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## This Texas Town Is an Energy Powerhouse. It's Running Out of Water.

Story by Benoît Morenne • 1d • 7 min read

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Flint Hills Resources company operates two plants in Corpus Christi, Texas, that together can process about 380,000 barrels of crude a day.

CORPUS CHRISTI, Texas—South Texas lured Tesla, along with Exxon Mobil and other energy behemoths, with the promise of land, cheap energy and, perhaps most critically, abundant water.

The companies spent billions of dollars over the past two decades building plants that use huge amounts of water to transform fossil fuels into gasoline, jet fuel and other refined products. More set up shop in recent years to refine lithium for electric-vehicle batteries and crank out plastic pellets. All were drawn to the region by its juicy tax deals, deep-water Gulf Coast port and latticework of pipelines that ferry [cheap natural gas and crude oil](#).



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Now, Corpus Christi, the region's main water provider, says it is tapped out.

A crippling drought is depleting its reservoirs, and the city expects it won't be able to meet the area's water demand in as soon as 18 months. In addition to industrial users, the water utility serves more than 500,000 people in seven counties.



Robert Peña, a 62-year-old retiree, was at one of the city's wastewater treatment plants last month filling 300-gallon tanks with free reclaimed water that can be used on yards.

Cue the panic. Energy companies are warning they might have to shut down part of their production, sparking fears of layoffs and stalling growth. The city is scrambling to stave off the looming shortage amid political infighting. Residents, meanwhile, are trying to save their yards and gearing up for increased water rates.

▶ **Related video:** Water Woes: Desalination is coming—but will it be too late? (KIII-TV Corpus Christi)

KIII-TV Corpus Christi

**Water Woes: Desalination is coming—but will it be too late?**

Video player thumbnail for a news segment. The title is "Water Woes: Desalination is coming—but will it be too late?". The video shows a news anchor and a banner that reads "HIGH STAKES OF DESALINATION". The KIII-TV logo and "NEWS" are also visible.

"The water situation in South Texas is about as dire as I've ever seen it," said Mike Howard, chief executive of Howard Energy Partners, a private energy company that owns several facilities in Corpus Christi. "It has all the energy in the world, and it doesn't have water."

The crisis could resonate beyond Corpus Christi, a city that is the eighth largest in Texas, by population, and sits just 150 miles from the Mexico border. Its refineries supply products to regional airports and markets in Dallas, San Antonio, Austin, Texas and in Mexico. It is also home to a Navy base that hosts the world's largest rotary-wing aircraft repair center, which services combat aircraft including Black Hawks.

Since the 1950s, Corpus Christi has expanded its water supplies after each severe drought. Nowadays, two reservoirs to the west, and a 101-mile pipeline to the east serve its needs. But three years ago, a prolonged rain famine prompted the city to start enacting water restrictions, and the situation has kept getting worse. The combined water levels in the western reservoirs have fallen to their lowest in their history.



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The latest drought has coincided with an industrial boom that is sucking up the shrinking reserves. Corpus Christi attracted more than \$57.4 billion in investment just in the past decade, the city said in a 2024 report.

LyondellBasell increased the capacity of an ethylene factory by 50%. Chemicals maker OxyChem and a Mexican business built a \$1.5 billion ethylene plant. Tesla opened a lithium refinery, and Exxon and Saudi Basic Industries Corp., the kingdom's petrochemicals company, erected a \$7 billion plastics facility. That plant alone on average consumes about 13 million gallons of water a day, according to a person familiar with its operations. That is about 13% of all of Corpus Christi's water demand in wintertime, according to Drew Molly, who recently resigned as chief operating officer of the city's water utility. He said roughly half of Corpus Christi's supplies go to about eight companies.



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"Every city wants to grow," he said. "I think the City of Corpus Christi was doing it in a reasonable way, but never had imagined that there would be a drought of this proportion."

## Failed plan

The region has long predicted that dry spells would trigger water shortages, unless it diversified away from reservoirs, so Corpus Christi elected to build the first large-scale, municipally owned desalination plant in the country. The facility would scrub seawater from the Gulf and yield up to 36 million gallons of potable drinking water a day starting in 2028. The thinking was that the plant would buy the city time as it developed other water sources.

Corpus Christi obtained permits and got the green light for \$757 million in low-interest loans from the state. Then, it all fell apart. The city council nixed the plan in September after the engineers bumped

their cost estimates to as much as \$1.2 billion. Corpus Christi had already borrowed about \$235 million from the state and spent about \$50 million on the project.



└ The latest drought has coincided with an industrial boom that is sucking up the shrinking reserves.

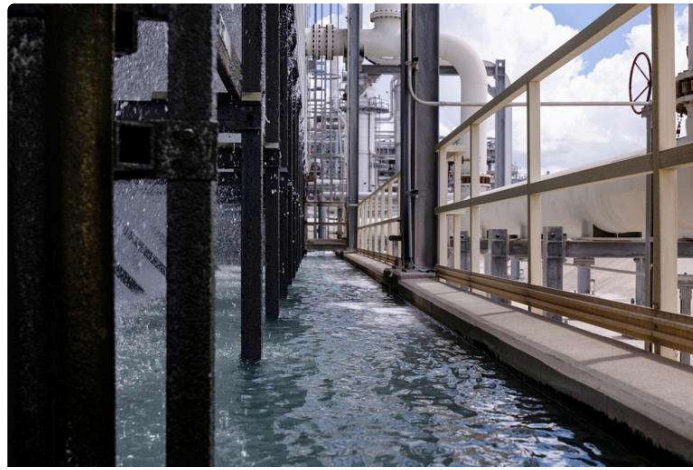
Sylvia Campos, a council member who opposed the plant, said it wouldn't have been built in time to spare the city a shortage. She said it would benefit large energy companies at the expense of residents, even as the city got little in return for hosting the facilities. "Once desalination is completed, then there's no way of stopping industry," she said.

People in favor of desalination say the region will struggle to woo businesses unless it fixes its water woes with drought-proof solutions. They say the energy industry supports tens of thousands of local jobs and provides millions of dollars in tax revenue.

"We're going after all these great things, only to like, shoot ourselves in the foot," said Denise Villalobos, a Republican state representative for Texas' 34th district, which covers parts of Corpus Christi. Villalobos, who works for refiner Flint Hills Resources, said she is aware of several companies considering opening plants in the region that are now hesitant.

Meanwhile, existing industrial customers are preparing for potential water cuts beginning in November 2026 when Corpus Christ currently forecasts it will face a water emergency. It hasn't rolled out the exact details of curtailment.

Among those gearing up is refiner Flint Hills. The Wichita, Kan.-based company operates two plants in Corpus Christi that together can process about 380,000 barrels of crude a day. The facilities manufacture gasoline, diesel and jet fuel, which they supply to regional airports and markets around Texas.



└ A cooling tower at the Flint Hills West Plant in Corpus Christi, Texas.

The plants consume about 5.5 million gallons of raw and treated water every day to cool vessels, create heat and wash feedstock. Since 2010, their water intake has been reduced by 29% to about 0.55 barrel of water per barrel of crude, Flint Hills said last year. The company is exploring ways to further reduce and diversify its water resources.

For some industrial customers, water cuts could require the shutdown of at least some aspects of a facility's operations, said Jake Reint, a Flint Hills spokesman. He said this could reduce the production of fuels and put businesses at a significant competitive disadvantage.

Exxon, one of the largest industrial water users, is exploring alternative water sources in the event of a curtailment, a company spokeswoman said. She said its plant was designed to recycle water and that the company continually looks for ways to reduce its water use.

The prospect of cuts has city officials worried that some plants could shed workers. "It could mean that those jobs never come back, and it could mean that future jobs don't come here," said City Manager Peter Zaroni.

A number of companies are exploring drilling their own groundwater wells to offset potential curtailments, according to Molly, the former operating chief of the city's water utility. He said cuts would also affect the naval air base in Corpus Christi, which is one of the city's largest water customers. The Corpus Christi Army Depot, which repairs turbine engines and damaged aircraft, is a tenant on the base.

A public affairs officer for the base said it remains committed to water conservation efforts and looks for new technologies to reduce water use.

## Clock ticking

Corpus Christi is racing to build emergency projects and relieve pressure on the reservoirs. Just outside the city, it is pumping brackish groundwater from wells and discharging it into the Nueces River, which flows into a water treatment plant. At a second location further west, workers are busy drilling a dozen more wells in the scorching sun. Officials hope that the project will deliver about 28 million gallons of water a day within a year, which would only make up for some of the lost supplies from the reservoirs.



└ Corpus Christi is pumping brackish groundwater from wells and discharging it into the Nueces River.



└ Workers drilling a water well near the Nueces River late last month.

Longer term, the city is looking at piping groundwater from neighboring San Patricio County, but communities that rely on that supply are concerned. Corpus Christi is considering other groundwater projects, as well as participating in a proposed desalination project on land owned by the Port of Corpus Christi. All these ventures are likely years away, would cost in the hundreds of millions and raise all customers' water rates.

For now, some residents say they find themselves hoping for a hurricane that will fill up the reservoirs. They are trying to adapt to restrictions on lawn watering that the city imposed in December.

On a recent weekday, five trucks were lined up outside the city's Oso Wastewater Treatment Plant to pick up free reclaimed water that can be used to water yards. Robert Peña, a 62-year-old retiree, stood on the bed of his truck in nearly 100-degree heat and started filling five 300-gallon tanks. He said he charges neighbors \$200 to deliver the water to account for the roughly seven hours it sometimes takes him to wait in line and to fill up—and pay for his gas.

"I wish there was a better way," he said, wiping sweat off his eyebrows.

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