

HERMOSA TOWN BOARD
TUESDAY, MAY 19th, 2026
REGULAR MEETING @ 5:30 p.m.
Draft minutes



ROLL CALL: Koontz called the meeting to order on Tuesday, May 19th, 2026, at 5:32 p.m. Roll Call was held with Kramer, Ferguson, Koontz, Serviss and Matheny in attendance. Interested citizens, Town Engineer Theodorou were also present. Pledge of Allegiance led by Koontz.

CALL FOR CHANGES: Motion by Koontz and seconded by Matheny to add Item 9f Review Electrical Inspection Report, add \$50 eye wash station for well house to 9e2 for a total quote of \$528, add Utility Deposit Refund for 140 Main St in the amount of \$149.28 to Item 13a Claims, and approve agenda as amended; vote: four aye and one abstain, motion carried.

CONSENT CALENDAR: Motion by Koontz and seconded by Kramer to approve the May 5, 2026, 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. Koontz noted that there will be roll call voting for any agenda items that may have a conflict of interest.

LEGAL: The board reviewed the opinion letter from Attorney Schutz regarding the ATAC contract amendments. Motion by Koontz and seconded by Matheny to not adopt General ATAC contract amendments; vote: all aye, motion carried.

TOWN/FEMA UPDATES: Engineer Theodorou will give a FEMA BRIC Grant update at the next regular meeting.

BREAK: The board took a break and reconvened at 5:50 p.m.

TOWN/FEMA UPDATES CONTINUED: Motion by Koontz and seconded by Kramer to amend the regular meeting minutes from February 5, 2026, where we said reason for accepting RFP from ATAC was because it was the lowest cost proposal and that was a mistake and with the intent that we can clarify our selection criteria with the next motion; vote: all nay, motion failed. Motion by Koontz and seconded by Kramer that the comment from February 5, 2026, regular meeting minutes where it states that we accepted the RFP from ATAC for the FEMA BRIC Grant because it was the lowest cost proposal was incorrect, although at the time we did believe it to be true through an error. Matheny called for a vote: three aye and two nays, motion carried. Motion by Matheny and seconded by Kramer for discussion, to clarify selection criteria for BRIC Grant Administration. Motion was amended by Koontz and seconded by Kramer to have all board members submit selection criteria to Blaire Jonas at the SD Office of Emergency Management by Tuesday, May 26, 2026. Vote on amendment: all aye, motion carried. Vote on original motion: all aye, motion carried.

ENGINEER: Motion by Koontz and seconded by Kramer to approve State Board of Certification requested contract amendments to ATAC Operations Contract; vote: all aye, motion carried.

PLANNING & ZONING: Motion by Koontz and seconded by Matheny to table Digging/Grading Permit for parcel #009263 – K. Koontz; vote: all abstain, motion failed. Motion by Serviss and seconded by Matheny to table Digging/Grading Permit for parcel #09263 – K. Koontz, until the next regular meeting; vote: all aye, motion carried.

WATER/SEWER DEPARTMENT: Engineer Theodorou gave an update on the water and sewer departments. All updates and improvements are made at the wastewater treatment plant. The office staff will take requests

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from citizens to tour the plant, and small group tours will be scheduled after Memorial Day. The first tour will be with the town board on Tuesday, May 26, 2026, at 5:00 p.m. Sealed bids were opened on Friday, May 8, 2026, for the Hermosa Water Sources Upgrades – Part 2, Treatment Plant. Two bids were received: RCS for \$299,162.14 and Keller Drilling for \$122,526.00. Theodorou has informed all bidders that no bids will be awarded until after the June 2, 2026, election. Discussion was held on ATAC staff having identifiable vests and signage on vehicles, so the public recognizes them.

BREAK: The board took a break and reconvened at 7:10 p.m.

WATER/SEWER DEPARTMENTS CONTINUED: The board reviewed the Inspection Report for the wastewater treatment plant from Rushmore Inspection Services. John Burckhard was available via the phone and stated all recommendations from the report had been addressed. He will provide a written document, including pictures, to verify work completed. The board reviewed the Electrical Inspection Report from Heartland Electric, LLC. John stated he had addressed all recommendations from the report. Discussion was held on approval of the replacement of booster pump at 40 Taz Ct. The customer reported it was running at half pressure. An inspection will be scheduled to determine if the booster pump needs to be replaced or not. Motion by Kramer and seconded Ferguson to approve quote from Black Hills Technologies LLC for Wet Dry Vacuum, mop bucket, mop, mop head and rug in the amount of \$177.00; vote: all aye, motion carried. Motion by Kramer and seconded by Serviss to approve quote from Black Hills Technologies LLC and remove ladder and add clear cover for well pit (quote also includes lumber/hardware for lid, lid for sump, and safety tape) in the amount of \$478.00. Motion was amended by Koontz and seconded by Kramer to add eye wash station for well house in the amount of \$50.00, for a total of \$528.00. Vote on amendment: all aye, motion carried. Vote on original motion: all aye, motion carried.

PUBLIC SERVICES DEPARTMENT: The board reviewed the quote from Dakota Asphalt in the amount of \$11,393.25, for mill and final shaping on McDermand Street. Koontz stated he had also received a quote from Dakota Asphalt in the amount of \$24,500.15 for 190'x12' area removed on HWY 79 side of 5th Street and quote from Dakota Asphalt in the amount of \$18,185.25 to remove and replace failed areas on south approach at Corner Pantry Travel Center. Motion by Koontz and seconded by Serviss to table quotes until the next regular meeting; vote: all aye, motion carried.

LAW ENFORCEMENT/ABATEMENTS/COMPLAINTS: Ferguson reviewed the Custer County Log that was provided in the packet. Motion by Koontz and seconded by Ferguson to approve sending animal complaint letter with the stipulation that signature of Administrative Assistant be replaced with town stamp; vote: all aye, motion carried. Discussion was held on enforcement of Ordinance 70.06 Dynamic Engine Brakes. Finance Officer Cornelison will request letters from residents that are affected by this, and board can forward to SD Department of Transportation for request to change speed limit on Highway 79 within the town limits.

ECONOMIC DEVELOPMENT: Serviss stated fuel costs could impact the tourist season this year. The office has received cards for Hermosa Connects Helping Hands program. The next Hermosa Connects meeting will be Monday, June 1, 2026, at the HAHA building.

CLAIMS: Motion by Koontz and seconded by Kramer to approve Payroll for May 15, 2026, and claims for May 19, 2026, as amended with the addition of \$149.28 deposit refund; vote: three aye and two nays, motion carried.

Vendor	Reference	Amount
Action Mechanical	Pump meter pit 194 Fairgrounds Pl	\$ 314.35
ATAC	FEMA/BRIC Grant Engineering	\$36,367.00
Conifer Construction	WWTP Improvements/gloves/paper towels	\$10,424.91

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Golden West Tech	Monthly Service Fee April 2026	\$ 633.65
Hills Septic	Pump Ferguson Lift Station/Manhole	\$ 1,354.59
Kieffer Sanitation	Monthly sanitation fee	\$ 4,741.81
King Brown Welding	Mount WWTP transmission(apprvd 5/5/26)	\$ 1,428.57
Mt Rushmore Telephone	Phone/Internet	\$ 261.67
Rushmore Inspection	WWTP Commercial Inspection	\$ 477.90
SD Dept of Revenue	Sales Tax March/April 2026	\$ 588.01
SHP Holding	Publishing/Legal April 2026	\$ 609.32
Accounts Payable Total		<u>\$57,201.78</u>

Utility Deposit Refund		
G. K.	140 Main Street	\$ 149.28

Payroll Related

Total Paid on:05/15/2026

	Legislative, Financial Admin, Govt Bld	\$ 2,668.37
	Water	\$ 376.36
	Sewer	\$ 227.01
	Promoting City/BBB	\$ 88.24
Health Equity	HSA	\$ 62.50
EFTPS	Fed/FICA Tax	<u>\$ 786.56</u>
Payroll Total		\$ 4,211.04

Report Total: \$ 61,562.10

FINANCE OFFICE: The monthly financial report was provided in the packet. Cornelison noted the Attorney and Law Enforcement budgets have been amended by the budget supplement approved at the May 5, 2026, regular meeting. Motion by Koontz and seconded by Serviss to approve the Auto Supplement from Account #272-10100-33100 FEMA Grant Revenue to Account #272-46310-42900 FEMA Budget Other Expenses, in the amount of \$81,811.71, which is the amount received from reimbursement requests from the FEMA BRIC Grant; vote: all aye, motion carried.

OLD BUSINESS: Motion by Koontz and seconded by Serviss to pend review of new water and sewer resolutions until the next regular meeting; vote: all aye, motion carried. Discussion was held on companion dogs needing to be licensed. This will involve updating the fee schedule and will be placed on the agenda for the next regular meeting. Motion by Matheny and seconded by Kramer to table reviewing and making recommendations for harassment letter until the next regular meeting; vote: all aye, motion carried.

NEW BUSINESS: No items were presented.

ITEMS FROM CONSTITUENTS: Shelly Martin reported that all flowerpots have been distributed around the town and receipts have been turned into the Finance Office. She also sated the check for reimbursement can be made out to Hermosa Connects. Jerry Styles asked what was happening at the lagoon as there is currently an excavator there. He also stated that the RFP from ATAC for the FEMA BRIC Grant did not include in the scope of work to do any camera of the sewer. Margie Jurens stated a port a potty is located on a property within the town and a camper parked in the street right of way and wanted to know if these are a violation of the Town

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Ordinances. Also, water trucks hauling bulk water are putting a lot of pressure on our well. She also stated three board members were in attendance to a meeting on May 14, 2026, at the Catholic Church and town business was discussed. Deb Holsworth stated the reason for the pet licenses began so the town office would have a record of pets and could be identified if needed.

TRUSTEE INPUT: Serviss stated the meeting got a little contentious. Ferguson questioned Kramer on her statement regarding the call she made concerning the amount of bulk water being hauled for the Black Hills Electric building project. Kramer stated she would like the finance officer to contact Black Hills Electric to request they fix the road where damage has been done when hooking up to hydrant for hauling of bulk water. Matheny stated there was no violation from the three board members who attended the May 14, 2026, meeting and the meeting was recorded. Koontz will send email for office staff to post quorum notice for the meeting scheduled May 21st and 28th at the Catholic Church.

EXECUTIVE SESSION: Motion by Matheny and seconded by Kramer to enter Executive Session allowable by SDCL 1-25-2.3 – Legal at 9:02 p.m.; vote: all aye, motion carried. Motion by Koontz and seconded by Kramer to exit Executive Session at 9:47 p.m.; vote: all aye, motion carried. Motion by Koontz and seconded by Kramer to instruct Attorney Schutz to draft termination of partnership proposal between the Town of Hermosa and Preston Family Inc.; vote: four aye and one abstain, motion carried.

ADJOURN: Motion made by Koontz and seconded by Ferguson to adjourn meeting at 9:48 p.m., vote: all aye, motion carried.

ATTEST:

Terri Cornelison
Finance Officer

Kelburn Koontz
Town Board President

Published once at the approximate cost of _____.