MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 163

May 26, 2026

The Board of Directors (the "Board") of Fort Bend County Municipal Utility District No. 163 (the "District") met in regular session, open to the public, on the 26th day of May, 2026, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Richard Patrick	President
Jennifer Hundl	Vice President
Justin Ring	Secretary
Omar Cabello	Assistant Vice President
Andy Zepeda	Assistant Secretary

and all of the above were present, thus constituting a quorum.

Also attending the meeting were: Yaneth Cooper of Municipal Accounts & Consulting, LP; Kristy Schoonover of Tax Tech, Inc.; Ralph Saldana of Pape-Dawson Engineers, Inc. ("Pape-Dawson"); Adam Cohen of Cedar Creek Municipal Advisors, LLC; Derek Darnell of Pelican Builders, Inc.; Brandon West of Touchstone District Services ("Touchstone"); and Adisa Harrington and Carnell Emanuel of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There were no public comments.

MINUTES

The Board considered approving the minutes from the April 28, 2026, meeting. Following review and discussion, Director Patrick moved to approve the minutes, as submitted. Director Ring seconded the motion, which passed unanimously.

2026 DIRECTOR'S ELECTION

The Board considered approving a Certificate of Election, reflecting the election of Justin Ring and Omar Cabello to the Board of Directors of the District, each for a four-year term. Following review and discussion, Director Patrick moved to approve the Certificate of Election and the distribution of same to Directors Ring and Cabello. Director Hundl seconded the motion, which passed unanimously.

The Board received the Sworn Statements and Oaths of Office for Directors Ring and Cabello. Following review and discussion, Director Patrick moved to approve the Sworn Statements and Oaths of Office and direct that the documents be filed appropriately and retained in the District's official records. Director Hundl seconded the motion, which passed unanimously.

REORGANIZE THE BOARD

The Board considered reorganizing the Board. Following discussion, Director Ring moved to reorganize the Board as follows:

Richard Patrick	President
Jennifer Hundl	Vice President
Andy Zepeda	Secretary
Omar Cabello	Assistant Vice President
Justin Ring	Assistant Secretary

Director Cabello seconded the motion, which passed unanimously.

DISTRICT REGISTRATION FORM

Ms. Harrington stated an updated District Registration Form must be filed with the Texas Commission on Environmental Quality ("TCEQ") reflecting the reorganized Board and terms of the newly elected directors. Following review and discussion, Director Ring moved to authorize ABHR to file an updated District Registration Form with the TCEQ. Director Hundl seconded the motion, which passed unanimously.

OPEN MEETINGS ACT TRAINING AND PUBLIC INFORMATION ACT TRAINING

Ms. Harrington discussed the Open Meetings Act and Public Information Act training requirements.

Director Zepeda arrived to the meeting.

CYBERSECURITY AND ARTIFICIAL INTELLIGENCE TRAINING REQUIREMENTS

Ms. Harrington reviewed a memorandum regarding annual cybersecurity and artificial intelligence training requirements for local government employees and elected and appointed officials. She stated that the required training should be completed and reported to ABHR prior to the August 31st deadline for reporting compliance to the Texas Department of Information Resources ("DIR"). Following review and discussion, the Board directed the required persons to complete their certified training programs and report their completion to ABHR for reporting to DIR by August 31st.

CONFLICT OF INTEREST DISCLOSURE

Ms. Harrington discussed a memorandum from ABHR provided to the Directors regarding conflict-of-interest disclosure required under Chapter 176 of the Texas Local Government Code. She encouraged the Directors to contact ABHR if assistance is needed in determining whether a conflict requires disclosure or in making a required disclosure.

AUTHORIZE AUDITOR TO CONDUCT THE AUDIT

The Board considered authorizing McCall Gibson Swedlund Barfoot Ellis PLLC ("MGSBE") to conduct the audit for the fiscal year ending May 31, 2026. Ms. Harrington said the estimated cost of the audit is between $14,500.00 and $17,000.00. Following discussion, Director Hundl moved to authorize MGSBE to prepare the audit for the fiscal year ending May 31, 2026. Director Ring seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Cooper reviewed the bookkeeper's report, including the bills submitted for payment. A copy of the bookkeeper's report is attached. Following review and discussion, Director Ring moved to approve the bookkeeper's report and payment of the bills. Director Patrick seconded the motion, which passed unanimously.

ADOPT BUDGET FOR FISCAL YEAR ENDING MAY 31, 2027

Ms. Cooper reviewed the proposed budget for the fiscal year ending May 31, 2027. Following review and discussion, Director Hundl moved to approve the budget for the fiscal year ending May 31, 2027, as discussed. Director Cabello seconded the motion, which passed unanimously.

TRAVEL REIMBURSEMENT GUIDELINES AND ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE

Ms. Harrington reviewed the District's Travel Reimbursement Guidelines (the "Guidelines") in connection with the upcoming AWBD summer conference, and discussion ensued regarding expenses eligible and ineligible for the conference.

The Board also considered appointing Director Hundl as the District's voting representative for the summer conference.

Following discussion, Director Ring moved to: (1) authorize up to four per diems, three hotel nights, and reasonable meals for each director attending the AWBD summer conference, all to be submitted in accordance with the District's Guidelines; and (2) appoint Director Hundl as voting representative for the AWBD summer conference. Director Cabello seconded the motion, which passed unanimously.

TAX COLLECTION MATTERS

Ms. Schoonover reviewed the monthly tax assessor/collector's report and bills submitted for payment. A copy of the tax assessor/collector's report is attached. Following review and discussion, Director Patrick moved to approve the tax report and checks presented for payment. Director Zepeda seconded the motion, which passed unanimously.

MOWING AND MAINTENANCE OF DISTRICT PROPERTY

Mr. Saldana reviewed the maintenance report prepared by SWS, a copy of which is attached. He reported on maintenance and repair matters in the District.

ENGINEERING MATTERS

Mr. Saldana reported on the Sanitary Lift Station and Force Main for the Katy Boardwalk Reserve project.

Mr. Saldana reported on the Water, Sewer, Drainage, and Paving – Phase 1 (Onsite Infrastructure) for the Katy Boardwalk Reserve project.

UPDATE ON 46-ACRE ANNEXATION

Mr. Saldana updated the Board on the status of the proposed 46-acre annexation.

REPORT ON DEVELOPMENT

Mr. Cohen presented an analysis of potential bond reimbursement capacity to support development of the Katy Boardwalk Reserve project. Discussion ensued, including discussion regarding potential amendments to the District's Development Financing Agreement with Pelican Katy Boardwalk, LLC ("PKB"). Following discussion, Director Ring moved to authorize preparation of an amendment to the Development Financing Agreement with PKB, as discussed. Director Patrick seconded the motion, which passed unanimously.

WEBSITE MATTERS

Mr. West presented a communications report prepared by Touchstone, a copy of which is attached.

ATTORNEY'S REPORT

There was no discussion on this matter.

REPORTS FROM DIRECTORS AND CONSULTANTS

Director Patrick updated the Board on the upcoming Districts Council meeting.

MEETING SCHEDULE

The Board concurred to tentatively schedule the next meeting for June 23, 2026, at 9:30 a.m. at the offices of ABHR.

There being no further business to come before the Board, the meeting was adjourned.

Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES