

**HERMOSA TOWN BOARD
TUESDAY, JULY 22, 2025
REGULAR MEETING @ 6:00pm**

Amended 8-5-25

ROLL CALL: Koontz called the meeting to order on Tuesday, July 22, 2025, at 6:00 p.m. with the following members present: Kramer, Ferguson, Koontz, and Serviss. Harris arrived at 6:11 p.m. Interested citizens, Attorney Hagg, and Town Engineer Theodorou were also present. Pledge of Allegiance led by Koontz.

CALL FOR CHANGES: Motion by Kramer and seconded by Ferguson to amend the agenda with the addition of Item 9C Meet and Greet for Town Marshall, Item 7F Temporary Sign Permit Application from Custer County Fair Association, Item 16B Application for Permit to Occupy Right of Way from Custer County Fair Association and Item 16 A Future of the Hermosa Library pending until next meeting and approve the agenda as amended; vote: all aye, motion carried.

CONSENT CALENDAR: Motion by Ferguson and seconded by Serviss to approve July 8, 2025, regular 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.

TOWN UPDATES: One RFP was received from Benesch for the 2025 Hermosa Drainage and Sewer Assessment and Improvement Plans. Bridget Mitchell with Headwaters and Joan Harris reviewed the RFP and determined it met all the necessary requirements. Motion by Serviss and seconded by Ferguson to award the 2025 Hermosa Drainage and Sewer Assessment and Improvement Plans to Benesch; vote: all aye, motion carried.

ENGINEER: Motion by Kramer and seconded by Harris to approve the 4-Year Contract Operations and On-Call Inspection Master Service Agreement Hermosa Drinking Water and Sanitary System Agreement from Benesch, which includes 341 hours per year for Wastewater System Operations at a rate of \$145 per hour, 213 hours per year for Water Systems Operations at a rate of \$145 per hour and On-Call (emergency) Wastewater and Water Inspection Services at a rate of \$150 per hour for the first year; vote: all aye, motion carried. Motion by Kramer and seconded by Ferguson to approve the quote for the purchase of Control Panel for UF, UV and Dropbox not to exceed \$43,571; vote: all aye, motion carried. Motion by Kramer and seconded by Serviss to approve the purchase of a Level Sensor for Dropbox not to exceed \$900; vote: all aye, motion carried. Item B3 – 3 Floats were included in the quote approved for \$43,571. The North Water Tower Bid award is pending until the next regular meeting on August 5, 2025.

PLANNING & ZONING: Motion by Harris and seconded by Ferguson to approve Permit #2025-14 – Digging Permit – 360 Vilas St. – Parcel #009202 as the requested information had been received; vote: all aye, motion carried. Motion by Serviss and seconded by Ferguson to table Permit #2025-16 – Carport – 51 N 5th St. – Parcel #009284 pending further information and any other building permit information required; vote: all aye, motion carried. Motion by Harris and seconded by Kramer to approve the Temporary Sign Application from the American Legion Post 303; vote: all aye, motion carried. Motion by Serviss and seconded by Kramer to waive the requirement to connect to municipal sewer for Permit #2025-17 – Extraterritorial Area – James Bendlin – 850 Marie St; vote: all aye, motion carried. Motion by Kramer and seconded by Ferguson to approve the new address of 340 Whitney Street for Parcel #009324; vote: all aye, motion carried. Motion by Kramer and seconded by Ferguson to approve the Temporary Sign Application from the Custer County Fair Association; vote: all aye, motion carried.

CLAIMS: Motion by Serviss and seconded by Ferguson to reduce the distribution to Hagg and Hagg in the amount of \$2,500 for the August legal retainer to ensure compliance with SDCL 9-21-9; vote: one aye, three nay and one abstain, motion failed. Motion by Harris and seconded by Kramer to allow the Finance Officer to prepare a formal supplemental budget to stay in compliance for professional attorney fees and any other budget line items that will need a supplement to get to end of the year and approve the Payroll and Claims as presented; four aye and one nay, motion carried. Koontz requested the Town Attorney to consult with the board and finance officer when fees will arise above the monthly retainer. ARIC ALIAS, reimbursement for fuel for town marshal, \$47.30; BENESCH, engineering fees for Lone Coyote Water & Sewer Extension, Hermosa Wastewater Treatment Plant, North Water Tank, FY22 Drinking Water SRF, On-Call Building Official Services, Tax Increment Financing District 2 and Lagoon Expansion, \$32,442.12; CUSTER COUNTY SHERIFF, Dispatch Contract August 1 – October 31, 2025; \$2,000.00; CHUCK FERGUSON, 17 hours lagoon pumping @ \$17 per hour and fuel, \$174.01; GOLDEN WEST TECHNOLOGIES, monthly service fee July 2025,

\$568.65, HAGG & HAGG LLP, August Retainer, 5.5 billable hours @ \$275 per hour and 142 copies, \$4,048.00; KIEFFER SANITATION, \$5,014.99; MT RUSHMORE TELEPHONE, phone & fax, Invoice 13624153, 13620639 & 13620655, \$261.84; REIMER ELECTIC, replace 11 light fixtures with LED in town office, \$830.00; SDARWS, Annual Class B membership dues, \$410.00; SD DEPARTMENT OF REVENUE, sales tax May and June 2025, \$602.39; SOUTH DAKOTA 811, message fees/voice out April – June 2025, \$95.13; **Accounts Payable Total: \$46,494.43**, Payroll related: Total paid on 7/15/2025; General, \$2,256.68; Water, \$246.07; Sewer, \$147.64; Promoting City/BBB, \$49.21; EFTPS-Electronic Federal Tax, FED/FICA TAX, 787.40; **Total Payroll Related Paid: \$3,486.00. REPORT TOTAL: \$49,980.43.**

LAW ENFORCEMENT: Town Marshal Alias gave a Marshal report. Motion by Serviss and seconded by Ferguson to authorize Benesch to do research on Marshal parking opportunities on the south side of the town office property. Motion was amended by Serviss and seconded by Koontz to authorize Town Engineer Theodorou to collect documentation on possible parking opportunities pursued in the past and work with grant writers to not exceed a cost of \$500 to be expended out of the Law Enforcement Professional Services budget line item; vote: four aye and one nay, motion carried. Motion by Serviss to approve the \$50 fee for rental of the Hermosa Community Center to host a Meet and Greet for the Town Marshal. Motion died for a lack of a second. Philip Preston volunteered to pay the \$50 rental fee. Mortitz and Andrea Espy volunteered to donate funds to provide refreshments at the Town Marshal Meet and Greet.

LEGAL: Discussion was held on current budget for legal. Motion by Harris and seconded by Kramer to request Town Attorney to notify the Finance Officer and Board President when hours worked for the town get close to hours covered under the retainer fee; vote: all aye, motion carried.

PUBLIC WORKS: Public Works Director Ferguson was not in attendance at the meeting. Town Engineer Theodorou gave an update on the water and sewer. Serviss and Holsworth gave an update on current contracted street maintenance work. A citizen reported issues with the alley located between 3rd and 4th Street. Serviss will investigate and create work order for any necessary repairs. Motion by Koontz and seconded by Kramer for the intent of the Board to be committed to following the ordinances of the Town (50.27 Repairs of City Water Mains and Service Lines and 51.11 Repairs of City Sewer Mains and Service Lines) and in most cases the owner of the property will be responsible for repairs to their water and sewer system inside their property lines. However, in the case of the booster pump installations, any repairs will be addressed by the Board on an individual basis; vote: four aye and Serviss abstained, motion carried.

ECONOMIC DEVELOPMENT: Serviss reported on an opportunity for possible rental of part of the Marshal's office from a State Agency.

FINANCE OFFICE: Monthly financials were provided. Finance Officer Cornelison reminded the board that the SDML Annual Conference is being held in Pierre, SD, September 30 through October 3, 2025.

OLD BUSINESS: Serviss stated he had a conflict of interest with Item 15 A Pop's Grocery Shoppe Operating Agreement. Motion by Koontz and seconded by Ferguson to allow the board to accommodate Operating Agreement for Pop's Grocery Shoppe and take maximum \$350 fee and divide by other off-sale hours to calculate a **dollar per operating hour for off-sale liquor** amount and apply that to Pop's Grocery Shoppe operating hours to determine fee for operating agreement; vote: four aye and Serviss abstained, motion carried. Motion by Kramer and seconded by Harris to approve the operating agreement upon the edits being completed and approved by Hagg and Kramer; vote: four aye and Serviss abstained, motion carried. Motion by Serviss and seconded by Ferguson to table Item 15B Operating Agreement Notice of Cancellation – TW Saloon until the September 23, 2025, BOT Meeting; vote: all aye, motion carried.

NEW BUSINESS: Motion by Kramer and seconded by Harris to approve the Custer County Fair Association Application for Permit to Occupy Highway Right of Way; vote: all aye, motion carried.

CITIZENS/TRUSTEE INPUT: Audience and trustees had input. For full verbiage, please see the video recording posted on the town's You Tube channel.

BREAK: The Board took a five-minute break.

EXECUTIVE SESSION: Motion by Koontz and seconded by Kramer to enter Executive Session allowable by SDCL 1-25-2.1 – Personnel/Contracts at 10:04 p.m.; vote: all aye, motion carried. Motion made by Ferguson and seconded by Kramer to exit Executive Session at 10:44 p.m.; vote: all aye, motion carried. There were no motions made from the Executive Session.

ADJOURN: Motion made by Kramer and seconded by Serviss to adjourn meeting at 10:45 p.m.

ATTEST:

Terri Cornelison
Finance Officer

Kelburn Koontz
Town Board President

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