

**HERMOSA TOWN BOARD
TUESDAY, OCTOBER 6, 2026
REGULAR MEETING @ 6:00PM
Draft minutes**

ROLL CALL: Serviss called the meeting to order on Tuesday, October 5, 2026, at 6:00 p.m. with the following members present: Ferguson, Kramer, Matheny, Miller, and Serviss. Interested citizens, Town Attorney James and interim Water Operator Sage, were also present. Pledge of Allegiance led by Serviss.

COMMENTS FROM THE PUBLIC: Shelly Martin asked about a previous discussion from the board about possible speed limit change on Highway 40 near Highway 79 due to school traffic.

CALL FOR CHANGES: Motion by Matheny and seconded by Ferguson to add Item 6A Traffic Control/Excessive Speed and approve agenda as amended; vote: all aye, motion carried.

CONSENT CALENDAR: Motion by Ferguson and seconded by Kramer to approve the September 22, 2026, regular meeting minutes and September 30, 2026, special meeting minutes as presented; vote: four aye and one abstain, 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. Roll call voting for any agenda item where a conflict of interest is formally identified.

LEGAL: Town Attorney James visited with Quinn Construction and will have waiver for remaining contractor responsibilities for the next meeting. James also communicated with attorney for Preston Family and item will be put on next agenda. James is continuing dialogue with AE2S Engineering regarding issues with sludge at lagoon placed on Neugebauer property. There was another invoice for the FEMA BRIC Grant from ATAC that has been disputed.

TOWN UPDATES: Serviss reported the parts for the new computer to be built for the board use have been ordered and Golden West Technologies will do all the software and security.

CITIZEN/STAKEHOLDER ITEMS: Amber Schwenn presented to the board on appropriate traffic-calming measures on Marie Street. Residents and delivery drivers exceed the posted 15mph speed limit. The board will do more research on this issue. Motion by Kramer and seconded by Miller to approve Resolution 11-2026; vote: all aye, motion carried.

**A RESOLUTION ANNEXING CONTIGUOUS TERRITORY TO THE TOWN OF HERMOSA UPON
VOLUNTARY PETITION**

WHEREAS, the Town of Hermosa has received a written petition requesting annexation of the territory described in Exhibit A and depicted in Exhibit B, which territory is contiguous to the Town of Hermosa; and

WHEREAS, South Dakota Codified Law § 9-4-1 authorizes the governing body, upon receipt of a written petition describing the boundaries of contiguous territory, to annex the territory by resolution when the petition is signed by not less than three-fourths of the registered voters and by the owners of not less than three-fourths of the value of the territory sought to be annexed; and

WHEREAS, the Board of Trustees has reviewed the petition and finds that the petition satisfies the signature and ownership-value requirements of SDCL § 9-4-1; and

WHEREAS, the legal description of the territory proposed for annexation is set forth in Exhibit A, attached hereto and incorporated herein by reference, and an accurate map of the territory is attached as Exhibit B; and

WHEREAS, Hermosa Town Code § 10.09 authorizes the Town to enact resolutions proper and necessary to carry into effect the powers granted to the Town;

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NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Town of Hermosa, South Dakota, pursuant to SDCL § 9-4-1, that the territory described in Exhibit A and depicted in Exhibit B is hereby included within the corporate limits of the Town of Hermosa.

BE IT FURTHER RESOLVED that Exhibits A and B are incorporated into this Resolution as though fully set forth herein.

BE IT FURTHER RESOLVED that this Resolution shall be recorded in accordance with SDCL § 9-19-8 and shall become effective as provided by SDCL § 9-19-13.

BE IT FURTHER RESOLVED that, after this Resolution becomes effective, the Town Board President shall cause an accurate map of the annexed territory, together with a duly certified copy of this Resolution, to be recorded in the office of the Register of Deeds for the county or counties in which the annexed territory is situated, in accordance with SDCL § 9-4-11.

Dated this 6th day of October, 2026.

PLANNING & ZONING: Motion by Matheny and seconded by Kramer to adjourn as Board of Trustees and reconvene as Planning & Zoning Board at 6:46 p.m.; vote: all aye, motion carried. Discussion was held on Custer County Building Permit – Parcel #015987 McDermant Subdivision – Barnier Tract 3. Motion by Miller and seconded by Matheny to adjourn as Planning & Zoning Board and reconvene as Board of Trustees at 7:27 p.m.; vote: all aye, motion carried. Motion by Kramer and seconded by Matheny to comment to Custer County that more information on water, sewer, floodplain and site plan is needed.; vote: all aye, motion carried. Information needed includes: floodplain map showing elevation, engineered drawings for extension of main, engineering review on connection of water and sewer including if lift station is needed. Cost of any such actions shall be borne by the property owner.

BREAK: The board took break at 7:30 p.m. and reconvened at 7:40 p.m.

OLD BUSINESS: Waiver for new tank will be presented at the next meeting. Motion by Miller and seconded by Ferguson to approve additional budget of \$1,500.00 for sewer main repair at 315 Manning Street and \$150.00 for inspection of service line repair when completed by property owner; vote: three aye and two nay, motion carried.

NEW BUSINESS: Item 11A Approve Floodplain Administrator and Liaison Appointment is pended until the next meeting. Motion by Kramer and seconded by Matheny to table Item 11B Approve RFQ – Infrastructure Remediation Strategic Approach to the next meeting; vote: all aye, motion carried. Item 11C Approve building inspection/code enforcement agreement is pended to the next meeting. Motion by Serviss and seconded by Miller to approve welded tank maintenance agreement -USG Solutions contingent upon review & approval of town attorney; vote: all nay, motion failed. Motion by Matheny and seconded by Kramer to table this item until the next meeting; vote: all aye, motion carried. Motion by Ferguson and seconded by Miller to approve the purchase of one pallet UPM asphalt repair material; vote: four aye and one nay, motion carried.

CLAIMS: Motion by Kramer and seconded by Ferguson to approve payroll for September 30, 2026, and claims for October 6, 2026, as presented; vote: all aye, motion carried.

Vendor	Reference	Amount
A&B Business	Monthly printer/fax fee	\$ 575.13
Bank West	Monthly payroll/AP ach fee	\$ 40.00
Bank West Credit Card	Stamps/Adobe/Paper/Plate Compact	\$ 1,256.99
Black Hills Electric Coop	Electric Utilities	\$ 3,684.72
Golden West Technologies	Billable hours-word issues/email	\$ 630.00

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Harland Clarke	Checks for Bank West checking acct	\$ 657.66
HAHA	Donation-Santa's Village	\$ 1,500.00
Midcontinent Testing/Alliance	Lagoon/sewer/water testing	\$ 1,649.25
Quinn Construction	Emergency repair-water tanks	\$10,150.44
Rural Development	RD1, RD2, RD3 loan payment	\$ 1,917.00
SD Dept of Revenue	Sales tax July/August 2026	<u>\$ 586.28</u>
	Accounts Payable Total	\$22,647.47
Utility Deposit Refund		
	O'Rorke – 212 Vilas St	\$ 33.82
	Hunsaker – 300 Main St #56	<u>\$ 200.00</u>
	Deposit Refund Total	\$ 233.82
Payroll Related: Paid 9/30/2026		
	Legislative, Financial/Gov't Blds	\$ 3,176.19
	Promoting City/BBB	\$ 50.76
	Water	\$ 292.80
	Sewer	\$ 124.34
Health Equity	HSA	\$ 62.50
Health Pool of SD	Health Insurance FO	\$ 875.96
SDRS	Retirement	\$ 757.08
EFTPS	Payroll Taxes	\$ 1,004.91
National Insurance Services	Life Insurance	<u>\$ 10.00</u>
	Payroll Total	<u>\$ 6,354.54</u>
***** REPORT TOTAL*****		\$ 29,235.83

WATER DEPARTMENT REPORT: SD Rural Water assisted with cleaning out risers for valves and completed some hydrant purges.

SEWER DEPARTMENT REPORT: Serviss has gotten set up with DANR for Net DMR submissions.

STREET DEPARTMENT REPORT: There have been several complaints received regarding potholes in the streets.

LAW ENFORCEMENT: The Custer County Log for September was distributed at the meeting.

ABATEMENTS/COMPLAINTS: None presented.

ECONOMIC DEVELOPMENT: Matheny reported there is a new chiropractor opening up soon in Hermosa.

FINANCE OFFICE: Nothing presented.

CLOSING COMMENTS FROM THE PUBLIC: Dan Holsworth stated UPM doesn't work in cold weather, and he would like to see pictures and reports from repair of sewer at 315 Manning Street.

TRUSTEE INPUT: Miller stated the board had accomplished some things and will need to get working on roads. Matheny said it was a good meeting and noted items for the next meeting. Kramer thanked everyone for coming to the meeting. Ferguson stated a young couple moved into one of the new governor homes on Whitney Street and it is nice to see young families moving into the area. Serviss stated it was good to have voluntary annexation.

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EXECUTIVE SESSION: Motion by Kramer and seconded by Matheny to enter Executive Session allowable by SDCL 1-23-2.1 Personnel at 9:18 p.m.; vote: all aye, motion carried. Motion by Ferguson and seconded by Matheny to exit Executive Session at 9:39 p.m.; vote: all aye, motion carried. No motions made out of Executive Session.

ADJOURN: Motion by Ferguson and seconded by Miller to adjourn at 9:40 p.m.; vote: all aye, motion carried.

Terri Cornelison
Finance Officer

Aaron Serviss
Town Board President

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