



MUSTANG SPECIAL UTILITY DISTRICT

REGULAR MEETING MINUTES

7985 FM 2931

Aubrey, TX 76227

www.mustangwater.com

Monday, August 24, 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.)

*President Michael Walker called the meeting to order @ 6:00 p.m.
Director Michael Skelton, open invocation*

In Attendance:

*President Michael Walker
Vice President Matt Gauntt
Secretary Kim Lehere
Director Angela Zarallo
Director Rob Adams
Director Mark Millar
Director Jeff Stafford
Director Michael Bolton
Director Michael Skelton
Legal Kristen Fancher
Chris Boyd*

*Mitch Haug
Heather Morgan
Michael Kivlan
Helena Henretty
Marco San Miguel
Rico Rodgers
Teresa Hayduk
Emily Simon
Shelly Schon*

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.

None

CONSENT AGENDA:

1. July 2026 Financial Report
June 2026 Water Audit Report
072726 Regular Meeting Minutes

- a. Vice President Matt Gauntt made a motion to approve the consent agenda as presented. Director Rob Adams 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 CIP with a presentation and went over current District projects.*

3. Communication Report

- a. Chris Boyd gave updates, due to Josh Young not being present, on District Communications relating to public events and future outreach efforts.*

4. Regarding FY2027 Budget Workshop – Revenues.

- a. Corey Fischer gave a presentation on the proposed FY2027 budget.*
-

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

5. Regarding the Cross-Connection Control Program and Adoption of its Manual for Mustang Special Utility District.

- a. Director Michael Skelton made a motion to table this agenda item until more evidence of what is required by the state to make a more informed decision. Director Mark Millar seconded the motion. The motion passed with six in favor, three opposed.*

6. Regarding Acknowledgement, Agreement, and Consent to Sale and Assignment MM Platinum Ranch, LLC.

- a. Vice President Matt Gauntt made a motion to authorize the General Manager to execute the agreement and consent for MM Platinum Ranch, LLC with the consent to sale and assignment as presented. Director Michael Bolton seconded the motion. All present in favor.*

7. Regarding the Water Service Area Transfer Agreement between Aqua Texas and Mustang SUD for 7.78 acres on Rockin Riley Rd.

- a. Vice President Matt Gauntt made a motion to authorize the agreement between Aqua Texas and Mustang SUD for 7.78 acres on Rockin Riley Rd. as presented. Director Michael Skelton seconded the motion. All present in favor.*

8. Regarding the Amendment and Correction of the Non-Standard Service Agreement between MSUD GRBK Edgewood LLC and Denton County Municipal Utility District No. 7.

- a. Vice President Matt Gauntt made a motion to approve the amended NSA between Mustang, GRBK Edgewood, LLC and Denton County MUD 7 as presented. Director Rob Adams seconded the motion. All present in favor.*

9. Regarding the Interlocal Agreements between Mustang Special Utility District and the City of Pilot Point.

- a. Vice President Matt Gauntt made a motion to approve the Interlocal Agreements between Mustang Special Utility District and the City of Pilot Point as presented. Director Michael Bolton seconded the motion. All present in favor.*

10. Regarding Workforce Operations proposed Compensation, Benefits, and Employee Handbook update.

- a. Vice President Matt Gauntt made a motion to approve the Step Progression Policy as presented. Director Michael Bolton seconded the motion. All present in favor.
 - b. Vice President Matt Gauntt made a motion to approve the Benefit Review plus the Board Benefit as presented. Director Jeff Stafford seconded the motion. The motion passed with 6 in favor, three recused.
 - c. Vice President Matt Gauntt made a motion to approve the Handbook Revisions as presented. Director Michael Bolton seconded the motion. All present in favor.
-

EXECUTIVE SESSION:

11. 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.

President Michael Walker convened to Executive Session at 9:46 p.m.

President Michael Walker called the meeting back to order at 9:53 p.m.

12. 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.

- a. Vice President Matt Gauntt made a motion to authorize the purchase of real property located at 12932 Ragsdale Circle, Aubrey, TX. 76227, and authorize the General Manager to execute closing documents. Director Jeff Stafford seconded the motion. All present in favor.
-

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.

Michael Walker and Matt Gauntt will be meeting next week with Senator Brent Hagenbuch and Representative Patterson.

- 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.

Our Critical Resource distribution crew went to Carls Corner to help out with water line breaks; the town is out of water.

Chris is leaving for Austin tomorrow; he has a meeting with Paul Terrell and will stop by Carls Corner on the way. On Wednesday, for a meeting with the lobbyists with the Texas Alliance Special Utility District, all five board members will be showing up in Austin.

Chris, Mitch, and Josh will be attending the Water Reuse Conference.

Water trailer purchased.

13. Recommendations of Items / Issues to be added to the agenda of the next MSUD Board Meeting:

(There can be no discussion of these items, only a listing.)

None

14. Adjournment: 10:05 p.m.


Michael Walker, Board President