

AGENDA

FOREST HILLS MUNICIPAL UTILITY DISTRICT

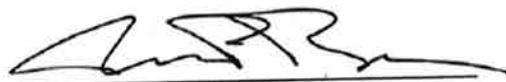
Notice is hereby given that the Board of Directors of Forest Hills Municipal Utility District will hold a regular meeting on **THURSDAY, February 5 2026 at 7:00 p.m.** at 12606 Brookvale, Houston, Texas, a meeting place of the District inside the District's boundaries, for the purposes of considering and acting upon the matters listed below.

1. Public comments;
2. Approve minutes and official records of previous Board of Directors meeting(s);
3. Tax matters, including:
 - (a) Tax Assessor/Collector's report and authorization of payments from the Tax Account;
4. Adopt Resolution Concerning Exemptions from Taxation for the 2026 Tax Year;
5. Adopt Resolution Implementing 20% Penalty on Delinquent Taxes;
6. Bookkeeper's report, including:
 - (a) authorization of payment of District bills;
 - (b) adopt budget for fiscal year ending February 28, 2027; and
 - (c) approval of Investment Report;
7. Operator's report, including:
 - (a) authorization of termination of delinquent accounts;
8. Engineer's report, including:
 - (a) status of surface water connections; and
 - (b) authorize advertisements for bids & approve Pay Applications/Change Orders, as necessary;
9. Attorney's report, including:
 - (a) status of Constellation development;
 - (b) discuss developer matters; and
 - (c) authorize proceeding with new development and annexation.
10. Such other matters as may come before the Board.

If, during the course of the meeting covered by this Notice, the Board should determine that a closed or executive session of the Board should be held or is required in relation to any agenda item included in this Notice, then such closed or executive meeting or session, as authorized by the Texas Open Meetings Act, Texas Government Code, Chapter 551, as amended (the "Act"), will be held by the Board at the date, hour, and place given in this Notice concerning any and all subjects for any and all purposes permitted by Subchapter D of said Act.

EXECUTED THIS 29th day of January, 2026.

FOREST HILLS MUNICIPAL
UTILITY DISTRICT



Michael P. Bacon
Attorney for the District

(SEAL)



BUDGET FOR FISCAL YEAR ENDING FEBRUARY 28, 2027

1st Draft	PROPOSED			
	Adopted Budget 2/28/2026	Actual YTD 9	Projected For 12 Mos.	PROPOSED Budget 2/28/2027
REVENUES:				
Water Revenue	350,000	311,988	415,984	350,000
Sewer Revenue	440,000	369,151	492,201	470,000
Penalties Collected	17,000	13,838	18,450	18,000
Maintenance Tax	1,176,306	92,141	122,855	1,222,519
Interest Earned	100,000	114,632	152,842	110,000
Tap Fees/Swr Inspections	10,000	66,173	88,231	40,000
Surface Water Revenues	220,000	185,834	247,779	300,000
SPA Sales Tax	16,000	12,765	17,021	16,000
Misc.	0	56,600	75,467	0
Total Revenues	2,329,306	1,223,122	1,630,830	2,526,519
EXPENSES:				
Repairs/Maintenance	380,000	312,479	416,639	400,000
R&M Storm Drainage	7,000	9,750	13,000	13,000
Disconnection Expense	5,000	3,686	4,914	5,000
Director Fees	18,000	9,732	12,976	18,000
Payroll Taxes	11,000	677	902	1,400
Legal Fees	90,000	102,720	136,960	90,000
Legal-Election	0	0	0	0
Auditing Fees	15,000	13,950	18,600	15,000
Engineering Fees	90,000	69,586	92,782	90,000
Engineering-Special Projects	5,000	0	0	5,000
Special Projects/Operations	80,000	0	0	80,000
Laboratory Expenses	25,000	14,503	19,338	25,000
Election Expenses	25,000	0	0	25,000
Permit /Assessments	14,000	4,729	6,306	14,000
Operator's Fees	130,000	98,183	130,911	130,000
Bookkeeping Fees	19,500	14,390	19,187	19,500
Legal Notices	5,000	0	0	5,000
Office Expenses	46,000	28,703	38,271	46,000
Chemicals	52,000	37,619	50,159	52,000
Sludge Hauling	48,000	15,575	20,766	48,000
Utilities	132,000	85,198	113,597	132,000
Insurance & Bonds	47,000	48,026	64,035	47,000
Travel	0	0	0	0
Tap/Inspection Expense	45,000	78,436	104,581	45,000
Security	87,600	66,257	88,343	87,600
Recreation Facilities	1,000	0	0	1,000
Garbage Collection Exp/Dumpster	235,000	189,944	253,258	253,000
Financial Advisor	2,500	767	1,022	2,500
Memberships	0	0	0	0
Surface Water Expense	230,000	316,383	421,844	400,000
Misc.	7,000	2,933	3,911	7,000
Total Expenses	1,852,600	1,524,225.76	2,032,301	2,057,000
Net Difference	476,706	-301,103	-401,471	469,519

Security-12 mos estimated
Garbage-12 mos estimated

FOREST HILLS MUD
TAXPAYER IMPACT STATEMENT

	Current Budget Fiscal Year Ending February 2026**	Proposed Budget Fiscal Year Ending December 2027**	No-New-Revenue Tax Rate Budget***
Estimated District Operations and Maintenance Tax Bill on Average Homestead*	\$1,179.76	\$1,274.01	\$1,179.76

*The District levies taxes in accordance with the Texas Water Code. The District's current operations and maintenance tax rate is equal to \$0.5656 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.

2025 Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts

FOREST HILLS MUD

Water District Name

11111 Katy Freeway # 725, Houston, Texas 77079

Water District's Address, City, State, ZIP code

713-932-9011

Phone (Area code and Number)

Developing water district

GENERAL INFORMATION: The Comptroller's office provides this worksheet to assist water districts in determining their voter-approval tax rate. The information provided in this worksheet is offered as technical assistance and not legal advice. Water districts should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

The voter-approval rate for low tax rate and developing water districts is the current year's debt service and contract tax rates plus the maintenance and operation (M&O) rate that would impose no more than 1.08 times the amount of M&O tax imposed by the water district in the preceding year on the average appraised value of a residence homestead in the water district. The average appraised value disregards any homestead exemption available only to people with disabilities or those age 65 or older.

The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll or certified estimate, of value and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

If any part of a developed water district is located in an area declared a disaster area during the current tax year by the governor or by the president, the board of the district may calculate the voter-approval tax rate in the manner provided in Water Code Section 49.23601(a) and determine whether an election is required to approve the adopted tax rate in the manner provided in Water Code Section 49.23601(c). In such cases, the developed water district may use this form to calculate its voter-approval tax rate.

For a low tax rate water district, the election tax rate is the highest total tax rate the district may adopt without holding an automatic election to approve the adopted tax rate.

For a developing water district, the election tax rate is the highest total tax rate the district may adopt before qualified voters of the district may petition for an election to lower the adopted tax rate.

If any part of a developed water district is located in an area declared a disaster area during the current tax by the governor or by the president, the board of the district may calculate the election tax rate as the highest tax rate the district may adopt without holding an automatic election to approve the adopted tax rate.

In these cases, the election tax rate is the rate that would impose 1.08 times the amount of tax imposed by the by the district in the preceding year on the average appraised value of a residence homestead in the water district. The average appraised value disregards any homestead exemption available only to people with disabilities or those age 65 or older.

Line	Worksheet	Amount/Rate
1.	2024 average appraised value of residence homestead.	218,474
2.	2024 general exemptions available for the average homestead. Excluding age 65 or older or disabled persons exemptions.	0
3.	2024 average taxable value of residence homestead. Line 1 minus line 2.	218,474
4.	2024 adopted M&O tax rate.	.54000
5.	2024 M&O tax on average residence homestead. Multiply Line 3 by line 4, divide by \$100.	1,179.75
6.	Highest M&O tax on average residence homestead with increase. Multiply Line 5 by 1.08.	1,274.13
7.	2025 average appraised value of residence homestead.	225,250
8.	2025 general exemptions available for the average homestead. Excluding age 65 or older or disabled person exemptions.	0
9.	2025 average taxable value of residence homestead. Line 7 minus Line 8.	225,250
10.	Highest 2025 M&O tax rate. Line 6 divided by Line 9, multiply by \$100.	.56565
11.	2025 debt tax rate.	.34000
12.	2025 contract tax rate.	.00000
13.	2025 voter-approval tax rate. Add Line 10, 11 and 12.	.90565
14.	2024 average taxable value of residence homestead from Line 3.	218,474
15.	2024 adopted total tax rate.	.88000
16.	2024 total tax on average residence homestead. Multiply Line 14 by Line 15.	1,922.57
17.	2025 highest amount of taxes per average residence homestead. Multiply Line 16 by 1.08.	2,076.37
18.	2025 tax election tax rate. Divide Line 17 by Line 9 and multiply by \$100.	.92180