

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

Wednesday, February 25, 2026, 5:30 p.m.

400 South Gillette Avenue, Suite 106 (Office of Cathey Consulting, LLC)

BOARD MEMBERS PRESENT: Bryan Garland, Amy Muzzarelli
BOARD MEMBERS NOT PRESENT: Jami Johnson
OTHERS PRESENT: Helenanne Cathey

Bryan Garland called the meeting to order at 5:40 p.m.

- I. **Minutes Approval** – Amy Muzzarelli moved to approve the January 14, 2026, regular meeting minutes as presented. Bryan Garland 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. Bryan Garland moved to accept the treasurer’s report and pay bills as presented, including the bill for KW General Contracting that was received after the agenda was printed. 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: \$442,545.70
01/31/26 Interest \$376.02
Ending Balance in Red Hills Roads – Savings Account: \$442,921.72

Red Hills Water – Savings (Ending in 581) Balance forward from last meeting: \$147,440.43
01/31/26 Interest \$125.27
Ending Balance in Red Hills Roads – Savings Account: \$147,565.70

Red Hills Operations – General Fund (Ending in 565) Balance forward fr. last mtg.: \$96,779.52
1/1-1/14/26 Deposits – Water \$1,255.54
Adjusted Balance Forward: \$98,035.06
1/15-1/31/26 Deposits – Water \$4,558.08
01/22/26 – Debit – US Postal Service – Certified Letters \$41.92
(Jami Johnson)
01/31/26 Interest \$38.98
02/05/26 Deposit – Xpress bill pay \$9,515.27
Account Balance Prior to Paying Bills: \$112,105.47

Bills paid this meeting:

Ck#	Name	Description	Amount
AUTO	Powder River Energy	Acct 12406203 1/1-2/1/26 Electricity	\$43.49
AUTO	Powder River Energy	Acct 11826902 1/1-2/1/26 Electricity	\$167.27
AUTO	City of Gillette	Inv. 2217404 water 1/5-2/3/26 436,000 gallons	\$1,902.24
1021	Cathey Consulting	Inv. 521 – January Admin./Bookkeeping / Compliance.	\$1,000.00
1022	VOID		
1023	Water Guy	Inv. 2026-59 – Jan. water operator, bacteria sample, locating management, meter rdg., water billing \$955.80	\$5,136.55
		Inv. 2026-79 – Replace meter pit & lid & install New meter / replace 20 radios \$3,187.00	

	Inv. 2026-82 – Bounced check \$18.75	
	Inv. 2026-104 – Locates October \$225.00	
	Inv. 2026-126 – Locates November \$150.00	
	Inv. 2026-140 – Locates December \$600.00	
1024	KW General Contracting Inv. 1160 – Snow removal 2/20/26 3 hrs.	\$375.00
	Total Bills	\$8,624.55
	Ending Balance in Operations Account:	\$103,480.92*
	*Does not include any deposits from Water Guy for current month (except Xpress bill pay)	
	Accounts Receivable Balance end of prior month:	\$27,155.59

III. Water System Review

- a. Water Guy reports, meter readings, meter reading history and billing were reviewed.
- b. The Board discussed the service at 5799 Vantage Court and the discussions from the last meeting. This will be discussed at the next meeting.
- c. Account 2455.03 requested the waiver of a late fee and interest. The account was paid on the 20th only it was paid after 5:00 p.m. The account has not received any late fees in the past year. Bryan Garland moved to write off the late fee and interest. Amy Muzzarelli seconded. Motion carried unanimously.
- d. Water Guy e-mail 2/4/26:

Homeowner at 6351 Stone Place Loop called our office back in January and stated that he had two leaky hydrants on his property back in October of 2025. He said he got them fixed but noticed that there was water in and around his meter pit. He admitted that he has been in his pit and that when he turns his water off in the pit by himself, the area dries up but when he turns his water back on in the pit, the area is wet again. We shut the pit off and left it because the customer said he would explore the problem. We received another phone call from the customer on Monday, February 2nd, stating that his leak was fixed, but now the meter was leaking pretty bad according to the people who had fixed his leak. We went out when we received the call on Monday to investigate what was going on with his meter, we arrived on site and found that whoever had dug up the area had left a decent sized portion of the meter pit exposed. We turned the meter back on but noticed it was cracked from freezing. The customer has been super polite throughout this whole process and we just need to know who to charge for the damages.

The meter has been installed since 2022, this is the fourth owner of this property, this customer is the first one to finally break ground and start building. The estimated cost for the meter and labor is around \$484.00 as long as there are no other issues that we may run into.

As soon as you guys let us know, we will go ahead with the meter change out. Stefanie said that she will notify the customer and speak with him about the proper channels for issues like this in case he runs into issues again in the future.

The consensus of the Board is that the homeowner needs to pay the costs for the repair.

- e. The homeowner at 6650 Stone Place Avenue contacted Water Guy regarding their usage (0 gallons used in January.) They didn't think it was accurate. Water Guy checked, and the meter needed to be replaced.

IV. Unfinished Business

- a. Road project – There was discussion on the PCA Engineering report and the County grant program. The consensus is to find an engineer that can apply for state funding (grants and loans). The District will apply for a County grant to hire an engineer to apply for funding – the grant will reimburse up to \$7,500 at 100% reimbursement level (within the first two years of the District's formation). Bryan Garland will talk to a couple of engineers and see if they can provide an estimate for doing this for the District. Bryan Garland will also talk to Clark Melinkovich at the County regarding the County grant program and suggestions for moving forward.

- 1) PCA Engineering – Pavement study – reviewed September 24, 2025
- 2) PCA Engineering – 2/5/26 memo regarding options and cost estimates for different street sections in the District.

To fix everything is over \$3 million. \$2.315 million is a middle option. The cheapest option for everything is \$1.85 million. The District doesn't have the funds for any of these options. There was discussion on doing a little bit at a time or doing it all at once.

There are cost efficiencies for doing all of the improvements at once. Bryan Garland is going to talk to the County and engineering firms regarding funding options.

- b. Install signs (additional stop sign, two street signs – Stone View Court and Stone Place Ave) – The stop signs are up and the rest of the signs should be up as well. The Board will follow up with KW General Contracting to see if the work has been completed.
- 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. Invoice 2026-79 \$2,730.00 (\$136.50 X 20) was received and paid at this meeting. A Board member will e-mail Water Guy to request a list of the addresses where the radios were replaced.
- d. Transfer of assets from the Red Hills HOA to the Red Hills Improvement & Service District. (Pat Carpenter) No update.
- e. Letter to homeowners regarding fees being assessed rather than billed monthly – Amy Muzzarelli will give Water Guy a copy of the letter to send with the monthly invoices at the end of this month. The letter explains that the regular monthly fees will be assessed on taxes rather than billed monthly starting July 1st. Water Guy will still bill water overages, but everything else will be on taxes. Unpaid water overages will be added to taxes each year.
- f. Letters to homeowners regarding past due amounts being assessed – Letters were sent certified mail. One letter came back undeliverable, but it was sent to the address on file with the Assessor's office. There was discussion on the other letters.

Any unpaid past due balances as of June 30th will be added to this year's tax assessment. The budget hearing is tentatively scheduled for Wednesday, July 1, 2026, at 6:00 p.m.

V. New Business

- a. None

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

Wednesday, July 1, 2026, 6:00 p.m. – Tentative date for budget hearing and regular meeting

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 – Bryan Garland moved to adjourn. Amy Muzzarelli seconded. The meeting was adjourned at 6:44 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



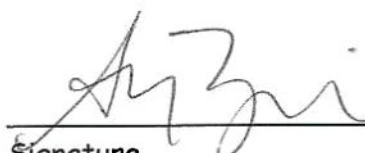
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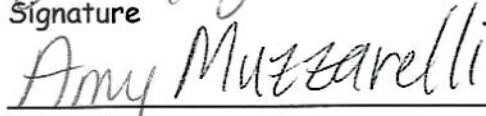
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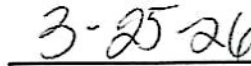
Date



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Date