

**HERMOSA TOWN BOARD
MONDAY, FEBRUARY 2, 2026
REGULAR MEETING @ 6:00 PM**



- 1) **ROLL CALL:**
 - A. BOT Roll Call: Kramer, Ferguson, Koontz, Serviss, Matheny
 - B. Acknowledgement of other Attendees
 - C. Pledge of Allegiance to be led by Koontz

- 2) **MEETING RULES:**
 - A. Review Meeting Rules

- 3) **CALL FOR CHANGES:**
 - A. Review of current agenda items
 - B. Motion to accept the agenda as presented/amended

- 4) **CONSENT CALENDAR:**
 - A. Approval of January 20, 2026, regular meeting minutes
 - B. Approval of January 27, 2026, special meeting minutes

- 5) **CONFLICT OF INTEREST DECLARATION:**

- 6) **TOWN/FEMA UPDATES:**
 - A. FEMA BRIC Award

- 7) **ENGINEER:**
 - A. Results of Two Man Operator Service for Vactor Truck

- 8) **PLANNING & ZONING:**
 - A. TIF District #2 Presentation
 - B. Approve P & Z Resolution #2026-01
 - C. Approve Resolution #2026 -03 for approving the project plan for Tax Increment Financing District #2
 - D. Permit# 2026-03 Informational Permit, 495 Vilas ST, Parcel# 0009204

- 9) **CLAIMS:**
 - A. Review of payroll and claims. Motion to approve as presented/amended.

- 10) **LAW ENFORCEMENT/ABATEMENTS/COMPLAINTS:**
 - A. Marshal report
 - B. Custer County Log
 - C. Approve Law Enforcement Committee with \$3000 discretionary vehicle budget and vehicle transport authority

- 11) **LEGAL:**
 - A. Open Meetings Laws Review

- 12) **PUBLIC WORKS:**
 - A. Streets
 - B. Street Light Repairs
 - C. Water & Sewer Department Updates
 - D. Open Work Orders

- E. Approve Assignment of Meter Reader employee to collect water samples
- F. Approve draft and posting of job description for public works town employee
- G. Approve Knowledge & Equipment Support Agreement
- H. Approve Water & Sewer Bill Relief for Hermosa Arts & History Association
- I. Approve Hermosa Booster Pump Proposal

13) **ECONOMIC DEVELOPMENT:**

- A. Approve Resolution 02-2026 Establishing the Hermosa Economic Development Committee (formerly Resolution 06-2025 tabled until second meeting in January 2026)

14) **FINANCE OFFICE:**

- A. Monthly financials
- B. Department updates

15) **OLD BUSINESS:**

- A.

16) **NEW BUSINESS:**

- A. Approve BBB Fund donation for OSL playground equipment

17) **ITEMS FROM CONSTITUENTS:**

- A. No action can be taken by the board on any issue related without being first placed on a future agenda, to allow for proper notice.
 - 1. Reserved time for public comments is **15 minutes**.
 - 2. This is a time for citizens of the town of Hermosa or owners of property within town
 - 3. Limits to express concerns or discuss issues having relevance to the town.
 - 4. Anyone wishing to address the Town Board during this time shall be asked to stand and
 - 5. Identify themselves after being recognized the Board President.
- B. 4. Each person will be allotted **3 minutes** to speak.
- C. 5. After these time limits are reached, all further commentary shall be made only with the
 - 1. Chair's approval.

18) **TRUSTEE INPUT:**

19) **EXECUTIVE SESSION:**

- A. Motion to enter Executive Session allowable by SDCL 1-25-2.1 – Legal/Personnel/Contract
- B. Motion to exit out of Executive Session
- C. Motions resulting from Executive Session

ADJOURN: Motion by _____; Second by _____ to adjourn the meeting at _____ PM.

Authority

Pursuant to the Policies and Procedures Document, Chapter 4, Section A, which establishes *Robert's Rules of Order* as the method governing meetings, the following meeting rules are derived directly from and consistent with *Robert's Rules of Order Simplified and Applied, Second Edition*. These rules reflect powers and duties inherent in the presiding officer and do not constitute Special Rules of Order.

1. Recognition of Speakers

No member may speak without first being recognized by the Chair. All remarks must be addressed to the Chair. The Chair controls recognition and may determine the order in which speakers are recognized to maintain orderly proceedings.

2. Relevance and Germaneness of Debate

Remarks must be confined to the pending question. The Chair shall immediately rule out of order any remarks that are irrelevant, off-topic, or unrelated to the motion under consideration.

3. Prevention of Repetition

Members may not repeat arguments that have already been made. Once a member's position has been clearly stated, the Chair may require the member to conclude so that other members may be heard.

4. Fair Opportunity to Participate

In recognizing speakers, the Chair may give preference to members who have not yet spoken on the pending question in order to ensure equitable participation and efficient deliberation.

5. Decorum and Order

Members shall maintain decorum at all times. Personal attacks, cross-talk, interruptions, and disorderly conduct are out of order. The Chair may call members to order and take necessary steps to restore order.

6. Efficient Transaction of Business

The Chair has a duty to protect the assembly from wasting time. When debate becomes repetitious or unproductive, the Chair may encourage concise remarks and may suggest that the body proceed to a vote or consider appropriate motions.

7. Rulings of the Chair

The Chair rules on questions of order, subject to appeal by the assembly as provided in Robert's Rules. Appeals shall be handled promptly and without extended debate.

References

1. Henry M. Robert III, Daniel H. Honemann, Thomas J. Balch, and Daniel E. Seabold, *Robert's Rules of Order Simplified and Applied*, Second Edition (Philadelphia: Da Capo Press, 2011).
2. The Chair's authority regarding recognition, relevance of debate, prevention of repetition, decorum, and efficient transaction of business is summarized throughout Chapters 3–6 of *Robert's Rules of Order Simplified and Applied*, Second Edition.

HERMOSA TOWN BOARD
TUESDAY, JANUARY 20, 2026
REGULAR MEETING @ 6:00 p.m.

4A

ROLL CALL: Koontz called the meeting to order on Wednesday, January 20, 2026, at 6:03 p.m. Roll Call was held with Kramer, Ferguson, Koontz and Serviss 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 Ferguson to add Item 11D Approve outside counsel to approve TIF 2 work and approve agenda as amended; vote: all aye, motion carried.

SPECIAL ITEM: Town Attorney James administered the Oath of Office to newly elected board member, Trena Matheny.

CONSENT CALENDAR: Motion by Koontz and seconded by Kramer to approve December 16, 2025, regular meeting minutes, December 22, 2025, special meeting minutes, January 6, 2026, special meeting minutes and January 7, 2026, regular meeting minutes; vote: four aye and one abstained, 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: Serviss played a recording from a prior meeting explaining how previous meetings were conducted and limited comments from the public to only when they had a direct interest in the agenda item. The board will look at implementing a policy to address this issue.

ENGINEER: Motion by Koontz and seconded by Kramer to approve Letter of Commitment to host SD School of Mines Digital Twin project, no cost to town, National Science Foundation 100% funded to automate our new Wastewater treatment; vote: all aye, motion carried.

PLANNING & ZONING: Motion by Serviss and seconded by Kramer to approve Permit #2025-21 – Roof over containers for use as a garage – 24549 Hwy 79 – Parcel #004135; vote: four aye and one abstained, motion carried. Motion by Koontz and seconded by Serviss to deny Permit #2026-01 – Conditional Use Permit – storage structure – 24549 Hwy 79 – Parcel #004135. Motion amended by Koontz and seconded by Serviss to include the refund of permit fee paid; vote on amendment, four aye and one abstained, motion carried. Vote on original motion, four aye and one abstained, motion carried. Motion by Kramer and seconded by Koontz to approve Permit #2026-02 – Storage container – 33 N 1st St – Parcel #009172. Kramer amended the motion and Serviss seconded to include the requirements of staff report be met (no additional utilities for the structure, comply with building code and fire safety, egress requirements must be met if used as a work area, respect the setbacks and easements on the property, no more than one container high is allowed, and containers need to be tied-down to resist wind loads). Vote on amendment, four aye and one abstained, motion carried. Vote on original motion, four aye and one abstained, motion carried. Motion by Koontz and seconded by Serviss to approve Town Planner to review storage structures/storage containers ordinance and propose updates as needed; vote: all aye, motion carried.

PUBLIC WORKS: Serviss reported on work that had been completed on Walter Street and thanked Mark Cropley for his assistance. Ferguson reported that six streetlights have been repaired and still have one needing repair on Whitney Street and Josie Street. Ferguson reported on his monitoring of the pilot light for heating the pump house to make sure the high winds did not blow out. Ferguson reported on an emergency repair of the Ferguson Lift Station after wind damage. Town Engineer Theodorou reported on the wastewater treatment plant is currently discharging. Open work orders were provided in the packet. Motion by Serviss to approve the public works associate job description and task competency framework as a policy for public works employees.

HERMOSA TOWN BOARD
TUESDAY, JANUARY 20, 2026
REGULAR MEETING @ 6:00 p.m.

Motion died for a lack of a second. No action for Item 9F Approve Knowledge & Equipment Support Agreement, as it is tied to Item 9F.

BREAK: The board took a ten-minute break and reconvened at 7:19 p.m.

PUBLIC WORKS CONTINUED: Motion by Koontz to approve the emergency extension of Ferguson contract for two months. Motion died for a lack of a second.

LAW ENFORCEMENT/ABATEMENTS/COMPLAINTS: No marshal report presented. The Custer County log was provided in the packet. Motion by Ferguson and seconded by Koontz to approve purchase of Side Door Panel for Marshal vehicle from eBay unless it is a less expensive option if found. Koontz amended motion to set a budget of \$500 for the purchase of the door panel. Motion died for a lack of a second. Vote on original motion: all nay, motion failed. Motion by Serviss and seconded by Kramer to allow a budget up to \$500 to replace the damaged door panel in the Marshal vehicle; vote: all aye, motion carried.

LEGAL: Motion by Koontz and seconded by Serviss to approve Town Attorney to write an opinion on the Town contracting with a company owned by a Local Officer as per listed SDCL's. Motion was amended by Koontz and seconded by Serviss to include but not limited to SDCL's listed on the agenda. Vote on amendment: all aye, motion carried. Vote on original motion: all aye, motion carried. Motion by Serviss and seconded by Ferguson to approve Town Attorney to create and give a Conflict-of-Interest presentation per appropriate SDCL's; vote: all aye, motion carried. Motion by Serviss and seconded by Kramer to approve Town Attorney to write Opinion on what constitutes Professional Services including the instance of Water and Sewer Operations; vote: all aye, motion carried. Motion by Koontz and seconded by Kramer to approve outside council to review TIF work from our Town Attorney. Motion amended by Serviss and seconded by Kramer to add of cap of \$3,000.00. Vote on amendment: all aye, motion carried. Vote on original motion: all aye, motion carried.

ECONOMIC DEVELOPMENT: Resolution 02-2026 Resolution Establishing the Hermosa Economic Development Committee was presented. No motion was made to approve the resolution.

CLAIMS: Motion by Kramer and seconded by Ferguson to approve Payroll for January 15, 2026, and claims for January 20, 2026; roll call vote: Kramer, Ferguson, Koontz and Serviss aye, Matheny abstained, motion carried. CBH CO-OP, Shop Tank Rental, \$47.43; FERGUSON CONSTRUCTION, Repair Ferguson Lift/ 5th & Whitney Storm Damage, \$1,393.00; GOLDEN WEST TECHNOLOGIES, Monthly Service Fee - January 2026, \$583.65, Issues with Admin Email & FO Computer, \$270.00; KIEFFER SANATATION, Monthly Sanitation Fee – December 2025, \$4,158.96; KELBURN KOONTZ, Reimbursement for Part Purchased for Pressure Washer on Snow Machine, \$50.02; MT RUSHMORE TELEPHONE, Phone & Internet – December 2025 – Main Line, \$135.17, Phone – December 2025 – Second Line, \$67.34, Phone – December 2025 – Fax Line, \$57.62, Phone & Internet – December 2025 – Marshall Office, \$145.60; NELSON'S OIL & GAS INC., Propane – City Well, \$269.04; NORTHWEST PIPE FITTINGS INC., Adjustable Hydrant Wrench, \$67.24; SOUTHERN HILLS PUBLISHING, Publishing/Legal Notice – December 2025, \$273.64; SOUTH DAKOTA 811, Message Fees/Voice Out, \$54.81; SOUTHERN HILLS LAW PLLC, Attorney Services – December 2025, \$3667.50; **Accounts Payable Total: \$11,241.02.** Payroll related: Total Paid on 1/15/2026; Legislative, Financial Administration, \$3,651.36, Water, \$181.34, Sewer, \$108.80, Promoting City/BBB, \$78.63, EFTPS-Electronic Federal Tax, \$1,032.64, South Dakota Retirement, \$60.57, **Total Payroll Related Paid: \$5,113.34. REPORT TOTAL: \$16,354.36.**

FINANCE OFFICE: Monthly financials were presented and included in the packet. Cornelison informed the board that the current financial software is being updated and will provide better reporting and is easier to use.

HERMOSA TOWN BOARD
TUESDAY, JANUARY 20, 2026
REGULAR MEETING @ 6:00 p.m.

OLD BUSINESS: Discussion was held on the water and sewer rate structure. A work session was scheduled for Monday, February 23, 2026, starting at 5:00 p.m. to continue discussion on this item.

NEW BUSINESS: Discussion was held on direct deposit for contractors' policy. Cornelison informed the board that those ACH payments are not made until after the board approves claims. Motion by Serviss and seconded by Koontz to amend the current vacation leave policy as presented. Motion amended by Matheny and seconded by Kramer to delete the remainder of paragraph after maximum carryover hours are 120 hours; vote: all nay, motion failed. Motion was amended by Kramer and seconded by Ferguson to approve the following:

4.4 Vacation

Full-time (40 hours per week) and salary employees of the Town of Hermosa shall be entitled to paid vacation. From date of hire to completion of 4 years continuous employment the employee shall accrue leave at 4 hours per pay period. Thirteen days per year. The maximum Carryover hours are 120 hours. After completion of 4 years to completion of 13 years continuous employment the employee shall accrue leave at 6 hours per pay period. Nineteen and ½ days per year. After completion of 13 years of continuous employment the employee shall accrue leave at 8 hrs. per pay period. Twenty-six days per year. For this policy, a week shall be understood to be the average hours worked by each individual employee.

The use of vacation time, and the duration to be taken, requires approval of the Board of Trustees.

Saturdays, Sundays and Legal Holidays occurring within a period of annual leave shall not be charged as vacation leave.

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.

EXECUTIVE SESSION: Motion by Kramer and seconded by Ferguson to enter Executive Session allowable by SDCL 1-25-2.4 - Contracts at 9:00 p.m.; vote: all aye, motion carried. Motion made by Ferguson and seconded by Serviss to exit Executive Session at 10:01 p.m.; vote: all aye, motion carried. Motion by Matheny and seconded by Kramer to pay Chuck Ferguson as a consultant, calling on him as needed, at a rate of \$40 per hour; vote: Matheny – aye, Kramer – aye, Ferguson and Serviss – nay, Koontz abstained, motion failed. Motion by Kramer and seconded by Matheny to extend the Ferguson Contract for two months; vote: four aye and Serviss abstained, motion carried.

ADJOURN: Motion made by Serviss and seconded by Kramer to adjourn meeting at 10:06p.m., vote: all aye, motion carried.

ATTEST:

Terri Cornelison
Finance Officer

Kelburn Koontz
Town Board President

Published once at the approximate cost of _____.

HERMOSA TOWN BOARD
TUESDAY, JANUARY 27, 2026
SPECIAL MEETING @ 5:00 pm

4B

ROLL CALL: Koontz called the meeting to order on Tuesday, January 27, 2026, at 5:00 p.m. with the following members present: Kramer, Ferguson, Koontz, Serviss and Matheny. Town Attorney James was also present. Pledge of Allegiance led by Koontz.

CALL FOR CHANGES: Motion by Koontz and seconded by Kramer to explicitly add the steps that the board must take to adjourn from the town board meeting and reconvene as the planning commission for the purposes of the public hearing and after the public hearing adjourn as planning commission and reconvene as town board to continue the meeting to its fulfillment, which includes the addition Item 5A Adjourn as Town Board and reconvene as Planning Commission for Public Hearing, Item 5B Public Hearing and Item 5C Adjourn as Planning Commission and reconvene as Town Board and approve agenda as amended; 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.

EXECUTIVE SESSION: Motion by Kramer and seconded by Ferguson to enter Executive Session allowable by SDCL 1-25-2(1) – Personnel at 5:04 p.m.; vote: all aye, motion carried. Motion by Kramer and seconded by Ferguson to exit Executive Session at 5:50 p.m.; vote: all aye, motion carried. There were no motions made from Executive Session.

BREAK: The board took a break and reconvened at 6:11 p.m.

ITEMS OF BUSINESS: Motion by Kramer and seconded by Serviss to adjourn as the Town Board at 6:11 p.m. and reconvened as the Planning and Zoning Commission; vote: all aye, motion carried. The Public Hearing was conducted on the proposed TIF District with the board members and audience having the opportunity to ask questions. For complete verbiage, please see the video recording posted on the town's You Tube channel. Engineer Theodorou reviewed the plan, which includes the construction of a new Grease Processing Depot. The project will consist of building a new sewer extension from the proposed Depot at the western end of Tenaya Street and connecting to the existing sewer main at the intersection of Walter and Marie Street. Motion by Koontz and seconded by Kramer to adopt Planning Commission Resolution 2026-01 which will establish the boundaries of the proposed TIF District; vote: all aye, motion carried. Motion by Serviss and seconded by Ferguson to adjourn as Planning Commission and reconvene as the Town Board; 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.

ADJOURN: Motion made by Kramer and seconded by Serviss to adjourn meeting at 7:25 p.m., vote: all aye, motion carried.

ATTEST:

Terri Cornelison
Finance Officer

Kelburn Koontz
Town Board President

Published once at the approximate cost of _____.

8B

Prepared by:
J. Scott James
Town Attorney
8 W. Mt Rushmore Rd
Custer, SD 57730

PLANNING & ZONING
RESOLUTION NO. 2026-01

RESOLUTION PROVIDING FOR THE CREATION OF TOWN
OF HERMOSA, SOUTH DAKOTA TAX INCREMENTAL
DISTRICT NUMBER TWO (2)

WHEREAS, the Town of Hermosa, South Dakota has the power, pursuant to SDCL 11-9-2, to determine that it is in the best interest of the Town to implement plans that promote economic development and growth in the Town; and

WHEREAS, notice of the hearing before the Town Board of Trustees, sitting as the Town Planning Commission, was provided pursuant to SDCL 11-9-3; and

WHEREAS, the Board of Trustees of Hermosa, South Dakota held a hearing on January 27, 2026, at which any interested parties were afforded a reasonable opportunity to express their view on the proposed creation of a tax incremental district, and has determined that it is in the best interest of the Town to implement plans that promote economic development and growth in the Town; and

WHEREAS, the Board embraces the concept of Tax Increment Financing as a tool to encourage this desirable growth and redevelopment; and

WHEREAS, there has been established the Western Commercial and Sewer Improvement Tax Increment Financing District Number Two (2), Town of Hermosa, South Dakota; and

WHEREAS, the Board of Trustees deems it desirable to promote development and extend infrastructure in the corporate limits of the Town of Hermosa, South Dakota; and

WHEREAS, the Project Plan submitted helps make this development feasible by assisting with the costs of infrastructure; and

WHEREAS, the use of Tax Increment funding to promote this development is in keeping with the statutes adopted by the South Dakota State Legislature; and

WHEREAS, the Project Plan submitted for this Tax Increment Financing District proposes these public improvements; and

WHEREAS, the Board of Trustees has considered the Project Plan prepared by the Town Engineer and determined that the Project Plan for the Western Commercial and Sewer District Tax Increment Financing District Number Two (2), Town of Hermosa, South Dakota, is economically feasible; and

WHEREAS, the Council has further determined that this Project Plan is in conformity with the Town's overall planning and development.

NOW, THEREFORE, BE IT RESOLVED,;

1. Pursuant to SDCL 11-9-5, there is hereby created, as of January 27, 2026, The Town of Hermosa, South Dakota Tax Incremental District Number Two (2). TID 2 is legally described as follows:

In Section 30, T2S, R8E, BHM:

Hermosa Hills Tract Revised (Formerly a pt of Outlot 1) (Containing all of Hermosa Hills Tr)
Hermosa Town (Parcel ID 015402)

In Section 30, T2S R8E, BHM:

Drive In Tract (Formerly a Pt of Outlot 1) within the SE ¼ of Section 30, Township 2 South, Range 8 East of the Black Hills Meridian (Parcel ID 015169)

In Section 30, T2S R8E, BHM:

Chapel Hill Subd- Lot Polly, within the SE ¼ of the SE ¼ of Section 30, Township 2 South, Range 8 East of the Black Hills Meridian (Parcel ID 009339)

In Section 30, T2S R8E, BHM:

Chapel Hill Subd- North 2.8 AC of Outlot M(R) within the SE ¼ of Section 30, Township 2 South, Range 8 East of the Black Hills Meridian (Parcel ID 012306)

In Section 30, T2S R8E, BHM:

Tiki Subd – Lot 1, within the SE ¼ of Section 30, Township 2 South, Range 8 East of the Black Hills Meridian (Parcel ID 011408)

In Section 30, T2S R8E, BHM:

Hermosa Hills Addition- Lot 24, within the SE ¼ of Section 30, Township 2 South, Range 8 East of the Black Hills Meridian (Parcel ID 015193)

In Section 30, T2S R8E, BHM:

Hermosa Hills Additin- Lot 23, within the SE ¼ of Section 30, Township 2 South, Range 8 East of the Black Hills Meridian (Parcel ID 015192)

In Section 30, T2S R8E, BHM:

Park Tract 2, in the NW ¼ of the NW ¼ of the NE ¼ of the SE ¼, and within the Western Half of the NE ¼ of the NW ¼ of the NE ¼ of the SE 1/4 , and within the South Half of the North Half of the NE ½ of the SE ¼ LESS SD HWY 79 ROW, HERMOSA TOWN all within Section 30, Township 2 South, Range 8 East of the Black Hills Meridian (Parcel ID 015895)

In Section 30, T2S, R8E, BHM

The North Half of the NE ¼ of the NE ¼ of the SE ¼ AND the East ½ of the NE ¼ of the NW ¼ the NE ¼ of the SE ¼ (Less Wiles Addition- Lot 1 = 1.18 AC) (Including Road Row = .48 AC), all within Section 30, Township 2 South, Range 8 East of the Black Hills Meridian (Parcel ID 011978)

In Section 30, T2S, R8E, BHM

Wiles Addition- Lot 1 (Of N ½ of the NE ¼ of the NE ¼ of the SE ¼
AND the East ½ of the NE ¼ of the NW ¼ of the NE ¼ of the SE ¼)
Hermosa, South Dakota (Parcel No. 015566)

In Section 30, T2S R8E, BHM:

Chapel Hill Subd- Balance of Outlot M(R) within the SE ¼ of the SE ¼ of Section 30, Township 2
South, Range 8 East of the Black Hills Meridian (Parcel ID 009338)

In Section 30 T2S R8E, BHM:

Park Tract 1, in the NW ¼ of the NW ¼ of the NE ¼ of the SE ¼, the W ½ of the
NE ¼ of the NW ¼ of the NE ¼ of the SE ¼, and the South ½ of the North ½ of
the NE ¼ of the SE ¼ of Section 30, Township 2 S, Range 8 East of the Black
Hills Meridian, Town of Hermosa, South Dakota (Parcel ID 004135)

including the public rights-of-way that are both within the limits of the Town of Hermosa and adjacent and
perpendicular to the above-described areas,

with a map showing said boundaries included in the Project Plan presented to the Town Board of Trustees
on January 27, 2026.

2. A hearing by the Town of Hermosa Board of Trustees, sitting as the Town Planning Commission,
concerning the creation and boundaries of TID 2 was held on January 27, 2026.

3. The Town Board of Trustees, in consideration of the project plan, other documentary evidence, and
testimony, hereby makes the following findings:

- a. Pursuant to SDCL 11-9-8, not less than fifty percent (50%) by area of the real property within
the proposed tax increment district will stimulate and develop the general economic welfare and
prosperity of the Town of Hermosa and State of South Dakota through the promotion and
advancement of industrial, commercial, manufacturing, agricultural, or natural resources;
- b. Further pursuant to SDCL 11-9-8, the improvement of the area is likely to enhance significantly
the value of substantially all of the other real property in TID 2;
- c. Pursuant to SDCL 11-9-13, the project plan for TID 2 includes information satisfying each of the
five (5) requirements contained therein;
- d. Pursuant to SDCL 11-9-16, the project plan for TID 2 includes information satisfying each of the
six (6) requirements contained therein; and
- e. The plan is feasible and in conformity with the master plan of the Town.
- f. The aggregate assessed value of the taxable property in the District, plus all other tax
incremental districts does not exceed ten percent (10%) of the total assessed valuation of the
Town.
- g. TID 2 will be designated as an Annual Appropriations TIF to ensure that it does NOT count
against constitutional debt.

4. Based on the findings in Section 3 above, the Town hereby approves and adopts the project plan and
the proposed boundaries as recommended by the Town of Hermosa Board of Trustees, acting as the
Town Planning Commission.

5. The Town hereby directs the Town Finance Officer to take such action as is deemed necessary to
accomplish SDCL 11-9-20.

6. There is hereby created, pursuant to SDCL 11-9-31, the Tax Incremental District Number Two Fund

(TID 2 Fund).

7. All tax increments collected pursuant to TID 2 shall be deposited into the TID 2 Fund.

8. All funds in the TID 2 Fund shall be used solely for the purposes expressly stated and reasonably inferred in SDCL 11-9.

9. The Town finds that the aggregate assessed value of the taxable property in the district plus the tax incremental base of all other existing districts does not exceed ten percent (10%) of the total assessed value of the taxable property in the Town.

10. The project plan is on file with the Town of Hermosa Finance Officer.

11. A Developer's Agreement consistent with the provisions of this Resolution and the Project Plan shall be approved by separate action of the Town Board of Trustees.

Adopted by the Hermosa, South Dakota Board of Trustees in regular session this 27th day of January, 2026, with:

five votes cast in favor of adoption,

no votes cast against adoption, and

no votes abstaining.

TOWN OF HERMOSA

By: Kelburn Koontz
President of the Board of Trustees

ATTEST:

Teri Cornelison
Finance Officer

(SEAL)

8C

Prepared by:

J. Scott James
Town Attorney
8 W. Mt Rushmore Rd
Custer, SD 57730

RESOLUTION NO. 2026-03

**RESOLUTION APPROVING THE PROJECT PLAN FOR THE
WESTERN COMMERCIAL AND SEWER DISTRICT
TAX INCREMENT FINANCING DISTRICT NUMBER TWO (2),
TOWN OF HERMOSA, SOUTH DAKOTA**

WHEREAS, the Board of Trustees of Hermosa, South Dakota has determined that it is in the best interest of the Town to implement plans that promote economic development and growth in the Town; and

WHEREAS, the Board embraces the concept of Tax Increment Financing as a tool to encourage this desirable growth and redevelopment; and

WHEREAS, there has been established the Western Commercial and Sewer Improvement Tax Increment Financing District Number Two (2), Town of Hermosa, South Dakota; and

WHEREAS, the Board of Trustees deems it desirable to promote development and extend infrastructure in the corporate limits of the Town of Hermosa, South Dakota; and

WHEREAS, the Project Plan submitted helps make this development feasible by assisting with the costs of infrastructure; and

WHEREAS, the use of Tax Increment funding to promote this development is in keeping with the statutes adopted by the South Dakota State Legislature; and

WHEREAS, the Project Plan submitted for this Tax Increment Financing District proposes these public improvements; and

WHEREAS, the Board of Trustees has considered the Project Plan prepared by the Town Engineer and determined that the Project Plan for the Western Commercial and Sewer District Tax Increment Financing District Number Two (2), Town of Hermosa, South Dakota, is economically feasible; and

WHEREAS, the Council has further determined that this Project Plan is in conformity with the Town's overall planning and development.

NOW, THEREFORE, BE IT RESOLVED, by the Town of Hermosa, South Dakota that the Project Plan of the Western Commercial and Sewer Improvement District Tax Increment Financing District Number Two (2), City of Hermosa, South Dakota, be and hereby is approved as submitted by the Town Engineer.

DATED this _____ day of, 2026.

TOWN OF HERMOSA

By: Kelburn Koontz
President of the Board of Trustees

ATTEST:

Teri Cornellison
Finance Officer

(SEAL)

8D

Town of Hermosa

PO Box 298 • 230 Main Street • Hermosa, SD 57744

Phone (605) 255-4291 • Fax (605) 255-4094

Email: town@hermosasd.com

DATE 1/29/2026

PERMIT # 2026-03

Informational Permit No Fee

Is Property in the Flood Plain? Yes No Zoning District _____

***IF YES - YOU NEED A FLOOD PLAIN DEVELOPMENT PERMIT**

Property Owner Name(s): JACK RICE

Mailing Address: 928 9th St.
Rapid City, SD 57701

Email: JACKARICE@gmail.com

Address of Project: 495 Vilas Hermosa, SD

Legal Description: Lots 1, 2

Subdivision _____ Block 1+2 Lot(s) Lot Size Big

Description of Work: Replace front step with deck

I.e. Fence below 4' (front yard), 6' (side/rear yard), Accessory Building/Deck less than 160 sq. ft.; Sidewalk; Driveway; Concrete; Renovation / Remodel / Repairs / Maintenance not requiring Building Permit (I.e., shingle replacement)

Total Cost Estimate of Project \$1000⁰⁰ Total Square Footage of Deck Project 10x20 200'

Building Area (Sq. Ft.) _____ Height: _____

Accessory Bldg. Setbacks from Lot Lines: Front: 25 Ft. (20' Town Minimum)*

(See Ord.155)

* NO ACCESSORY BUILDING SHALL BE LOCATED IN FRONT YARD

Rear: 75 Ft. (15' Town Minimum)

Sides: 30 Ft. (10' Town Minimum)

Licensed Contractor / Person doing work Owner Builder

Address of Contractor / Person Jack Rice + Son

Contact Phone Number of Contractor / Person 605-430-7142

PLANNING ADMINISTRATOR _____ DATE _____

Parcel # 0091204
OFFICE USE

9A

Claims for approval 2-02-2026

VENDOR	REFERENCE	AMOUNT
A & B BUSINESS EQUIPMENT	MONTHLY PRINTER/FAX FEE	\$ 554.45
ACTION MECHANICAL	REMOVE BOOSTER PUMP/ RECONNECT PIPES	\$ 325.00
BANK WEST	CLASSIC WEB BANKING FEE	\$ 25.00
BANK WEST CREDIT CARD	XMAS DECOR/STAMPS/OFFICE SUPPLIES/ADOBE SOFTWARE	\$ 3,347.29
BLACK HILLS ELECTRIC COOP	UTILITIES STREET/WATER/SEWER/GENERAL	\$ 1,932.82
BATTLE CREEK FIRE DEPARTMENT	OCT/NOV/DEC TIF #1 TAXES	\$ 2,836.15
CUSTER COUNTY AUDITOR	OCT/NOV/DEC TIF #1 TAXES	\$ 9,141.75
CUSTER COUNTY SCHOOL	OCT/NOV/DEC TIF #1 TAXES	\$ 33,466.52
CUSTER COUNTY SHERIFF	DISPATCH CONTRACT-FEB-APR 2026	\$ 2,000.00
CHUCK FERGUSON	CONTRACT SERVICES-WATER/SEWER/STREETS	\$ 3,120.00
KELL KOONTZ	REIMBURSE 4 BAGS ICE MELT	\$ 23.36
MIDCONTINENT TESTING LAB	WATER & LAGOON TESTING	\$ 1,421.25
RURAL DEVELOPMENT	RD 1 LOAN-NOVEMBER INTEREST & PRINCIPAL	\$ 1,278.00
	RD 2 LOAN - NOVEMBER INTEREST & PRINCIPAL	\$ 417.00
	RD 3 LOAN - NOVEMBER INTEREST & PRINCIPAL	\$ 222.00
SD DEPT OF REVENUE	SALES TAX NOVEMBER-DECEMBER 2025	\$ 890.70
SDML WORKERS' COMP FUN	WORK COMP/BOT/VOLUNTEER/LAW/FO/ADMIN/STREET	\$ 1,387.00
US BANK	WATER LOAN-INTEREST & PRINCIPAL	\$ 1,493.23
VONDA BELT	REIMBURSE CLEANING SUPPLIES	\$ 23.02
Accounts Payable Total		\$ 63,904.64
Payroll related		
Total Paid On: 1/30/2026		
	Legislative, Financial Administration, Govt Bids	\$ 5,287.82
	Water	\$ 530.98
	Sewer	\$ 206.97
	Promoting City/BBB	\$ 80.59
SOUTH DAKOTA RETIREMENT	SDRS	\$ 1,530.26
EFTPS-ELECTRONIC FEDERAL TAX	FED/FICA TAX	\$ 1,554.47
HEALTH EQUITY	HAS	\$ 62.50
HEALTH POOL OF SD	FO SINGLE HEALTH INSURANCE	\$ 886.46
Payroll Total		\$ 10,140.05

CHECK#

EFT 2/2/2026

18527 2/2/2025

EFT 2/2/2026

EFT 2/2/2026

EFT 2/2/2026

18528 2/2/2026

18529 2/2/2026

18530 2/2/2026

18531 2/2/2026

EFT 1/30/2026

EFT 2/2/2026

18533 2/2/2026

EFT 2/2/2026

EFT 2/2/2026

EFT 2/2/2026

18534 2/2/2026

EFT 2/2/2026

EFT 2/2/2026

18532 2/2/2026

CLAIMS REPORT
Check Range: 1/21/2026- 2/02/2026

VENDOR NAME	REFERENCE	AMOUNT	VENDOR TOTAL	CHECK#	CHECK DATE
A & B BUSINESS EQUIPMENT INC	MONTHLY PRINTER/FAX FEE	554.45		697	2/02/26
A & B BUSINESS EQUIPMENT INC	MONTHLY PRINTER/FAX FEE		554.45		
ACTION MECHANICAL	REMOVE BOOSTER PUMP/RECONNECT		325.00	18527	2/02/26
ANTHONY THEODOROU AND COMPANY	PLANNER TIME/ENGINEER SEWER				
BANK WEST	CLASSIC WEB BANKING FEE		25.00	698	2/02/26
BANKWEST CARDMEMBER SERVS	SAFETY VEST FOR MARSHAL		3,347.29	699	2/02/26
BATTLE CREEK FIRE DEPARTMENT	OCT/NOV/DEC 2025 TIF #1 TAXES		2,836.15	18528	2/02/26
BLACK HILLS ELECTRIC COOP.,Inc	UTILITIES - STREETS		1,932.82	701	2/02/26
Custer County Auditor	OCT/NOV/DEC 2025 TIF #1 TAXES		9,141.75	18529	2/02/26
CUSTER COUNTY SCHOOL DIST 16-	OCT/NOV/DEC 2025 TIF #1 TAXES		33,466.52	18530	2/02/26
CUSTER COUNTY SHERIFF	DISPATCH CONTRACT-FEB-APR 2026		2,000.00	18531	2/02/26
DAMR	NDPES SURFACE WATER FEE				
EFTPS-Electronic Federal Tax	FED/FICA TAX		1,554.47	692	1/30/26
CHUCK FERGUSON	CONTRACT SERVICES - WATER		3,120.00	696	1/30/26
HEALTH EQUITY	HSA		62.50	695	1/30/26
HEALTH POOL OF SOUTH DAKOTA	LIFE INS	10.50		18526	1/30/26
HEALTH POOL OF SOUTH DAKOTA	FO SINGLE HEALTH INSURANCE	875.96	886.46	18532	2/02/26
KELBURN KOONTZ	REIMBURSE 4 BAGS ICE MELT		23.36	702	2/02/26
KG OIL	FUEL FOR MARSHAL - SEPT 2025				
Midcontinent testing lab, Inc	LAGOON TESTING		1,421.25	18533	2/02/26
RURAL DEVELOPMENT	RD 1 LOAN- PRINCIPAL JAN 2026	1,278.00		703	1/23/26
RURAL DEVELOPMENT	RD 2 LOAN - JAN 2026 INTEREST	417.00		704	1/23/26
RURAL DEVELOPMENT	RD 3 LOAN-JAN 2026 INTEREST	222.00	1,917.00	705	1/23/26
SD DEPT OF REVENUE	NOV/DEC 2025 SALES TAX		890.70	706	1/23/26
SDHL Workers' Compensation Fund	WORK COMP-LAW ENFORCEMENT		1,387.00	18534	2/02/26
SILVERSMITH DATA	SOFTWARE INTEGRATION/SETUP				
SOUTH DAKOTA RETIREMENT SYSTEM	SDRS		1,530.26	693	1/30/26
US BANK	PRINCIPAL LOAN #462278-0		1,493.23	707	2/01/26
Vonda Belt	REIMBURSE CLEANING SUPPLIES		23.02	700	2/02/26
	Accounts Payable Total		67,938.23		
	Utility Refund Checks				
	Refund Checks Total				
	Payroll Checks				
	101 GENERAL		5,287.82		
	211 BBB GROSS RECEIPTS TAX		80.59		
	602 WATER		530.98		
	604 SEWER		206.97		
	Total Paid On: 1/30/26		6,106.36		
	Total Payroll Paid		6,106.36		
	Report Total		74,044.59		

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WO Title	Asset Name	WO#	Date Created	Priority	Service Address
Shut water off	Land Parcel - 222 VILAS ST	WO-10638	01/28/2026	High	222 Vilas St
Check Water Meter	Land Parcel - 100 N WILDER BLVD	WO-10635	01/23/2026	None	100 N Wilder
Saddle at Sewer Tap	Land Parcel - 280 MANNING ST	WO-10634	01/23/2026	None	280 manning
Leaking Water	Land Parcel - 150 RUPP ST LOT 16	WO-10633	01/21/2026	Medium	150 Rupp St, Lot 14
Control Panel Mounting Post Compaction	Sanitary Lift Station - SS-0079	WO-10629	01/16/2026	High	

12E

21. **If one should desire to delve into the "ins" and "outs" of the certification program, where can these regulations be acquired?**

An oral or written request to the Secretary will get you a copy of the law (Chapter 34A-3) and/or the regulations (Chapter 74:21:01). The law and regulations are also available on the Web Site.

22. **If I do not agree with a decision made by the Secretary to the Board, what recourse or method of appeal do I have?**

The Secretary is accountable to the Board of Operator Certification. All decisions may be appealed to the Board that meets twice per year (September at the SDWWA Conference and in the spring). The Board may be addressed during any of its regular meetings. Operators desiring to address the Board must contact the Secretary to get on the meeting agenda.

23. **Does the Operator Certification Program have a Web Site?**

Yes, the Operator Certification Program maintains a web site on the Internet at <https://danr.sd.gov/OfficeOfWater/OperatorCert/PDF/OpCert%20Summary.pdf>. The web site contains exam and reciprocity application forms, schedules of exams and training, the Operator Certification Law, and links to training/study material sites.

24. **What is a "Very Small Water System"?**

Any system serving less than 500 people that does not treat water is considered a "Very Small Water System". An operator must have a Water Distribution certificate.

25. **How long may a certified operator be away from his job before a system must hire another certified operator?**

If an operator goes on vacation or is away from the job for longer than one month, the system must hire another certified operator.

26. **Can non-certified operators take water samples?**

Yes! Non-certified operators can work under a certified operator that is in direct responsible charge (DRC) of a water system; however, the certified operator that is in DRC is ultimately responsible for any actions taken at a water system. It should be noted that a certified operator must take disinfect residuals that are required for compliance under the DBP Rule.

27. **What organizations provide training in South Dakota?**

SD Water and Wastewater Association
PO Box 353
Pierre SD 57501-0353
<http://www.sdwwa.org>

SD Association of Rural Water Systems
203 W Center
Madison SD 57042
605-556-7219
<http://www.sdarws.com>

SD Section-AWWA
<http://www.sdawwa.org>
sdawwa@yahoo.com

SD Water Environment Association

Midwest Assistance Program (MAP)
303 N Market-#2
Maryville MO 64468
605-690-5085
<http://www.map-inc.org>

12F

Town of Hermosa

Public Works Associate – Comprehensive Job Description & Task Competency Framework

1. Purpose and Governing Use of This Document

This document establishes a **single, authoritative reference** for the duties, expectations, task eligibility, and competency requirements of the Public Works Associate (PWA). It is adopted as part of the Town's Policies and Procedures and is intended to be relied upon by:

- Town Board members and officers
- Standing and ad hoc committees (including Street, Utilities, and Facilities)
- Contracted trainers and technical service providers
- The Public Works Associate

This framework is specifically designed to: - Prevent conflicting or ad hoc direction - Clearly define which tasks the employee **may, may not, or may only perform under supervision** - Provide a defensible basis for training, delegation, and performance evaluation - Protect both the Town and the employee from unsafe or unauthorized work

No officer, committee member, or contractor may assign work outside this framework without formal authorization by the Town Board.

2. Position Overview

Position Title: Public Works Associate

Employment Status: Full-time / Part-time (as designated)

Department: Public Works

Reports To: Public Works Supervisor or designated Town Officer

The Public Works Associate performs a wide range of municipal maintenance, utility, and operational support functions typical of a South Dakota third-class municipality. Duties span streets, water, wastewater, stormwater, facilities, parks, and seasonal operations.

3. Authority, Direction, and Work Control

- Daily work priorities are established by the designated supervisor or approved work plan.
- Committees may **recommend** tasks but may not directly supervise or redirect the employee.
- Contractors providing training or oversight may instruct only within the scope approved by the Town.
- The employee is empowered to **decline** tasks for which required competencies, certifications, or safety conditions are not met.

4. General Physical & Safety Expectations (Applies to All Tasks)

Unless otherwise stated, all tasks require the following baseline capabilities:

- Lift, carry, push, or pull up to **50 pounds**
- Ability to work outdoors in heat, cold, wind, snow, and rain
- Ability to walk uneven terrain, climb ladders, and enter confined or restricted spaces (when authorized)
- Wear appropriate **PPE** including gloves, eye protection, hearing protection, steel-toe boots, high-visibility clothing, and respiratory protection as required
- Follow all Town safety policies, OSHA standards, and manufacturer instructions
- Maintain situational awareness around traffic, machinery, utilities, and the public

5. Task Categories, Requirements, and Competency Criteria

The following sections enumerate **all anticipated task categories**. For each task, the minimum requirements listed must be met before assignment.

A. Streets, Roads, and Right-of-Way

A1. Snow Removal (Streets, Alleys, Municipal Lots)

Tasks: Plowing, snow blowing, sanding, de-icing, berm removal

Requirements: - Valid South Dakota driver's license - Demonstrated equipment operation competency - Completion of Town snow operations training

Expectations: - Operate plows and blowers in low-visibility conditions - Work extended hours during storm events - Wear cold-weather PPE and high-visibility gear

A2. Street Maintenance & Repair

Tasks: Pothole patching, crack sealing, signage repair, gravel placement

Requirements: - Basic roadway safety training - Traffic control awareness

Expectations: - Lift materials up to 50 lbs - Work near live traffic - Proper placement of cones and signage

A3. Traffic Control & Work Zone Setup

Tasks: Barricades, detours, flagging

Requirements: - Work zone safety training - Flagger certification (if acting as flagger)

Expectations: - Continuous situational awareness - Strict adherence to MUTCD standards

B. Water System Operations

B1. Water Distribution Maintenance

Tasks: Valve operation, hydrant flushing, meter support, leak response

Requirements: - SD Class 1 Water Operator certification (or trainee under supervision) -
Training by licensed operator or contracted provider

Expectations: - Exposure to pressurized systems - Use of PPE and confined-space awareness

B2. Water Meter Reading & Support

Tasks: Manual reads, equipment checks, access coordination

Requirements: - Training in meter systems - Customer interaction training

Expectations: - Walking long distances - Entering basements or crawl spaces (when authorized)

C. Wastewater & Sewer Support

C1. Sewer Collection System Support

Tasks: Visual inspections, lift station checks, cleaning assistance

Requirements: - Wastewater safety training - Confined space awareness - Work under supervision unless certified

Expectations: - PPE including respiratory protection - Exposure to wastewater hazards

D. Stormwater & Drainage

D1. Ditch, Culvert, and Inlet Maintenance

Tasks: Clearing debris, inspection, minor repairs

Requirements: - Equipment safety training

Expectations: - Work in wet or muddy conditions - Lifting and shoveling

E. Facilities & Grounds

E1. Municipal Buildings

Tasks: Basic repairs, janitorial support, system monitoring

Requirements: - Basic building maintenance training

Expectations: - Ladder use - Electrical awareness (no licensed electrical work)

E2. Parks, Cemeteries, and Public Spaces

Tasks: Mowing, trimming, cleanup, equipment upkeep

Requirements: - Equipment operation training

Expectations: - Outdoor work in all weather - PPE for noise and debris

F. Equipment & Fleet

F1. Equipment Operation

Tasks: Trucks, tractors, skid steer, mowers

Requirements: - Demonstrated proficiency - CDL if required for vehicle class

Expectations: - Pre- and post-operation inspections - Safe fueling and maintenance

F2. Equipment Maintenance (Non-Mechanical)

Tasks: Cleaning, lubrication, basic adjustments

Requirements: - Manufacturer training

Expectations: - Lockout/tagout awareness

G. Emergency & Support Operations

G1. Emergency Response Support

Tasks: Flood response, utility outages, public safety support

Requirements: - Incident command awareness - Supervisor authorization

Expectations: - Irregular hours - High-stress conditions

H. Administrative & Public Interaction

H1. Reporting & Documentation

Tasks: Logs, checklists, incident reports

Requirements: - Basic computer literacy

Expectations: - Accurate and timely documentation

H2. Public Interaction

Tasks: Answering basic questions, directing concerns

Requirements: - Customer service training

Expectations: - Professional demeanor - No policy interpretation or enforcement beyond training

6. Task Eligibility Determination

An employee is considered **eligible** to perform a task only when: - All listed certifications and training are current - Required supervision level is met - Necessary equipment and PPE are available

Eligibility may be revoked at any time for safety or compliance reasons.

7. Modification & Review

This document shall be reviewed annually and updated as: - Infrastructure changes - Regulatory requirements evolve - Operational needs expand

All amendments require Town Board approval.

Adopted By: _____

Date: _____

Appendix A: Committee Task Authorization & Competency Certification Checklist

Purpose:

This checklist governs the **full lifecycle of task authorization**, beginning with approval for the Public Works Associate (PWA) to **train for a task**, and concluding with **formal certification of competence**. It is the required instrument for committees, officers, and trainers to document authorization, training, and competency in a consistent and defensible manner.

Phase 1 – Task Identification & Training Authorization

Task Information - Task Title / Description:

_____ - Task Category (per Job Description):

_____ - Location / System Affected:

_____ - Is this a new or expanded duty for the employee? Yes No

Training Authorization Review (Check All That Apply)

- Task is listed in the Public Works Associate Job Description
 - Task is appropriate for a municipal employee (not exclusively licensed professional work)
 - Task is not prohibited by Town policy, ordinance, or contract
 - Task is suitable for training prior to independent performance
 - Committee has authority to recommend training for this task
-

Training Parameters

- Authorized Trainer (name & role/company): _____
 - Training Method: Hands-on Classroom Shadowing Combination
 - Estimated Training Period: _____
 - Required Certifications or Licenses (if any): _____
-

Training Authorization

By signing below, the undersigned authorizes the Public Works Associate to **receive training only** for the task identified above. This authorization **does not permit independent task performance**.

Authorized By (Committee/Officer): _____ Date: _____

Phase 2 – Training Completion & Competency Evaluation

Training Completion Verification

- Required training completed
- Required certifications/licensing obtained and verified
- Safety procedures, PPE use, and hazard recognition demonstrated
- Applicable documentation and reporting requirements reviewed

Training Completed On (date): _____

Competency Evaluation (Trainer or Supervisor)

- Employee demonstrated safe and correct task execution
- Employee understands operational limits and escalation requirements
- Employee understands when supervision is required
- Employee understands documentation and reporting obligations

Evaluator Name & Role: _____

Phase 3 – Competence Certification & Task Authorization

Authorization Level (select one):

- Authorized to perform task **independently**
 - Authorized to perform task **with supervision**
 - Authorized for **emergency support only**
 - Not authorized – additional training required
-

Competence Certification

By signing below, the undersigned certifies that the Public Works Associate has demonstrated the competence indicated above and may be assigned this task consistent with the Job Description and Town Policies.

Certified By (Supervisor/Engineer/Trainer): _____

Title: _____ Date: _____

Completed checklists shall be retained with personnel training records and referenced when assigning work or evaluating eligibility.

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MEMORANDUM

To: Town of Hermosa Board of Trustees

From: Aaron Serviss

Date: Jan 13th, 2026

Re: Knowledge & Equipment Support Agreement – Intent and Key Terms

Purpose

This memorandum summarizes the intent and major provisions of the proposed Knowledge & Equipment Support Agreement with Chuck Ferguson, in advance of Board discussion. This agreement is not a renewal of the prior Public Works contract. It is a temporary transition tool supporting the Town's move to a municipally staffed Public Works Department.

Core Intent

The agreement is designed to maintain continuity of essential services during the transition, preserve Town authority over operations and compliance, and capture institutional knowledge while enforcing training of a Town employee once hired.

What the Agreement Does

- Establishes the contractor as independent, non-operational, and non-regulatory
- Provides advisory support, training, and equipment access
- Allows tightly controlled, limited hands-on assistance only when necessary to prevent service interruption
- Requires mandatory training immediately upon hiring a Town employee
- Forces a documented, task-by-task transition from contractor involvement to Town execution
- Automatically reverts to advisory-only once the employee is competent
- Expires at 24 months unless affirmatively renewed by the Board

Key Controls and Safeguards

- Hands-on work limits:
 - Non-emergency: Board approval required
 - Emergency: Authorized committee member
 - \$1,500 per-incident cap without full Board approval
- Training and transition:
 - Mandatory, enforceable, and documented training
 - Competence determined by committee, with Board override by appeal
 - Competence appeals dismissed if not moved at the next regular Board meeting
- Risk management:
 - \$2,000,000 general liability insurance
 - Broad contractor indemnification
 - Graduated enforcement tools short of termination

Relationship to Future Employee Job Description

Operational tasks are not itemized in this agreement. Core operational tasks will be defined in a Board-approved Public Works employee job description, which will control when the contractor's hands-on role ends.

Summary

This agreement ensures continuity without recreating the prior contractor model, keeps authority with the Town, and creates a clear, enforceable path to a fully staffed municipal Public Works operation.

TOWN OF HERMOSA

Knowledge & Equipment Support Agreement

This Knowledge & Equipment Support Agreement ("Agreement") is entered into by and between the Town of Hermosa, South Dakota ("Town"), and Chuck Ferguson ("Contractor").

1. Purpose

The Town is transitioning to a municipally operated and staffed Public Works Department. Contractor possesses unique institutional knowledge and equipment necessary to ensure continuity of operations during this transition. This Agreement provides structured access to that knowledge and equipment while preserving municipal authority.

2. Independent Contractor Status

Contractor is an independent contractor. Nothing in this Agreement creates an employment relationship or grants Contractor ongoing operational authority except as expressly authorized herein.

3. Scope of Services

3.1 Knowledge and Advisory Support

Contractor shall provide institutional knowledge regarding infrastructure location, historical practices, and system configuration; participate in knowledge-transfer sessions; and provide advisory support during unusual conditions or emergencies.

3.2 Training Support

Upon the hiring of a Town Public Works employee, Contractor's training obligation becomes mandatory and automatic. Contractor shall actively and cooperatively provide hands-on instruction, explanations, demonstrations, and mentorship necessary for the employee to achieve competence in assigned tasks.

Contractor shall be available during scheduled employee work hours and shall respond within two (2) hours for emergency support outside those hours.

3.3 Equipment Support

Contractor shall make available contractor-owned equipment listed in Exhibit A. Equipment may be operated by Contractor or Town staff as authorized.

4. Gap-Period Hands-On Authority

Until a Town Public Works employee is hired, Contractor may perform limited hands-on work only as follows:

- a. Non-emergency work requires prior Board of Trustees approval.
- b. Emergency work may be authorized by a member of the relevant committee (Water, Sewer, Streets, or Law Enforcement).
- c. Hands-on work is limited to continuity and minor corrective actions.
- d. No single incident may exceed \$1,500 without full Board approval.

5. Transition After Employee Hire

5.1 Gradual Handoff

After a Town employee is hired, Contractor may continue limited hands-on support for specific tasks until the employee achieves competence.

5.2 Determination of Competence

The relevant committee shall determine and document task competence, subject to Board override.

5.3 Documentation

Each transition from contractor hands-on to employee execution shall be documented in writing.

5.4 Appeals

Contractor may appeal a committee determination to the full Board. During appeal, Contractor may perform only limited hands-on work necessary to prevent service interruption. Any appeal not decided at the next regular Board meeting is dismissed.

6. End State

Once the employee achieves documented competence in all core operational tasks as defined in the Board-approved job description, Contractor's role automatically reverts to advisory and equipment-only support.

7. Compensation

Contractor shall receive a \$2,000 monthly retainer covering up to 50 hours. Additional hours billed at \$40/hour, not to exceed 80 hours total per month. Equipment use billed per Exhibit A.

8. Enforcement

Failure to comply with training, availability, documentation, or knowledge-transfer obligations may result in graduated remedies including retainer reduction, denial of billable hours, or termination.

9. Insurance and Indemnification

Contractor shall maintain general liability insurance of \$2,000,000 per occurrence for the duration of this Agreement.

Contractor shall indemnify and hold the Town harmless from any claims arising out of Contractor's services, equipment use, or hands-on work, even when performed under Town authorization.

10. Term and Termination

This Agreement shall be effective for twenty-four (24) months and shall expire automatically unless renewed by Board action. Either party may terminate with thirty (30) days written notice.

11. Ownership of Knowledge

All knowledge, documentation, and materials provided become the property of the Town.

12. Entire Agreement

This Agreement constitutes the entire agreement between the parties.

IN WITNESS WHEREOF:

TOWN OF HERMOSA

By: _____ Date: _____

CONTRACTOR

By: _____ Date: _____

Exhibit A – Equipment Rates

- Backhoe - \$100.00/hr
- Backhoe, 12' Blade - \$100.00/hr
- Bobcat, any attachment - \$80.00/hr
- Motor Grader Blade - \$85.00/hr
- 6 Yard Box Truck - \$60.00/hr
- Mowing Equipment / Brush Hog - \$70.00/hr
- 17 Yard Box Truck - \$85.00/hr

A RESOLUTION ESTABLISHING THE HERMOSA ECONOMIC DEVELOPMENT COMMITTEE

WHEREAS, the Board of Trustees of the Town of Hermosa recognizes the value of fostering productive relationships with local businesses, nonprofit economic development organizations, the Governor's Office of Economic Development, and the surrounding municipalities; and

WHEREAS, the Board of Trustees finds that establishing a permanent Economic Development Committee will support local economic growth and provide a structured means for communication and collaboration with economic stakeholders; and

WHEREAS, the Board of Trustees desires that the Economic Development Committee function primarily in an advisory role, with limited administrative authority as may be defined in a charter developed and approved by the Committee's Chair and Vice-Chair, and subject to veto by majority roll-call vote of the Board of Trustees; and

WHEREAS, the Board of Trustees finds it in the best interest of the Town to formalize the structure and reporting responsibilities of the Economic Development Committee.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees for the Town of Hermosa that the Hermosa Economic Development Committee is hereby established as a standing committee consisting of two members: one Trustee, who shall serve as Chair and be appointed by vote of the Board of Trustees; and the Town Finance Officer, who shall serve as Vice-Chair by default, with additional members permitted only when provided in the charter.

BE IT FURTHER RESOLVED that the Committee shall meet on the first and third Tuesday of each month, or before the regularly scheduled meetings of the Board of Trustees, unless otherwise provided in the charter, and shall comply with public meeting laws, including issuance of public notice when a quorum of the Board of Trustees members may be present.

BE IT FURTHER RESOLVED that the Chair of the Committee shall report to the Board of Trustees at each regular Board meeting, summarizing the Committee's activities and recommendations.

BE IT FURTHER RESOLVED that the Committee is authorized to draft a charter governing its operations. Said charter must be signed by both the Chair and Vice-Chair to become effective and shall be subject to veto by majority roll-call vote of the Board of Trustees.

Dated this 2nd day of February, 2026.

ATTEST:

Kelburn Koontz, Town Board President

Terri Cornelison, Finance Officer

Published once at the approximate cost of _____.

RESOLUTION ~~06-2025~~-02-2026
TOWN OF HERMOSA

(Seal)

Vote: Koontz - _____
Kramer - _____
Ferguson - _____
Serviss - _____
Matheny - _____

First Reading: 2nd day of February, 2026

Published: _____ day of _____, 2026