AXE·H20

City of Corpus Christi

A Reliable Water Future for Corpus Christi

A 30-YEAR WATER OFFTAKE AGREEMENT

Reliable Water. Strong Community.
Built for Today. Secured for Tomorrow.

CORPUS CHRISTI • TEXAS COASTAL BEND

AXE·H2O

Corpus Christi City Council Motion

May 5, 2026 | Public Brief

★ A TEXAN RESPONSE • NATIONAL EMERGENCY

Authorize negotiations for a 30-year water offtake agreement.

Motion to authorize City Staff to negotiate with AXE-H_2O to develop a long-term water sale agreement for freshwater produced and treated for Corpus Christi.

150 MGD

Freshwater capacity target

CORPUS CHRISTI • TEXAS COASTAL BEND

DELIVERED SOLUTION

A privately funded, large-scale freshwater system:

- Seawater desalination (SWRO)
- Dedicated off-grid clean power
- Rapid deployment, lower risk
- Built for regional resilience

TERMS THAT MATTER

No upfront reservation fee
A water offtake agreement, not a fee-heavy procurement.

50–150 MGD first choice
Corpus Christi Water selects allocation before others.

Municipal priority in emergencies
Residential water use receives first priority if emergencies are declared.

Project finance certainty
Industrial/commercial offtakes fill remaining capacity and are not reallocated after signing.

210% demand signal
Estimated stakeholder demand exceeds a single 150 MGD plant.

COUNCIL ACTION REQUESTED

Authorize City Staff to collaborate and negotiate a water offtake agreement with AXE·H_2O.

AXE·H2O

Texans Leading a Solution for Texas

CEO — Maj Gen (ret) Matt Burger

Retired USAF Major General and Command Rescue Pilot. Oversaw $176B in Pentagon budget allocation. Proven COO for a cutting-edge AI and Decision Intelligence corporation. Brings unmatched program management discipline and large-scale infrastructure delivery expertise to AXE·H_2O.

CTO — Thiago Campos, MBA

Chemical Engineer, Rice MBA. Corpus Christi resident and business owner, with over 20 years of experience in Chemical, Petrochemical and Pharmaceutical industrial processes with expertise in water treatment.

Chairman — Maj Gen (ret) John M. Olson, PhD

Serial Entrepreneur with multiple Chairman, CEO, and Executive roles in public and private industry. Retired USAF Major General. White House and NASA Senior Executive. Pioneer in AI and data architecture and Physical AI Development.

AXE·H2O

Delivering a Responsive, Reliable, and Affordable Military-grade Water Solution for Corpus Christi & Coastal Bend Texas

Largest Volume (from Sea Water Reverse Osmosis {SWRO}) | Lowest Cost | Fastest Delivery | Best Environmentally

90 Megawatt (90 MW) Clean, Quiet, Low-Cost Power

Resilient Dedicated/Standalone Clean, Quiet Microgrid Natural Gas Power

150 Million Gallons/Day (150 MGD) SWRO Water

Drought-Proof Water Supply with Proven Technology Provider Partnerships

Critical Minerals Recovery for Cost & Environment

Lithium / Magnesium / Strontium / Bromide / Salt

Advanced Technology and AI-enabled Optimization

Physical AI Development (PAID) & Digital Twin for Optimized Operations

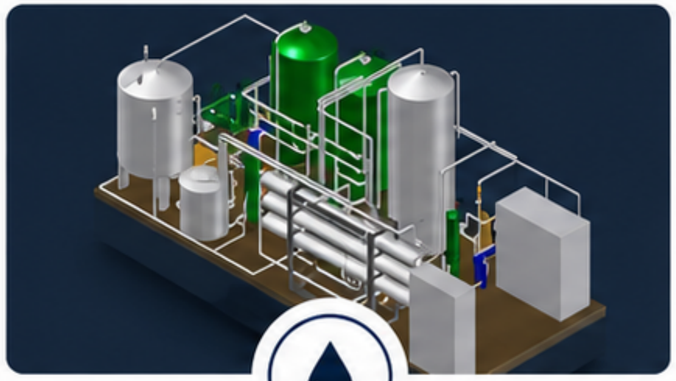
Go Big in Texas: This Will Be the Largest, Most Efficient, and Most Reliable Sea Water Desalination Plant in the United States

AXE·H2O | Business Approach: Offtake Sales, Private Funding

PROJECT SUMMARY:
Largest Volume, Fastest Start, Lowest Cost, Most Reliable
Best Environmental Sea Water Reverse Osmosis (SWRO) Solution in USA

PARAMETER	VALUE
Plant Capacity	150 MGD/568,000 m^3/day — largest SWRO in the United States: **150 MGD Available**
Total Project Investment	~$1.3 billion in Private Debt and Equity Financing Underwritten by Water Offtake Agreements, collateralized by Power & Water plants. Strong Interest: Internal Rate of Return & Vital Demand
Funding Source	Fully private capital: Equity and Debt Financing (Senior and Mezzanine Debt Financing): Initially secured pending action.
Water Price	$6.50 per Thousand gallons with Annual Consumer Price Index (CPI) adjustment
Contract Term	30 year Period, Extendable. Power Plant Design Life: 30 Yrs w/10yr Major Overhauls
Customer Base	Municipal (CC, Counties, Bay Area, Coastal Bend, San Antonio, Austin), Agriculture/Ranching, and Industrial Offtake Customers (Refineries, plastics, LNG, petrochemical)
Regulatory/Policy Timelines	Leverages Federal, State, Local, Existing Policies and FAST41 timelines
Construction Timeline	Launches w/Offtake Agreements & Funds → 24 months to first water
Power	Dedicated 90MW natural gas microgrid. No ERCOT. Secure, Clean, Quiet, Reliable
Intake / Outflow	Deep-sea inflow/outflow, 3 mi offshore into Gulf (8.31 mi total), Use Current Engr Work

AXE·H2O | Full Water System Solution: Integrated Capability



150 MGD Seawater Reverse Osmosis (SWRO)

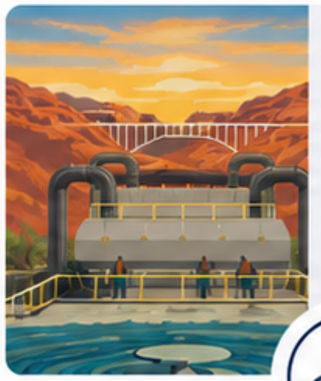
Utility-grade reliability, drought-proof by design. Seawater is an unlimited, climate-independent source. Will use proven, best-in-world, design/plants.

acwa

IDE Technologies

acciona

BUSINESS AS UNUSUAL



CRM RECOVERY | CRITICAL RAW MATERIAL

Critical Minerals Recovery for Cost & Environmental Benefits

Capture of Lithium, Bromine, Strontium, and Magnesium from concentrate streams using heat from power generation.

ELEMENT3

Physical AI Development & Operational Optimization

Advanced Technology and Physical AI enables radical transparency for development and real-time Command Center ops monitoring and predictive maintenance across all critical systems.

Outcome.

AXE·H2O

Dedicated Power — 90 MW of Reliable, Secure, Low-Cost, Clean, Quiet, Available, Proven Power

99.49% Reliability

Dedicated/Standalone 90 MW natural gas power microgrid eliminates grid dependency and system outage risk.

Low-Cost Abundant Fuel

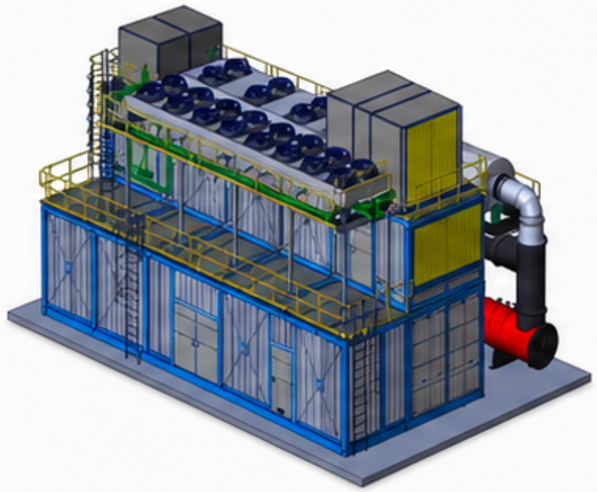
Locally abundant natural gas powers the facility at reduced energy rates = win-win.

Clean, Quiet, Proven, Modular for Rapid Start

Proven Natural Gas Generators with a 30-year lifetime that are modular, reliable, and responsive to the aggressive need timelines.

RSE America

CAT RSE



Proven Natural Gas Generators

Modular Design & Scalable

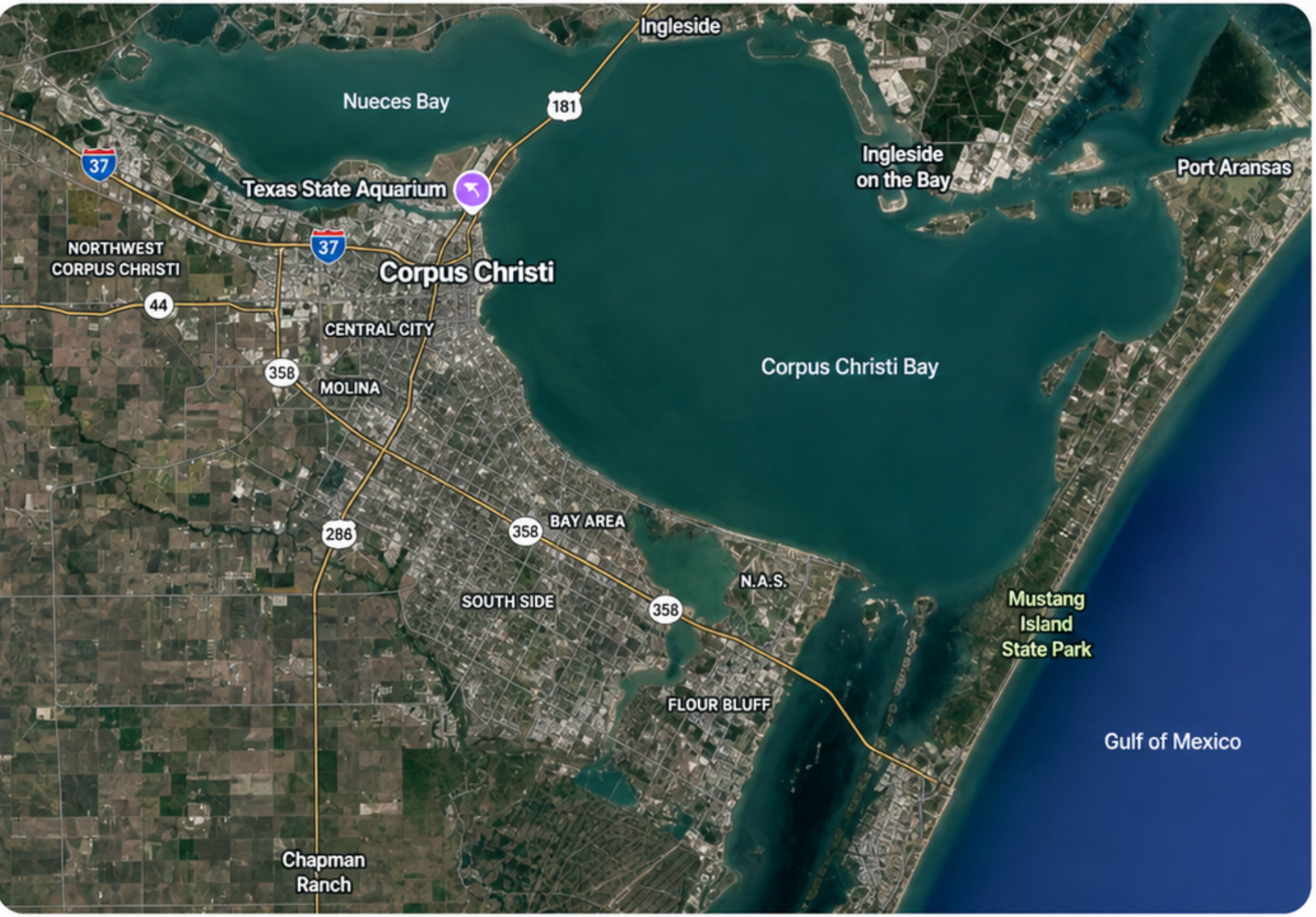
Dedicated 90 MW Microgrid

Secure, Resilient Infrastructure

Quiet Operation & Low Emissions

Rapid Deployment & Proven Performance

AXE·H2O | Potential Siting: Area

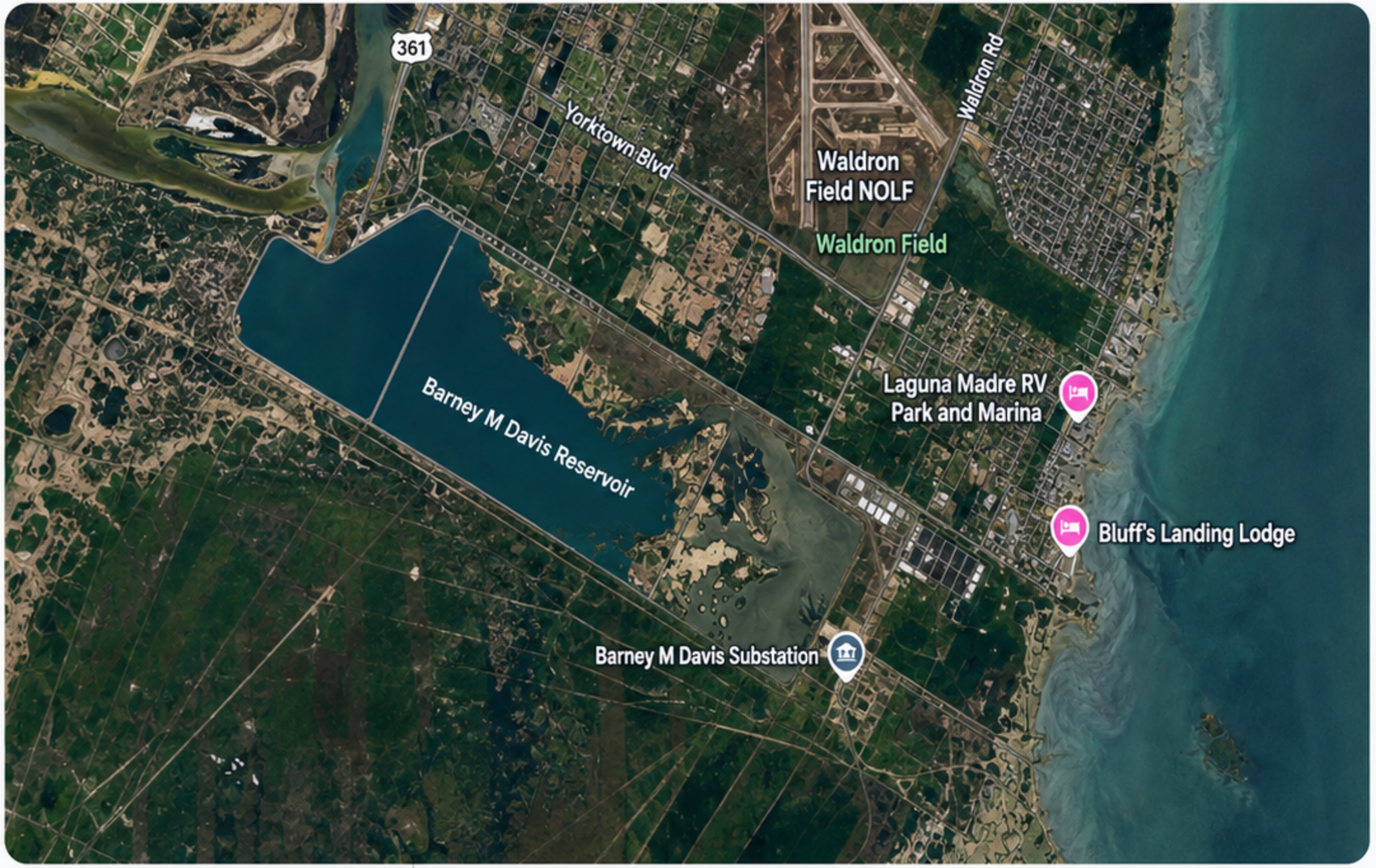


STRATEGIC LOCATION

- Near existing infrastructure and industrial corridor
- Deep water access and open ocean proximity
- Ideal for large-scale, long-term operations

AXE·H2O

Potential Siting: 2 Locations (BMD Plant, Land)



STRATEGIC ADVANTAGES

- Proximity to BMD Plant infrastructure and existing utilities
- Coastal access for intake/outfall and logistics
- Ideal for secure, long-term industrial operations

SITE OVERVIEW

1 BMD PLANT SITE
Adjacent to BMD Plant. Ideal for water intake/outfall and infrastructure integration.

2 LAND SITE
Nearby industrial land available for critical minerals recovery & support facilities.

AXE·H2O | Potential Siting: Close-up

STRATEGIC CLOSE-UP

- Adjacent to Barney Davis Power Plant infrastructure
- Immediate proximity to Bluff's Landing marine terminal
- Ideal for secure, integrated development and operations

AXE·H2O

How We Go Fast: Law & Policy Approval Pathways

ACTIVATED AUTHORITIES. PROVEN PRECEDENT. ACCELERATED TIMELINES.

FEDERAL

Federal Support and Approvals — Emergency Authorities Already Active

The legal architecture for speed already exists, is already activated, and has direct precedent. President Trump declared a US National Energy Emergency on 22 Jan 2026 and directed that all Federal Departments and Agencies will provide fast-tracked/expedited approvals for all projects $1B and above (between 8 and 21 days plus 7 additional days for nuclear projects) as related to the national energy emergency and other Presidential initiatives. The AXE H2O project will also require similar State and Local support for other fast-tracked authorities already in use.

STATE

State Approvals — Emergency Authorities Already Active

- **Governor's §418.016 Waiver (LIVE).** On approximately March 17, 2026, Governor Abbott waived regulations allowing TCEQ to issue temporary water permits on an expedited basis. The drought disaster proclamation covering Nueces County was renewed March 18, 2026 — the 44th consecutive monthly renewal. Three consecutive legislative attempts to limit this authority (SB 871) failed — confirming legislative acquiescence.
- **TCEQ §5.501 Emergency Authority (BEING INVOKED).** The City of Corpus Christi has applied to TCEQ for a §5.501 emergency order for the Eastern Well Field — a live invocation of emergency authority in the same geographic and crisis context.
- **TWC Chapter 18 / 30 TAC §318.22.** Because the intake is 3+ miles offshore with TDS ≥20,000 mg/L, no water rights permit is required (TWC §18.003(b)). Discharge qualifies for the Subchapter C 30-business-day expedited review — compared to the 5+ years the Inner Harbor TPDES permit has required.

FAST-TRACK

Federal Approvals — Precedent-Backed Acceleration

- **FAST-41 + Harbor Island Precedent.** Harbor Island — same geography, same USACE Galveston District — completed NEPA review in ~8 months under FAST-41 with all 8 concurrent federal reviews completed within that window. Harbor Island used an EA, not a full EIS.
- **BUILDER Act Backstop.** Should USACE require an EIS, the BUILDER Act's Section 112 imposes a statutory 1-year deadline. Conservative EIS estimate: 14–18 months.

EMERGENCY APPROVALS TIMELINE

8–21 DAYS

as stated for emergencies by President Trump

EXPEDITED STATE REVIEW

30 BUSINESS DAYS

TCEQ expedited review under Subchapter C

BACKSTOP PROTECTIONS

1 YEAR

BUILDER Act statutory deadline if an EIS is required

Note: Timelines reflect emergency authorities already activated and precedent-backed acceleration.

AXE•H2O

Smart Option 1: Establish a Corpus Christi Defense Base Development Authority (DBDA)

Local Government Code Chapter 379B

AUTHORITY DEFINITION

Allows for the creation of a DBDA—a political subdivision with specialized powers designed for military-related redevelopment.

TEXAS CONSTITUTION AND STATUTES

DBDAs are created under Chapter 379B of the Local Government Code and supported by the Texas Constitution and related statutes.

AUTHORITIES AND BENEFITS

Financial:
Tax exemption on property/operations and independent revenue bond authority.

Legal/Operational:
Additional legal enhancements and commissioning of peace officers for security.

PROVEN PRECEDENT: 3 SITES CURRENTLY EXIST

Currently utilized by major Texas entities:

1. Port of San Antonio
2. Brooks–City Base
3. Chase Field

CCAD
CORPUS CHRISTI ARMY DEPOT

NAS CORPUS CHRISTI, TEX

STRATEGIC APPLICATION:

Critical water infrastructure directly supporting & partnering with Corpus Christi Army Depot (CCAD) and NAS Corpus Christi to synergize the largest employers in the region and secure water for economic, health, environmental, and national security.

MANDATORY REQUIREMENT
Requires a formal City of Corpus Christi ordinance; Project cannot attain this designation unilaterally.

AXE·H2O

Smart Option 2: Build Two 150 MGD Water Plants Co-located for Speed, Scale, Superior Efficiency

San Antonio and Austin BOTH Have Significant Water Demand

Each city forecasted to have a ~75 MGD demand for an overall demand that matches the 150 MGD capacity of one plant.

Leverage Policy, Permitting, Planning, Program Management, and Performance Optimization from building a 2-Plant Mega-Project.

Authorities and Benefits

Financial:
All Underwriting, Capital Cost, Debt Financing, Equity Availability, Schedule & Equipment Availability Issues are Addressed and Improved: Decision Needed Early to Enable

Policy/Environmental/Legal/Operational:
Leverages Federal, State, Regional & Local Opportunities and reduces overall burden from multiple different projects.

Proven Precedent: Synergies with San Antonio CPS and SAWS

INTERSTATE 37

Interstate I-37 Median Corridor Creates Viable Water Pipeline Opportunity for Abundant Water

1. Minimal to No Easement Issues
2. Viable Terrain and Easy Access
3. Existing Commerce Corridor

CPS ENERGY

SAWS San Antonio Water System

CITY OF AUSTIN · FOUNDED 1839 ·

Strategic Application:
Critical water infrastructure directly supporting & partnering with San Antonio and Austin to synergize the largest cities in the region and enduringly and affordably secure water for economic, health, environmental, and national security in Texas and the USA.

**ONE PROJECT
TWO PLANTS
150 MGD EACH**

→ TWO MAJOR CITIES STRONGER TOGETHER → SECURE WATER STRONGER FUTURE

Mandatory Requirement
Requires a formal City of San Antonio and City of Austin engagement; Project must achieve multi-lateral support and approval.