

**ENCANTO REAL UTILITY DISTRICT
NOTICE OF PUBLIC MEETING**

Notice is hereby given to all interested members of the public that the Board of Directors of the above captioned District will hold a public meeting at **Bridgestone MUD Operations & Water Education Center, 19720 Kuykendahl**, Spring, Harris County, Texas, 77379, said address being a meeting place of the District.

The meeting will be held on **Tuesday, June 16, 2026, at 12:00 p.m.** The Board shall act upon the following matters:

1. Consider questions and comments from the public (the Board imposes a three-minute speaking limit for each member of the public wishing to address the Board; comments will be closed after this item);
2. Review and consider approval of minutes from the May 19, 2026, Board of Directors meeting;
3. Consider appointment of Director to fill the vacancy created by the resignation of Director Knox;
4. Consider acceptance of Qualification Statement and Oath of Office for appointed director;
5. Consider report of activities of the Constable patrol in the District, and the taking of any actions required in connection therewith;
6. Consider engagement of auditor to prepare the District's audit report for fiscal year end June 30, 2026;
7. Consider report on the status of collection of taxes, the status of collection of delinquent tax accounts, and the payment of invoices in connection therewith, and the taking of any actions required in connection therewith;
8. Consider approval of Amended and Restated Agreement for Tax Assessor And Collector Services with Wheeler & Associates, Inc.;
9. Consider authorizing the Delinquent Tax Collections Attorney to pursue the collection of delinquent taxes for 2025 and prior years, including the filing of lawsuits regarding same, if necessary;
10. Consider report on the District's water, sanitary sewer and storm sewer systems, including:
 - a) review of customer billing;
 - b) review of utility operations;
 - c) repair and maintenance of District facilities;
 - d) customer appeals;
 - e) status of collection of backcharges, including charges assessed to GLM Contracting, Inc.;
 - f) status of operation of water re-use system at wastewater treatment plant;
 - g) status of District permits;and the taking of any actions required in connection therewith;

11. a) Consider authorizing the design, advertisement for bids and/or award of construction contracts for the construction of water, sanitary sewer and drainage facilities within the District;
- b) Consider the status of construction contracts, including the approval of any change orders and/or acceptance of facilities for operation and maintenance purposes;
- c) Consider acceptance of site and/or easement conveyances for facilities constructed or to be constructed for the District, including:
 - i) Special Warranty Deed (Drainage – Restricted Reserve “B” 0.4846 acres to serve McKenzie Park Reserve);
- d) Status of addition of concrete pilot channels in the bottom of the roadside ditches along W. Mossy Oaks Drive, including review of bids and award of contract; and the taking of any actions required in connection therewith;
12. Consider adoption of Resolution Declaring Development Status of District, and the taking of any actions required in connection therewith;
13. Consider status of development of property within the District, including requests for annexation, status of receipt of feasibility deposit, authorize engineer to prepare feasibility study and approval of feasibility study, including:
 - a) status of annexation of a 4.6-acre site for proposed retail and warehouse development; and
 - b) status of annexation of a 13-acre site on Mossy Oaks Dr. for proposed single-family residential development;and the taking of any actions required in connection therewith;
14. Consider issuance of utility commitments and/or “will serve” letters, and the taking of any actions required in connection therewith;
15. Consider approval of amendment to existing letter agreements with the affected property owners and related deeds relative to the re-plat of Water Plant No. 1 site, and the taking of any actions required in connection therewith;
16. Consider financial and investment reports, including invoices presented, and the taking of any actions required in connection therewith, including authorizing the payment of invoices presented;
17. Consider adoption of operating budget for fiscal year ending June 30, 2027, a draft of which is attached hereto as Exhibit “A” along with the Taxpayer Impact Statement;
18. Consider request from Records Management Officer to destroy notes of Board of Directors meetings from February 2025 through February 2026;
19. Report relative to status of District website;
20. Recess to Executive Session to discuss real property matters pursuant to §551.072, Texas Government Code;
21. Reconvene in Open Session and authorize appropriate action related to real property matters pursuant to §551.072, Texas Government Code;

22. Status of acquisition of Water Plant No. 2 access property, and the taking of any actions required in connection therewith; and
23. Consider matters for possible placement on future agendas.



MARKS RICHARDSON PC

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EXHIBIT "A"

Proposed Budget

Encanto Real UD - Fiscal Year Ending June 2027

	Ten Month Actuals 7/25-4/26	Twelve Months Annualized FYE 6/26	Approved 2026 Budget	Proposed 2027 Budget
Revenues				
14101 · Water-Customer Service Revenue	361,381	433,657	468,345	440,200
14102 · NHCRWA Pumpage Revenue	349,891	429,891	483,779	436,300
14105 · Connection Fees	10,185	12,222	9,828	12,400
14108 · Transfer Fees	720	864	300	900
14201 · Wastewater-Customer Service Rev	280,645	336,774	378,758	341,800
14203 · Grease Trap	3,600	4,320	2,880	4,320
14301 · Maintenance Tax Collections	915,689	931,154	818,835	927,436
14502 · Inspection Fees	4,503	5,404	1,985	5,500
14702 · Penalties & Interest	31,922	38,306	36,724	38,900
14801 · Interest Earned on Checking	101	121	200	125
14802 · Interest Earned on Temp. Invest	84,789	101,747	137,869	110,677
15801 - Miscellaneous Income	30,962	30,962	400	0
15804 - HOA Fence Replacement Contributor	35,225	3,000	0	6,000
Total Revenues	\$ 2,109,612	\$ 2,328,422	\$ 2,339,904	\$ 2,324,558
Expenditures				
16101 · Billing Service Fees - Water	39,631	47,557	49,653	48,300
16102 · Operations - Water	8,827	10,592	21,076	10,800
16105 · Maintenance & Repairs - Water	203,375	244,050	398,330	256,300
16107 · Chemicals - Water	6,735	8,082	9,242	8,200
16108 · Laboratory Expense - Water	4,993	5,992	5,242	6,100
16109 · Mowing - Water	11,624	13,949	18,356	14,200
16110 · Utilities - Water	34,486	41,383	38,171	42,000
16111 · Reconnection Expense	5,137	6,164	4,106	6,300
16112 · Disconnect Expense	20,636	24,763	5,186	25,100
16113 · Service Account Collection	0	0	16,145	0
16114 · Telephone Expense - Water	980	1,307	1,200	1,750
16115 · Meter Replacement	0	0	100	0
16116 · Permit Expense - Water	4,487	4,487	4,500	4,500
16117 · TCEQ Regulatory Expense - Water	969	2,000	2,100	2,100
16118 · NHCRWA - Pumpage Fee	344,588	416,588	483,779	436,300

Proposed Budget

Encanto Real UD - Fiscal Year Ending June 2027

	Ten Month Actuals 7/25-4/26	Twelve Months Annualized FYE 6/26	Approved 2026 Budget	Proposed 2027 Budget
16201 · Billing Service Fees-Wastewater	39,348	47,218	49,443	47,900
16202 · Operations - Wastewater	8,822	10,586	22,154	10,700
16203 · Grease Trap Inspections	2,700	3,240	2,880	3,600
16205 · Maint & Repairs - Wastewater	175,205	210,246	316,627	220,800
16207 · Chemicals - Wastewater	14,788	17,746	22,200	18,000
16208 · Laboratory Expense - Wastewater	22,095	26,514	25,736	27,800
16209 · Mowing - Wastewater	11,754	14,105	10,800	14,300
16210 · Utilities - Wastewater	38,362	46,034	45,564	46,700
16211 · Utilities - Lift Station	7,498	8,998	10,700	9,100
16212 · Sludge Removal	40,721	57,721	55,481	60,600
16214 · Telephone Expense - Wastewater	980	1,176	3,500	1,200
16215 · Telephone Expense -Lift Station	0	0	3,500	0
16216 · Permit Expense - Wastewater	3,964	3,964	3,000	4,000
16217 · TCEQ Regulatory Exp-Wastewater	969	2,000	2,100	2,100
16301 · Garbage Expense	4,132	4,958	4,221	5,196
16401 · Storm Water Permit	12,713	15,256	8,600	15,500
16402 · Storm Water Quality	3,360	4,032	4,823	4,092
16403 - Detention Pond Maintenance	27,045	27,045	0	20,000
16406 - Detention Pond Mowing	2,575	2,575	0	0
16502 · Inspection Expense	8,217	9,860	5,407	10,400
16703 · Legal Fees	78,153	93,784	90,000	90,000
16705 · Auditing Fees	18,750	18,750	19,600	19,600
16706 · Engineering Fees	138,657	166,388	150,000	150,000
16709 · Election Expense	2,475	2,970	20,000	0
16710 · Touchstone - Comm & Educ.	11,482	13,778	12,000	14,000
16712 · Bookkeeping Fees	59,869	71,843	85,000	85,000
16713 · Legal Notices & Other Publ.	103	124	350	350
16714 · Printing & Office Supplies	13,128	15,754	18,000	18,000
16715 · Filing Fees	185	222	200	230
16716 · Delivery Expense	415	498	1,750	510
16717 · Postage	430	516	450	520

Proposed Budget

Encanto Real UD - Fiscal Year Ending June 2027

	Ten Month Actuals 7/25-4/26	Twelve Months Annualized FYE 6/26	Approved 2026 Budget	Proposed 2027 Budget
16718 · Insurance & Surety Bond	35,842	35,842	45,000	42,000
16721 · Meeting Expense	1,000	1,200	1,500	1,500
16722 · Bank Service Charge	465	558	1,700	800
16723 · Travel Expense	1,532	1,838	3,200	1,870
16728 · Record Storage Fees	3,048	3,658	3,200	3,710
16730 · Consumer Confidence Report	721	721	720	725
16731 · Arbitrage Expense	4,200	4,200	9,750	5,000
16801 · Security Patrol Expense	239,378	282,934	273,647	453,336
16802 · Security Monitoring Equipment	7,407	7,407	1,700	360
17101 · Payroll Expenses	8,398	10,078	14,000	10,608
17102 · Payroll Administration	500	600	600	600
17103 · Payroll Tax Expense	642	770	1,000	810
17802 · Miscellaneous Expense	7,603	7,907	400	0
Total Expenditures	\$1,746,099	\$2,082,527	\$2,407,689	\$2,283,467
Other Revenues				
15950 · Assigned Operating Surplus	0	0	92,785	0
Total Other Revenues	\$0	\$0	\$92,785	\$0
Capital Outlay				
17999 · Capital Outlay	171,541	171,541	25,000	41,090
Total Capital Outlay	\$171,541	\$171,541	\$25,000	\$41,090
Net Excess Revenues <Expenditures>	\$ 191,972	\$74,354	\$ (0)	\$0

Encanto Real Utility District
TAXPAYER IMPACT STATEMENT

	Current Budget Fiscal Year Ending June 2026 **	Proposed Budget Fiscal Year Ending June 2027 **	No-New-Revenue Tax Rate Budget***
Estimated District Operations and Maintenance Tax Bill on Average Homestead*	\$616.58	\$764.03	\$616.58

*The District levies taxes in accordance with the Texas Water Code. The District's current operations and maintenance tax rate is equal to **\$.0.16** per \$100 of assessed value. Average homestead values are determined by the county appraisal district.

All estimates above were prepared utilizing the average resident homestead value as of the time that the District's most recent Truth in Taxation worksheet was prepared in accordance with the Texas Water Code.

**Average tax bill estimates for the current and proposed budgets reflect those taxes necessary to fund the operations and maintenance tax revenues stated in the applicable budget.

***This column estimates the operations and maintenance taxes to be paid on the average homestead if the proposed budget generates the same amount of operations and maintenance tax revenues as the current budget.

To Calculate the amount for the Current and No-New Revenue Tax Rate Budget:

Average Appraised Homestead Value:	\$385,363.00	
Current M/O Tax Rate:	\$0.16000	2024
Amount to Put in Boxes:	\$616.58	

To Calculate the amount for the Proposed Tax Rate Budget:

Average Appraised Homestead Value:	\$402,121.00	
M/O Tax Rate Used for Budget:	\$0.19000	2025
Amount to Put in Box:	\$764.03	

If you are not changing the maintenance tax revenue in your budget, all #s should be the same