P.O. Box 13231, 1700 N. Congress Ave.
Austin, TX 78711-3231, www.twdb.texas.gov
Phone (512) 463-7847, Fax (512) 475-2053

MEMORANDUM

TO: T. Clay Schultz, Ph.D., Regional Water Project Development

Clay Schultz Digitally signed by Clay Schultz Date: 2026.03.25 14:38:52 -05'00'

THROUGH: Kevin Smith, Regional Water Project Development, South Region

Kevin Smith Digitally signed by Kevin Smith Date: 2026.03.25 15:38:43 -05'00'

FROM: Lauren Dill, Environmental Protection Specialist, South Region

Lauren Dill Digitally signed by Lauren Dill Date: 2026.03.24 09:26:49 -05'00'

SUBJECT: City of Corpus Christi, Nueces County, Texas
TWDB SWIFT Project No. 51052
Seawater Desalination Project,
Seawater Desalination Plant Project – Inner Harbor
Total Loan Amount: $760,335,000
Loan Nos. L17070, LM201158, LM2401837, LM241158, LM2501837, LM2601837, and LM2701837

The City of Corpus Christi (City) is proposing to construct a drought-resilient seawater desalination plant to improve the reliability of the City's regional water system. As stated by the City, the proposed Seawater Desalination Project is needed to accommodate present and future growth of the Corpus Christi region and to reduce the vulnerabilities and risks of the City's current water supply in drought conditions. The proposed Seawater Desalination Project consists of two main project components: (1) the Pilot Plant Project – Inner Harbor and (2) the Seawater Desalination Plant Project – Inner Harbor.

The Texas Water Development Board (TWDB) is segmenting the environmental review to allow the planning, acquisition, and design phases of the Seawater Desalination Plant Project – Inner Harbor component, hereafter, referred to as the proposed project, to proceed without delay. Pursuant to 31 Texas Administrative Code (TAC) § 363.14(d), another state or federal agency's issued environmental decision document or permit may be used in lieu of a separate environmental report to the TWDB if the information required under 31 TAC § 363.14 is available in those documents. The TWDB is basing this environmental review for the proposed project on an Individual Permit (IP) issued by the United States Army Corps of Engineers (USACE), Regulatory Branch, Galveston District, and the associated Department of the Army Environmental Assessment (EA) and Statement of Findings (SOF).

The City submitted a permit application to the USACE on August 22, 2023, for the Seawater Desalination Plant Project. The USACE reviewed the permit application pursuant to Section 10 of the Rivers and Harbors Act of 1899 and Section 404 of the Clean Water Act. The proposed project is considered a federal action subject to review under the National Environmental Policy Act.

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Bryan McMath, Executive Administrator

A public notice was published on the USACE, Galveston District's website on January 16, 2024. The public comment period was initially 30 days, ending on February 16, 2024, but was extended to March 4, 2024. The USACE received approximately 534 comment letters from the public as well as comments from agencies and other interested parties. The USACE received 33 requests from the public to hold a public hearing to give them an opportunity to question the applicant about the proposed project. The intent of a public hearing is to solicit information or evidence that might assist the USACE in the evaluation of the permit action. However, after reviewing the information submitted during the public notice comment period and subsequent evaluation, the USACE determined that there was sufficient information to render a decision on the permit request. Therefore, a public hearing was not scheduled.

A second public notice was published on the USACE, Galveston District's website on February 24, 2025, to inform the public that the City submitted updated information to supplement the public notice issued on January 16, 2024. The purpose of the second public notice was to inform the public of the addition of the 3.1-mile-long pipeline connection from the proposed desalination plant to the City's Navigation Boulevard pump station. The comment period for the second public notice ended on March 10, 2025. The USACE received 24 comment letters from the public as well as comments from agencies and other interested parties.

After reviewing the information provided by the City and all interested parties and assessing the environmental impacts, the USACE found that the proposed project will not have a significant impact on the quality of the human environment and therefore determined that the proposed project did not require an Environmental Impact Statement prior to the final decision on the permit application. The USACE approved the Department of the Army EA and SOF on March 18, 2025, and issued the IP on March 25, 2025 (Department of the Army Permit No. SWG-2014-00850).

The proposed project appears to be partially within the 100- and 500-year floodplains. Projects involving construction in the 100-year floodplain and/or construction of a critical facility in the 500-year floodplain, including replacement or borings, require a floodplain development permit from the local floodplain administrator prior to construction in the floodplain. The floodplain development permit(s) must be received by the TWDB prior to TWDB approval of the plans and specifications.

The Pilot Plant Project – Inner Harbor component, which was not included in the USACE IP, is on a different regulatory review and permitting timeline and is being handled separately; a subsequent environmental finding will be issued by the TWDB for the Pilot Plant Project – Inner Harbor.

CONDITIONS AND RECOMMENDATIONS

Full consideration has been given to the views and comments of the requisite regulatory agencies and affected people as documented in the USACE's EA, SOF, and IP. Based on

an environmental review consistent with 31 TAC § 363.14, the following conditions have been developed.

The project must comply with the following special and standard environmental conditions:

Special Environmental Conditions

- Consistent with Section 10 of the Rivers and Harbors Act of 1899 and Section 404 of the Clean Water Act, the City of Corpus Christi Seawater Desalination Plant Project will comply with the terms and conditions of the United States Army Corps of Engineers Individual Permit (Department of the Army Permit No. SWG-2014-00850).

- Consistent with the Flood Insurance Reform Act of 2004, federal Executive Order 11988, Texas Water Code Section 16.315, and local floodplain development ordinances, a floodplain development permit will be obtained from the local floodplain administrator prior to construction in, across, or under a Special Flood Hazard Area.

Standard Environmental Conditions

- Consistent with the Texas Water Development Board Supplemental Construction Contract Conditions (TWDB-0552), the City of Corpus Christi will abide by the standard emergency condition for the discovery of cultural resources.

- Consistent with the Texas Water Development Board Supplemental Construction Contract Conditions (TWDB-0552), the City of Corpus Christi will abide by the standard emergency condition for the discovery of threatened and endangered species.

Therefore, it is recommended that an Environmental Determination be issued.