

MINUTES
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 163

February 24, 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 24th day of February, 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:

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| 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"); Brandon West of Touchstone District Services ("Touchstone"); Adam Cohen of Robert W. Baird & Co. Incorporated; Munir Aljjakli and Andy Hall of Kimley-Horn and Associates, Inc. ("Kimley-Horn"); 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 January 27, 2026, meeting. Following review and discussion, Director Patrick moved to approve the minutes, as submitted. Director Zepeda seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Cooper reviewed the bookkeeper's report, including bills submitted for payment. A copy of the bookkeeper's report is attached. Discussion ensued regarding annexation expenses shown in the bookkeeper's report. Following review and discussion, and based on the bookkeeper's recommendation, Director Ring moved to approve the bookkeeper's report and payment of the bills. Director Patrick seconded the motion, which passed unanimously.

ARBITRAGE REBATE REPORT FOR THE SERIES 2020 BONDS AND 2020A ROAD BONDS

Ms. Harrington reviewed the Arbitrage Rebate Report for the Series 2020 Bonds and 2020A Road Bonds (the "Report"), as prepared by OmniCap. She stated that, according to the Report, OmniCap has determined that no arbitrage rebate or yield reduction payments are due to the Internal Revenue Service.

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, and based on the tax assessor/collector's recommendation, Director Hundl moved to approve the tax report and checks presented for payment. Director Patrick seconded the motion, which passed unanimously.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board considered adopting a Resolution Concerning Exemptions from Taxation. Mr. Cohen presented an analysis of optional homestead exemptions for persons who are disabled or over 65 years of age, a copy of which is attached. Discussion ensued.

Following review and discussion, Director Hundl moved to adopt the Resolution exempting from ad valorem taxation by the District \$20,000 of the appraised value of residence homesteads of individuals who are disabled or 65 years of age or older and rejecting the general homestead exemption. Director Ring seconded the motion, which passed unanimously.

RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2026 TAX YEAR

Ms. Harrington discussed the "truth-in-taxation" property tax calculations and tax levy process for water districts and stated that Chapter 49 of the Texas Water Code establishes three main categories for water districts, based on a district's development status and/or tax rate. She reviewed the definitions for each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developed District for the 2026 tax year.

Following review and discussion, Director Hundl moved to adopt a Resolution Regarding Development Status for 2026 Tax Year establishing the District as a Developed District for the 2026 tax year, pursuant to Section 49.23602, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Patrick seconded the motion, which passed unanimously.

MOWING AND MAINTENANCE OF DISTRICT PROPERTY

Mr. Saldana reviewed the maintenance report prepared by Storm Water Solutions, LLC, a copy of which is attached. He reported on maintenance and repair issues in the District.

ENGINEERING MATTERS

Mr. Aljijakli and Mr. Hall reported on engineering matters, including the status of the following projects: (a) Sanitary Lift Station for Katy Boardwalk Reserve; and (b) Water, Sewer, Drainage, and Paving - Phase 1 for Katy Boardwalk Reserve (collectively, the "Projects"). They requested the Board authorize Kimley-Horn to begin design of the Projects, and advertise for bids for the construction of the Projects, subject to final review and approval of plans and specifications by the District's engineer.

Following review and discussion, and based on the engineer's recommendation, Director Ring moved to: (1) authorize Kimley-Horn to begin design of the Projects; and (2) authorize Kimley-Horn to advertise for bids for the Projects, subject to final review and approval of plans and specifications by the District's engineer. Director Hundl seconded the motion, which passed unanimously.

UPDATE ON 46-ACRE ANNEXATION

There was no update on this matter.

ATTORNEY'S REPORT

There was no report on this matter.

WEBSITE MATTERS

Mr. West presented a communications report prepared by Touchstone, a copy of which is attached. Discussion ensued, and the Board concurred for Touchstone to post an article regarding the District's 2026 tax exemptions on the District website, subject to final review and approval by Director Hundl.

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 March 24, 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



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