



CITY OF REDWATER, TEXAS
CAPITAL IMPROVEMENT & COMMUNITY DEVELOPMENT PLAN
FISCAL YEARS 2027–2036

Adopted by Resolution No. R-26-03-24 on October 15, 2026

CITY OF REDWATER, TEXAS CAPITAL IMPROVEMENT & COMMUNITY DEVELOPMENT PLAN

SECTION 1. PURPOSE AND AUTHORITY

1.1 Purpose. This Plan brings together the City of Redwater's infrastructure and community development priorities. It ranks projects by need, public health and regulatory urgency, and readiness, and matches each project to realistic local, state, and federal funding sources. The Plan guides budgeting, grant and loan applications, and coordination with regional and state partners.

1.2 Planning horizon. The Plan covers FY 2027 (beginning October 1, 2026) through FY 2036 (ending September 30, 2036):

- Short-term: years 1–2
- Mid-term: years 3–5
- Long-term: years 6–10

1.3 Partners. The City prepared this Plan with the Ark-Tex Council of Governments (ATCOG) and the Redwater Industrial Development Corporation (RIDC). Under an Interlocal Agreement for September 1, 2026, through December 31, 2028, ATCOG provides planning and grant application assistance to the City and RIDC.

The Plan is intended to align with the programs of:

- Texas Department of Agriculture (TDA), Texas Community Development Block Grant Program (TxCDBG)
- Texas Water Development Board (TWDB)
- Texas Commission on Environmental Quality (TCEQ)
- Texas Department of Transportation (TxDOT), Atlanta District
- USDA Rural Development
- U.S. Economic Development Administration (EDA)
- Texas Division of Emergency Management (TDEM) and FEMA
- North East Texas Economic Development District (NETEDD)
- Riverbend Water Resources District
- Bowie County

1.4 Relationship to other plans. This Plan is consistent with, and incorporates by reference, the following:

- The Bowie County Multi-Jurisdiction Hazard Mitigation Action Plan (2023 Update and any later updates). FEMA approved the 2023 Update on January 19, 2023, and it is effective through January 18, 2028. The City of Redwater is an approved participating jurisdiction.
- The NETEDD 2023–2028 Comprehensive Economic Development Strategy (CEDS), as updated June 25, 2026, and the new CEDS in development for adoption beginning in 2027.

- ATCOG's 2027 Regional Project Priorities for the TxCDBG Community Development Fund, adopted June 25, 2026.
- The City's Citizen Participation Plan, adopted October 15, 2026.
- The City's Water Conservation Plan (adopted July 27, 2026) and Drought Contingency Plan (adopted July 27, 2026). The Drought Contingency Plan substantially addresses Drought Action #1 of the Bowie County Hazard Mitigation Action Plan.
- Ordinance 26-23-43, establishing water and sewer service rules, fees, and rates. Beginning with October 2027 billing, rates adjust each year by the Consumer Price Index, capped at 3%, unless the City Council sets a different rate by ordinance. The City reviews rates each year against its purchased water costs from Texarkana Water Utilities (TWU) and Riverbend.
- The City's annual budget and audited financial statements.

SECTION 2. COMMUNITY PROFILE

2.1 Location and government. Redwater is a Type A general-law city with a council-mayor form of government. It is in southeastern Bowie County, about twelve miles southwest of Texarkana, in the Texarkana metropolitan area. The City was incorporated in 1989. The Red River Army Depot and TexAmericas Center, which is redeveloping former Army property, lie just north of the City and are major regional employment centers.

2.2 Population and service area.

Population. Redwater's population was 853 in the 2020 Census, a 19.3% decline from 1,057 in 2010. The 2020 Census counted 332 households and 389 housing units, of which 14.7% were vacant. The population has been stable since then: the Texas Demographic Center estimated 856 residents as of January 1, 2024.

The American Community Survey (2020–2024) estimates 747 residents, with a margin of error of ± 241 . TDA uses this figure for the 2027–2028 TxCDBG application. Because the survey is a sample, the City treats the 2020 Census count and annual state estimates as the better measure of total population.

Service area. The City's water system (Public Water System TX0190008) covers 13.89 square miles and serves 1,445 active connections (October 2026, City billing records) or an estimated 4,335 people at three people per connection. Roughly three of every four connections are outside the city limits. Sewer service is provided inside the City only, with very few exceptions.

2.3 Income and utility affordability.

- Median household income: \$49,167 (ACS 2020–2024; margin of error $\pm \$25,689$)
- Per capita income: \$26,447 ($\pm \$5,405$)
- Residents below the poverty level: 20.7%

Because the margins of error are large, the City will use HUD low- and moderate-income data by block group, or a TDA-approved income survey, where a program requires it.

Beginning with October 2026 billing (Ordinance 26-23-43), a residential customer inside the City using 5,000 gallons a month pays:

- Water: \$80.05
- Sewer: \$43.80
- Total: \$123.85 a month or about \$1,486 a year. That is roughly 3.0% of median household income.

Residential customers outside the City pay the same water rates. Where sewer service is provided outside the City, the sewer charge at 5,000 gallons is \$48.80, for a total of \$128.85 a month. Residential sewer charges are based on water use up to 15,000 gallons a month.

Beginning with October 2027 billing, rates adjust each year by the Consumer Price Index, capped at 3% a year. About 87 of the City's 184 homestead accounts carry an over-65 or disability tax ceiling, meaning a significant share of homeowners live on fixed incomes.

2.4 Economy and tax base.

- 2026 certified market value: \$108.1 million, of which \$46.8 million (43%) is fully exempt property.
- Limit-adjusted taxable value: \$39.2 million.
- Tax rate: \$0.198056 per \$100. The FY 2027 budget will raise \$9,671 (11.35%) more in total property taxes than the prior year's budget; \$1,974 of that comes from new property added to the tax roll this year.
- Taxable property: 300 single-family parcels, 62 mobile homes, 16 multifamily parcels, 23 commercial parcels, and 2 industrial parcels.
- FY2025 sales tax: \$66,923 to the City and \$32,927 to RIDC.

Census tracts, Opportunity Zone, and EDA distress:

- The City includes portions of Census Tracts 114.02, 114.03, and 114.04.
- HUD's Low- and Moderate-Income Summary Data show that Tract 114.04 is the only one of these with a low- and moderate-income majority at 57.90%.
- All of the City lies within a federal Opportunity Zone (Census Tract 48037011401, 2010 tract boundaries) under the 2018 designations, effective through December 31, 2028. As of this writing, it is not confirmed whether the tract is a rural Opportunity Zone under Treasury Notice 2025-50.
- Bowie County's per capita personal income is 73.7% of the national average (NETEDD CEDS, 2026 update), which meets EDA's income criterion for economic distress.

The Redwater Industrial Development Corporation was created May 12, 1999, under the Development Corporation Act of 1979. It is funded by a voter-approved local sales tax and is a Type B corporation. RIDC owns 48.62 acres in the City, appraised (2026) at \$314,148: three properties on Commercial Park Road, two on Pipes Lane, and one on FM 991.

2.5 Financial capacity. The City received an unmodified audit opinion for FY2025 with no findings (Wilf & Henderson, P.C., report dated March 23, 2026).

- General Fund: unassigned fund balance of \$389,271.
- Capital Projects Fund: \$256,406 committed to capital improvements.
- Water and sewer system:
 - Accumulated depreciation equals about 69% of the system's total capital asset cost (70% of the sewer system and 68% of lines and storage).
 - Purchased water was about 49% of FY2025 water and sewer billings.
 - Operating costs before depreciation exceeded operating revenue by \$138,517, and the fund's net position fell by \$427,913.
 - Outstanding utility debt is \$1,338,297, including revenue bonds maturing in 2043.
- Rates: Ordinance 26-23-43 replaced the City's prior rate ordinance, set new rates effective with October 2026 billing, and added an annual inflation adjustment, so that rates cover debt service, operation and maintenance, and system upgrades.

SECTION 3. PUBLIC PARTICIPATION

3.1 The City gave residents opportunities to comment on community needs and this Plan through:

- A public hearing before the City Council on October 15, 2026
- Notice published in the Bowie County Citizens Tribune on October 12, 2026
- Posting of the notice (October 7, 2026) and draft Plan at City Hall and on redwatertexas.com

3.2 The City will follow its Citizen Participation Plan, adopted October 15, 2026, for all TxCDBG applications, amendments, and performance reviews, and for other programs that require public participation.

3.3 Residents may comment on this Plan at any time by contacting the City Administrator at lorenm@redwatertexas.com.

SECTION 4. EXISTING CONDITIONS AND IDENTIFIED NEEDS

4.1 Water system

- Supply: The City distributes treated water it buys under its contract with Texarkana Water Utilities (TWU) and as a member of the Riverbend Water Resources District. Its supply contract helps support Riverbend's new regional water treatment plant. In 2025 the City purchased 134.2 million gallons, ranging from 8.2 million gallons in March to 14.6 million gallons in August.
- System: The distribution system was first installed in 1972. Lines and storage are about 68% depreciated. The City is upgrading to automated (AMI) metering, and a leak detection audit is done system-wide every three years.

- Water loss: In 2025 the City billed 66.3 million gallons, about 49% of the water it purchased. The remaining 51% was lost to leaks, unbilled use, or metering and billing differences.
- Storage: The system has a total of 180,000 gallons of storage. TCEQ rules (30 TAC Chapter 290) require 391,200 gallons.
- Condition: Water lines in the southeast area (Church, Pine, Oak, Hickory, and Ware Streets) are old, deteriorated steel lines serving about 92 connections. Lines on Kruse Lane in the northwest area, serving about 10 connections, are leaking and deteriorated.
- Mapping: The City lacks complete, accurate mapping of its water lines, valves, and hydrants. This slows repairs, line locates, and project design.
- Fire protection: A number of fire hydrants are inoperable, outdated, or improperly spaced. This affects fire protection and may affect insurance ratings. The City will complete a hydrant inventory as part of its GIS mapping (Priority 2).
- Need: A new elevated storage tank, phased water line replacement to reduce water loss, GIS mapping, line-locating capability, and hydrant repair and replacement.

4.2 Wastewater collection and treatment

- Treatment: The wastewater treatment plant (built 1991, fair condition) is operating at 90% or more of its permitted capacity and needs rehabilitation and upgrades. The sewer system is about 70% depreciated.
- Collection system: Pumps are failing at three lift stations in the northwest area (Old Hickory Road off Longhorn Road). Old brick manholes on Ware Street are sinking and leaking, causing inflow at the plant. Sewer lines in the southeast area are in the middle of the road and need to be moved to easements. The City is completing the Jones Street sewer improvements with American Rescue Plan Act funds (which must be spent by December 31, 2026) and local funds.
- Regulatory status: The City is actively pursuing full compliance with TCEQ requirements and is actively seeking available funding for system upgrades. Maintaining full, long-term compliance is the City's highest priority.
- Funding status: The City's Wastewater Treatment Plant Improvements project (Project Information Form 17560) received 136 points in TWDB's Clean Water State Revolving Fund rating for State Fiscal Year 2027, the fourth-highest rating of 233 projects. On October 6, 2026, TWDB invited the City to apply, with an eligible project cost of \$8,545,300. The project is eligible for principal forgiveness in an amount TWDB will set after reviewing the application. The City qualifies as a disadvantaged community under the program.
- Need: Treatment plant rehabilitation and upgrade, lift station pump replacement, manhole replacement, and sewer line relocation.

4.3 Streets and drainage

- Streets: Streets needing reconstruction include Shields, Jones, Taylor, Fagan, Cotton Ford, Firehouse, Elm, Pine, Oak, Ware, Spencer, and Kruse Lane. With a limited General Fund, street spending has been small (\$5,076 in FY2025).
- Drainage: Poor drainage in the central area around Commercial Park Road causes flooding.

- Need: A street condition inventory, a dedicated annual repair program, phased reconstruction coordinated with utility work, and drainage improvements.

4.4 Economic development

- Condition: The City has a small commercial base (23 commercial and 2 industrial parcels) and a limited tax base.
- Need: Attract businesses and jobs, grow sales and property tax revenue, prepare RIDC-owned land for development, and make sure water, sewer, and street capacity can serve new development.

4.5 Community facilities and neighborhoods

- Dilapidated structures: Roughly 10 vacant, unsafe structures endanger residents and contribute to blight.
- Parks: Park and recreational facilities are aging.
- Community center: The community lacks a facility for community programs and local events.
- City Hall and public safety: The current City Hall site is needed for a new road from U.S. Highway 67 to RIDC-owned land for development. The City owns an alternate site. The City has no police department or municipal court in operation; law enforcement is provided by the Bowie County Sheriff's Office, emergency medical service by LifeNet, and fire protection by the Redwater Volunteer Fire Department. The City has no facility where these services can be jointly based in Redwater.
- Planning: The City lacks a comprehensive plan and current zoning tools to guide growth.

4.6 Growth and annexation. The City is evaluating annexation of vacant areas within Census Tract 114.04, adjacent to the current city limits. Before proceeding, the City will:

- (a) confirm the area is contiguous and within the City's extraterritorial jurisdiction;
- (b) determine the consent method Chapter 43 of the Local Government Code requires (landowner request or petition/election for populated areas);
- (c) estimate the cost of providing water, sewer, streets, and other services, which must be committed in a written services agreement or services resolution;
- (d) offer development agreements where Section 43.016 requires them; and
- (e) time the annexation so it does not complicate pending grant applications.

After annexation, the City will update this Plan's maps and population figures and ask that the area be included in the Bowie County Hazard Mitigation Plan.

SECTION 5. GOALS

Goal 1. Protect public health and maintain full regulatory compliance for the City's wastewater and water systems.

Goal 2. Provide reliable water service and adequate fire protection through storage, system replacement, mapping, and hydrant improvements.

Goal 3. Maintain a safe, drivable street network with adequate drainage.

Goal 4. Expand the local economy, population, and tax base by attracting businesses and jobs and through planned growth.

Goal 5. Keep the water and sewer utility financially sustainable and rates affordable through grants, principal forgiveness, and cost-based rates.

Goal 6. Manage all public funds and awards with sound controls and in full compliance with program rules.

Goal 7. Improve neighborhoods and community facilities.

SECTION 6. CAPITAL PROJECT LIST AND PRIORITIES

Projects are ranked by:

1. Public health and regulatory urgency
2. Residents benefited, especially low- and moderate-income residents
3. Project readiness
4. Availability of outside funding
5. Cost to the City

TxCDBG activity codes are shown in parentheses. Cost estimates are planning-level figures and will be refined by the City's engineer before any application.

PRIORITY 1: Wastewater Treatment Plant and Collection System (03J)

- Description: Rehabilitate and upgrade the treatment plant to meet TCEQ permit requirements and provide capacity for future development. Related collection system work includes lift station pump replacement at three stations, manhole replacement on Ware Street, and relocation of sewer lines in the southeast area.
- Estimated cost: \$8,545,300 for the treatment plant (planning \$667,000; acquisition \$100,000; design \$615,000; construction \$7,163,300), from the City's TWDB Project Information Form 17560.
- Readiness: Invited by TWDB to apply (October 6, 2026). Intent to Apply form due November 6, 2026; application due December 7, 2026. The project includes preparing an asset management plan.
- Primary funding: TWDB Clean Water SRF, State Fiscal Year 2027, with principal forgiveness in an amount to be set by TWDB
- Secondary funding: USDA Rural Development Water and Waste Disposal loans and grants; Texas Water Fund programs as they become available; TxCDBG for collection system work in qualifying low- and moderate-income areas
- Schedule: Application in 2026; planning, acquisition, and design in the short- and mid-term; construction October 2030 to October 2031

PRIORITY 1B: Elevated Storage Tank (03J)

- Description: Build a new 211,000-gallon elevated storage tank, with appurtenant yard piping to connect to the existing distribution system, on a half-acre site next to the existing tank site, to supplement the existing storage and meet TCEQ requirements.
- Estimated cost: \$4,401,000 (Pape-Dawson Engineers)

- Status: Application submitted to TWDB's Water Supply and Infrastructure Grant program (July 2026), pending. The program is 100% grant with no local match.
- Secondary funding: TWDB Drinking Water SRF; USDA Rural Development
- Schedule: Commitment expected fall 2026 to summer 2027; construction to be completed no later than January 31, 2031

PRIORITY 2: Water System GIS Mapping and Line Locating

- Description: Build a GIS map of all water mains, valves, meters, and hydrants, including a hydrant condition inventory, and acquire line-locating equipment and training. This supports design and asset management for Priority 3.
- Estimated cost: \$100,000
- Funding: TWDB SRF planning and asset management assistance; USDA predevelopment planning grant (if income-eligible); City utility funds; ATCOG technical assistance
- Schedule: Short-term

PRIORITY 3: Water Line and Fire Hydrant Replacement (03J)

- Description: Phased replacement of deteriorated and undersized mains, with new hydrants and valves in each phase. Replacing these lines is the City's main strategy for reducing water loss.
 - Phase 1: Southeast area (Church, Pine, Oak, Hickory, and Ware Streets), about 92 connections, subject to confirmation that the area is in qualifying low- and moderate-income block groups.
 - Phase 2: Kruse Lane and other areas, with hydrant replacement citywide.
- Estimated cost: Phase 1 \$250,000; Phase 2 \$500,000
- Primary funding: TxCDBG Community Development Fund, 2027–2028 cycle (Phase 1); TWDB Drinking Water SRF; TWDB Rural Water Assistance Fund
- Secondary funding: USDA Rural Development; City funds for match
- Schedule: Phase 1 short-term; Phase 2 mid-term

PRIORITY 4: Street and Drainage Improvements (03K, 03I)

- Description: Complete a street condition inventory. Then carry out annual pothole and pavement repair, phased street reconstruction, and drainage improvements, including the central area around Commercial Park Road and Hazard Mitigation Flood Action #1. Where possible, streets will be rebuilt after utility work on the same streets, beginning with Pine, Oak, and Ware Streets and Kruse Lane.
- Estimated cost: \$30,000 a year for maintenance; \$50,000 for reconstruction
- Primary funding: General Fund and Capital Projects Fund
- Secondary funding:
 - TxCDBG street and drainage improvements in eligible low- and moderate-income residential areas, including as part of the 2027–2028 application
 - TxDOT Transportation Alternatives, for sidewalks and pedestrian safety only

- A voter-approved street maintenance sales tax, if the City's combined local sales tax rate leaves room
- Schedule: Maintenance ongoing; reconstruction short- to mid-term

PRIORITY 5: Economic Development Infrastructure and Business Recruitment (18A)

- Lead: City of Redwater and RIDC with ATCOG/NETEDD technical assistance
- Description: Prepare RIDC-owned land on Commercial Park Road, Pipes Lane, and FM 991, and other sites, for business development. Extend water, sewer, and street access where needed. Market the City to employers and suppliers linked to TexAmericas Center and the Texarkana region.
- Estimated cost: \$500,000
- Primary funding: EDA Public Works program (job-creating infrastructure; applications accepted on a rolling basis under EDA's current funding notice). This priority is consistent with:
 - CEDS Goal 4 (underutilized properties)
 - CEDS Goal 6 (infrastructure for commercial and industrial growth)
 - CEDS Action Item 4 (upgrading aged water, sewer, and roadway infrastructure)
 The City will submit this project to the CEDS workgroup in October 2026.
- Other funding:
 - Texas Capital Fund (up to \$750,000), when a specific business commits to create or retain jobs primarily benefiting low- and moderate-income persons
 - USDA Rural Development business programs
 - Opportunity Zone status. The whole City is in a federal Opportunity Zone through December 31, 2028. The zone gives federal tax benefits to private investors and does not provide funds to the City. The City and RIDC will use it to market sites and existing buildings to investors.
- Local funding:
 - RIDC land, site readiness, and RIDC funds as available.
 - RIDC's sales tax revenue is about \$33,000 a year with about \$13,300 to \$13,900 a year in debt payments.
 - RIDC funds will be used consistent with Local Government Code Chapter 505.
 - RIDC resources will be committed only after RIDC has adopted purchasing and conflict-of-interest policies.
- Schedule: Site preparation short-term; infrastructure mid-term

PRIORITY 6: Street Expansions

- Description: Widen or extend streets, including a new road from U.S. Highway 67 to RIDC-owned industrial development land, to serve new development identified under Priority 5 or areas annexed under Section 4.6.
- Estimated cost: \$750,000
- Funding: EDA Public Works (if tied to jobs); TxDOT, if a state project is involved; developer participation; RIDC funds for business-serving streets; City funds
- Schedule: Mid- to long-term, triggered by development

PRIORITY 7: Hazard Mitigation Actions and Plan Update

- Current actions: The City's 18 mitigation actions in the 2023 Bowie County Hazard Mitigation Action Plan are incorporated by reference.
 - Five actions are rated High priority: Flood #1 (widen drainage ditches), Thunderstorm Winds #1 (public awareness campaign), Drought #1 (drought contingency plan, substantially addressed by the City's adopted Drought Contingency Plan), Extreme Heat #1 (fan drives for low-income and elderly residents), and Wildfire #2 (trash-burning education).
 - Emergency generators for critical facilities appear in five actions (Flood #2, Tornado #2, Thunderstorm Winds #2, Winter Storm #1, Hail #2), rated Medium.
- Plan update: The Bowie County plan expires January 18, 2028. The City will take part in the update coordinated by ATCOG and, subject to engineering review, will propose new actions for its critical infrastructure, including:
 - Backup power for the wastewater plant, lift stations, and water facilities
 - Flood protection for wastewater facilities
 - Drainage improvements in the central area around Commercial Park Road
 - Water system and hydrant improvements for fire suppression
 - A community safe room in a new City Hall and public safety facility (Priority 9)
- Funding: FEMA Hazard Mitigation Assistance (BRIC and future pre-disaster programs; HMGP after declared disasters) through TDEM; City funds for low-cost actions
- Schedule: Low-cost actions short-term; plan update participation 2026–2027; infrastructure actions as funding cycles open

PRIORITY 8: Clearance of Dilapidated Structures (04)

- Description: Identify and demolish dilapidated, unsafe structures, beginning in low- and moderate-income areas.
- Prerequisites: a substandard-building ordinance and legal process; owner notice or consent; environmental and historic review of each structure
- Estimated cost: \$150,000 (10 structures)
- Funding: TxCDBG (as part of a larger project); City funds; property liens to recover costs where state law allows
- Schedule: Inventory short-term; demolition as funding allows

PRIORITY 9: Parks, Community Facilities, and City Hall and Public Safety Facility (03F, 03E, 03O)

- Parks and community center: Improve City parks and recreational facilities and develop a multipurpose community center. The community center may not be used for general government functions.
- City Hall and public safety facility: Build a new City Hall on the alternate site the City owns with shared space for public safety partners: an office for a Bowie County Sheriff's deputy (unless the City establishes its own police department or city marshal), a crew post for the area's emergency medical service provider, and, if the department chooses,

space for the Redwater Volunteer Fire Department. A hardened room that doubles as a community storm shelter will be considered in design.

- Prerequisites:
 - Written confirmation from TxDOT of whether any state project affects the current City Hall site
 - Interlocal or lease agreements with the public safety partners
 - A space needs study and preliminary architectural report
 - A debt capacity review by the City's financial advisor
- Estimated cost: Parks \$25,000; community center \$250,000; City Hall and public safety facility \$1,000,000
- Funding:
 - USDA Rural Development Community Facilities loans and grants (City Hall, public safety space, and community center)
 - TxDOT functional replacement or right-of-way payment, only if a TxDOT project acquires the current City Hall site
 - Congressional Community Project Funding
 - FEMA hazard mitigation funds through TDEM for a community safe room
 - Lease payments and contributions from public safety partners
 - Texas Parks and Wildlife local park grants (parks)
 - TxCDBG in a later cycle for parks, the community center, and fire station space only. City Hall space is not eligible for TxCDBG.
- Operation and maintenance: The City will identify operation and maintenance funding before applying, since grant programs do not cover it.
- Schedule: Partner agreements and space needs study short-term; design and construction mid- to long-term

PRIORITY 10: Community Planning (20)

- Description: Prepare a comprehensive plan covering land use, zoning, housing and population, utilities, drainage, transportation, parks, and annexation.
- Estimated cost: \$75,000
- Funding: TxCDBG planning funds; ATCOG technical assistance
- Schedule: Short- to mid-term

SECTION 7. FUNDING STRATEGY

7.1 Sequencing. The City will pursue funding in this order:

- (a) Water storage- through the pending TWDB Water Supply and Infrastructure Grant application
- (b) Wastewater- through TWDB's Clean Water SRF using the City's current priority ranking
- (c) Water lines, hydrants, sewer, and streets in the southeast area- through the 2027–2028 TxCDBG Community Development Fund
- (d) Mapping and planning- through low-cost planning assistance
- (e) Streets, economic development, community facilities, and service to any annexed areas- in later cycles

The City will not apply to two programs for the same project component. It will use one program's funds as match for another only where program rules allow.

7.2 Match and local funds.

- Potential match sources:
 - The Capital Projects Fund committed to capital improvements
 - General Fund balance above the reserve the Council chooses to keep
 - Utility funds for eligible water and sewer work
 - RIDC funds and RIDC-owned land for business-site projects, as program rules allow
- Utility restricted funds (debt service reserves and customer deposits) are not available for match.
- The City will identify match sources in each annual budget.

7.3 Program requirements the City will maintain:

- A current Water Conservation Plan and Drought Contingency Plan, reviewed at least every five years (TWDB requires these for assistance over \$500,000)
- TWDB Water Use Survey responses for the prior three years
- An annual water loss audit and annual water conservation report
- Financial, managerial, and technical capacity documentation
- Water and sewer rates sufficient to cover operating costs and debt service, reviewed each year
- Compliance with the covenants on the City's existing debt, including debt held by TWDB
- Current federal registrations (SAM.gov/UEI)
- A Citizen Participation Plan and fair housing and civil rights compliance for TxCDBG
- Competitive procurement of professional and administrative services, consistent with state law and 2 CFR 200
- Annual independent audits

7.4 Grant administration.

- ATCOG assists the City with grant applications under the Interlocal Agreement between ATCOG, the City, and RIDC.
- For TxCDBG awards, the City will competitively procure grant administration services under the TxCDBG Project Implementation Manual or administer the grant with City staff.
- A firm or agency that takes part in discussions or decisions on a TxCDBG application will not be eligible for selection as grant administrator through that procurement.
- The City will confirm that any administrator paid from TxCDBG or match funds holds current TDA certification.
- Engineering and other professional services will be procured as the applicable program and state law require. The same firm will not perform both engineering and administration on one grant.

7.5 TxCDBG activity alignment. ATCOG's 2027 Regional Project Priorities (adopted June 25, 2026) place activities in three tiers. The City's needs fall as follows:

First Tier (50 points):

- 03J Water/Sewer Improvements (Priorities 1, 1B, and 3)
- 03K Street Improvements (Priority 4)
- 03I Flood Drainage Improvements (Priorities 4 and 7)
- 03H Solid Waste Disposal Improvements (no current need identified)

Third Tier (10 points):

- 04 Clearance and Demolition (Priority 8)
- 03F Parks and Recreational Facilities (Priority 9)
- 03E Neighborhood Facilities (Priority 9)
- 03O Fire Stations and Equipment (Priority 9)
- 20 Planning (Priority 10)
- 18A Economic Development Assistance to For-Profits (Priority 5)
- 03Z Other Eligible Public Improvements (as needed)

For the 2027–2028 Community Development Fund, the City will commit at least 51% of grant funds to First Tier activities and commit \$7,500 in matching funds. The City intends to apply for a First Tier project in the southeast area (water lines and fire hydrants, sewer line relocation and manholes, and street reconstruction) if the area is in qualifying low- and moderate-income block groups. The maximum grant is \$750,000.

SECTION 8. IMPLEMENTATION SCHEDULE

Years 1–2 (FY 2027–2028)

- Complete the Jones Street sewer improvements and spend all American Rescue Plan Act funds by December 31, 2026.
- Wastewater, TWDB Clean Water SRF:
 - Submit the Intent to Apply form by November 6, 2026.
 - Hold the required pre-application meeting with TWDB.
 - Submit the application by December 7, 2026.
 - Close the financing and begin planning.
- Complete any actions required by TCEQ for the wastewater system.
- Close the TWDB Water Supply and Infrastructure Grant if awarded; acquire the tank site; complete environmental review and design.
- TxCDBG 2027–2028:
 - Submit the Community Application by November 19, 2026.
 - If invited, hold the public hearing and submit basic project information by February 1, 2027.
 - If invited, competitively procure grant administration and engineering services in spring 2027.

- Submit the Project Application by June 1, 2027.
- Complete GIS mapping of the water system, including a hydrant inventory, and acquire line-locating capability.
- Complete the AMI metering upgrade.
- Complete a street condition inventory.
- Take part in the NETEDD CEDS workgroup (October 2026) and the 2027 CEDS.
- Take part in the Bowie County Hazard Mitigation Plan update, so an approved plan is in place before January 18, 2028, and report the status of the City's 18 mitigation actions.
- Complete an annexation feasibility review for the Tract 114.04 area, covering the consent method, service costs, and grant timing.
- Confirm RIDC has adopted purchasing and conflict-of-interest policies.
- Review water and sewer rates against costs each year.
- Prepare RIDC land and other business sites.
- Confirm the City's Opportunity Zone status for 2027 and after and use the zone in marketing RIDC land before the current designation ends December 31, 2028.
- Ask TxDOT to confirm whether any state project affects the current City Hall site.
- Seek written commitments from Bowie County, the emergency medical service provider, and the Redwater Volunteer Fire Department for space in a new City Hall and public safety facility.
- Request an eligibility and grant-level determination from USDA Rural Development.

Years 3–5 (FY 2029–2031)

- Complete wastewater acquisition and design; begin treatment plant construction (October 2030).
- Complete storage tank construction by January 31, 2031.
- Water line Phase 2.
- Continue street reconstruction.
- Pursue economic development infrastructure (EDA, Texas Capital Fund).
- Apply in the next TxCDBG cycle (2029–2030).
- Extend services to any annexed areas.

Years 6–10 (FY 2032–2036)

- Complete treatment plant construction (October 2031).
- Continue street reconstruction and expansions.
- Complete remaining water system upgrades.
- Parks, community center, and City Hall and public safety facility projects.
- Carry out hazard mitigation projects.
- Update this Plan.

SECTION 9. MONITORING, AMENDMENT, AND UPDATE

9.1 The City Administrator will report progress to the City Council at least once a year with the budget.

9.2 The City Council may amend the project list, priorities, schedule, or funding sources by resolution without re-adopting the entire Plan. This includes amendments to align with ATCOG's regional TxCDBG priorities.

9.3 The City will fully update this Plan at least every five years or sooner if major changes occur, including annexation.

9.4 When NETEDD adopts the new CEDS, the City will review this Plan and amend it by resolution if needed, so its economic development projects stay consistent with the CEDS.