

HERMOSA TOWN BOARD  
TUESDAY, APRIL 7<sup>TH</sup>, 2026  
REGULAR MEETING @ 5:30 p.m.



ROLL CALL: Koontz called the meeting to order on Tuesday, April 7<sup>th</sup>, 2026, at 5:23 pm. Roll Call was held with Kramer, Ferguson, Koontz, Serviss and Matheny in attendance. Interested citizens, Town Engineer Theodorou were also present. Pledge of Allegiance led by Koontz.

Motion by Serviss and seconded by Ferguson to invite Attorney James to sit at the table with the board; vote: four aye and one nay, motion carried.

CALL FOR CHANGES: Motion by Koontz and seconded by Ferguson to add Item 3E Approval of April 2, 2026, special meeting minutes, remove 7B and replace with Approve Engineer to complete engineering for all outstanding projects regardless of funding source, add 9J Approve budget for WWTP beautification and public safety upgrades, (Ferguson added) add Item 17F Preston Family, (Serviss added) remove Item 12A Approve Budget to hire Wade Schutz as new town attorney, add 17G Revoke powers granted to board president and (Ferguson added) add Item 17E Cemetery clean up yard waste; vote: two ayes and three nays, motion failed. The board held discussion on which items to add/remove from the agenda. Motion by Koontz and seconded by Matheny to approve with former amendments sans revocation of powers and item 12A and approve agenda as amended; vote: three ayes and two nays, motion carried. (Agenda amended with addition of 3E Approval of April 2, 2026, special meeting minutes, remove Item 7B and replace with Approve Engineer to complete engineering for all outstanding projects regardless of funding source, add 9J Approve budget for WWTP beautification and public safety upgrades, add 17F Preston Family, and add 17G Cemetery clean up yard waste).

CONSENT CALENDAR: Motion by Ferguson and seconded by Matheny to approve the March 6, 2026, special meeting minutes, March 16, 2026, local board of equalization meeting minutes, March 17, 2026, regular meeting minutes, March 20, 2026, special meeting minutes and April 2, 2026, special meeting minutes as presented; vote: all aye, motion carried.

CONFLICT OF INTEREST DECLARATION: All board members are responsible for refraining from discussion and voting on issues where they may have a conflict of interest. Koontz noted that there will be roll call voting for any agenda items that may have a conflict of interest.

TOWN/FEMA UPDATES: Joan Harris presented an email from Bridget Mitchell with Headwaters Economic stating their intent to step down from the FEMA BRIC Grant process due to the town hiring a consultant to lead the grant implementation. Harris noted the town Generator Grant has been accepted by the State of South Dakota and is awaiting approval from FEMA. Town Engineer Theodorou stated a Flood Prevention public meeting will be held on Wednesday, April 15, 2026, at 6:00 p.m. at St Michaels Hall located at 14380 SD Hwy 40 in Hermosa.

ENGINEER: Motion by Matheny and seconded by Kramer to approve a \$2,000.00 budget for replacement of contactor in Battle Creek well pump controller. Motion was amended by Serviss and seconded by Ferguson to include contingent upon receipt of an itemized invoice; vote on amendment: four aye and one abstain, motion carried. Vote on original motion: all aye, motion carried. Motion by Koontz and seconded by Kramer to approve engineer to complete all engineering for all outstanding projects regardless of funding source. Motion was amended by Serviss and seconded by Ferguson to exclude actions related to ballot measures; vote on amendment: two aye and three nays, motion failed. Original motion amended by Matheny and seconded by Kramer to add plans and process would be approved by DANR before going to bid; vote on amendment: three and two nays, motion carried. Vote on original motion: three aye and two nays, motion carried.

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**PLANNING & ZONING:** An Information Permit for 234 Donna Street was presented as replacement for a fence that blew down in a windstorm. Motion by Kramer and seconded by Matheny to approve Permanent Sign Permit for Parcel #010650-Heartland RV; vote: all aye, motion carried. Motion by Matheny and seconded by Kramer to approve Digging/Grading Permit for Parcel #015327 – G. Hunsaker; vote: four aye and one abstain, motion carried.

**NEW BUSINESS:** President Koontz allowed Item 17F to be presented. James Preston asked several questions on behalf of the Preston Family regarding water and sewer tap fees that were paid to the Town of Hermosa and board decisions on returning some of those funds. The board will hold a Work Session on Tuesday, April 14, 2026, beginning at 7:00 p.m. to meet with the Preston Family to further discuss.

**BREAK:** The board took a ten-minute break and reconvened at 7:11 p.m.

**WATER/SEWER DEPARTMENT:** Theodorou gave an update on water and noted issues with the well and a water leak on Vilas Street. Theodorou showed videos from Operator Burkhard regarding progress at the Wastewater Treatment Plant. Burkhard stated he will be releasing water in the next couple of days from the Wastewater Treatment Plant. Motion by Koontz and seconded by Kramer to approve payment for meter pit leak in the amount of \$314.35, and to bill homeowner for that amount as it was determined the pipe was leaking from customer's side of meter; vote: all aye, motion carried. Motion by Koontz and seconded by Kramer to pend Item 9D Approve removal/surplus of unused and expired chemicals to the next regular meeting agenda; vote: all aye, motion carried. Motion by Matheny and seconded by Kramer to approve and authorize Board President to sign 2025 Annual Drinking Water Report; vote: all aye, motion carried. Motion by Matheny and seconded by Kramer to approve Pay Application No. 5 for Conifer Construction in the amount of \$13,358.16 (town still has 10% retainage on project); vote: all aye, motion carried. Motion Kramer and seconded by Matheny to approve the cost of six-month cleaning of sewer line for Heartland Hair; vote: four nay and one abstain, motion failed. Motion by Serviss and seconded by Matheny to table until the next regular meeting; vote: all aye, motion carried. Motion by Koontz and seconded by Matheny to approve the purchase of Water System filter media; vote: three aye and two nays, motion carried. Motion by Koontz and seconded by Matheny to approve the replacement of remaining Residential Booster Pumps; vote: all nay, motion failed. Motion by Matheny and seconded by Kramer to approve budget for Public Tour Safety and Beautification Upgrades for WWTP in the amount of \$10,393.00; vote: all aye, motion carried.

**PUBLIC SERVICES DEPARTMENT:** Koontz stated he will meet with Pennington County Highway Department next week to drive around town and discuss how the county can assist with town road projects. Koontz will also reach out to Custer County Highway Department to see if they can offer any assistance as well. Open Work Orders were provided in the packet. Koontz will get quotes for possible meter repair issues that are needed.

**LAW ENFORCEMENT/ABATEMENTS/COMPLAINTS:** The Custer County Log was provided in the packet. Motion by Ferguson and seconded by Matheny to approve Electricity License Agreement for Implementation and Camera Use with Division of Criminal Investigation for placement of camera on wooden pole with breaker panel on the east side of entrance to Saint Michael's church; vote: all aye, motion carried. It was noted that this camera system will be used for taking pictures of license plates only.

**LEGAL:** Motion by Koontz and seconded by Matheny to approve a budget of \$7,500.00 to hire Wade Schutz as Town Attorney; vote: one aye, three nay and one abstain, motion failed. Discussion was held on reason for new town attorney. Motion by Kramer and seconded by Serviss to hire Wade Schutz as alternate town attorney when needed for perceived conflict of interest; vote: all aye, motion carried.

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ECONOMIC DEVELOPMENT: Serviss reported he is the Property Manager for Roy's Drive Inn.

BREAK: The board took a ten-minute break and reconvened at 9:01 p.m.

CLAIMS: Motion by Koontz and seconded by Matheny to approve Payroll for March 31, 2026, and claims for April 7, 2026, as presented; vote: all ayes, motion carried. A&B BUSINESS SOLUTIONS, monthly printer/fax fee, \$554.05; ATAC, water distribution model, \$1,730.00; ATAC, on-call planner, \$2,345.00; ATAC, north water tank, \$3,310.00; ATAC, DWSRF project, \$20,425.00; ATAC, WWTP engineering fees, \$4,240.00; ATAC, sewer operations, \$3,680.00; ATAC, FEMA BRIC Grant engineering fees, \$30,310.00; BANKWEST CREDIT CARD, office supplies/adobe software/admin notary stamp/stamps/cleaning supplies, \$568.12; BANK WEST, ach batch payment and CMS payroll services, \$40.00; BLACK HILLS ELECTRIC, utilities for streets/water/sewer/general, \$3,308.72; CONIFER CONSTRUCTION, electrical parts/security cameras for well house/misc. for WWTP, \$9,961.01; CONNIE LEIMER, trap/neuter/release, \$25.00; CHUCK FERGUSON, contract services FINAL, \$2,113.55; CUSTER COUNTY SHERIFF, dispatch contract-May-July 2026, \$2,000.00; HEARTLAND HAIR – JENNIE HAAS, reimbursement for rapid roofer sewer clean out, \$225.14; KELBURN KOONTZ, reimbursement for rib dinner mileage/motel, \$363.38; KROHMER PLUMBING, booster pump replacements, \$9,668.00; SD DOT, 2025 bridge inspection, \$247.24; SDML, workers comp additional amount, \$197.00; SHP HOLDING, legal/publishing notices 03/26, \$641.24; SOUTHERNHILLS LAW PLLC, attorney services for law enforcement and town, \$5,197.00, **Accounts Payable Total: \$101,149.95.** Payroll related: Total Paid on 03/31/2026; Legislative, Financial Administration, \$3,466.89, Water, \$379.56, Sewer, \$179.74, Promoting City/BBB, \$67.16, HSA, \$64.75, HEALTH POOL OF SD, \$875.96, EFTPS-Electronic Federal Tax, \$1,015.25, SDRS, \$437.36, NATIONAL LIFE INSURANCE, \$10.00 **Total Payroll Related Paid: \$6,496.67. REPORT TOTAL: \$107,646.62.**

FINANCE OFFICE: Monthly financials will be provided at the next regular meeting. Motion by Koontz and seconded by Ferguson to approve the Sophos Firewall Option of Purchase Outright for \$1,804 with \$200 monthly firewall monitoring and \$360 general labor Quote for replacement of current firewall that will expire on May 22, 2026; vote: all aye, motion carried.

OLD BUSINESS: There was no Old Business presented.

NEW BUSINESS: The Town Clean Up Day will be held on Saturday, April 25, 2026, 7:00 a.m. to 3:00 p.m. Dan Holsworth has graciously allowed two large garbage dumpsters to be placed on his Post Office parking lot property and will have loader available. Koontz reviewed HB1245 which allows up to a 1% sales tax for a maximum of five years to fund specific Capital Projects if at least 60% of registered voters approve. The town will check on possibility of seasonal sales tax qualifying. Motion by Matheny and seconded by Ferguson to approve Resolution 2026-07; vote: all aye, motion carried.

TOWN OF HERMOSA  
Resolution Number 2026-07

A RESOLUTION AUTHORIZING THE APPROPRIATION OF FUNDS FOR ROOF REPAIRS TO THE  
HERMOSA ARTS AND HISTORY ASSOCIATION

WHEREAS, the Town of Hermosa imposes a municipal gross receipts tax pursuant to South Dakota law for the purpose of supporting tourism and visitor-related activities; and

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WHEREAS, the Hermosa Arts and History Association is a nonprofit organization dedicated to preserving and promoting the history, culture, and heritage of the Hermosa area; and

WHEREAS, the Hermosa Arts and History Association serves as a cultural and historical attraction open to the public and contributes to tourism by drawing visitors to the Town of Hermosa; and

WHEREAS, the building that houses the Hermosa Arts and History Association requires roof repairs in order to remain safe, accessible, and operational for residents and visitors alike; and

WHEREAS, the Board of Trustees finds that supporting the repair and continued operation of the Hermosa Arts and History Association is a valid public purpose and promotes tourism and visitor-related activities within the Town;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Town of Hermosa, South Dakota, that the sum of Five Thousand Dollars (\$5,000) is hereby appropriated from municipal gross receipts tax revenues for the specific purpose of roof repairs to the Hermosa Arts and History Association building.

BE IT FURTHER RESOLVED, that such funds shall be used solely for the stated purpose, and the Hermosa Arts and History Association shall provide documentation of expenditures upon request by the Town.

BE IT FURTHER RESOLVED, that the Board of Trustees finds and declares that this appropriation supports tourism and serves a public purpose in accordance with applicable South Dakota law.

Approved and adopted this 7 day of April, 2026.

Motion by Matheny and seconded by Kramer to approve the town website updates as presented; vote: all aye, motion carried. Motion by Kramer and seconded by Ferguson to table Item 17E Approve new Town Logo budget from BBB funds until the next regular meeting; vote: all aye, motion carried. Motion by Ferguson and seconded by Serviss to approve cemetery clean up crew to be able to us town yard waste dumpsters; vote: all aye, motion carried.

ITEMS FROM CONSTITUENTS: Dan Holsworth requested to be put back on volunteer list for the town. The town office staff will email him the form he needs to complete. Faye Miller stated she appreciated the board keeping Scott James as Town Attorney.

TRUSTEE INPUT: Matheny requested a work session be scheduled to handle the harassment policy for the town. The board will meet on Tuesday, April 28, 2026, at 6:00 p.m. to discuss this as well as board duties. Kramer stated it was a good meeting. Serviss requested specs on well pump so he could get a design for the booster pump. Koontz stated the need to have legal council look at verbiage of bond referendum as Resolution may be invalid.

EXECUTIVE SESSION: No Executive Session was held.

ADJOURN: Motion made by Ferguson and seconded by Matheny to adjourn meeting at 9:38pm, vote: all aye, motion carried.

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ATTEST:

\_\_\_\_\_  
Terri Cornelison  
Finance Officer

\_\_\_\_\_  
Kelburn Koontz  
Town Board President

Published once at the approximate cost of \_\_\_\_\_.