MUSTANG SPECIAL UTILITY DISTRICT

REGULAR MEETING MINUTES

7985 FM 2931
Aubrey, TX 76227
www.mustangwater.com

Monday, July 27, 2026 | **6:00 PM** | **Mustang SUD Offices**

Meeting Agenda
Mustang SUD Board of Directors

Call to Order: Invocation, Roll Call of Directors:

(The MSUD Board of Directors enforces Section 551.042 of the Texas Government Code in which no discussion or action can be taken on an item that is not properly noticed.)

Vice President Matt Gauntt called the meeting to order @ 6:00 p.m.
Director Michael Skelton, open invocation

In Attendance:

Vice President Matt Gauntt
Director Michael Skelton
Director Michael Bolton
Director Jeff Stafford
Director Mark Millar
Director Rob Adams
Director Angela Zarallo
Legal Kristen Fancher
Chris Boyd
Shelly Schon
Michael Kivlan
Corey Fischer
Mitch Haug
Josh Young
Kelsey Walter
Teresa Hayduk
Connor Santone
John Alberts

Absent:

President Michael Walker
Secretary Kim Lehere

Visitor Comments: Recognition of Visitors and Visitor Comments:

(Visitors wishing to address the Board must complete a Speaker's Request form and return it to the Board Administrator. Comments will be heard on a first-come first-serve basis. Visitors are allowed 3 minutes to speak. The Board is unable to respond to or discuss any issues that are brought up during this session that are not on the agenda, other than to make statements of specific information in response to a visitor's inquiry or to recite existing policy in response to the inquiry. In addition, this is not the appropriate forum to address complaints against employees. Complaints of this nature should be addressed through the administration.

Visitors:

Chris Ekert NewGen

CONSENT AGENDA:

1. June 2026 Financial Report
   May 2026 Water Audit Report
   062226 Regular Meeting Minutes

a. *Director Jeff Stafford made a motion to approve the consent agenda as presented. Director Mark Millar seconded the motion. All present in favor.*

THE BOARD WILL DISCUSS THE FOLLOWING INDIVIDUAL ITEMS:

2. Engineer Report:
Regarding engineer matters, including current capital projects, planning recommended courses of action, specifications, proposed project reviews, operational requirements, and regulatory compliance.

    a. *Mitch Haug gave updates on current District projects.*

3. Communication Report

    a. *Josh Young gave updates on District Communications relating to public events and future outreach efforts.*

4. Regarding NewGen Water & Wastewater Rate Study.

    a. *Connor Santone introduced Chris Ekert from NewGen. Chris Ekert gave a presentation regarding the rate study.*

5. Regarding FY2027 Budget Workshop-Operating Expenses.

    a. *John Alberts gave a presentation on the proposed FY2027 budget.*

THE BOARD WILL DISCUSS AND ACT ON THE FOLLOWING INDIVIDUAL ITEMS:

6. Regarding Interlocal Agreement with City of Aubrey for Provision of Retail Water and Sewer.

    a. *Director Rob Adams made a motion to have the General Manager execute the Interlocal Agreement with the City of Aubrey for Provision of Retail Water and Sewer for the proposed development tract. Director Jeff Stafford seconded the motion. All present in favor.*

7. Regarding the Award of a Contract for Construction-Manager-At-Risk Services for the Replacement of Building D.

    a. *Director Jeff Stafford made a motion to approve the Award of Contract for Construction-Manager-At-Risk Services for the Replacement of Building D as presented. Director Rob Adams seconded the motion. All present in favor.*

8. Regarding the Non-Standard Service Agreement between Mustang Special Utility District & Warner Land Advisors, L.P.

    a. *Director Rob Adams made a motion to approve the Non-Standard Service Agreement between Mustang Special Utility District & Warner Land Advisors, L.P.. Director Mark Millar seconded the motion. All in favor.*

9. Regarding the Utility Service Improvement and Reimbursement Agreement between Mustang Special Utility District and Kroger.

a. *Director Jeff Stafford made a motion to approve the Utility Service Improvement and Reimbursement Agreement between Mustang Special Utility District and Kroger as presented. Director Michael Bolton seconded the motion. All present in favor.*

10. Regarding the Non-Standard Service Agreement between Mustang Special Utility District & ONML Cottages at Providence Commons, LLC.

    a. *Director Jeff Stafford made a motion to approve the Non-Standard Agreement between Mustang Special Utility District & ONML Cottages at Providence Commons, LLC. Director Rob Adams seconded the motion. All present in favor.*

11. Regarding Order 072726-01 Amending the Rate Order Connection Fees.

    a. *Director Rob Adams made a motion to approve Order 072726-01 Amending the Rate Order Connection Fees. Director Mark Millar seconded the motion. All present in favor.*

12. Regarding the Non-Standard Service Agreement between Mustang Special Utility District & Lamppost Group, LLC.

    a. *Director Jeff Stafford made a motion to approve the Non-Standard Service Agreement between Mustang Special Utility District and Lamppost Group, LLC., as presented. Director Mark Millar seconded the motion. All present in favor.*

13. Regarding Interlocal Agreements for Billing Services Between Denton County MUDs 4 & 5 and Mustang.

    a. *Director Jeff Stafford made a motion to approve the Interlocal Agreements for Billing Services between Denton County MUDs 4 & 5 and Mustang as presented. Director Michael Bolton seconded the motion. All present in favor.*

EXECUTIVE SESSION:

14. Executive Session:

The Board of Directors will Recess to Executive Session Pursuant to Tex. Gov't. Code Section 551.072, regarding granting or acquisition of property for water resource facility.

Vice President Matt Gauntt convened to Executive Session at 8:01 p.m.

15. Return to Regular Session:

The Board of Directors will Reconvene to Open Session to discuss and act on Executive Session Pursuant to Tex. Gov't. Code Section 551.072 to discuss regarding granting or acquisition of Property for water resource facility.

Vice President Matt Gauntt called the meeting back to order at 8:11 p.m.

No motion made out of Executive Session.

GENERAL REPORTS:

- Legal Services Update:

Regarding current legal projects. Recommended courses of action, review of any District legal matters with actions taken and potential future legal matters which may impact the District.

None

- President's Report:
  Regarding the conduct of the meeting, posted agenda items, committee assignments, and matters of current and future interest to the District.

  None

- General Manager's Report:
  Regarding legislative and regulatory matters, budgets, current projects, daily operational matters, including water and wastewater services, future planning, personnel, and future events and functions.

  Potential water resource that had been discussed previously / nothing changing / may not work out
  TASUD, we picked up a fifth member from Welbourn SUD. Bills are being created.
  We received a letter from Representative Patterson in support of our water supply and infrastructure grants.
  PR is working to give sponsorships with school districts.
  A lot of changes for next board meeting in employee handbook and benefits.

16. Recommendations of Items / Issues to be added to the agenda of the next MSUD Board Meeting:
    (<u>There can be no discussion of these items, only a listing</u>.)

    None

17. Adjournment: *8:21 p.m.*

Michael Walker

Michael Walker, Board President