

CITY OF CORPUS CHRISTI

CORPUS CHRISTI WATER

TO: Peter Zanoni, City Manager

FROM: Nicholas Winkelmann, P.E., Chief Operating Officer



COPY: Mayor Pro Tem & City Council

SUBJECT: WATER SUPPLY UPDATE NO. 71

DATE: August 28, 2026

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

Surface Water

Western Reservoirs (Lake Corpus Christi and Choke Canyon Reservoir)

As of today, Lake Corpus Christi is at 90.2% capacity, compared with 17.9% one year ago and a decrease of 1.0% from last week. The USGS Nueces River gauge at Three Rivers, Texas, reports a streamflow of 151 cubic feet per second, compared with 268 cubic feet per second last week.

Choke Canyon Reservoir is currently at 23.5% capacity, compared with 12.1% one year ago and a decrease of 0.4% last week. The USGS gauge on the Frio River near Tilden is reporting a streamflow of 0.00 cubic feet per second for the third consecutive week. No inflow into Choke Canyon has been recorded over the past three weeks.

The combined Western Reservoir capacity is 42.4%, compared with 13.7% a year ago.

Lake Texana

As of today, the Lavaca Navidad River Authority (LNRA) reports that Lake Texana's reservoir is at 91% capacity, compared with 90% at this time last year.

Lower Colorado River

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

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Agreed Order and Western Reservoir Pass-Thru Requirements

On August 25, the Executive Director of the Texas Commission on Environmental Quality (TCEQ) approved the request by the City, the Nueces River Authority (NRA), and the City of Three Rivers to temporarily suspend certain special conditions, including pass-thru requirements, for the Water Right Permit under the 2001 Agreed Order affecting ADJ 21-3214.

It is expected that the item will be placed on the Commission's agenda for September 9. At that meeting, the Commission will decide whether to grant, modify, or deny the application. The application could also be sent to the State Office of Administrative Hearing (SOAH) for an emergency hearing.

A letter of support for this request was provided by State Senators Chuy Holjosa, Adam Hinojosa, and Judith Zaffirini, and State Representatives Todd Hunter, Denise Villalobos, and Ryan Guillen. Additional letters of support were furnished by the City of Beeville, the City of Matthis, the San Patricio County Farm Bureau, Nueces County Water Supply and Improvement District No. 3, River Acres Water Supply Corporation, and the San Patricio Municipal Water District.

Groundwater

Evangeline Groundwater Project

Evangeline Laguna LP's attorney has submitted a scheduling order to the Administrative Law Judge (ALJ) and all parties involved regarding the contested hearing on drilling and transport permits. The order includes proposed dates for the proceedings. Responses from the other parties, including the San Patricio County Groundwater Conservation District (SPCGCD) and the City of Sinton, have been received. We are awaiting the ALJ to affirm the dates within the next week.

Construction on the project continues under Garney Construction (Garney). 50,067 LF of pipeline has been installed, with a weekly installation total of 3,342 LF. 111,233 LF of pipeline remains to be installed. Work in progress includes the pump station, road construction, site access, and preparations to connect to the Mary Rhodes Pipeline. There are currently four pipe crews on site. The required TXDOT permit for crossing US77 has been approved. CCW and City Staff met with Pape Dawson and Garney Construction this week to discuss in detail potential next steps in the construction progression of this important project.

To date, total project expenditures, including professional services, construction services, legal, and administrative expenses, is \$85,348,524.

On February 17, the Council approved the purchase of groundwater rights at Li Ranch. The closing condition requires the seller to secure permits for production, drilling, and transportation. The total expenditure for this project is \$316,875, which is solely the option fee.

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Nueces Groundwater Program

Production in both the Eastern and Western Wellfields has decreased this week and is expected to decrease again next week as water supply production is adjusted to match water system and operational requirements. Over the seven-day period shown, production from the Nueces Groundwater Program was 7.9 million gallons (MG) on 8/26, 8.4 MG on 8/25, 9.1 MG on 8/24, 12 MG on 8/23, 15.2 MG on 8/22, 12.6 MG on 8/21, and 17.4 MG on 8/20. The average daily production for this period was 11.8 MGD, with daily averages of 8.5 MGD on 8/26, 8/25, and 8/24. CCW projects a further decrease in production from the Nueces Groundwater Program next week.

Progress on the Nueces Groundwater Program advances with test drilling, geophysical logging, and infrastructure improvements. Construction of two monitoring wells in the Western Wellfield, targeting deeper depths within the aquifer, began this week. The current construction at the Western Wellfield is being implemented to meet the management strategy aimed at optimizing hydrogeologic efficiency. Nueces Electric Cooperative (NEC) is upgrading infrastructure along FM 624 and within the wellfield, with completion projected by the end of August 2026, weather permitting. NEC estimates that the installation of the remaining transformers for the first twelve wells, along with necessary upgrades, will be completed mid-October 2026, enabling operation of those wells.

As of today, the total expenditure for the Nueces Groundwater Project, including both the Eastern and Western Wellfields, is \$71,118,399. The Texas Water Development Board (TWDB) awarded a \$30 million grant on January 21, reducing the City's net expenditure to \$41,118,399.

Brackish Groundwater Reverse Osmosis Treatment Project

Construction continues on the conveyance line connecting Western Wellfield to the O.N. Stevens Water Treatment Plant (ONSWTP). This conveyance line will transport water directly to the facility, independent of the Nueces River. Two pipeline installation contractors and one boring contractor have mobilized and are working. To date, 1,788 LF of the 63,644 LF pipeline have been installed. The conveyance line and pump station are expected to be operational by the end of December 2026.

The design package for the Brackish Reverse Osmosis (R.O.) Plant and related infrastructure, including electrical upgrades, is complete. The two 500,000-gallon ground storage tanks are designed and scheduled for completion by December 2026. Civil work is underway to prepare the foundations for the new R.O. facility.

The projected water delivery via the Brackish R.O. process, using the Brackish Groundwater R.O. treatment equipment supplied by Aqualia, is 3.91 million gallons per day (MGD) in March 2027, 5.3 MGD in May 2027, 5.3 MGD in September 2027, and 6.7 MGD by March 2028, for a total of 21.3 MGD.

The current expenditure for this project is \$24,653,930.

Seven Seas Water Group

Seven Seas has an option to acquire approximately 5,000 acres of land and plans to purchase more properties if the project proves feasible.

At the site, a test hole has been drilled to a depth of 3,500 feet to enable geophysical logging. The logging is complete, and a hydrogeologist has selected the target formation for water-quality and water-quantity testing. The drilling contractor is currently constructing a test well with a target total depth of 2,300 feet and a diameter of 4-inches. A 36-hour production test is planned to assess water quality and quantity, with the test well serving as the sole monitoring point. Production testing is expected to begin within the next few weeks. The full analysis and hydrogeologic report are projected to be completed by the end of September 2026. A hydraulic analysis has also been conducted to determine the potential amount of water that could be supplied to the distribution system through the Staples Pump Station.

Next week, CCW and City staff met with Seven Seas representatives to review the technical, commercial, and legal aspects of a potential water supply agreement. Seven Seas is also determining the TCEQ requirements for providing wholesale treated water to the CCW system.

Wastewater Reuse

Reclaimed Water Infrastructure Project

The Wastewater Reuse Program comprises several ongoing projects to provide approximately 16 MGD of reclaimed effluent and reduce the use of potable water.

Construction has begun on two of the three pipe segments for the 10.5-mile, 36-inch force main, which will provide approximately 10-11 MGD from the Oso WWTP to the 10 MG tank at the Greenwood WWTP. Site work at the Oso WWTP to construct the new pump station has also begun.

The total guaranteed maximum price (GMP) for the project, including the transmission main, pump station, wet well, and related infrastructure, is \$107,531,622. The project is projected to be completed by mid-2027.

The current expenditure for this project is \$8,890,688.

Valero plans to initially use 3 MGD of reclaimed water, with an expansion to 8 MGD in later phases. The additional 5 MGD for the contract with Valero is dependent upon the completion of the force main from Oso WWTP to Greenwood WWTP.

Site work at the Greenwood WWTP continues, including installing a 16-inch effluent line, fabricating pump station piping, and performing foundation work for the 10 MG storage tank. The necessary pumping equipment for the Greenwood pump station is scheduled for delivery in mid-September 2026. The majority of the 9-mile, 24-inch conveyance pipeline has been installed, and the project remains on schedule to finish ahead of the original timeline.

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Flint Hills Resources (FHR) is progressing quickly on its construction schedule and anticipates using effluent water within the next few months. Construction activities by FHR at the Allison WWTP are ongoing, with piping connections being completed and preparations underway for commissioning and startup. The metering and instrumentation plan has received approval from CCW.

Ongoing discussions with two other stakeholders are progressing on future effluent supply agreements and potential end users.

Seawater

Inner Harbor Seawater Desalination

The City has formally requested to restructure the SWIFT Loan to adjust key milestone deadlines due to delays. The request was submitted to the TWDB on June 18, 2026. However, it was not on the agenda for the August 24 TWDB board meeting, with the next meetings set for September 10 and October 1.

On August 6, the Coastal Bend Bays and Estuaries (CBBE) provided Corpus Christi Water (CCW) with a list of independent candidates to review the Far Field Model developed by Speheros Environmental. CBBE also provided a proposed scope of work for the review and a recommendation for the independent modeler; however, it was determined that the recommended candidate previously conducted work that conflicted with their being considered independent.

On August 25, CBBE provided a new recommendation for an independent modeler and stated that they would assist in facilitating an introductory meeting. CCW has reached out to the modeler this week and is working to schedule a meeting to review the project scope.

Provided the scope of work is of interest to the modeler, a proposal would be requested from them. After review by both CBBE and CCW, a contract could be initiated. The cost of this independent review has not been identified. CBBE has stated that the anticipated timeline for completion would be approximately three months from the date of an executed contract.

At the June 2, 2026 Council meeting, a motion was approved to postpone the agenda item for the Inner Harbor Seawater Desalination Plant to the September 1 meeting.

On September 1, Council will consider the identical agenda item from June 2, 2026, to award a contract with Corpus Christi Desal Partners, LLC, for 60% design services, design and construction of the demonstration plant and development and verification of the guaranteed maximum prices for the Inner Harbor Seawater Desalination Treatment Plant Project totaling \$78,610,000.

NRA - Harbor Island Seawater Desalination Project

On June 17, TCEQ approved the final water rights permit for Harbor Island. The discharge permit is expected to be on the TCEQ Board Agenda for the September 23, 2026, meeting, where a recommendation for approval will be made. CCW continues hydraulic modeling and other analyses to finalize preliminary engineering assessments, providing insights into costs associated with the City's portion of the project.

The Nueces River Authority will provide a briefing regarding the status of this project at the September 1 Council meeting.

Barney Davis Seawater Desalination Project

CCW and CPS Energy staff are planning to schedule a meeting next month to discuss the required site survey work, including the potential plant site. The site survey work is necessary as the two parties work towards a potential land lease agreement.

CC Polymer (Aquatech)

A fully executed letter of intent (LOI) between Aquatech International LLC, its soon-to-be-formed special purpose vehicle (SPV), and the City of Corpus Christi. Currently, CCW is modeling the connection point and integrating this water supply into the distribution system.

Key components of the letter of intent include the following:

- Both parties agree to work on a Water Sale Agreement (WSA) which will specifically include water purchase rate, amounts, water quality standards, and delivery timelines
- Water Supply and offtake schedule
 - Nine to twelve months from WSA execution – 9.4 MGD
 - Fifteen to eighteen months from WSA execution – additional 3.1 MGD
 - Thirty to thirty-six months from WSA execution – additional 1.5 MGD
- Identification of the interconnection point
- SPV will construct and operate a remineralization/potabilization plant
- The WSA will include performance guarantees
- The WSA will include conditions for acceptance
- The WSA will be a take-or-pay agreement
- The SPV will determine all TCEQ regulatory requirements including the potential of becoming a public water system to distribute treated water

Additional considerations include integrating water quality and blending into the CCW system. The next discussion, covering the technical, commercial, and legal terms of a potential water sale agreement, is scheduled for next week.

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

The hearing on the merits took place on July 13 and 14 before the ALJ. On August 5, the parties submitted their initial briefs to the ALJs. The City, represented by its attorney, filed the reply brief to the ALJ on August 19, 2026. The ALJ's proposal for decision and recommendation to the PUC is expected to be available in the next 3 to 6 weeks.

Upcoming Community Engagement

Water community engagement events are scheduled for the following dates:

Wednesday, September 16 Lindale Senior Center, 3135 Swantner Drive
District 2 – 6:00 pm to 7:00 pm