

**HERMOSA TOWN BOARD  
TUESDAY, SEPTEMBER 9, 2025  
REGULAR MEETING @ 6:00pm**

**Amended 9-23-25**

ROLL CALL: Koontz called the meeting to order on Tuesday, September 9, 2025, at 6:00 p.m. with the following members present: Kramer, Ferguson, Koontz, Harris and Serviss. Interested citizens and Town Engineer Theodorou were also present. Pledge of Allegiance led by Koontz.

CALL FOR CHANGES: Motion by Koontz and seconded by Kramer to pend Item 6C Approve Modification to Drop Box to protect transmission and motor to the next regular BOT meeting and pend Item 7B Permit #2025-18 – Wastewater Connection Application – Parcel #004139 – 349 McDermind St until the October 7, 2025 BOT meeting and approve agenda as amended; vote: all aye, motion carried.

CONSENT CALENDAR: Motion by Ferguson and seconded by Serviss to approve August 19, 2025, regular meeting minutes, August 26, 2025, 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.

TOWN/FEMA UPDATES: There were no town or FEMA updates.

ENGINEER: Motion by Kramer and seconded by Harris to accept Change Order No. 9 as amended to include cost of fence for a total amount of \$109,379.45; vote: all aye; motion carried. Motion by Harris and seconded by Serviss to approve a budget not to exceed \$1,200.00 for Ferguson Construction to repair hydraulics on Vac Truck: vote: all aye, motion carried.

PLANNING & ZONING: Permit #2025-16 – Carport – 51 N 5<sup>th</sup> St. was approved at the August 19 BOT meeting has received a favorable inspection report from Benesch.

CLAIMS: Motion by Ferguson and seconded by Kramer to approve the Payroll and Claims with the correction of Baroque Advantage claim is for Pay Application No. 8 and approve as amended. Amended motion made by Koontz and seconded by Kramer to also correct Hagg & Hagg LLC claim amount to \$2,182.75 and approve as amended: vote: all aye, motion carried. A & B BUSINESS, monthly printer/fax fee, \$554.05; BANK WEST, classic web banking fee, \$25.00; BANK WEST CREDIT CARD, Adobe software/stamps/copy paper,/plant/candy for parade/pens/markers/ammo, \$1,874.41; BAROQUE ADVANTAGE LLC, Pay Application No. 8, \$58,236.87; BLACK HILLS ELECTRIC, utilities electric, July 2025, \$3,072.45; CONNIE LEIMER, trap/neuter/release program, \$85.00; CHUCK FERGUSON, contract services August 2025, \$3,120.00; GOLDEN WEST TECHNOLOGIES, monthly service fee September 2025, \$583.65; HAGG & HAGG LLP, 7.75 billable hours @ \$275/hour and 206 copies, \$2,182.75 HARRIS CONTRACTING, review grant/FEMA meetings and preparation/8 hours @ \$25 per hour, \$200.00; HAWKINS INC, santoprene pump tubes, \$111.00; METER AND TECHNOLOGY, meters and meter supplies, \$1,436.52; MILLS TRUCK SERVICES, haul and deliver two loads of sugar rock, \$1,376.49; KIM MUIR, reimburse for fingerprinting fee, \$30.00; RITEWAY, laser utility billing cards, \$226.93; RURAL DEVELOPMENT, RD1 Loan-August 2025 interest & principal, \$1,278.00; RD2 Loan-August 2025 interest & principal, \$417.00; RD3 Loan-August 2025 interest & principal, \$222.00; SOUTHERN HILLS PUBLISHING, publishing/legal notices August 2025, 112.63; **Payable Total: \$75,144.75.** Payroll related: Total Paid on 8/29/2025; General, \$4,796.46; Water, \$274.26; Sewer, \$81.47; Promoting City/BBB, \$27.15; EFTPS-Electronic Federal Tax, FED/FICA TAX, \$1,272.15; SOUTH DAKOTA RETIREMENT, \$1,158.22; **Total Payroll Related Paid: \$7,609.71.**  
**REPORT TOTAL: \$82,754.46**

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LAW ENFORCEMENT/ABATEMENTS/COMPLAINTS: Marshal Alias was not in attendance. Items 9A Marshal Report and 9B Phone/internet cost for Marshal Office were tabled until the next regular meeting. The Custer County log was provided.

LEGAL: Koontz has informed Attorney Hagg that due to current budgetary constraints, the attorney will not be present at future meetings and will be on-call for any legal services needed.

PUBLIC WORKS: Ferguson provided an update on streets, street lights that have been repaired, and sewer and water. Engineer Theodorou addressed concerns about the WWTP building construction. Current work orders were provided in the packet. Serviss gave an update on the volunteer street that has been completed. Information was provided for the SDARWS Day of Water that will be held in Rapid City on September 30, 2025. Discussion was held on the town's meter reading position. Kramer has put in her notice and is willing to train a replacement. The position will need to be advertised.

ECONOMIC DEVELOPMENT: Serviss gave an update on the Hermosa Connects and Hermosa Area Growth & Development meeting he attended.

FINANCE OFFICE: Monthly financials will be provided at the next regular meeting. Wester Dakota Regional Water System 5<sup>th</sup> Annual Membership meeting will be held September 25, 2025, in Keystone. An Incident Response Planning Workshop will be held in Rapid City on September 29, 2025.

OLD BUSINESS: Attorney Scott James addressed the board with his qualifications and willingness to fill the Town Attorney position if it should become available. The second reading of Chapter 91: Public Nuisances Ordinance was held. Motion by Ferguson and seconded by Serviss to accept the changes that have been made for the second reading of the Chapter 91: Public Nuisances Ordinance; vote: all nay, motion failed. The ordinance will be discussed at a Work Session scheduled for Tuesday, September 16, 2025 at 6:00 p.m.

NEW BUSINESS: The first reading of Ordinance 2.078 Appropriating Funds for the Fiscal Year 2026 was held.

BREAK: The board took a break and reconvened at 8:11 p.m.

NEW BUSINESS CONTINUED: The approval of new contract for Ferguson is pending until the work session to be held September 16, 2025. Motion by Harris and seconded by Kramer to approve Resolution 07-2025 Sewer Surcharge Rate for WWTP as presented with typing error to be corrected; vote: all aye, motion carried.

**RESOLUTION 07-2025  
TOWN OF HERMOSA, SD  
SURCHARGE FOR A WASTEWATER TREATMENT PLANT**

**RESOLUTION AMENDING THE TOWN'S RATE STRUCTURE, PROVIDING FOR A SURCHARGE FOR A WASTEWATER TREATMENT PLANT , FOR PAYMENT OF A REVENUE BORROWER BOND AND YEARLY REVIEW OF RATE**

**BE IT RESOLVED BY THE TOWN BOARD OF TRUSTEES OF THE TOWN OF HERMOSA AS FOLLOWS:**

**1. Surcharge for Borrower Bond.** There shall be charged a monthly surcharge for the services provided by the improvement financed by the CW-03 Conservancy District Loan. The surcharge for each loan shall be segregated from other revenues of the Town and shall be used for the payment of the Borrower Bond CW-03 (the "Borrower Bond"). Provided that such surcharge shall create net income, remaining from time to time after first paying all reasonable and current expenses of maintenance, repairs, replacements and operation, sufficient to fund interest, reserve and debt service fund annual requirements.

**2. Rates and collection.** The Town does hereby establish a special charge or surcharge payable by each customer of its system who receives or benefits from the services of the project financed with the Borrower Bond. Such charge or surcharge shall be set at a level which, assuming a 10% delinquency rate, will produce income at the times and in amounts sufficient to pay when due the principal of and interest on the Borrower Bond and the administrative expense surcharge and all other payments as may be required under the loan agreement and Borrower Bond.

**3. Borrower Bond Surcharge.** The following clean water debt service surcharge shall be applicable to all customers served:

Borrower Bond CW-03 Surcharge: \$12.80 per user per month.

This surcharge shall remain in effect until such time as the revenue bond is paid in full. The initial surcharge shall be collected at the same time as other charges of the system. The surcharge is found to be equitable for the services provided by the improvements.

**4. Segregation.** The debt service surcharge shall be segregated from other income of the system in a separate book-keeping account and is pledged to the South Dakota Conservancy District for the payment of the loan payments on the Borrower Bond.

**5. Yearly review.** The amount of the surcharge shall be reviewed from year to year and may be modified in order to provide such funds as are set forth herein. The charges shall be reviewed yearly by Town and administratively adjusted, upwards or downwards, to such amounts as may be necessary to pay principal, interest, administrative surcharge and other charges as may become due and owing under the loan agreement or Borrower Bond.

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**6. Billing and Accounting.** The surcharges shall be included in the monthly user bill. Nothing contained herein requires the surcharge be indicated on the billing, however, the surcharge segregation shall be indicated on the books of the Town.

**7. Automatic Repeal.** The surcharge for the Borrower Bond shall be automatically repealed when the Borrower Bond is paid in full.

**8. Partial Invalidity.** If any one or more of the provisions shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

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

**EXECUTIVE SESSION:** No Executive Session was held.

**ADJOURN:** Motion made by Kramer and seconded by Koontz to adjourn meeting at 8:58 p.m., vote: all aye, motion carried.

**ATTEST:**

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

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

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