

Zapata Co. WCID
Regular Board Meeting Minutes
Wednesday, August 26, 2026

Public Hearing on Proposed Tax Rate:

On August 26, 2026, at 10:00 a.m., at the office of the District, Vice-President Jesse A. Porras opened a public hearing pursuant to the Notice of Public Hearing on Proposed 2026 Tax Rate published in the August 13, 2026 edition of the Zapata County News and on the District's website. No members of the public appeared for the hearing. No comments were submitted by email, fax, or any other format. Directors present were Jesse A. Porras, Sergio Lozano, and Santiago Hernandez. It was noted that the proposed budget requires the tax rate for calendar year 2026 be \$0.39 per \$100 valuation. Whereupon, Vice-President Jesse A. Porras declared the public hearing closed.

The regular meeting of the Board of Directors of Zapata County Water Control & Improvement District (Highway 16E) convened on August 26, 2026, at 10:05 a.m. at the office of the District, pursuant to notice duly given as required by law.

1. Call Meeting to Order. A quorum being present, Vice-President Jesse A. Porras called the meeting to order and presided.
2. Roll Call. Directors present when the meeting was called to order were: Jesse A. Porras, Sergio Lozano, and Santiago Hernandez. Also present were: Mireya Bustamante, Office Manager, and Veronica Bustamante, Office Assistant. Absent were Directors Ramiro Ramirez, Jr and Gabriela De Los Santos.
3. Certification of Meeting Notice. It was determined that the notice of the date, place, and time of meeting was posted in accordance with Texas Government Code 551.043.
4. Invocation and Pledge of Allegiance. Omitted
5. Public comment: No one appeared. No comment was received in any form prior to the meeting.
6. Minutes:
The minutes of the July 29, 2026 regular Board meeting were read, reviewed, and discussed. The motion was made by Sergio Lozano and seconded by Santiago Hernandez to approve the minutes of the July 29, 2026 regular Board meeting. Following a discussion, the motion was carried unanimously.
7. Budget: After a review of the budget proposed on August 5, 2026 being: Special Board Meeting, the motion was made by Sergio Lozano and seconded by Santiago Hernandez to adopt this budget for the fiscal year that commences on September 1, 2026, and ends on August 31, 2027:

Zapata County W. C. I. D. Hwy. 16 E 2026-2027 Adopted Budget

Ordinary Income/Expense

2026-2027

Income:

Late Charges on Water Sales	
Meter Deposit Income	\$2,350.00
Water Sales	\$111,577.44
Interest Income	\$114,634.43
Lease of Water Rights	\$5,000.00
Property Tax Revenue	\$760,378.43

$194,968,828./100.00 \times 0.39 =$

760,378.43

$760,378.43 \times 5\% = 38,018.92$

Total Income

\$993,940.30

737,58

Expense:

Ad Valorem Tax Collection Costs

\$38,018.92

Capital Outlays

Field Equipment	\$65,000.00
Easements/ Right-of-Ways Aquired	\$2,000.00
Engineering Fees	\$40,000.00
Infrastructure/Improvements	\$25,000.00
Water System Construction Costs	\$20,000.00
Water Rights Purchased	\$10,000.00

Total Capital Outlays

\$162,000.00

Office Expenses

Office Supplies/ Expenses	\$7,000.00
Office Bldg. Maint.(House/Grounds keeping)	\$6,240.00
Office Bldg. Repairs/ Maint.	\$6,000.00
Office Contract Labor	\$10,000.00
Public Notices & Advertisements	\$2,000.00
Postage & Delivery	\$2,500.00

Total Office Expenses

\$33,740.00

Field Expenses

Field Supplies/Chemical Supplies	\$45,000.00
Field Contract Labor	\$6,000.00
Diesel & Truck Supplies	\$22,000.00
Vehicle Repairs	\$18,000.00
Equipment Rental	\$3,000.00
Right-of-Way Maintenance	\$10,000.00
Repairs to Water System	\$15,000.00
Water Purchase Cost for Water System	\$134,000.00

Total Field Expenses	\$253,000.00
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Payroll

Office Salaries	\$69,750.00
Field Salaries	\$208,750.00
Overtime	\$12,000.00
Payroll Tax Expense	\$25,000.00
Retirement/IRA	4,000.00
Health Ins. Expense	\$35,000.00
Bonus Awards	\$7,000

Total Payroll	\$361,500.00
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Insurance	\$20,000.00
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Property
Liability
Vehicle
Workers Comp
Board of Directors Bonds

Total Insurance	\$20,000.00
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Professional Services

Accounting	\$18,000.00
Engineering & Consulting Fees	\$12,000.00
Legal Fees	\$7,000.00

Total Professional Services	\$37,000.00
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TCEQ

Licenses, Permits & Other Fees	\$2,500.00
Annual Assessment Fees	\$2,200.00
Annual Tank Inspections	\$17,000.00
Water Testing Fees	\$6,000.00
Water Tax Expense	\$2,000.00

Total TCEQ	\$29,700.00
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Travel

Conference & Registration Costs	\$800.00
Field Travel Expense	\$800.00
Lodging/ Meal Expenses	\$1,900.00

Total Travel	\$3,500.00
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Utilities

Electricity - Office	\$3,000.00
- Field	\$15,000.00
Water - Office	\$1,500.00
Garbage Collection	\$360.00
Telephone	\$6,000.00

Total Utilities	\$25,860.00
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Misc./ Other Expenses

Election Expense	\$2,000.00
Meals & Entertainment	\$1,700.00
Dues & Subscriptions	\$2,500.00

Total Other Expenses	\$6,200.00
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Total Expenses	970,518.92
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***Based on Certified Net Taxable amount for 2026: \$194,968,828**

Following a discussion, the motion unanimously carried.

8. Tax Rate: The motion was made by Sergio Lozano and seconded by Santiago Hernandez that BE IT RESOLVED BY THE BOARD OF DIRECTORS of Zapata County Water Control and Improvement District (Hwy 16 E.) that the tax rate of 0.39/\$100 be adopted for the calendar year 2026. Following a discussion, the motion unanimously carried.
9. Holiday Schedule: The motion was made by Sergio Lozano and seconded by Santiago Hernandez that the holiday schedule be adopted for the District's fiscal year that begins September 1, 2026. Following a discussion, the motion unanimously carried.
10. Field Supervisor's Report. – An oral report was given by Juan Delgado, field supervisor.
11. Attorney's Report. – A report was presented and discussed.
12. District Engineer's Report – A report was presented and discussed.
13. Booster Station Projects:
 - 13.1 Flores Booster Station: The District Engineer reported that following a site visit with the affected property owners, the proposed route for the electric service line was revised to follow existing roads and fence lines where possible in order to minimize disturbance to private property. The preliminary estimated cost for extending electrical service to the booster station is approximately \$85,000 to \$90,000. The engineer requested that AEP submit a formal cost proposal and provide an estimated completion schedule. The engineer emphasized the need to expedite the work because the Salomeneno Booster Station must remain operational until the new station is placed into service.
 - 13.2 Salomeneno Booster Station Decommissioning. It was noted that in a condemnation case, the fair market value of the parent tract determines the amount paid for the land taken. The parent tract being on the tax roll at \$1,505.00 an acre, the value of the 0.057 acre site is a little less than \$90. Assuming that the market value is \$3,000 per acre, an offer of \$180 to purchase the 0.057 acre was submitted to the owner. The owner rejected the offer without making a counter-offer. So, to commence a condemnation action, the District is required to engage an appraiser to determine the fair market value of the parent tract, and submit an offer based on the appraisal. However, the appraisal will cost at least \$1,000. For the District to have to pay \$1,000 for the 0.057 acre, the parent tract would have to have a value of \$16,600 an acre. Since ranch land in Zapata County is selling for significantly less than \$16,600 per acre, the cost of the appraisal alone will be more than the value of the 0.057 acre. Whereupon, the motion was made and seconded that, prior to the commencement of a condemnation action, the

District's Attorney be authorized to offer the amount of the District's estimated cost of the condemnation to purchase the 0.057 acre. Following a discussion, the motion unanimously carried.

- 13.3 La Mota Booster Station aka La Mota at Rangel Property Upgrade. Upgrade completed.

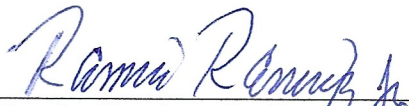
14. Salomoneno Loop Project:

- 14.1 Jennings Tract—acquisition of right-of-way. Still wanting on the District's Engineer to finalize the metes and bounds descriptions.
- 14.2 L-Bar-L Cattle Co. Ltd (Lauro Gutierrez)-acquisition of right-of-way. Still wanting on the District's Engineer to finalize the metes and bounds descriptions.
- 14.3 Defining right-of-way for District's existing waterline in L-Bar-L Cattle Co. Ltd property. No discussion.

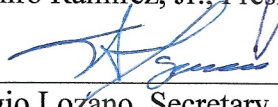
15. Service Request:

- 15.1 Henry C. Schmidt, Jr. LLC, *et al.*: The District's Engineer reported that Henry C. Schmidt Jr. LLC, La Duquesa Ltd, and several other property owners still want service and understand that their properties will have to annexed as a condition to receiving service. In order to annex the properties, the Board will have to find that it is practical and feasible to provide service without any detriment to the customers presently in the District. The District's Engineer reported that there is adequate system capacity to provide service; however, the property owners must extend their water lines to the district's existing main line. It was noted that there are only two ways that it is financially feasible to extend service to the requestors. First, the District apply for and receive a grant. Second, the owners pay the full cost of the extension. The grant having been denied (agenda item 16), the motion was made and seconded that the property owners construct and pay for their own private service lines, similar to the arrangement previously used for the Barrocito property; that the property owners be responsible for all construction costs, required easements, and annexation fees, and applicable connection fees; and that the District will not reimburse the property owners for the cost of the private water line extension. Following a discussion, the motion unanimously carried. The District's Engineer will coordinate with the property owners regarding the annexation, approved connection point, meter placement, required line size, easements, inspections, and other District requirements
- 15.2 Yolanda Nelsa Cavazos: The Board discussed the request for water service. No action was taken.
- 15.3 Santiago Hernandez and Myrna Bustamante: Location of property not provided; no discussion; no action was taken.

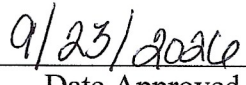
16. Grants/Funding application update: The engineer reported that the grant application was denied due to technical submission issues. The supporting schedules and information prepared for this grant may be used for future funding opportunities, subject to board approval.
17. Financial Reports: The reports for August 2026 were presented, reviewed, and discussed.
18. Payable accounts and payroll checks paid for August 2026 were discussed and reviewed. Payments were approved and presented.
19. Communications: None
20. Personnel. Tabled for discussion and consideration at the next Board meeting.
21. Adjournment: Motion to adjourn was made by Sergio Lozano and seconded by Santiago Hernandez. It was noted that the next regular Board Meeting will be held on Wednesday, September 23, 2026, at 10:00 a.m. There being no further business, the meeting was adjourned at 12:20 p.m.



Ramiro Ramirez, Jr., President



Sergio Lozano, Secretary



Date Approved