

ROLL CALL: Koontz called the meeting to order on Tuesday, March 3, 2026, at 6:01 p.m. Roll Call was held with Kramer, Ferguson, Koontz, Serviss and Matheny in attendance. Interested citizens, Town Attorney James and Town Engineer Theodorou were also present. Pledge of Allegiance led by Koontz.

CALL FOR CHANGES: Motion by Koontz and seconded by Kramer to amend the agenda as follows: replace item 7B with schedule public engagement meeting for flood plain west of Hwy 79, strike the words project defunct from item 7E, strike items 10B, Add 15D 'Revoke appointment for economic development liaison, Add 15E 'require board president and vice president approval of proposed agenda and packet before releasing to the public on Friday's before the meetings and require amendment requests of agenda at board meetings. Vote: three aye, two nay, motion carried.

CONSENT CALENDAR: Motion by Koontz and seconded by Matheny to approve January 27, 2026, special meeting minutes as amended; vote: four aye and one abstain, motion carried. Motion by Matheny and seconded by Kramer to approve February 5, 2026, regular meeting minutes as presented; vote: four aye and one abstain, motion carried. Motion by Matheny and seconded by Kramer to approve February 17, 2026, regular meeting minutes as presented; vote: all aye, motion carried. Motion by Kramer and seconded by Koontz to approve February 19, 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. Koontz noted that there will be roll call voting for any agenda items that may have a conflict of interest.

TOWN/FEMA UPDATES: Discussion was held on who should be able to post on the town website and what should be posted on the town website.

ENGINEER: Motion by Koontz and seconded by Matheny to approve the quote for security equipment for water and wastewater facilities from Black Hills Technologies, LLC, in the amount of \$5,568.00; vote: three aye and two nays, motion carried. Motion by Koontz and seconded by Matheny to approve budget of \$5,600 for Ferguson Lift Station Utility Services rack. Matheny amended the motion and seconded by Kramer to approve the amount to structurally strengthen Ferguson Lift Station, excluding the camera cost from the bill of materials. Vote on amendment: two aye, two nay and one abstain, motion failed. Vote on original motion: three aye, one nay and one abstain, motion carried. Motion by Koontz and seconded by Matheny to approve proposal from ECT2 for media unloading at site; secure/dry media store upon delivery for a total of \$24,400.00. Motion amended by Koontz to approve cost upon closure of DWSRF loan. Motion failed for lack of a second. Motion was amended by Kramer and seconded by Matheny to approve contingent upon closing of DWSRF loan upon which the funds can be drawn. Vote on amendment: all aye, motion carried. Vote on original motion: all aye, motion carried.

PLANNING & ZONING: Matheny presented a sample procedure for Notification of Public Meeting, and the form was included in the packet. Notice states who is having the public hearing and who to contact by email with questions, comments, and concerns prior to the public hearing. Motion by Koontz and seconded by Matheny to approve Resolution Building Permit #2026-06-Parcel #009325 contingent upon requirements stated in staff report are met (agreement to special assess the lot for the upgrades needed to accept the private pump station on Whitney Street into the Town's system and require user to be on a town-owned system and the structure and garage shall comply with the building and fire codes). Motion amended by Koontz and seconded by Kramer to ~~add lift station be~~ approve building permit contingent upon the station being upgraded and certified by DANR. Vote on amendment: four aye and one abstain, motion carried. Vote on original motion:

four aye and one abstain, motion carried. Motion by Serviss and seconded by Kramer to direct town attorney to determine jurisdiction of land use and take appropriate actions to resolve or necessary penalize. Serviss amended motion and Ferguson seconded to direct town attorney to review if public hearing is appropriate regarding land use for parcel #010619; vote on amendment: three aye and two abstain, motion carried. Motion by Serviss and seconded by Matheny to table Item 7D Extraterritorial Land use violation Parcel #010619-Hermosa Mud Bog until the next regular meeting; vote: all aye, motion carried. Motion by Kramer and seconded by Matheny to return \$70,250.54 to the Preston Family for water and sewer fees paid and project did not start. Motion was amended by Serviss and seconded by Matheny to increase the amount to \$140,501.08. Vote on amendment: two aye, two nay and one abstain, motion failed. Vote on original motion: all nay, motion failed. Motion by Matheny and seconded by Serviss to return \$210,751.62 to the Preston Family for water and sewer fees paid and project not started; vote: three aye, one nay and one abstain, motion carried.

PUBLIC WORKS: Town Engineer Theodorou gave an update on water and sewer. He has been reviewing the monitoring system for wellhouse and making sure Ferguson Lift Station is operational. The lagoons are filling up as needed to operate the wastewater treatment plant. Theodorou also stated he and John Buckhard had started doing the 811 locate calls. The board reviewed the open work orders provided in the packet. Motion by Koontz and seconded by Matheny to approve a budget of \$2,417.00 for replacement of booster pump at 221 Folsom; vote: four aye and one abstain, motion carried.

LAW ENFORCEMENT/ABATEMENTS/COMPLAINTS: No items were presented.

LEGAL: Town Attorney James stated he will only perform tasks directed to him by the board.

CLAIMS: Motion by Koontz and seconded by Ferguson to approve Payroll for February 27, 2026, and claims for March 3, 2026; roll call vote: Matheny – abstain, Ferguson – aye, Koontz – aye, Serviss – abstain, Kramer – aye, motion carried. A & B BUSINESS, monthly printer/fax fee, \$613.34; ATAC, FEMA/BRIC grant engineering fee, \$19,705.00; ATAC, north water tank engineering fee, \$1,020.00; ATAC, DWSFR engineering fee, \$6,800.00; ATAC, engineering fee, \$1,190; ATAC, water & sewer operations, \$920.00; ATAC, planner time, \$910.00; ATAC, planner time – TIF#2, \$455.00; CHUCK FERGUSON, contract services, \$3,120.00; BLACK HILLS ELECTRIC, utilities – water, sewer, street lights, \$3,570.19; BANKWEST CREDIT CARD, keys, locks, office supplies, Pierre trip, \$1,285.07; SOLAR SOUND CORPERATION, re-install arm & light, \$618.25; LOWER 48, weir ring for mounting sensor, \$129.64; MORGAN THEELER LLP, TIF #2 legal review, \$3000.00; RURAL DEVEOLPMENT LOAN 1, interest & principle for loan 1, \$1,278.00; RURAL DEVEOMPLMENT LOAN 2, interest & principle for loan 2, \$417.00; RURAL DEVELOPMENT LOAN 3, interest & principle for loan 3, \$222.00; AARON SEVRISS, reimbursement for keys, \$38.17; TEM-TECH, repair south well house, \$252.00; . **Accounts Payable Total: \$45,543.66.** Payroll related: Total Paid on 2/27/2026; Legislative, Financial Administration, \$3,509.03, Water, \$409.87, Sewer, \$191.07, Promoting City/BBB, \$77.38, EFTPS-Electronic Federal Tax, \$1,048.41, South Dakota Retirement, \$1,216.76, Health Equity, \$62.50, Health Pool of South Dakota, \$875.96; National Insurance, \$10.00; **Total Payroll Related Paid: \$7,400.98. REPORT TOTAL: \$52,944.64.**

FINANCE OFFICE: Cornelison gave department updates:

- Hermosa Local Board of Equalization, Monday, March 16, 2026, at 6:00 p.m.
- District 9 Meeting in Wall, SD – Tuesday, March 31, 2026, 6:00-8:00 p.m.
- Finance Officer School in Oacoma, SD – Wednesday, June 10, 2026, through Friday, June 12, 2026
- SDML Annual Conference in Aberdeen, SD – Tuesday, October 6, 2026, through Friday, October 9, 2026

Motion by Kramer and seconded by Ferguson to approve Finance Officer to attend Finance Officer School; vote: all aye, motion carried.

BREAK: The board took a break and reconvened at 8:56 p.m.

PLANNING & ZONING CONTINUED: Discussion was held on scheduling public engagement meeting for flood plain west of Hwy 79. Theodorou will research venue for April 8th or April 13th.

FINANCE OFFICE CONTINUED: Discussion was held on procedure for handling utility billing when leaks/floods occur. Policy in the past has been to remove the amount of consumption of the leak/flood from the sewer charge. Motion by Serviss and seconded by Ferguson to grant the Town Finance Officer discretion in adjusting utility billing when needed. Mail call included an email sent to all board members, finance officer and town attorney regarding concerns with contractor's history of non-compliance with State regulations relative to the vendors' Apple Springs location. Matheny suggested writing a letter to contract to ask what has been done to resolve the violations. This item will be placed on the next regular meeting agenda. Cornelison presented the draft of the 2024-2025 Audit performed by Independent Audit Services, P.C.

OLD BUSINESS: The board voted by paper ballot for 2025 Hermosa Volunteer of the Year. Dan and Shelly Martin received the most votes and will be presented with the award at a future regular meeting.

NEW BUSINESS: Motion by Serviss and seconded by Ferguson to approve Resolution 2026-04 A Resolution Stating Intent of the Town of Hermosa to be Included in Proposed Ambulance District, contingent upon approval from Town Attorney; vote: all aye, motion carried. Motion by Matheny and seconded by Serviss to add the Municipal Referendum Petition to submit to the voters the Planning & Zoning Resolution No. 2026-01 Resolution Providing for the Creation of Town of Hermosa, South Dakota, Tax Incremental District Number Two (2); vote: three aye and two nays, motion carried. Koontz reads out committee selections: Finance: Koontz – Chair, Kramer – Vice Chair, Water: Koontz – Chair, Kramer – Vice Chair, Sewer: Matheny – Chair, Kramer – Vice Chair, Streets: Koontz – Chair, Matheny – Vice Chair, Law Enforcement: Ferguson – Chair, Kramer – Vice Chair, Code Enforcement : Kramer – Chair, Ferguson – Vice Chair, Media: Koontz. Motion by Koontz and seconded by Kramer to revoke the appointment of Economic Development Liaison; vote: 2 aye, 1 nay, 2 abstain, motion failed. Motion by Koontz, seconded by Matheny to require board president and vice president to approve agenda and packet before releasing to the public on Fridays before the meetings and require amendment requests at board meetings. Motion amended by Koontz, seconded by Kramer to require finance officer as tie breaker. Motion to amend by Matheny seconded by Koontz to have the tie breaker put both things on agenda. Vote on amendment: 3 ayes, 1 nay, 1 abstain. Vote on original motion: 3 aye, 2 nay motion carried.

ITEMS FROM CONSTITUENTS: Mark Croyley questioned why actions against Trustee Serviss were necessary. Connie Leimer questioned purchase of cameras for lagoon system. Faye Miller asked what the opinion was of other board members regarding President's article in March Newsletter. Phil Preston stated the board was missing effective information by not allowing public comments on agenda items. Dan Holsworth when infrastructure jeopardized cannot afford security breach. Deb Holsworth commented on medical waste site that only having a violation of address not being changed. Margie Jurrens commended Serviss on his reports and information and questioned Koontz's leadership style. Joan stated she does not sensor articles placed in the Hermosa Newsletter. Shelly Martin commended Serviss on his research and everything he does for the Town and asked why Our Savior Lutheran Church's request for donation to replace playground equipment was not on the agenda. Discussion was a possibility for town to surplus playground equipment received from the Custer School. Dan Martin stated the school got rid of the playground equipment due to liability issues and church would not be interested.

HERMOSA TOWN BOARD
TUESDAY, MARCH 3, 2026
REGULAR MEETING @ 6:00 p.m.

Amended 3-17-2026

TRUSTEE INPUT: Kramer stated school gave playground equipment to town as they could no longer ensure the equipment. Black Hills Recovery is donating \$1000 to project to replace playground equipment. Matheny stated security cameras are important and new structure of agendas is needed. Ferguson commented on feeling some of decisions made were rash and to remember board works for the town. Koontz stated that in his Hermosa Newsletter article he intended to capture the truth of the entirety of the situation and his commitment is to not misrepresent.

EXECUTIVE SESSION: No Executive Session held.

ADJOURN: Motion made by Ferguson and seconded by Koontz to adjourn meeting at 10:38 p.m., vote: all aye, motion carried.

ATTEST:

Terri Cornelison
Finance Officer

Kelburn Koontz
Town Board President

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