

**RED HILLS IMPROVEMENT & SERVICE DISTRICT
REGULAR MEETING
MINUTES**

**Wednesday, January 14, 2026, 3:30 p.m.
400 South Gillette Avenue, Suite 106 (Office of Cathey Consulting, LLC)**

BOARD MEMBERS PRESENT: Bryan Garland, Jami Johnson, Amy Muzzarelli
OTHERS PRESENT: Helenanne Cathey, Tom Sylte (PCA Engineering)

Jami Johnson called the meeting to order at 3:32 p.m.

- I. Minutes Approval** – Jami Johnson moved to approve the December 10, 2025, regular meeting minutes as presented. Amy Muzzarelli seconded. Motion carried by unanimous consent.
- II. Treasurer’s Report Acceptance (Motion to accept treasurer’s report and pay bills) -**
Bank statements and bills were reviewed. Jami Johnson moved to accept the treasurer’s report and pay bills as presented, including the bill for KW General Contracting that was presented at this meeting. Amy Muzzarelli seconded. Motion carried by unanimous consent.

Financial Summary:

Red Hills HOA Account (Ending in 338) Balance forward from last meeting: \$29,866.69
Ending Balance in Red Hills HOA Account: \$29,866.69

Red Hills Roads – Savings (Ending in 573) Balance forward from last meeting; \$442,170.00
12/31/25 Interest \$375.70
Ending Balance in Red Hills Roads – Savings Account: \$442,545.70

Red Hills Water – Savings (Ending in 581) Balance forward from last meeting: \$147,315.26
12/31/25 Interest \$125.17
Ending Balance in Red Hills Roads – Savings Account: \$147,440.43

Red Hills Operations – General Fund (Ending in 565) Balance forward fr. last mtg.: \$86,149.55
12/1-12/10/25 Deposits – Water \$1,396.21
Adjusted Balance Forward: \$87,545.76
12/11-12/31/25 Deposits – Water \$5,302.31
12/31/25 Interest \$35.03
01/05/26 Deposit – Xpress bill pay \$9,472.88
Account Balance Prior to Paying Bills: \$102,355.98

Bills paid this meeting:

<u>Ck#</u>	<u>Name</u>	<u>Description</u>	<u>Amount</u>
AUTO	Powder River Energy	Acct 12406203 12/1/25-1/1/26 Electricity	\$43.55
AUTO	Powder River Energy	Acct 11826902 12/1/25-1/1/26 Electricity	\$143.31
AUTO	City of Gillette	Inv. 2199973 water 12/2/25-1/5/26 540,000 gallons	\$2,223.60
1018	Cathey Consulting	Inv. 8476 – December Admin./Bookkeeping / Compliance.	\$1,000.00
1019	Water Guy	Inv. 2025-1532 – Nov water operator, bacteria sample, locating management, meter rdg., water billing \$955.80 Inv. 2025-1467 – Bounced check \$18.75 Inv. 2025-1568 – Bounced check \$18.75 Inv. 2025-1576 – 2 pillows for meter pits / Change out with new cords \$172.70	\$1,166.00
1020	KW General Contracting	Inv. 1154 – Snow removal 12/12/25, 12/20/25 1/8/26	\$1,000.00

Total Bills \$5,576.46
Ending Balance in Operations Account: \$96,779.52*
*Does not include any deposits from Water Guy for current month (except Xpress bill pay)
Accounts Receivable Balance end of prior month: \$24,385.48

III. Water System Review

- a. Water Guy reports, meter readings, meter reading history and billing were reviewed.

IV. Unfinished Business

- a. Road project – Tom Sylte from PCA Engineering came to the meeting to discuss the pavement study that was done for the District. One of the options on their study was to remove the pavement and go to gravel roads – there is no interest in doing that. On the other hand, the District can't afford a complete reconstruction either. There was discussion on the most critical work that needs done. There was discussion on grant and loan options. The state has grants and loans, and the County has a grant program. Tom Sylte will put together more detailed project schedules and cost estimates for repairing/maintaining the streets in phases.
- b. Signs have not been installed yet. Some of the signs and posts, brackets and hardware have been picked up. Bryan Garland will pick up a stop sign. (An additional stop sign and two street signs – Stone View Court and Stone Place Avenue)
- c. Water Guy to change out old style radios for approximately 20 meters – Water Guy to provide free labor / cost of \$136.50 each. 9/24/25 approved. Water Guy has started on changing out radios.
- d. Transfer of assets from the HOA to the ISD / Pat Carpenter – No update.
- e. Budget / Billing rates for the next fiscal year will be discussed during the budget process this spring – starting around March / April. There will be discussion at the next meeting about sending out a letter to let people know that most of the fees will be done through a tax assessment rather than the monthly billing starting this year (in July).

V. New Business

- a. A memo from Water Guy was received that explains they will be raising rates this year – labor rates increased January 1st, and the monthly rate will increase by 6% starting July 1st.
- b. E-mail from Joel Schommer – purchased 10 acres at 5799 Vantage Court – will be tapping into the Red Hills water system around March 1, 2026 – The homeowner was told to contact Water Guy to set up an account. There was discussion on the tap fee. \$2,500 is the tap fee, and the homeowner will need to pay for the meter, meter pit, and any associated costs. Jami Johnson will e-mail Water Guy to let them know to collect the \$2,500 tap fee before turning on their water.
- c. Past Due Accounts:
- 1) A letter was approved to send to customers with past due accounts (via certified mail).
 - 2) A realtor confirmed that people buying lots in the District were notified that they are all required to pay fees. There is one property purchased in June of 2024, who should have been paying fees since that time.
 - 3) Past due balances that are not paid will be added to taxes starting this year.

VI. Next meeting date/time: Wednesday, February 25, 2026, 5:30 p.m.

The District holds regular, monthly meetings and will schedule the next meeting at each meeting. Meetings are held at the office of Cathey Consulting, 400 South Gillette Avenue, Suite 106, Gillette (office is in the K2 Technologies building / entrance is on 4th Street across from Arrow Printing)

VII. Adjourn – Jami Johnson moved to adjourn. Amy Muzzarelli seconded. The meeting was adjourned at 4:13 p.m.

NOTES:

Fee Schedule (public records) – Approved Cathey Consulting Fee Schedule 6/11/25

Tap Fee - \$2,500 (landowner also pays for all materials and installation costs for meter, meter pit, etc.)

Respectfully submitted,
Helenanne Cathey, Assistant to the Board



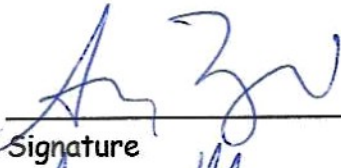
Signature

Bryan Garland

Printed Name

2-25-26

Date



Signature

Amy Muzzarelli

Printed Name

2/25/26

Date

Red Hills Improvement & Service District Board of Directors
Jami Johnson, President / Bryan Garland, Vice President / Amy Muzzarelli, Secretary/Treasurer