUC Staff provided Direct Testimony on the recommendation for rate-case expense recovery.
- [PUC Staff recommends full recovery of the City's rate appeal expenses incurred through December 31, 2025, in the amount of \$453,771.]
- May 8, 2026** PUC Staff provided Direct Testimony regarding cost allocation and rate design.
- [The City's attorneys and consultants are reviewing the recommendations.]
- May 8, 2026** Objections to PUC Staff Direct Testimony. [None were filed.]
- May 15, 2026** Responses to Objections to PUC Staff Direct Testimony
- May 18, 2026** Deadline to send discovery on PUC Staff Direct Testimony.
- [AWCC on behalf of petitioners filed Request for Information to Commission Staff regarding Staff's recommended increase in large volume user minimum from \$24,202 to \$34,417.]
- May 22, 2026** City Rebuttal Testimony
- [City is filing rebuttal testimony of 5 witnesses.]
- May 27, 2026** Objections to City Rebuttal Testimony
- June 3, 2026** Responses to Objections to City Rebuttal Testimony
- June 5, 2026** Deadline to take depositions on all parties
- June 5, 2026** Deadline to file dispositive motions, if any
- June 5, 2026** Deadline to supplement discovery on direct testimonies
- June 8, 2026** Deadline to serve discovery on City Rebuttal Testimony
- June 12, 2026** Deadline for responses to dispositive motions, if any
- June 17, 2026** Submission of Witnesses to be Cross-Examined
- June 17, 2026** Deadline for prehearing submissions, including Hearing Exhibits, Witness Lists, and Final Waivers of Cross-Examination
- June 17, 2026** Deadline for prehearing filings
- June 17, 2026** Prehearing Conference (via videoconference)



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### Notes:

- 1) Western Well Field (WWF)
- 2) The projected delivery for each of our new water supply sources will be updated weekly as various factors influence the completion and partial completion of each project.
- 3) EWF and WWF daily production is dependent upon adherence to the operating protocol established by the bed & banks permit.
- 4) Evangeline Production estimates will be updated once there is more certainty of the timeline for the next steps in the permitting process.
- 5) Well Production is dependent upon results from pumping and aquifer testing
- 6) Reuse is an offset of the potable water demand