

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. 72

DATE: September 4, 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 88.7% capacity, compared with 17.0% one year ago and a decrease of 1.5% from last week. The USGS Nueces River gauge at Three Rivers, Texas, reports a streamflow of 83.8 cubic feet per second, compared with 151 cubic feet per second last week.

Choke Canyon Reservoir is currently at 23.2% capacity, compared with 11.9% one year ago and a decrease of 0.3% last week. The USGS gauge on the Frio River near Tilden is reporting a streamflow of 0.00 cubic feet per second again this week. No inflow into Choke Canyon has been recorded over the past four weeks.

The combined Western Reservoir capacity is 41.4%, compared with 13.3% a year ago.

Lake Texana

As of today, the Lavaca Navidad River Authority (LNRA) reports that Lake Texana's reservoir is at 89% capacity, compared with 88% 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. However, the authority has advised that river flow is diminishing and that potential restrictions may be imposed within the next seven days.

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

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.

The water rights purchase agreement is for a production of approximately 24 MGD. The production permit has already been approved by the San Patricio County Groundwater Conservation District (SPCGCD).

Construction on the project continues under Garney Construction (Garney). A total of 51,784 linear feet of pipeline has been installed, with a weekly installation rate of 2,179 linear feet. Currently, 32% of the pipeline is complete, leaving 109,516 linear feet remaining. Ongoing work includes the pump station, road construction, site access, and preparations to connect to the Mary Rhodes Pipeline. Four pipe crews are actively working on site. The TXDOT permit for crossing US77 has been approved. This week, CCW and City Staff met with Pape Dawson and Garney Construction to discuss 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.

Nueces Groundwater Program

Production across both the Eastern and Western Wellfields has declined further this week. During the seven-day period, the Nueces Groundwater Program yielded 7.1 million gallons (MG) on 09/03, 6.0 MG on 09/02, 6.5 MG on 09/01, 7 MG on 08/31, 8.1 MG on 08/30, 9.4 MG on 08/29, and 9.9 MG on 08/28. The average daily production for this period was 7.7 MGD, with a three-

day average of 6.5 MGD for 09/03, 09/02, and 09/01 and 8/24. CCW anticipates a slightly further reduction 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 ongoing construction at the Western Wellfield is designed to support our management strategy for optimizing hydrogeologic efficiency.

Nueces Electric Cooperative (NEC) is nearing completion of the infrastructure along FM 624, with the estimated completion date of September 11. Improvements to the Western Wellfield for the first 12 wells are expected to be fully completed by the end of September. At present, seven wells are powered by permanent electric power.

As of today, the total expenditure for the Nueces Groundwater Project, including the Eastern and Western Wellfields, is \$71,118,399. On January 21, the Texas Water Development Board (TWDB) awarded a \$30 million grant, 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, 2,668 LF of the 63,644 LF pipeline have been installed. The approximate thirteen-mile conveyance line and pump station are expected to be near completion 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 expected to be near completion by December 2026. Civil work is underway to prepare the foundations for the new R.O. facility.

The design of this Brackish Reverse Osmosis System offers operational flexibility, capable of treating 3 MGD to a maximum of 24 MGD. The intent of this design is to use the treatment flexibly to diversify the water supply as needed.

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 \$25,355,562.

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. As the Seven Seas Water Group develops the feasibility for this project, CCW continues to meet to review the technical, commercial, and legal aspects of a potential water supply agreement.

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 projected production from this project is currently 10 MGD, but it will require verification via aquifer testing and hydrogeologic analysis. The full analysis and hydrogeologic report are projected to be completed by the end of September 2026.

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 to 11 MGD from the Oso WWTP to the 10 MG tank at the Greenwood WWTP. The total length of this conveyance line is 54,750 LF, with 3,706 LF, or 6.9%, installed. 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 \$8,902,688.

Valero intends to start with 3 MGD of reclaimed water and expand to 8 MGD in later phases. The additional 5 MGD for the contract depends on completing the force main from the Oso WWTP to the Greenwood WWTP. Currently, pump pedestals for the Greenwood pump station are being poured, and preparations are underway to form the foundation for the 10 MG ground storage tank. Acceptance testing of the conveyance pipeline is also underway.

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

On September 1, the Council voted against the agenda item from June 2, 2026, to award a contract with Corpus Christi Desal Partners, LLC. This contract would have covered 60% design services, the design and construction of the demonstration plant, and the development and verification of the guaranteed maximum price for the Inner Harbor Seawater Desalination Treatment Plant Project.

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 City of Corpus Christi has allocated a \$2.7 million reservation and option fee for 50 MGD of the plant's capacity. The final water cost is expected to be determined by January 2027, at which point a water supply agreement can be negotiated.

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 was executed on July 31.

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 involve 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 September 11.

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. Utilizing the available capacity of the existing intake permit at this location would provide a potential for 65 MGD of treated water.

State Water Infrastructure for Texas (SWIFT) Loan

The City has formally requested a restructuring of the SWIFT Loan to modify key milestone deadlines due to project delays. This request was submitted to the TWDB on June 18, 2026. The upcoming TWDB board meetings are scheduled for September 10 and October 1.

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