

**HERMOSA TOWN BOARD
TUESDAY, AUGUST 18, 2026
REGULAR MEETING @ 6:00PM
Draft minutes**

ROLL CALL: Serviss called the meeting to order on Tuesday, August 18, 2026, at 6:00 p.m. with the following members present: Ferguson, Matheny, Miller, and Serviss. Kramer was absent. Interested citizens, and Town Attorney James were also present. Pledge of Allegiance led by Serviss.

COMMENTS FROM THE PUBLIC: No comments made.

CALL FOR CHANGES: Motion by Ferguson and seconded by Miller to approve the agenda as presented; vote: all aye, motion carried.

CONSENT CALENDAR: Motion by Miller and seconded by Matheny to approve August 4, 2026, regular meeting minutes as presented; vote: all aye, motion carried. Motion by Ferguson and seconded by Miller to approve August 12, 2026, special meeting minutes as presented; vote: all aye, motion carried. Motion by Matheny and seconded by Ferguson to approve August 13, 2026, special meeting minutes as presented; vote: all aye, motion carried.

CONFLICT OF INTEREST DECLARATION: All board members are responsible for refraining from discussion and voting on issues where they may have a conflict of interest. Roll call voting for any agenda item where a conflict of interest is formally identified.

LEGAL: Attorney James reviewed Ordinance 51 – Sewer Regulations that was approved August 4, 2026, contingent upon his review. Attorney James has recommended changes, and the Ordinance will be revised, and first reading will be on a future agenda. Attorney James has drafted a letter to Heartland Electric as directed by the board on August 4, 2026, regular BOT meeting. Attorney James stated he had been contacted by a Title Company regarding a utility easement that has not been filed for the town. James will research further. Attorney James gave an update on his review of billing issues with the FEMA BRIC Grant. Attorney James also reported that notice has been given to ATAC regarding termination of the contract with the town. Motion by Ferguson and seconded by Miller to direct town attorney to institute dispute with ATAC; vote: all aye, motion carried.

BREAK: The board took a break at 7:26 p.m. and reconvened at 7:38 p.m.

PLANNING & ZONING: Motion by Miller and seconded by Matheny to adjourn as Board of Trustees and reconvene as Planning & Zoning Board; vote: all aye, motion carried. Motion by Ferguson and seconded by Matheny to approve temporary sign permit for TW Bar; vote: all aye, motion carried. The board discussed preliminary Plat of Sclaus Tract and Fairfield Tract, Located in NE4NE4 of Section 32, T2S, R8E, BHM, Custer County, South Dakota. The board would like to see more information on where current septic system is located on the property. The board also reviewed a preliminary Plat of Allan Tracts 1, 2, & 3, Located in NE4 of Section 31, T2S, R8E, BHM, Custer County, South Dakota. More research will be done to determine if Floodplain Development Permit required for plating. Motion by Miller and seconded by Matheny to approve Digging Permit #2026-25, for parcel #015193 – T Rocco. Motion amended by Serviss and seconded by Matheny to add the following contingent upon verification of inspection by Planning Commission or authorized agent. Vote on amendment: all aye, motion carried. Vote on original motion: all aye, motion carried. Motion by Serviss and seconded by Ferguson to approve Permit #2026-20 Water and Wastewater Connection – 510 Walter Street, contingent upon verification of licensed installer performing the work. Motion amended by Serviss and seconded by Miller to include verification of full compliance with Hermosa Ordinances and State Law. Vote on amendment: three aye and one abstain, motion carried. Vote on original: three aye and one abstain, motion carried. Motion by Matheny and seconded by Ferguson to adjourn as Planning & Zoning Board and reconvene as Board of Trustees at 8:38 p.m.; vote: all aye, motion carried.

OLD BUSINESS: Motion by Ferguson and seconded by Matheny to approve a budget not to exceed \$3,500.00 for purchase of a new computer at workstation by BOT meeting area; vote: all aye, motion carried. Motion by Miller and seconded by Ferguson to approve Resolution 09-2026, Water Rate Structure; vote: all aye, motion carried.

RESOLUTION 09-2026 WATER RATE STRUCTURE

A RESOLUTION TO ESTABLISH WATER RATES AND CHARGES FOR THE MUNICIPALITY OF
HERMOSA, CUSTER COUNTY, SOUTH DAKOTA.

BE IT RESOLVED by the Municipality of Hermosa, Custer County, South Dakota that, under the authority in the Town Code of Ordinances 50.11, the owners or occupants connected with the Hermosa Municipal Water System shall pay for water consumed as listed in the rate schedule below.

IT IS HEREBY ESTABLISHED, that there shall be five (5) classes of water users: In Town Residential, In Town Commercial, Out of Town Residential, Out of Town Commercial, and Historic/Religious.

The new category "Historic/Religious" means any building within the municipal limits of the Town of Hermosa that meets the following criteria:

- 1) Is owned or operated by a nonprofit organization whose primary purpose is historical preservation, heritage education, religious worship, or religious instruction
- 2) Is open to the public for historical, cultural, educational, or religious purposes on a periodic or regular basis; and
- 3) Has applied to the town clerk for recognition of such status

HERMOSA WATER RATES

GALLONS		IN-TOWN RESIDENTIAL		IN-TOWN COMMERCIAL		OUT OF TOWN RESIDENTIAL		OUT OF TOWN COMMERCIAL		HISTORICAL RELIGIOUS	
SERVICE FEE	\$		24.00	\$		42.00	\$	44.40	\$	60.00	\$ 24.00
1-1000	\$		30.50	\$		51.75	\$	57.40	\$	76.25	\$ 30.50
1001-2000	\$		37.00	\$		61.50	\$	70.40	\$	92.50	\$ 37.00
2001-3000	\$		43.50	\$		71.25	\$	83.40	\$	108.75	\$ 43.50
3001-4000	\$		50.00	\$		81.00	\$	96.40	\$	125.00	\$ 50.00
4001-5000	\$		56.50	\$		90.75	\$	109.40	\$	141.25	\$ 56.50
5001-6000	\$		63.00	\$		100.50	\$	122.40	\$	157.50	\$ 63.00
6001-7000	\$		69.50	\$		110.25	\$	135.40	\$	173.75	\$ 69.50
7001-8000	\$		76.00	\$		120.00	\$	148.40	\$	190.00	\$ 76.00
8001-9000	\$		82.50	\$		129.75	\$	161.40	\$	206.25	\$ 82.50
9001-10000	\$		89.00	\$		139.50	\$	174.40	\$	222.50	\$ 89.00

Each 1000 gallons shall be calculated at the rate of \$6.50 for in town residential and Historical/religious users, \$9.75 for in town commercial users, \$13.00 for out-of-town residential users, and \$16.25 for out-of-town commercial users.

NEW BUSINESS: Tower Hill Road drainage upgrade plan discussion will be put on the next regular meeting agenda. Discussion held on pursuing contracted animal control services. Job posting for Public Works Associate was approved at August 17, 2026, special meeting. Serviss will make recommended updates and distribute to the board and attorney prior to posting. Motion by Ferguson and seconded by Miller to authorize the Finance Officer to identify, acquire and utilize inspection services and locate services as necessary; vote: all aye, motion carried.

CLAIMS: Motion by Ferguson and seconded by Matheny to approve payroll for August 14, 2026, and claims for August 18, 2026, as presented. Motion amended by Ferguson and seconded by Miller to exclude ATAC invoice of \$15,570.00 pending further examination. Vote on amendment: all aye, motion carried. Vote on original: all aye, motion carried.

VENDOR	REFERENCE	AMOUNT
A & B BUSINESS	MONTHLY PRINTER/FAX FEE	\$ 592.05
WAYNE & ASHLEY ALEXANDER	REFUND SEWER ISSUES - 430 MANNING ST	\$ 563.07
ATAC	DW PROJ/WATER & WW OPERATIONS/PLANNER/BLD OFFICIAL	\$ 15,570.00
BUZZ LAWN CARE	MOW AND TRIM TOWN PROPERTY	\$ 3,900.00
D & D PROPERTIES	REFUND SEWER ISSUES - 315 MANNING ST	\$ 403.56
GOLDEN WEST TECHNOLOGIES	MONTHLY SERVICE FEE	\$ 635.45
GREAT PLAINS STRUCTURES	WATER TANK FLOOR RESEAL	\$ 40,750.00
KELLER DRILLING	REPAIR OF WATER TANK 7/14/2026	\$ 2,652.50
KIEFFER SANITATION	MONTHLY SANITATION FEE JULY 2026	\$ 4,741.81
MIDCO DIVING & MARINE SERVICES	CLEAN AND INSPECT WATER TANK	\$ 5,150.00
MIDCONTINENT TEST/ALLIANCE TECH	SEWER AND WATER TESTING	\$ 2,440.25
MT RUSHMORE TELEPHONE	PHONE MAIN & 2ND LINE/INTERNET/FAX LINE	\$ 261.68
NORTHWEST PIPE FITTINGS INC.	WATER TOWER MISC PARTS	\$ 698.38
SD PUBLIC ASSURANE ALLIANCE	ANNUAL PROPERTY & LIABILITY INSURANCE PREMIUM	\$ 19,536.02
SOUTHERN HILLS PUBLISHING	PUBLISH BOT MEETING MINUTES/ADMIN JOB AD - JULY 2026	\$ 431.96
SIEGEL BARNETT & SCHUTZ	ALTERNATE ATTORNEY 1.9 HRS @ \$250/HR	\$ 475.00
TEXT MY GOV INC.	SOFTWARE MGMT & SUPPORT/SETUP	\$ 2,250.00
US BANK	QUARTERLY CWSRF PAYMENT	\$ 7,750.55
USG WATER SOLUTIONS	STEEL TANK WASHOUT/DISINFECT	\$ 3,300.00
Accounts Payable Total		\$ 112,102.28
Payroll Related: Paid 08/14/2026		
	Legislative, Financial Administration, Govt Blds	\$ 2,206.34
	Promoting City/BBB	\$ 14.66
HEALTHY EQUITY	HSA	\$ 62.50
EFTPS-ELECTRONIC FEDERAL TAX	FED/FICA TAX	\$ 672.46
Payroll Total		\$ 2,955.96
***** REPORT TOTAL *****		\$ 115,058.24

WATER DEPARTMENT REPORT: Miller reported that Allan Sage will be in town tomorrow to view water system and will make recommendations to the board. Miller had contacted Tank Connections about what needs to be done to release the Quinn Construction contract on the north water tower.

SEWER DEPARTMENT REPORT: Kyle Doerr with the Water Quality Program at South Dakota Department of Agriculture and Natural Resources, contacted Serviss and will keep town informed if anything gets to the point where we need something done he will make sure and let us know so we do not fall too far behind. Discussion on getting the wastewater treatment plant shut down so we are only running on the lagoons.

STREET DEPARTMENT REPORT: No items presented.

LAW ENFORCEMENT: Ferguson reminded the board that school starts August 25th and flashing school lights will need to be turned back on. The Hermosa School will run a "Safety Shuttle" from the Dollar General on the west side of Highway 79 to and from school for any students who walk across Highway 79.

ABATEMENTS/COMPLAINTS: Campers parked in right of way are still an issue.

ECONOMIC DEVELOPMENT: Matheny reported the new business "The Sour" is doing well and owner stated he wants to give back to the town.

FINANCE OFFICE: Monthly financial report was provided. Motion by Ferguson and seconded by Matheny to approve closure of the town office Friday, September 4, 2026, for staff vacation; vote: all aye, motion carried.

CLOSING COMMENTS FROM THE PUBLIC: Dan Holsworth reminded the board that the sewer repair still needed to be done for 315 Manning Street.

TRUSTEE INPUT: Ferguson stated it was a good meeting and the board has gained some respect back from the community. Miller stated that if sewer issue at 315 Manning Street is determined to be in the town's area, the town will hire someone to fix. Matheny stated ideally it would be good if town could in a timely way get sewer issue fixed. Serviss stated it had been a long meeting.

EXECUTIVE SESSION: Motion by Miller and seconded by Matheny to enter Executive Session allowable by SDCL 1-23-2.3 Legal at 10:10 p.m.; vote: all aye, motion carried. Motion by Ferguson and seconded by Matheny to exit Executive Session at 10:25 p.m.; vote: all aye, motion carried. No motions made from Executive Session.

ADJOURN: Motion by Ferguson and seconded by Miller to adjourn at 10:25 p.m.; vote: all aye, motion carried.

Terri Cornelison
Finance Officer

Aaron Serviss
Town Board President

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