

**HERMOSA TOWN BOARD
TUESDAY, DECEMBER 2, 2025
REGULAR MEETING @ 6:00 PM**



- 1) **ROLL CALL:**
 - A. BOT Roll Call: Kramer, Ferguson, Koontz, Serviss
 - B. Acknowledgement of other Attendees
 - C. Pledge of Allegiance to be led by Koontz
- 2) **CALL FOR CHANGES:**
 - A. Review of current agenda items
 - B. Motion to accept the agenda as presented/amended
- 3) **CONSENT CALENDAR:**
 - A. Approval of November 18, 2025, regular meeting minutes and November 25, 2025, special meeting minutes
- 4) **CONFLICT OF INTEREST DECLARATION:**
- 5) **TOWN/FEMA UPDATES/COMPLIMENTS:**
 - A. Approve dismissal of Benesch 2025 Hermosa Drainage and Sewer Assessment and Improvement Plans Award from July 22, 2025, regular BOT meeting
 - B. Approve re-advertisement of Request for Proposals for 2025 Hermosa Drainage and Sewer Assessment and Improvement Plans
- 6) **ENGINEER:**
 - A. Approve ATAC On-Call Building Official Consulting Service Agreement - \$7,410
 - B. Approve ATAC 2025-2030 Operations Contract for Water/Sewer
 - C. Approve ATAC 2026 On-Call Planner and Grant Writer Consulting Service Agreement - \$71,860
- 7) **PLANNING & ZONING:**
 - A.
- 8) **PUBLIC WORKS:**
 - A. Streets
 - B. Street Light Repairs
 - C. Water & Sewer Department Updates
 - D. Open Work Orders
 - E. Streets- Contract work
 - F. Approve protocol for notifying residents when public utilities work is being performed
 - G. Vaktor Truck Operator proposal
 - H. Public Works Employee
- 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
- 11) **LEGAL:**
 - A. Appoint Scott James as permanent Town Attorney
 - B. Water Rate structure – add Historical/Religious category

- 12) **ECONOMIC DEVELOPMENT:**
A. Update from Serviss
- 13) **FINANCE OFFICE:**
A. Monthly financials
B. Department updates
C. Approve 2-Year Audit – Independent Audit Services, P.C. - \$9,000.00
D. Vendor for phone/fax services – Midco not able to provide phone/fax services
- 14) **OLD BUSINESS:**
A. Approve water tap for neighborhood referred to as East Hermosa Water Users
- 15) **NEW BUSINESS:**
A. 2nd Reading Ordinance 73: Traffic Schedules
B. Traffic Violation Fee Schedule
- 16) **ITEMS FROM CONSTITUENTS:** 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 comment is **15 minutes**.
2. This is a time for citizens of the town of Hermosa or owners of property within town Limits to express concerns or discuss issues having relevance to the town.
3. Anyone wishing to address the Town Board during this time shall be asked to stand and Identify themselves after being recognized the Board President.
4. Each person will be allotted **3 minutes** to speak.
5. After these time limits are reached, all further commentary shall be made only with the Chair's approval.
- 17) **TRUSTEE INPUT:**
- 18) **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
- 19) **ADJOURN:** Motion by _____; Second by _____ to adjourn the meeting at _____ PM.

HERMOSA TOWN BOARD
TUESDAY, NOVEMBER 18, 2025
REGULAR MEETING @ 6:00pm

3A

ROLL CALL: Koontz called the meeting to order on Tuesday, November 18, 2025, at 6:00 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 Kramer to update dollar amounts listed under Item 6B to Water Distribution Model \$3,175, North Water Tank \$36,400, DWSRF Project \$162,840, Wastewater Treatment Plant \$8,260, Lone Coyote Sewer Extension \$9,740, TIF #2 \$6,560, CMOM Update \$3,400 and approve agenda as amended; vote: all aye, motion carried.

CONSENT CALENDAR: Motion by Koontz and seconded by Ferguson to amend minutes from November 4, 2025, consent calendar motion "Motion by ~~Ferguson~~ Kramer and seconded by ~~Kramer~~ Ferguson to approve October 7, 2025, regular meeting minutes as presented" and approve November 4, 2025, regular meeting minutes as amended and approve November 12, 2025, special meeting 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.

TOWN/FEMA UPDATES: Motion by Kramer to approve Anthony Theodorou and Company for administrative change of FEMA BRIC Scoping Grant. Motion died for a lack of a second. Motion by Kramer and seconded Serviss to change FEMA BRIC Scoping Grant administrative change via RFQ; vote: all nay, motion failed. Motion by Serviss and seconded by Ferguson to direct Town Attorney James to request an advisory opinion letter from Jim Poppen with South Dakota Emergency Management for administration change of the FEMA BRIC Scoping Grant; vote: all aye, motion carried.

ENGINEER: Motion by Ferguson and seconded by Serviss to approve the dismissal of Benesch contracts sans FEMA BRIC Grant. Motion by Koontz and seconded by Serviss to amend the motion to direct Town Attorney James to prepare a letter of notification for the dismissal of Benesch contracts; vote on amendment: all aye, motion carried. Vote on original motion: all aye, motion carried. Motion by Kramer and seconded by Ferguson to approve Anthony Theodorou and Company contracts, including Water Distribution Model \$3,175, North Water Tank \$36,400, DWSRF Project \$162,840, Wastewater Treatment Plant \$8,260, Lone Coyote Sewer Extension \$9,740, TIF #2 \$6,560 and CMOM Update \$3,400. Motion by Koontz and seconded by Serviss to amend the motion to include pending legal review of actual contractual documents; vote on amendment: all aye, motion carried. Vote on original motion: all aye, motion carried.

PLANNING & ZONING: No items presented.

LEGAL: Town Attorney James reviewed the opinion he had provided on operational use of Vactor truck by private contractor. Operator of the truck must hold a CDL license. Discussion was held on the Brophy Road Water Users Agreement prepared by Town Attorney James. There are currently four residents that use this water system. Allen Bishop, one of the users, presented and requested the current tap be moved to the north side of Highway 40 and rename agreement to East Hermosa Water Users. Motion by Kramer and seconded by Serviss to approve the water user's agreement; vote: all aye, motion carried. Motion by Koontz and seconded by Serviss to update agreement to be named East Hermosa Water Users Agreement; vote: all aye, motion carried. Town Attorney James stated he is also currently working on the extraterritorial agreements for Custer County and proposed for Pennington County as well as issues with booster pumps.

LAW ENFORCEMENT/ABATEMENTS/COMPLAINTS: No Marshal report or Custer County log were presented.

PUBLIC WORKS: Serviss reported on plan to seal rip rap and fill potholes. Ferguson has reported streetlights that need repair and they are currently getting fixed. Discussion was held on town public works employee and a Special Meeting was scheduled for Tuesday, November 25, 2025, at 5:00 p.m. to continue this discussion.

ECONOMIC DEVELOPMENT: No items were presented.

CLAIMS: Motion by Kramer and seconded by Ferguson to approve the Payroll and Claims as presented, excluding the Northwest Pipe Fittings claim for \$93.87; vote: all aye, motion carried. .GOLDEN WEST TECHNOLOGIES, monthly service fee November 2025, \$583.65; KIEFFER SANITATION, monthly sanitation fee October 2025, \$4,158.96; MG OIL, fuel for marshal vehicle October 2025, \$129.95; MT RUSHMORE TELEPHONE, phone and internet November 2025, \$498.47; NORTHWEST PIPE FITTINGS, combination key, \$93.87; RURAL DEVELOPMENT, RD1 Loan-October 2025 interest & principal, \$1,278.00; RD2 Loan-October 2025 interest & principal, \$417.00; RD3 Loan-October 2025 interest & principal, \$222.00; SOUTHERN HILLS PUBLISHING, publishing and legal notices October 2025, \$316.84; STEEN SERVICE & REPAIR, cylinder rebuild vaktor truck, \$1,025.00; **Accounts Payable Total: \$8,723.74.** Payroll related: Total Paid on 11/14/2025; General, \$3,316.85; Water, \$178.06; Sewer, \$106.84; Promoting City/BBB, \$35.61; EFTPS-Electronic Federal Tax, FED/FICA TAX, \$930.56; **Total Payroll Related Paid: \$4,567.92. REPORT TOTAL: \$13,291.66.**

FINANCE OFFICE: Monthly financials will be provided at the next regular meeting. Cornelison reported that Ben Elliott had contacted her and offered a 2-year audit for \$9,000. The board had previously approved the 1-year audit for \$6,000. Motion by Kramer and seconded by Ferguson to approve a 2-year audit for \$9,000. Motion by Koontz and seconded by Kramer to amend the motion to add the 2-year audit deadline of February 15, 2026; vote on amended motion: all aye, motion carried. Vote on original motion: all aye, motion carried. Motion by Kramer and seconded by Ferguson to approve the re-investment of CD funds of \$140,501.08 into a six-month CD at 3.75% with First National Bank and approve Kelburn Koontz and Teresa Cornelison as authorized signers; vote: all aye, motion carried. Motion by Koontz and seconded by Serviss to approve the change in vendors for phone and internet services from Mt Rushmore Telephone to Midco and select the 200MB fiber optic monthly cost of \$135, basic phone/fax line monthly cost of \$30 and 5 cent per minute long distance cost; vote: all aye, motion carried. Motion by Kramer and seconded by Serviss to approve the closure of the town office on Friday, November 28, 2025, and allow town staff to use vacation hours for that day; vote: all aye, motion carried. The board will review applicants for the Meter Reader and Administrative Assistant positions at the special meeting on November 25, 2025.

OLD BUSINESS: Motion by Koontz and seconded by Kramer to nominate Trena Matheny for the vacant trustee position; vote: two aye, two nay, motion failed. Motion by Ferguson and seconded by Serviss to nominate Kathy Pillen for the vacant trustee position; vote: two aye, two nay, motion failed. Town Attorney James informed the board that SDCL 9-13-14.1 will change effective January 1, 2026, and require that the town fill the vacant trustee position by appointment or special election. Motion by Serviss and seconded by Ferguson to schedule a special election for Tuesday, January 27, 2026, to fill the vacant trustee position; vote: all aye, motion carried. Motion by Kramer and seconded by Ferguson to rescind motion from 10-21-2025 regular meeting for the \$500 donation to HAAH Santa Village and approve new motion to donate \$500 from BBB funds to HAAH Santa Village with the donation to be used for purchase of gifts for Santa's Village; vote: three aye, Koontz abstained, motion carried. Motion by Kramer and seconded by Ferguson to deny the request to use BBB money to fund prizes for Annual Christmas Lighting Contest, as it does not fit criteria of use of BBB funds; vote: all aye, motion carried.

NEW BUSINESS: The first reading of Ordinance 73: Traffic Schedules was held. The request to use BBB money to fund hanging of light pole Christmas decorations was pended to the special meeting on November 25, 2025.

CITIZENS/TRUSTEE INPUT: Audience and trustees had input. For full verbiage, please see the video recording posted on the town's You Tube channel. A video presentation of the lagoon expansion project was played and will be made available on the town YouTube channel.

EXECUTIVE SESSION: No Executive Session was held.

ADJOURN: Motion made by Kramer and seconded by Ferguson to adjourn meeting at 11:16 p.m., vote: all aye, motion carried.

ATTEST:

Terri Cornelison
Finance Officer

Kelburn Koontz
Town Board President

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**HERMOSA TOWN BOARD
TUESDAY, NOVEMBER 25, 2025
SPECIAL MEETING @ 5:00 pm**

ROLL CALL: Koontz called the meeting to order on Tuesday, November 25, 2025, at 5:01 p.m. with the following members present: Ferguson, Koontz, and Serviss. Kramer was absent. Interested citizens were also present. Pledge of Allegiance led by Koontz.

CALL FOR CHANGES: Motion by Koontz and seconded by Ferguson to approve the agenda 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.

ITEMS OF BUSINESS: Discussion was held on a possible town public works position. A list of duties, personnel to complete the duty, as well as what was needed to complete the duty was created. The board will discuss this further at the next regular meeting. Motion by Serviss and seconded by Koontz to provide a budget not to exceed \$1,500.00, from the BBB money to fund the hanging of light pole Christmas decorations; vote: all aye, motion carried. Motion by Koontz and seconded by Serviss to approve a budget not to exceed \$1,000.00, to purchase parts for repair of Vaktor truck pony motor clutch, including shipping and handling costs and other parts needed; 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 Koontz and seconded by Serviss to enter Executive Session allowable by SDCL 1-25-2- for personnel at 5:50 p.m. (after a five minute recess); vote: all aye, motion carried. Motion by Koontz and seconded by Ferguson to exit Executive Session at 6:11 p.m.; vote: all aye, motion carried. There were no motions made from Executive Session.

BREAK: The board took a short break.

ITEMS OF BUSINESS: Anthony Theodorou met with the board regarding his exit from Benesch and starting a new company and services he can provide for the town.

ADJOURN: Motion made by Koontz and seconded by Serviss to adjourn meeting at 6:12 p.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, JULY 22, 2025
REGULAR MEETING @ 6:00pm

5A

ROLL CALL: Koontz called the meeting to order on Tuesday, July 22, 2025, at 6:00 p.m. with the following members present: Kramer, Ferguson, Koontz, and Serviss. Harris arrived at 6:11 p.m. Interested citizens, Attorney Hagg, and Town Engineer Theodorou were also present. Pledge of Allegiance led by Koontz.

CALL FOR CHANGES: Motion by Kramer and seconded by Ferguson to amend the agenda with the addition of Item 9C Meet and Greet for Town Marshall, Item 7F Temporary Sign Permit Application from Custer County Fair Association, Item 16B Application for Permit to Occupy Right of Way from Custer County Fair Association and Item 16 A Future of the Hermosa Library pending until next meeting and approve the agenda as amended; vote: all aye, motion carried.

CONSENT CALENDAR: Motion by Ferguson and seconded by Serviss to approve July 8, 2025, 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.

TOWN UPDATES: One RFP was received from Benesch for the 2025 Hermosa Drainage and Sewer Assessment and Improvement Plans. Bridget Mitchell with Headwaters and Joan Harris reviewed the RFP and determined it met all the necessary requirements. Motion by Serviss and seconded by Ferguson to award the 2025 Hermosa Drainage and Sewer Assessment and Improvement Plans to Benesch; vote: all aye, motion carried.

ENGINEER: Motion by Kramer and seconded by Harris to approve the 4-Year Contract Operations and On-Call Inspection Master Service Agreement Hermosa Drinking Water and Sanitary System Agreement from Benesch, which includes 341 hours per year for Wastewater System Operations at a rate of \$145 per hour, 213 hours per year for Water Systems Operations at a rate of \$145 per hour and On-Call (emergency) Wastewater and Water Inspection Services at a rate of \$150 per hour for the first year; vote: all aye, motion carried. Motion by Kramer and seconded by Ferguson to approve the quote for the purchase of Control Panel for UF, UV and Dropbox not to exceed \$43,571; vote: all aye, motion carried. Motion by Kramer and seconded by Serviss to approve the purchase of a Level Sensor for Dropbox not to exceed \$900; vote: all aye, motion carried. Item B3 – 3 Floats were included in the quote approved for \$43,571. The North Water Tower Bid award is pending until the next regular meeting on August 5, 2025.

PLANNING & ZONING: Motion by Harris and seconded by Ferguson to approve Permit #2025-14 – Digging Permit – 360 Vilas St. – Parcel #009202 as the requested information had been received; vote: all aye, motion carried. Motion by Serviss and seconded by Ferguson to table Permit #2025-16 – Carport – 51 N 5th St. – Parcel #009284 pending further information and any other building permit information required; vote: all aye, motion carried. Motion by Harris and seconded by Kramer to approve the Temporary Sign Application from the American Legion Post 303; vote: all aye, motion carried. Motion by Serviss and seconded by Kramer to waive the requirement to connect to municipal sewer for Permit #2025-17 – Extraterritorial Area – James Bendlin – 850 Marie St; vote: all aye, motion carried. Motion by Kramer and seconded by Ferguson to approve the new address of 340 Whitney Street for Parcel #009324; vote: all aye, motion carried. Motion by Kramer and seconded by Ferguson to approve the Temporary Sign Application from the Custer County Fair Association; vote: all aye, motion carried.

CLAIMS: Motion by Serviss and seconded by Ferguson to reduce the distribution to Hagg and Hagg in the amount of \$2,500 for the August legal retainer to ensure compliance with SDCL 9-21-9; vote: one aye, three nay and one abstain, motion failed. Motion by Harris and seconded by Kramer to allow the Finance Officer to prepare a formal supplemental budget to stay in compliance for professional attorney fees and any other budget line items that will need a supplement to get to end of the year and approve the Payroll and Claims as presented; four aye and one nay, motion carried. Koontz directed the Town Attorney to consult with the board and finance officer when fees will arise above the monthly retainer. ARIC ALIAS, reimbursement for fuel for town marshal, \$47.30; BENESCH, engineering fees for Lone Coyote Water & Sewer Extension, Hermosa Wastewater Treatment Plant, North Water Tank, FY22 Drinking Water SRF, On-Call Building Official Services, Tax Increment Financing District 2 and Lagoon Expansion, \$32,442.12; CUSTER COUNTY SHERIFF, Dispatch Contract August 1 – October 31, 2025; \$2,000.00; CHUCK FERGUSON, 17 hours lagoon pumping @ \$17 per hour and fuel, \$174.01; GOLDEN WEST TECHNOLOGIES, monthly service fee July 2025, \$568.65, HAGG

5B

Town of Hermosa South Dakota Request for Proposal

The Town of Hermosa, South Dakota is seeking proposals from qualified and experienced consulting engineering firms to provide the Town with drainage and sanitary sewer assessment and preliminary design services. The project will build on flood mitigation and drainage assessment work the town has done to date. It will include assessment, feasibility analysis, and preliminary design. The intent is to identify and prioritize drainage and sewer projects through feasibility analysis and conceptual design. The prioritized projects will be those that provide the most flood and drainage resiliency for the community and will improve equity outcomes by mitigating flood risk while strengthening the community's overall resilience to disasters.

This project is funded through the Federal Emergency Management Agency (FEMA) Building Resilient Infrastructure and Communities (BRIC) Grant Program. As a recipient of BRIC funding, The Town of Hermosa is committed to ensuring that all aspects of this project comply with FEMA's grant requirements, including but not limited to federal procurement standards, reporting obligations, and compliance with applicable federal, state, and local laws.

All proposals submitted in response to this RFP must acknowledge that the funding for this project is made possible through a grant from FEMA BRIC. The successful bidder will be required to adhere to all grant conditions and provide any necessary documentation to support compliance with FEMA regulations.

Submissions must be received no later than Wednesday, December 31, 2025

A copy of the request document will be available on the Town of Hermosa website at www.hermosasd.com.

Any questions or requests can be referred to Terri Cornelison, Town of Hermosa Finance Officer terri@hermosasd.com or 605.255.4291

Request for Proposals

2025 Hermosa Drainage and Sewer Assessment and Improvement Plans

Introduction

The Town of Hermosa, South Dakota is seeking proposals from qualified and experienced consulting engineering firms to provide the Town with drainage and sanitary sewer assessment and preliminary design services. The project will build on flood mitigation and drainage assessment work the town has done to date. It will include assessment, feasibility analysis, and preliminary design. The intent is to identify and prioritize drainage and sewer projects through feasibility analysis and conceptual design. The prioritized projects will be those that provide the most flood and drainage resiliency for the community and will improve equity outcomes by mitigating flood risk while strengthening the community's overall resilience to disasters.

General Background

The Town of Hermosa, located in rural southwestern South Dakota within Custer County, has a population of 397 (2021 American Community Survey). The town is highly susceptible to sudden flash flooding caused by severe rainstorms. Battle Creek, along with its secondary channel and floodplain, runs south of town, while Old Dairy Drainage flows west to east across the northern extents. These waterways, combined with the town's stormwater system, frequently flood during significant rain events, overtopping roads and damaging critical infrastructure. Additionally, surface runoff and high groundwater infiltration place strain on the Town's sanitary sewer system. To enhance the community's resilience to future flooding and related hazards, the Town of Hermosa seeks a comprehensive assessment of its drainage and sanitary sewer systems, along with recommendations for necessary improvements.

This project is funded through the Federal Emergency Management Agency (FEMA) Building Resilient Infrastructure and Communities (BRIC) Grant Program. As a recipient of BRIC funding, Custer County is committed to ensuring that all aspects of this project comply with FEMA's grant requirements, including but not limited to federal procurement standards, reporting obligations, and compliance with applicable federal, state, and local laws.

All proposals submitted in response to this RFP must acknowledge that the funding for this project is made possible through a grant from FEMA BRIC. The successful bidder will be required to adhere to all grant conditions and provide any necessary documentation to support compliance with FEMA regulations.

Project Study Area

The project study area includes the Town of Hermosa and an approximate one-mile buffer outside the Town boundary. Most of the drainage and sewer project focus areas are the Ferguson subdivision and the residential area south of Highway 40 between Highway 79 and the railroad tracks.

Scope of Work

The Town of Hermosa seeks to enhance community resilience to flooding by conducting a comprehensive assessment and improvement plan for its drainage infrastructure throughout town and its sanitary sewer system serving the Ferguson Subdivision. This project will provide detailed evaluations, prioritize mitigation efforts, and develop conceptual designs that position the Town for future funding opportunities. The two primary initiatives are:

1. Drainage Assessment and Improvements – Evaluate and implement strategic drainage solutions to mitigate flood risk across key areas of Town. Key project areas include but are not limited to the following:

- Residential area south of Highway 40 between Highway 79 and the railroad tracks. Drainage infrastructure is lacking and existing roads/alleyways are improperly graded in this neighborhood causing ponding stormwater runoff.
- Fairgrounds Place and Highway 40 - The existing roadside ditch along Highway 40 is currently blocked by the Fairgrounds Place road. There is no culvert to allow a continuous flow path so stormwater ponds at the southwest corner of Fairgrounds Place and Main Street overflows to the south and east impacting nearby residences.

2. Sanitary Sewer Assessments and Improvements in Ferguson Subdivision – Assess the impact of flooding on the sanitary sewer system and develop improvement plans to reduce infiltration, prevent damages, and make the sewer system more resilient. The Town of Hermosa sanitary sewer lift station off Ferguson Street experiences increased flows during rain events. This is believed to be an inflow and infiltration issue. Existing sewer manhole lids appear to not be watertight. Most manholes (20+) are located in the FEMA 100-yr floodplain or floodway. Stormwater runoff and/or flood waters are contributing to the increased flows to the lift station. The lift station is not designed to handle the increased flow. The Engineer shall perform an Inflow and Infiltration study for the system and evaluate system alternatives to the current lift station including but not limited to alternative gravity system options.

Specific project Tasks are detailed below.

Task 1 – Data Gathering / Project Prioritization

The Project Team will review existing flood, drainage, and relevant sanitary sewer studies. Building on this information, the team will identify priority project areas to assess further in future tasks. Preliminary project areas are identified above.

Task 2 – Drainage Feasibility Analysis

The Engineer will use the projects identified in Task 1 to conduct an alternatives analysis and feasibility analysis. This includes the following:

- Develop preliminary design alternatives.
- Develop preliminary hydraulic and/or hydrological modeling to assess alternatives.
- Re-asses flood reduction benefits.

- Calculate opinion of probable construction cost based on alternatives identified.
- Conduct community engagement.

The outcome of Task 2 will be the clear identification of preferred project(s) that are implementable and that will benefit the community by reducing flood risk and/or improving drainage infrastructure to protect the residents of the Town of Hermosa.

Task 3 – Conceptual Drainage Improvement Plan development

The Engineer will use the preferred project alternative identified in Task 2 for two to four projects and develop Conceptual Plan designs for each. This includes the following:

- Collect additional survey information as needed.
- Develop more detailed hydraulic and/or hydrologic modeling necessary to design projects.
- Develop conceptual designs.
- Conduct a formal Benefit Cost Analysis using FEMA BCA Toolkit and estimates of probable construction costs.
- Conduct community engagement.

Task 4 – Sanitary Sewer Inflow and Infiltration study

Engineer shall conduct an Inflow and Infiltration study for the sanitary sewer system serving Ferguson Subdivision. Specific tasks include the following:

- Data Collection - Review existing sanitary sewer system maps, reports, and historical I&I data. Evaluate past maintenance records and known problem areas. Conduct stakeholder meetings with utility staff to gather insights on system issues.
- Flow Monitoring & Field Investigation - Perform dye testing to trace stormwater inflow pathways. Use closed-circuit television (CCTV) inspection to assess pipe conditions and locate structural defects. Conduct manhole inspections to identify sources of infiltration.
- Data Analysis & System Assessment - Identify priority areas based on severity of I&I, system vulnerabilities, and rehabilitation feasibility. Assess the impact of I&I on wastewater treatment costs and system capacity.
- Recommendations – Develop a prioritized list of recommended repairs with cost estimates.

Reporting - Prepare a comprehensive report summarizing findings, analysis, and recommendations. Present findings to Town Board and utility staff.

Task 5 – Sanitary Sewer Feasibility Analysis and Concept Design

The Engineer will conduct a feasibility analysis and concept design for a gravity system alternative in place of the current lift station serving Ferguson Subdivision.

Expected Outcome

This project will result in a comprehensive, prioritized plan for drainage and sanitary sewer improvements, including conceptual (30%) engineering designs. This project is considered Phase 1 of 2 covered under the

Town's FEMA BRIC grant. A future proposal for further engineering services including environmental planning, 60% design of recommended mitigation projects, and grant funding support will be included in Phase 2 and covered under a separate request for proposal.

Consultant Responsibilities and Deliverables

The selected consultant will work under the direction of the Town Board and will be responsible for consultation with the major stakeholder groups and public engagement. In addition, the consultant is responsible for the following items:

- a. General management of the project
- b. Management of the FEMA BRIC grant supporting this effort including but not limited to quarterly reports to the State of South Dakota Office of Emergency Management.
- c. Produce all materials for public presentations and provide to the Town in reproducible formats
- d. Drafting and preparation of the plan documents, graphics, and mapping for stakeholder groups and Town Board review
- e. Data collection, analysis and presentation
- f. Organization and facilitation of public meetings
- g. Public comment summary
- h. Presentations at public community meetings and Town Board meetings.

Task specific deliverables are detailed below.

Task 1 – Data Gathering / Project Prioritization

- a. List of prioritized projects.

Task 2 – Drainage Feasibility Analysis

- a. Technical Memorandum including conceptual design alternatives, associated modeling, preliminary cost, and summary of assessment and findings.

Task 3 – Conceptual Drainage Improvement Plan Development

- a. Additional survey data and refined hydraulic/hydrologic modeling.
- b. Conceptual design drawings for 2-4 selected projects.
- c. Cost estimates for conceptual designs.
- d. Benefit-cost analyses.
- e. Technical Memorandum detailing final project selections.

Task 4 – Sanitary Sewer Inflow and Infiltration Study

- a. I&I study report detailing assessment, findings, and recommendations.

Task 5 – Sanitary Sewer Feasibility Analysis and Concept Design

- a. Feasibility study report evaluating gravity sewer alternatives.
- b. Concept design drawings and system layout.
- c. Comparative analysis of gravity sewer vs. lift station operation.
- d. Cost estimates for proposed alternatives.

Respondents to the Request for Proposal (RFP) must be prepared to meet all requirements for work funded by the Federal Emergency Management Agency (FEMA) Building Resilient Infrastructure and Communities (BRIC) Grant Program. As well as meeting all Environmental Review standards required by Federal & State agencies, in

addition to the Federal Water Pollution Control Act, Protection of Wetlands, and the Endangered Species Act of 1973. Consultants who are Minority, Women, Disadvantaged, Small Businesses, and/or Small Businesses in rural areas are strongly encouraged to apply. The items listed in the scope of services are representative of the services and items that may be required but are not meant to comprise an exclusive list of services and items that may be required.

Proposed Project Schedule

The project timeline will be approximately 12 months from the notice to proceed. At a minimum, monthly progress meetings shall be held and may be conducted through video conferencing and/or webinars, set up and organized by the consultant. The consultant is expected to schedule and attend public participation activities and present to the Town Board as detailed in the scope of work.

The Town anticipates the following general timeline for receiving and evaluating the proposals, selecting a consultant, and completion of the plan. This schedule is subject to change if it is in the Town's best interest to do so:

Advertise for Consultant Proposals	December 17, 2025
Proposals Due	December 31, 2025, 5:00 p.m.
Evaluation of Proposals	January 1-6, 2026
Notice of Award	January 6, 2026
Project Completion	6 months from Notice to Proceed

Qualifications

The chosen consultant must have extensive multidisciplinary experience in hydrology, hydraulics, stormwater management, sanitary sewer system assessment and design, civil engineering, GIS analysis, community engagement, and hazard mitigation planning, with demonstrated experience on projects of a similar nature. The ideal consultant will bring both technical expertise and stakeholder coordination skills to ensure that flood mitigation solutions are data-driven, feasible, and publicly supported. Strong communication and public engagement skills are essential, as the consultant will be expected to collaborate effectively with developers, engineers, and community members. Additionally, the consultant must be able to develop solutions that align with the Town's requirements while taking a comprehensive approach to the overall community flood resiliency.

Proposal Content

Proposals should address the following items in numerical order and must not exceed 25 pages in length. Resumes may be included as an attachment and will not count towards the page limit. A cover page, cover letter, table of contents, and section dividers will not count towards page limits. Electronic submissions are encouraged to incorporate hyperlinks when referencing work samples.

1. **Qualifications** – Provide a detailed background on the firm, including its history, expertise, and experience. Include biographies or resumes of key team members assigned to the project.
2. **Relevant Experience** – Outline previous experience with projects of a similar nature.
3. **References** – Supply at least three references, including contact details, for comparable projects. References should specifically relate to the proposed project manager and key personnel. The Town reserves the right to contact any listed references.

4. **Review of Scope of Work and Schedule** – Evaluate the scope of work and provide insights into the consultant’s understanding of the project, their role in fulfilling the outlined tasks, and any suggested additional services that may enhance project outcomes. Include a schedule aligned with key project milestones, incorporating any recommended changes.
5. **Project Approach and Community Engagement** – Describe the methodology and activities required to achieve the project’s objectives. Include details on community engagement strategies, including the use of social media or web-based platforms for public input and approaches to conducting public meetings.
6. **Project Impact and Cost Breakdown** – Consultant should demonstrate an understanding of the benefits of the mitigation project and the associated costs to help leverage the projects value for finding future funding for construction. Consultant should demonstrate that their scope of work aligns with the communities’ priorities in growth and economic development. Present a detailed cost breakdown for professional services and related expenses, categorized by project components and hours allocated per task. Provide an itemized list of reimbursable expenses.

Town of Hermosa will not be responsible for any costs incurred by consultants in the preparation and submission of their proposals, including travel expenses for pre-award interviews.

Proposers must submit one (1) PDF proposal for items one through five above via email to terri@hermosasd.com and one (1) PDF proposal cost (item six above) via email to boardvp@hermosasd.com. Submissions must be received no later than 5:00 p.m. local time on **Tuesday, July 15, 2025**.

Late submissions will not be considered.

Any questions or requests for additional information must be submitted via email to **Terri Cornelison**, at terri@hermosasd.com no later than **1:00 p.m. local time on July 8, 2025**.

The Town of Hermosa reserves the right to reject any or all proposals, waive any technical or legal deficiencies, and accept the proposal deemed to be in the Town’s best interest.

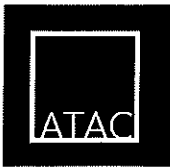
Evaluation of Proposals and Selection Process

Following the submission deadline, the Town will promptly begin reviewing proposals. The Town reserves the right to request further details and to reject any or all submissions. As part of the review process, applicants may be invited to present their proposals to Town representatives.

Proposals will be assessed based on the following key factors:

1. The overall quality and responsiveness of the proposal, including its completeness, clarity, conciseness, and understanding of the project scope.
2. The qualifications of the consulting team are demonstrated through their knowledge, skills, and relevant experience.
3. Proven experience in developing master drainage plans and sewer system assessment and design or handling similar projects.
4. A track record of effective public engagement strategies across diverse community groups.
5. References from past clients for projects of comparable scope.
6. The proposed timeline for completion and budget considerations.

Consultants should note that services may be discontinued if the project is canceled for any reason.



Office: 601 West Boulevard, Rapid City, SD 57701
Mailing Address: 6529 Sahalee Court, Rapid City, SD 57702
Tel. (605)569-3646 Email. Anthony.Theodorou@gmail.com
www.gotheodorou.com

6A

CONSULTING SERVICES AGREEMENT	
Client: Town of Hermosa	Project Name: 2026 On-Call Building Official
Address: 230 Main Street, Hermosa SD 57744	Project Location: Hermosa, SD
Telephone: (605)255-4291	Consultant Telephone: (605)569-3646
Client Contact: Kelburn Koontz	
Client Job No.	Consultant Job Number: 112525.02
This agreement is made by and between <u>Town of Hermosa, SD</u> , hereafter called "Client" and <u>Anthony Theodorou and Company</u> , hereafter called "Consultant", for professional consulting services as specified herein. Consultant agrees to provide client with requested consulting services, more specifically described as follows: (or shown in Attachments)	

See: Attachment A: On-Call Building Official

The Standard Terms & Conditions and the following Attachments are hereby made part of the Agreement:
Attachment A: On-Call Building Official

By Signing this Agreement, Client acknowledges that it has read and fully understands this Agreement and all attachments thereto. Client further agrees to pay Consultant for services described herein upon receipt of invoice from Consultant for estimated fees:

Time and Materials, not to exceed: **\$7,410.00**

In witness whereof, the parties hereto have made and executed this Agreement:

Client:	Anthony Theodorou & Company
By: _____	By: <u>Anthony</u>
Authorized Representative	Authorized Representative
Print: _____	Print: <u>Anthony L. Theodorou PE</u>
Title: _____	Title: <u>President</u>
Date: _____	Date: <u>November 25, 2025</u>



Office: 601 West Boulevard, Rapid City, SD 57701
Mailing Address: 6529 Sahalee Court, Rapid City, SD 57702
Tel. (605)569-3646 Email. Anthony.Theodorou@gmail.com
www.gotheodorou.com

Attachment A: On-Call Building Official

9/23/2025 awarded, Benesch job no. 1125-600010.00

Project Amount: \$7,514.00

Remaining Balance: \$7,514.00 on 9/23/2025

Summary of Project

Benesch was providing on-call Building Official services to the Town of Hermosa under the services of John Burckhard, ICC B1 Residential Building Inspector.

Status of Project: Mr. Burckhard is no longer working for Benesch and has joined ATAC.

Remaining Scope: Mr. Burckhard will pick up where he left off as on-call Building Official for the town of Hermosa.

Proposed Scope to Anthony Theodorou and Company (ATAC)

ATAC will prepare building inspection forms for the town of Hermosa to better document inspections, with a form left on-site and a form for the town offices. The building inspector will check in with the finance officer when a building permit application is filed, review the file and conduct the inspection, leaving the on-site form to be displayed by the applicant.

Fees: Time and Materials (T&M) not to exceed:

From remaining Benesch balance: **\$7,410.00**

57 hours of Principal Time @\$130/hour = \$ 7,410.00

Hourly Rates:

Principal PE = \$180/hour

Certified Flood Plan Manager/Design Engineer = \$170/hour

Operator-in-charge = \$150/hour

Planner/Building Official/Shift Operator = \$130/hour

Intern/CAD draftsman = \$110/hour

Technician = \$80/hour

General Labor = \$50/hour



ANTHONY THEODOROU AND COMPANY

STANDARD TERMS AND CONDITIONS

SECTION 1 – Services by Consultant

1.1 General

Consultant shall provide services under this Agreement only upon request of the Client, and only to the extent defined and required by the Client. These services may include the use of outside services, outside testing laboratories, and special equipment.

Attachments to this Agreement are as identified on the signature page to this Agreement or using serially numbered Work Authorizations, and with these GENERAL CONDITIONS, are all as attached hereto, and made a part of this Agreement.

1.2 Scope of Services and Fees

The services to be performed by Consultant and the associated fee are attached hereto and made a part of this Agreement or by using serially numbered Work Authorizations, all as identified on the signature page to this Agreement, and shall be performed by the Consultant in accordance with the Client's requirements. The Scope of Services and Fee Estimate (Attachment A) is valid for sixty (60) days, after which Consultant reserves the right to revise the Scope or Fee Estimate.

It is mutually understood that Consultant's fee is not a firm contractual amount, except that the total fee by the Consultant shall not be exceeded unless authorized in writing by the Client. The intent of the Scope of Services is to identify the services to be provided by Consultant. However, it is specifically understood that by written notice to Consultant, Client can decrease or, with concurrence of Consultant, increase the Scope of Services.

SECTION 2 – Payments to Consultant

2.1 Method of Payment

Payment for Consultant's personnel services and direct expenses shall be based on the Method of Payment which is identified on the signature page to this Agreement or serially numbered Work Authorizations, attached hereto, and made a part of this Agreement.

2.2 Payment for Personnel Services

2.2.1 Payment

Payment for the services rendered by Consultant's personnel shall be based on the hours of chargeable time spent in accordance with Consultant's Schedule of Unit Rates, which is identified on the signature page to this Agreement and attached hereto, and made a part of this Agreement.

2.2.2 Chargeable Time

Chargeable time for Consultant's personnel is that period of their time devoted to providing services requested by Client. Chargeable time for field personnel located away from Consultant's office for more than one week is a minimum of eight hours per day and five days per calendar week, except for Consultant's personnel leaves during an employee's sick leave or vacation time.

Travel time from Consultant's office to an assigned work site, and return to Consultant's office, is chargeable time; or if more economical for Client, Consultant shall lodge its personnel overnight near the work site in lieu of traveling back to Consultant's office at the end of each work day.

2.2.3 Overtime Rates

The basis for payment to Consultant for each hour worked in excess of forty (40) hours in any calendar week shall be the applicable hourly rate as specified in the Schedule of Unit Rates.

2.3 Payment for Direct Expenses

2.3.1 Payment

For Direct Expenses incurred by Consultant, payment to Consultant by the Client shall be in accordance with Consultant's Schedule of Unit Rates.

2.3.2 Direct Expenses

For the purposes of this Agreement, Direct Expenses to be contracted and managed by Consultant and payable by Client to Consultant shall include: Outside Services including the services and reimbursable expenses for firms other than Consultant which are necessary for the work the Consultant is directed to perform; Laboratory Tests and related reports necessary for the work the Consultant is directed to perform, either by the Consultant or by an outside service for the Consultant; Special Equipment expenses including the costs of the Consultant locating, acquiring, leasing, or renting any equipment or facilities not currently owned, leased, or rented by Consultant at the time of the request for services which are necessary to enable Consultant to provide the services requested; vehicles furnished by Consultant for Consultant's authorized travels and for Consultant's field personnel; Per Diem expense or actual costs of maintaining Consultant's field personnel on or near the Project site; for each day of field assignment away from Consultant's office; and Other Direct Expenses associated with all services provided hereunder and identified in the Schedule of Unit Rates.

2.4 Payment Conditions

2.4.1 Consultant shall submit monthly invoices for all personnel services and direct expenses under this Agreement and a final invoice upon completion of services.

2.4.2 Invoices are due and payable upon receipt by Client. Interest at a rate of 1.5% per month, or the maximum allowed by law, will be charged on all past due amounts starting thirty (30) days after date of invoice. Payments will first be credited to interest and then to principal.

2.4.3 In the event of a disputed or contested invoice, Client must provide written notice to Consultant within ten (10) days of the date of any invoice, otherwise the invoice will be considered to be correct. In the event Client timely submits in writing a dispute on a particular invoice, only that portion so contested will be withheld from payment and the Client will pay the undisputed portion. No interest will accrue on any reasonably contested portion of the invoice until mutually resolved.



ANTHONY THEODOROU AND COMPANY

2.4.4 If Client fails to make payment in full to Consultant of amounts owed pursuant to this Section 2 within forty-five (45) days of the date of the invoice, Consultant may, after giving seven (7) days' written notice to Client, suspend services until payment has been made in full, including interest. Consultant shall have no liability to Client for delays or damages caused by such suspension of services. Client agrees to pay all costs of collection, including reasonable attorney's fees, incurred by Consultant as a result of Client's failure to make payments in accordance with this Agreement. No final plans, documents or reports will be released for any purpose until Consultant has been paid in full.

2.4.5 The billing rates specified in the Schedule of Unit Rates for subsequent years shall be adjusted annually in accordance with Consultant's costs of doing business, subject to Client's review and concurrence.

SECTION 3 – Term of Agreement

3.1 Term

Consultant's obligations to perform under this Agreement shall extend from the date of execution until terminated by either party.

3.2 Abandonment of Work

Client shall have the absolute right to abandon any work requested hereunder or to change the general scope of the work at any time, and such action on its part shall in no event be deemed a breach of contract.

3.3 Termination of Agreement

3.3.1 Termination with Cause

The obligation to provide further services under this Agreement may be terminated with cause by either party by written notice stating the basis for the termination and providing 7 days to cure. The termination will be effective seven (7) days after delivery of written notice thereof if the basis for the termination has not been cured. In the event of termination by Consultant caused by failure of the Client to perform in accordance with the terms of this Agreement, Client shall pay for all services performed prior to the effective date of termination, including all project termination expenses, collection fees and legal expenses. Consultant shall prepare a progress report, including information as to all the services performed by Consultant and the status of the services as of the date of the termination, and provide information and documents developed under the terms of this Agreement to the Client. Upon receipt of final payment, Client shall pay for all services performed prior to the date of termination.

3.3.2 Termination without Cause

Either party may, at its sole discretion, terminate this Agreement without cause at any time. In the event of such termination, the terminating party will promptly notify and confirm the termination in writing to the other party. The termination will be effective seven (7) days after delivery of written notice thereof. Upon termination, Consultant shall prepare a progress report, including information as to all the services performed by Consultant and the status of the services as of the date of the termination, and provide information and documents developed under the terms of this Agreement to the Client upon receipt of final payment.

3.4 Payment for Work Upon Abandonment or Agreement Termination

If Client abandons requested work or terminates this Agreement, Consultant shall be paid on the basis of work completed to the date of abandonment or effective date of termination. Consultant shall perform no activities other than reasonable wrap-up activities after receipt of notice of abandonment or termination. Payment for the work shall be as established under Section II.

SECTION 4 – General Considerations

4.1 Assignment and Responsibility for Personnel

4.1.1 The assignment of personnel and all phases of the undertaking of the services which Consultant shall provide hereunder shall be subject to the oversight and general guidance of Client.

4.1.2 While upon the premises of Client or property under its control, all employees, agents, and subconsultants of Consultant shall be subject to Client's rules and regulations respecting its property and the conduct of its employees thereon.

4.1.3 However, it is understood and agreed that in the performance of the work and obligations hereunder, Consultant shall be and remain an independent Consultant and that the employees, agents, or subconsultants of Consultant shall not be considered employees of or subject to the direction and control of Client. Consultant shall be responsible for the supervision and performance of all subconsultants who are to perform hereunder.

4.2 Insurance

4.2.1 Consultant shall furnish Client a certificate of insurance upon request showing amounts and types of insurance carried by Consultant, which certificate shall contain a commitment by the Insurance Company that during the time any work is being performed by Consultant under this Agreement it will give Client notice of cancellation or non-renewal of the insurance coverage shown on such certificates in accordance with policy provisions.

4.2.2 Any construction contracts relative to Consultant's Services shall require that the Client and Consultant be included as additional insureds on the contractor's and subcontractor's commercial general liability and commercial automobile liability insurance policies and that the coverage afforded Client and Consultant is primary to any insurance maintained by Client or Consultant and that Client and Consultant's insurance is non-contributory with any coverage afforded by contractor and subcontractors. Client will also require contractors and subcontractors to purchase and maintain insurance, compensation and employer's liability insurance.



ANTHONY THEODOROU AND COMPANY

4.3 Successors and Assigns

4.3.1 Client and Consultant each binds itself and its partners, successors, executors, administrators, assigns, and legal representatives to the other party to this Agreement and to the partners, successors, executors, administrators, assigns, and legal representatives of such other party, in respect to all covenants, agreements, and obligations of this Agreement.

4.3.2 Neither Consultant nor Client shall assign or transfer any rights under or interest in (including, but without limitation, moneys that may become due or monies that are due) this Agreement without the written consent of the other party, except as stated in paragraph 4.3.1 and except to the extent that the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this paragraph shall prevent Consultant from employing such independent consultants, associates, and subconsultants as it may deem appropriate to assist in the performance of services hereunder.

4.3.3 Nothing herein shall be construed to give any rights or benefits hereunder to any one other than Client and Consultant except as otherwise provided herein.

4.4 Compliance with Law

4.4.1 Consultant shall exercise the professional standard of care to comply with, and cause its subconsultants to comply with, applicable Federal, state, and local laws, orders, rules, and regulations in effect at the time services are rendered, and relating to the performance of the services Consultant is to perform under this Agreement. If the Scope of Services requires Consultant to prepare an application for a permit, Consultant does not represent or warrant that said permit or approval will be issued by any governmental body.

4.4.2 Neither the Consultant nor the Consultant's agents or employees shall discriminate against any employee or applicant for employment to be employed in the performance of this Agreement with respect to hiring, tenure, terms, conditions, or privileges of employment, because of race, color, religion, sex, or national origin.

4.5 Ownership and Reuse of Documents

4.5.1 All drawings, specifications, test reports, and other materials and work products, including those that have been prepared or furnished by Client prior to this Agreement that remain Client's property. Consultant shall be permitted to retain copies. Client furnished documents and Client shall make available to Consultant copies of these materials as necessary for the Consultant to perform the services requested hereunder.

4.5.2 All drawings, specifications, test reports, and other materials and work products, including electronic media drawings, designs, and other data filed on electronic media which will be prepared or furnished by Consultant (and Consultant's independent professional associates and subconsultants) under this Agreement, are instruments of service in respect to the Project and Consultant shall retain an ownership and property interest therein whether or not the Project is completed.

Client may make and retain copies for information and reference in connection with the use and reoccupation of the Project by Client and others; however, such documents are not intended or represented to be suitable for Client by Client or others acting on behalf of Client on extensions of the Project or on any other project. Further, Consultant makes no warranty as to the compatibility of computer data files with computer software and software releases other than that used by Consultant in performing services herein, and to the condition or availability of the computer data after an acceptance period of thirty (30) days from delivery to Client. Any reuse without written verification of adaptation by Consultant for the specific purpose intended will be at Client's sole risk and without liability or legal exposure to Consultant or to Consultant's independent professional associates or subconsultants, and Client shall indemnify and hold harmless Consultant and Consultant's independent professional associates and subconsultants from all claims, damages, losses, and expenses including attorney's fees arising out of or resulting therefrom. Any such verification or adaptation will entitle Consultant to further compensation at rates to be agreed upon by Client and Consultant.

4.6 Consultant's Personnel at Project Site

4.6.1 The presence or duties of the Consultant personnel at a Project site, whether as onsite representatives or otherwise, do not make the Consultant or its personnel in any way responsible for those duties that belong to the Client and/or the construction contractors or other entities, and do not relieve the construction contractors or any other entity of their obligations, duties, and responsibilities, including, but not limited to, all construction methods, means, techniques, sequences, and procedures necessary for coordinating and completing all portions of the construction work in accordance with the project documents and any health or safety precautions required by such construction work. The Consultant and its personnel have no authority to exercise any control over any construction contractor or other entity or their employees in connection with their work or any health or safety precautions and have no duty for inspecting, noting, observing, correcting, or reporting on health or safety deficiencies of the construction contractor or other entity or any other persons at the site except Consultant's own personnel.

4.6.2 To the extent Consultant's Scope of Work includes construction observation, the Consultant shall keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and report to the Owner (1) known deviations from the Contract Documents and from the most recent construction schedule submitted by the Contractor, and (2) defects and deficiencies observed in the Work. Consultant neither guarantees the performance of the contractor(s) nor assumes responsibility for contractor(s)' failure to perform their work in accordance with the project documents.



ANTHONY THEODOROU AND COMPANY

4.7 Opinions of Cost, Financial Considerations, and Schedules

In providing opinions of cost, financial analyses, economic feasibility projections, and schedules for the Project, the Consultant has no control over the cost of labor, materials, equipment, or services furnished by others, or over the Contractor(s)' methods of determining prices, or over competitive bidding or market conditions. Consultant's opinions of probable Total Project Costs and Construction Costs provided for herein are approximations only. On the basis of Consultant's experience and qualifications and Consultant's professional judgments as an experienced and qualified professional consultant familiar with the construction industry. Consultant makes no warranty that the Client's actual Total Project or Construction Costs, financial aspects, economic feasibility, or schedules will not vary from the Consultant's opinions, analyses, projections, or estimates. If Client wishes greater assurance as to any element of the Total Project or Construction cost, feasibility, or schedule, Client will employ an independent cost estimator, contractor, or other appropriate advisor.

4.8 Discovery of Unanticipated Pollutant and Hazardous Substance Risks

4.8.1 If Consultant, while performing the services, discovers pollutants and/or hazardous substances that pose unanticipated risks, it is hereby agreed that the scope of services, schedule, and the estimated cost of Consultant's services will be reconsidered and that this Agreement shall immediately become subject to renegotiation or termination.

4.8.2 In the event that the Agreement is terminated because of the discovery of pollutants and/or hazardous substances posing unanticipated risks, it is agreed that Consultant shall be paid for its total charges for labor performed and reimbursable charges incurred to the date of termination of this Agreement, including, if necessary, any additional labor or reimbursable charges incurred in demobilizing.

4.8.3 Client also agrees that the discovery of unanticipated pollutants and/or hazardous substances may make it necessary for Consultant to take immediate measures to protect health and safety. Consultant agrees to notify Client as soon as practically possible should unanticipated pollutants and/or hazardous substances be suspected or encountered. Client authorizes Consultant to take measures that in Consultant's sole judgment are justified to preserve and protect the health and safety of Consultant's personnel and the public. Client agrees to compensate Consultant for the additional cost of taking such additional precautionary measures to protect employees' and the public's health and safety. This section is not intended to impose upon Consultant any duties or obligations other than those imposed by law.

SECTION 5 - Professional Services

5.1 Performance of Services

Consultant shall perform its services consistent with the professional skill and care ordinarily provided by firms practicing in the same or similar locality under the same or similar circumstances (hereinafter the "Standard of Care"). Consultant expressly disclaims all express or implied warranties and guarantees with respect to the performance of professional services, and it is agreed that the quality of such services shall be judged solely as to whether the services were performed consistent with the Standard of Care. Consultant owes Client that level of performance defined in this Section 5.1, and nothing herein shall be construed as creating a fiduciary relationship.

If at any time prior to construction Client believes Consultant's services are deficient due to not meeting the Standard of Care, Client must immediately inform Consultant in writing and shall afford Consultant the opportunity to correct such deficiency. If upon review by Consultant it is determined there is a deficiency that fails to meet the standard of care and it is attributable to Consultant, the deficiency shall be corrected at no additional cost to Client.

5.2 Limitation of Liability

Client and Consultant agree to allocate certain of the risks so that, to the fullest extent permitted by law, Consultant's total liability to Client is limited to the amount paid under the contract or \$50,000 whichever is greater, this being the Client's sole and exclusive remedy, apart from the insurance coverage listed in section 4.2 above, for any and all injuries, damages, claims, losses, expenses, or claim expenses (including attorneys' fees) arising out of this Agreement from any cause or causes. Such causes include, but are not limited to, Consultant's negligence, errors, omissions, strict liability, breach of contract, or breach of warranty.

5.3 No Special or Consequential Damages

Client and Consultant agree that to the fullest extent permitted by law neither party shall be liable to the other for any special, indirect, or consequential damages whatsoever, whether caused by either party's negligence, errors, omissions, strict liability, breach of contract, breach of warranty, or other cause or causes.

5.4 Indemnification

To the fullest extent permitted by law, Client and Consultant mutually agree to indemnify and hold each other harmless from and against any and all claims, damages, losses and expenses, defense costs including reasonable attorneys' fees, and court or arbitration costs and other liabilities arising from their own negligent acts, errors or omissions in performance of their services under this Agreement, but only to the extent caused that each party is responsible for such damages, liabilities and costs on a comparative basis of fault.

5.5 No Third Party Beneficiaries

Client and Consultant expressly agree that this Agreement does not confer upon any third party any rights as a beneficiary to this Agreement. Consultant accepts no responsibility for damages, if any, suffered by any third party as the result of a third party's use of the work product, including reliance, decisions, or any other action taken based upon it.

Client agrees that Consultant's services and work products are for the exclusive present use of Client. Client agrees



ANTHONY THEODOROU AND COMPANY

SECTION 6 – Miscellaneous Provisions

6.1 Notices

Any notice to either party herein shall be in writing and shall be served either personally or by registered or certified mail addressed to the signing party shown on the signature page.

6.2 Joint Preparation

For purposes of contract interpretation and for the purpose of resolving any ambiguity in this Agreement, the parties agree that this Agreement was prepared jointly by them and/or their respective attorneys.

6.3 Headings

Headings used in this Agreement are for the convenience of reference only and shall not affect the construction of this Agreement.

6.4 Severability

If any of the provisions contained in this Agreement are held for any reason to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

6.5 Dispute Resolution

If negotiation in good faith fails to resolve a dispute within thirty (30) days of written notice of the dispute by either party, then the parties agree that, with the exception of claims that are subject to the applicable venue's small claims court jurisdiction, each dispute, claim or controversy arising from or related to this Agreement or the relationships which result from this Agreement shall be subject to mediation as a condition precedent to initiating legal or equitable actions by either party. Unless the parties agree otherwise, the mediation shall be in accordance with the Commercial Mediation Procedures of the American Arbitration Association then currently in effect. A request for mediation shall be filed in writing with the American Arbitration Association and the other party. No legal or equitable action may be instituted for a period of ninety (90) days from the filing of the request for mediation unless a longer period of time is provided by agreement of the parties. Cost of mediation shall be shared equally between the parties and shall be held in a location mutually agreed upon by the parties. The parties shall memorialize any agreement resulting from the mediation in a mediation settlement agreement, which agreement shall be enforceable as a settlement in any court having jurisdiction thereof.

6.6 Equal Opportunity

Consultant will, in the performance of this Agreement, comply with federal, state, and local laws, and all regulations and orders issued under any applicable law related to equal employment opportunity, non-discrimination, or employment generally.

Consultant certifies that it will not knowingly employ or contract with a non-legal resident of the United States to perform work under this Agreement, and verifies or attempts to verify employee eligibility of its employees through participation in the U.S. Department of Homeland Security and Social Security Administration's E-Verify system.

6.7 Governing Law

This Agreement is to be governed by the laws of the jurisdiction in which the project is located. For locations outside of the United States, this Agreement shall be governed by the laws of the State of South Dakota.

6.8 Entire Agreement

This Agreement, along with those documents specified, attached, or hereby tied together, and serially numbered Work Authorizations if used, constitute the entire Agreement between the parties hereto and no changes, modifications, extensions, terminations, or waivers of this Agreement, or other documents, or any of the provisions herein, or therein contained, shall be valid unless made in writing and signed by duly authorized representatives of both parties.

— / ALT



Office: 601 West Boulevard, Rapid City, SD 57701
Mailing Address: 6529 Sahalee Court, Rapid City, SD 57702
Tel. (605)569-3646 Email. Anthony.Theodorou@gmail.com
www.gotheodorou.com

LB

CONSULTING SERVICES AGREEMENT

Client: Town of Hermosa	Project Name: 2025-2030 Operations Contract for Water/Wastewater
Address: 230 Main Street, Hermosa SD 57744	Project Location: Hermosa, SD
Telephone: (605)255-4291	Consultant Telephone: (605)569-3646
Client Contact: Kelburn Koontz	
Client Job No.	Consultant Job Number: 112125.03
This agreement is made by and between <u>Town of Hermosa, SD</u> , hereafter called "Client" and <u>Anthony Theodorou and Company</u> , hereafter called "Consultant", for professional consulting services as specified herein. Consultant agrees to provide client with requested consulting services, more specifically described as follows: (or shown in Attachments)	

See: Attachment A: Hermosa Water & Wastewater Operations Contract

The Standard Terms & Conditions and the following Attachments are hereby made part of the Agreement:
Attachment A: Hermosa Water & Wastewater Operations Contract

By Signing this Agreement, Client acknowledges that it has read and fully understands this Agreement and all attachments thereto. Client further agrees to pay Consultant for services described herein upon receipt of invoice from Consultant for estimated fees:

Time and Materials, not to exceed: **\$5,156.67 per week**

In witness whereof, the parties hereto have made and executed this Agreement:

Client: Anthony Theodorou & Company

By: _____

By: as r

Authorized Representative

Authorized Representative

Print: _____

Print: Anthony L. Theodorou PE

Title: _____

Title: President

Date: _____

Date: November 21, 2025



Office: 601 West Boulevard, Rapid City, SD 57701
Mailing Address: 6529 Sahalee Court, Rapid City, SD 57702
Tel. (605)569-3646 Email. Anthony.Theodorou@gmail.com
www.gotheodorou.com

ATTACHMENT A: Hermosa Water and Wastewater Operations Contract

7/23/2025 awarded, Benesch job no. 1126-600026.00

Project Amount: \$49,445.00 per year.

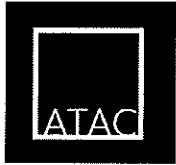
Remaining Balance: \$35.860.50 on 11/13/2025

Summary of Project

The town of Hermosa hired Benesch on July 23, 2025 to operate the new and existing water wells, water treatment plant, storage tanks, water booster station and the expanded lagoons and wastewater treatment plant. The contract started on July 23, 2025, and was to end on June 30th, 2030. The operator-in-charge was Mr. John Burckhard, who holds the necessary Class I Water and Wastewater license. The treatment plant is still under construction by Conifer Construction but operated for 1 month and met discharge permit levels before mechanical issues. Conifer Construction has the part on order and a budget to repair the issue and get the plant discharging again. The operator in charge at Benesch, Mr. John Burckhard, has changed firms and is now at ATAC as of 11/13/2025. He will offer his services at the new ATAC rate schedule and ATAC will work with the remaining budget where the Benesch contract left off. In addition, four new tasks will be offered by ATAC that have been identified as scope that is not currently being handled:

- ATAC staff will flush hydrants and exercise valves as per the Operations & Maintenance Manual (OMM) to remain in SD DANR compliance.
- Turn water on/off as directed by the Finance Officer or Board of Trustees
- ATAC staff will locate water and sewer main under the One-Call program. ATAC will perform 10 per month inclusive of this contract and on a T&M basis after 10.
- ATAC staff will operate the Vactor cleaning, jetting and hydrovac truck owned by the town as required by the Capacity, Management, Operation and Maintenance (CMOM) manual. ATAC will work with the town on a T&M basis.

Surplus time is available as some of the wells, storage tanks and treatment systems are not yet built or fully on-line and require less time to manage. Time needed beyond surplus time will be addressed by way of an amendment to the ATAC contract. The operations and maintenance protocols are a part of the CMOM program update and budgets for repairs identified will be input into the Capital Expenses section of the Waterworth software by ATAC staff members to build the towns Capital Improvement Plan.



Office: 601 West Boulevard, Rapid City, SD 57701
Mailing Address: 6529 Sahalee Court, Rapid City, SD 57702
Tel. (605)569-3646 Email. Anthony.Theodorou@gmail.com
www.gotheodorou.com

Status of Project: Operator-in-Charge has changed firms. Benesch no longer has a licensed SD Class I Water/Wastewater operator. John Burckhard is offering to continue on under ATAC.

Remaining Scope: Operator-in-Charge will perform the water and wastewater operations contract for the remaining 4.5 years of the NPDES permit, which expires on June 30th, 2030. A General Laborer will support the Operator-in-charge or Shift Operator in locates, Vactor truck operation of the town's sewer mains.

Proposed Scope to Anthony Theodorou and Company (ATAC)

The scope will be to operate and maintain compliance of the town's drinking water system and sanitary sewer system, including all storage, pumping and treatment facilities.

Wastewater Assets included in the Contract Operations are:

- Ferguson Subdivision Pump Station
- Whitney Street Pump Station
- 5th Street Pump Station
- 4 Cell Lagoon System and Detention Basin
- Wastewater Treatment Plant (Secondary and Tertiary Treatment systems and Disinfection). Outfall at the Battle Creek included.

ATAC will also provide administration of Sewer System Maintenance contracts with outside vendors to the city. Examples include grounds keeping around the facilities.

Water System Assets included in the Contract Operations are:

- Well #1 at the Battle Creek (and wellhouse)
- Well #2 on Tower Hill
- Proposed Water Treatment Plant on Tower Hill
- Ground Storage Tank #1 – 130,000 gallon capacity
- Ground Storage Tank #2 – Aquastore 3157 WT, 30.77 ft. diameter, 56.60 ft. height, 314,000 gallon capacity.
- Booster Station on Tower Hill.
- Proposed well #3 (and well house) at north end of town.
- Proposed Ground Storage Tank #3 (127,000 gallon capacity tank, expandable to 362,000 gallon capacity).



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The public works buildings are owned by the Town of Hermosa. Building #1 is at the town offices at 230 Main Street. Building #2 is near the wellhouse at the Battle Creek. The town will be responsible for the cost of maintenance on these buildings and provide reasonable access for ATAC to store tools, chemicals, equipment and spare parts to support operations activities.

ATAC will provide a shift operator or general laborer to perform locates of water & sewer lines, operate the Vaktor truck for the town's sewer infrastructure on a T&M basis.

The town may opt to have ATAC operate and maintain the town's Vaktor truck to clean the sewers and lift stations. Operations of the Vaktor can use the surplus time of this contract or be on a T&M amendment to this contract.

Fees: Time and Materials (T&M) not to exceed:

From remaining 2025/26 Benesch balance (ending June 30, 2026): **\$35,700.00**

1 hour per week x 30 weeks of Operator-in-Charge time @\$150/hour= \$4,500.00

Wastewater System:

5 hours per week of Shift Operator Time @\$130/hour x 30 weeks = \$19,500.00

Water System:

3 hours of Shift Operator Time @\$130/hour x 30 weeks = \$11,700.00

Contract to be reviewed annually by the Board of Trustees AND ATAC, allowing the Town or ATAC to request adjustments to the scope of services or pricing as needed.

Four Years 2 thru 5 (July 1, 2026 – June 30, 2030): **\$61,880.00 / year**

1 hour per week x 52 weeks of Operator-in-Charge time @\$150/hour= \$7,800.00

Wastewater System:

5 hours per week of Shift Operator Time @\$130/hour x 52 weeks = \$33,800.00

Water System:

3 hours of Shift Operator Time @\$130/hour x 52 weeks = \$20,280.00

Payment Terms:

Invoicing will be monthly for monthly services rendered for each system. The monthly amount for Wastewater will be \$3,141.67 and for Water will be \$2,015.00.

Not Included: Laboratory Testing fees, Landfill Tipping fees, Chemicals and Consumables.



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Hourly Rates:

Principal PE = \$180/hour

Certified Flood Plan Manager/Design Engineer = \$170/hour

Operator-in-charge = \$150/hour

Planner/Building Official/Shift Operator = \$130/hour

Intern/CAD draftsman = \$110/hour

Technician = \$80/hour

General Labor = \$50/hour



ANTHONY THEODOROU AND COMPANY

STANDARD TERMS AND CONDITIONS

SECTION 1 – Services by Consultant

1.1 General

Consultant shall provide services under this Agreement only upon request of the Client, and only to the extent defined and required by the Client. These services may include the use of outside services, outside testing laboratories, and special equipment.

Attachments to this Agreement are as identified on the signature page to this Agreement or using serially numbered Work Authorizations, and with these GENERAL CONDITIONS, are all as attached hereto, and made a part of this Agreement.

1.2 Scope of Services and Fees

The services to be performed by Consultant and the associated fee are attached hereto and made a part of this Agreement or by using serially numbered Work Authorizations, all as identified on the signature page to this Agreement, and shall be performed by the Consultant in accordance with the Client's requirements. The Scope of Services and Fee Estimate (Attachment A) is valid for sixty (60) days, after which Consultant reserves the right to revise the Scope or Fee Estimate.

It is mutually understood that Consultant's fee is not a firm contractual amount, except that the total fee by the Consultant shall not be exceeded unless authorized in writing by the Client. The intent of the Scope of Services is to identify the services to be provided by Consultant. However, it is specifically understood that by written notice to Consultant, Client can decrease or, with concurrence of Consultant, increase the Scope of Services.

SECTION 2 – Payments to Consultant

2.1 Method of Payment

Payment for Consultant's personnel services and direct expenses shall be based on the Method of Payment which is identified on the signature page to this Agreement or serially numbered Work Authorizations, attached hereto, and made a part of this Agreement.

2.2 Payment for Personnel Services

2.2.1 Payment

Payment for the services rendered by Consultant's personnel shall be based on the hours of chargeable time spent in accordance with Consultant's Schedule of Unit Rates, which is identified on the signature page to this Agreement and attached hereto, and made a part of this Agreement.

2.2.2 Chargeable Time

Chargeable time for Consultant's personnel is that period of their time devoted to providing services requested by Client. Chargeable time for field personnel located away from Consultant's office for more than one week is a minimum of eight hours per day and five days per calendar week, except for Consultant's personnel leaves during an employee's sick leave or vacation time.

Travel time from Consultant's office to an assigned work site, and return to Consultant's office, is chargeable time; or if more economical for Client, Consultant shall lodge its personnel overnight near the work site in lieu of traveling back to Consultant's office at the end of each work day.

2.2.3 Overtime Rates

The basis for payment to Consultant for each hour worked in excess of forty (40) hours in any calendar week shall be the applicable hourly rate as specified in the Schedule of Unit Rates.

2.3 Payment for Direct Expenses

2.3.1 Payment

For Direct Expenses incurred by Consultant, payment to Consultant by the Client shall be in accordance with Consultant's Schedule of Unit Rates.

2.3.2 Direct Expenses

For the purposes of this Agreement, Direct Expenses to be contracted and managed by Consultant and payable by Client to Consultant shall include: Outside Services including the services and reimbursable expenses for firms other than Consultant which are necessary for the work the Consultant is directed to perform; Laboratory Tests and related reports necessary for the work the Consultant is directed to perform, either by the Consultant or by an outside service for the Consultant; Special Equipment expenses including the costs of the Consultant locating, acquiring, leasing, or renting any equipment or facilities not currently owned, leased, or rented by Consultant at the time of the request for services which are necessary to enable Consultant to provide the services requested; vehicles furnished by Consultant for Consultant's authorized travels and for Consultant's field personnel; Per Diem expense or actual costs of maintaining Consultant's field personnel on or near the Project site; for each day of field assignment away from Consultant's office; and Other Direct Expenses associated with all services provided hereunder and identified in the Schedule of Unit Rates.

2.4 Payment Conditions

2.4.1 Consultant shall submit monthly invoices for all personnel services and direct expenses under this Agreement and a final invoice upon completion of services.

2.4.2 Invoices are due and payable upon receipt by Client. Interest at a rate of 1.5% per month, or the maximum allowed by law, will be charged on all past due amounts starting thirty (30) days after date of invoice. Payments will first be credited to interest and then to principal.

2.4.3 In the event of a disputed or contested invoice, Client must provide written notice to Consultant within ten (10) days of the date of any invoice, otherwise the invoice will be considered to be correct. In the event Client timely submits in writing a dispute on a particular invoice, only that portion so contested will be withheld from payment and the Client will pay the undisputed portion. No interest will accrue on any reasonably contested portion of the invoice until mutually resolved.



ANTHONY THEODOROU AND COMPANY

2.4.4 If Client fails to make payment in full to Consultant of amounts owed pursuant to this Section 2 within forty-five (45) days of the date of the invoice, Consultant may, after giving seven (7) days' written notice to Client, suspend services until payment has been made in full, including interest. Consultant shall have no liability to Client for delays or damages caused by such suspension of services. Client agrees to pay all costs of collection, including reasonable attorney's fees, incurred by Consultant as a result of Client's failure to make payments in accordance with this Agreement. No final plans, documents or reports will be released for any purpose until Consultant has been paid in full.

2.4.5 The billing rates specified in the Schedule of Unit Rates for subsequent years shall be adjusted annually in accordance with Consultant's costs of doing business, subject to Client's review and concurrence.

SECTION 3 – Term of Agreement

3.1 Term

Consultant's obligations to perform under this Agreement shall extend from the date of execution until terminated by either party.

3.2 Abandonment of Work

Client shall have the absolute right to abandon any work requested hereunder or to change the general scope of the work at any time, and such action on its part shall in no event be deemed a breach of contract.

3.3 Termination of Agreement

3.3.1 Termination with Cause

The obligation to provide further services under this Agreement may be terminated with cause by either party by written notice stating the basis for the termination and providing 7 days to cure. The termination will be effective seven (7) days after delivery of written notice thereof if the basis for the termination has not been cured. In the event of termination by Consultant caused by failure of the Client to perform in accordance with the terms of this Agreement, Client shall pay for all services performed prior to the effective date of termination, including all project termination expenses, collection fees and legal expenses. Consultant shall prepare a progress report, including information as to all the services performed by Consultant and the status of the services as of the date of the termination, and provide information and documents developed under the terms of this Agreement to the Client. Upon receipt of final payment, Client shall pay for all services performed prior to the date of termination.

3.3.2 Termination without Cause

Either party may, at its sole discretion, terminate this Agreement without cause at any time. In the event of such termination, the terminating party will promptly notify and confirm the termination in writing to the other party. The termination will be effective seven (7) days after delivery of written notice thereof. Upon termination, Consultant shall prepare a progress report, including information as to all the services performed by Consultant and the status of the services as of the date of the termination, and provide information and documents developed under the terms of this Agreement to the Client upon receipt of final payment.

3.4 Payment for Work Upon Abandonment or Agreement Termination
If Client abandons requested work or terminates this Agreement, Consultant shall be paid on the basis of work completed to the date of abandonment or effective date of termination. Consultant shall perform no activities other than reasonable wrap-up activities after receipt of notice of abandonment or termination. Payment for the work shall be as established under Section II.

SECTION 4 – General Considerations

4.1 Assignment and Responsibility for Personnel

4.1.1 The assignment of personnel and all phases of the undertaking of the services which Consultant shall provide hereunder shall be subject to the oversight and general guidance of Client.

4.1.2 While upon the premises of Client or property under its control, all employees, agents, and subconsultants of Consultant shall be subject to Client's rules and regulations respecting its property and the conduct of its employees thereon.

4.1.3 However, it is understood and agreed that in the performance of the work and obligations hereunder, Consultant shall be and remain an independent Consultant and that the employees, agents, or subconsultants of Consultant shall not be considered employees of or subject to the direction and control of Client. Consultant shall be responsible for the supervision and performance of all subconsultants who are to perform hereunder.

4.2 Insurance

4.2.1 Consultant shall furnish Client a certificate of insurance upon request showing amounts and types of insurance carried by Consultant, which certificate shall contain a commitment by the Insurance Company that during the time any work is being performed by Consultant under this Agreement it will give Client notice of cancellation or non-renewal of the insurance coverage shown on such certificates in accordance with policy provisions.

4.2.2 Any construction contracts relative to Consultant's Services shall require that the Client and Consultant be included as additional insureds on the contractor's and subcontractor's commercial general liability and commercial automobile liability insurance policies and that the coverage afforded Client and Consultant is primary to any insurance maintained by Client or Consultant and that Client and Consultant's insurance is non-contributory with any coverage afforded by contractor and subcontractors. Client will also require contractors and subcontractors to purchase and maintain insurance, compensation and employer's liability insurance.



ANTHONY THEODOROU AND COMPANY

4.3 Successors and Assigns

4.3.1 Client and Consultant each binds itself and its partners, successors, executors, administrators, assigns, and legal representatives to the other party to this Agreement and to the partners, successors, executors, administrators, assigns, and legal representatives of such other party, in respect to all covenants, agreements, and obligations of this Agreement.

4.3.2 Neither Consultant nor Client shall assign or transfer any rights under or interest in (including, but without limitation, moneys that may become due or monies that are due) this Agreement without the written consent of the other party, except as stated in paragraph 4.3.1 and except to the extent that the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this paragraph shall prevent Consultant from employing such independent consultants, associates, and subconsultants as it may deem appropriate to assist in the performance of services hereunder.

4.3.3 Nothing herein shall be construed to give any rights or benefits hereunder to any one other than Client and Consultant except as otherwise provided herein.

4.4 Compliance with Law

4.4.1 Consultant shall exercise the professional standard of care to comply with, and cause its subconsultants to comply with, applicable Federal, state, and local laws, orders, rules, and regulations in effect at the time services are rendered, and relating to the performance of the services Consultant is to perform under this Agreement. If the Scope of Services requires Consultant to prepare an application for a permit, Consultant does not represent or warrant that said permit or approval will be issued by any governmental body.

4.4.2 Neither the Consultant nor the Consultant's agents or employees shall discriminate against any employee or applicant for employment to be employed in the performance of this Agreement with respect to hiring, tenure, terms, conditions, or privileges of employment, because of race, color, religion, sex, or national origin.

4.5 Ownership and Reuse of Documents

4.5.1 All drawings, specifications, test reports, and other materials and work products, including those that have been prepared or furnished by Client prior to this Agreement that remain Client's property. Consultant shall be permitted to retain copies. Client furnished documents and Client shall make available to Consultant copies of these materials as necessary for the Consultant to perform the services requested hereunder.

4.5.2 All drawings, specifications, test reports, and other materials and work products, including electronic media drawings, designs, and other data filed on electronic media which will be prepared or furnished by Consultant (and Consultant's independent professional associates and subconsultants) under this Agreement, are instruments of service in respect to the Project and Consultant shall retain an ownership and property interest therein whether or not the Project is completed.

Client may make and retain copies for information and reference in connection with the use and reoccupation of the Project by Client and others; however, such documents are not intended or represented to be suitable for Client by Client or others acting on behalf of Client on extensions of the Project or on any other project. Further, Consultant makes no warranty as to the compatibility of computer data files with computer software and software releases other than that used by Consultant in performing services herein, and to the condition or availability of the computer data after an acceptance period of thirty (30) days from delivery to Client. Any reuse without written verification of adaptation by Consultant for the specific purpose intended will be at Client's sole risk and without liability or legal exposure to Consultant or to Consultant's independent professional associates or subconsultants, and Client shall indemnify and hold harmless Consultant and Consultant's independent professional associates and subconsultants from all claims, damages, losses, and expenses including attorney's fees arising out of or resulting therefrom. Any such verification or adaptation will entitle Consultant to further compensation at rates to be agreed upon by Client and Consultant.

4.6 Consultant's Personnel at Project Site

4.6.1 The presence or duties of the Consultant personnel at a Project site, whether as onsite representatives or otherwise, do not make the Consultant or its personnel in any way responsible for those duties that belong to the Client and/or the construction contractors or other entities, and do not relieve the construction contractors or any other entity of their obligations, duties, and responsibilities, including, but not limited to, all construction methods, means, techniques, sequences, and procedures necessary for coordinating and completing all portions of the construction work in accordance with the project documents and any health or safety precautions required by such construction work. The Consultant and its personnel have no authority to exercise any control over any construction contractor or other entity or their employees in connection with their work or any health or safety precautions and have no duty for inspecting, noting, observing, correcting, or reporting on health or safety deficiencies of the construction contractor or other entity or any other persons at the site except Consultant's own personnel.

4.6.2 To the extent Consultant's Scope of Work includes construction observation, the Consultant shall keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and report to the Owner (1) known deviations from the Contract Documents and from the most recent construction schedule submitted by the Contractor, and (2) defects and deficiencies observed in the Work. Consultant neither guarantees the performance of the contractor(s) nor assumes responsibility for contractor(s)' failure to perform their work in accordance with the project documents.



ANTHONY THEODOROU AND COMPANY

4.7 Opinions of Cost, Financial Considerations, and Schedules

In providing opinions of cost, financial analyses, economic feasibility projections, and schedules for the Project, the Consultant has no control over the cost of labor, materials, equipment, or services furnished by others, or over the Contractor(s)' methods of determining prices, or over competitive bidding or market conditions. Consultant's opinions of probable Total Project Costs and Construction Costs provided for herein are approximations only. On the basis of Consultant's experience and qualifications and Consultant's professional judgments as an experienced and qualified professional consultant familiar with the construction industry. Consultant makes no warranty that the Client's actual Total Project or Construction Costs, financial aspects, economic feasibility, or schedules will not vary from the Consultant's opinions, analyses, projections, or estimates. If Client wishes greater assurance as to any element of the Total Project or Construction cost, feasibility, or schedule, Client will employ an independent cost estimator, contractor, or other appropriate advisor.

4.8 Discovery of Unanticipated Pollutant and Hazardous Substance Risks

4.8.1 If Consultant, while performing the services, discovers pollutants and/or hazardous substances that pose unanticipated risks, it is hereby agreed that the scope of services, schedule, and the estimated cost of Consultant's services will be reconsidered and that this Agreement shall immediately become subject to renegotiation or termination.

4.8.2 In the event that the Agreement is terminated because of the discovery of pollutants and/or hazardous substances posing unanticipated risks, it is agreed that Consultant shall be paid for its total charges for labor performed and reimbursable charges incurred to the date of termination of this Agreement, including, if necessary, any additional labor or reimbursable charges incurred in demobilizing.

4.8.3 Client also agrees that the discovery of unanticipated pollutants and/or hazardous substances may make it necessary for Consultant to take immediate measures to protect health and safety. Consultant agrees to notify Client as soon as practically possible should unanticipated pollutants and/or hazardous substances be suspected or encountered. Client authorizes Consultant to take measures that in Consultant's sole judgment are justified to preserve and protect the health and safety of Consultant's personnel and the public. Client agrees to compensate Consultant for the additional cost of taking such additional precautionary measures to protect employees' and the public's health and safety. This section is not intended to impose upon Consultant any duties or obligations other than those imposed by law.

SECTION 5 - Professional Services

5.1 Performance of Services

Consultant shall perform its services consistent with the professional skill and care ordinarily provided by firms practicing in the same or similar locality under the same or similar circumstances (hereinafter the "Standard of Care"). Consultant expressly disclaims all express or implied warranties and guarantees with respect to the performance of professional services, and it is agreed that the quality of such services shall be judged solely as to whether the services were performed consistent with the Standard of Care. Consultant owes Client that level of performance defined in this Section 5.1, and nothing herein shall be construed as creating a fiduciary relationship.

If at any time prior to construction Client believes Consultant's services are deficient due to not meeting the Standard of Care, Client must immediately inform Consultant in writing and shall afford Consultant the opportunity to correct such deficiency. If upon review by Consultant it is determined there is a deficiency that fails to meet the standard of care and it is attributable to Consultant, the deficiency shall be corrected at no additional cost to Client.

5.2 Limitation of Liability

Client and Consultant agree to allocate certain of the risks so that, to the fullest extent permitted by law, Consultant's total liability to Client is limited to the amount paid under the contract or \$50,000 whichever is greater, this being the Client's sole and exclusive remedy, apart from the insurance coverage listed in section 4.2 above, for any and all injuries, damages, claims, losses, expenses, or claim expenses (including attorneys' fees) arising out of this Agreement from any cause or causes. Such causes include, but are not limited to, Consultant's negligence, errors, omissions, strict liability, breach of contract, or breach of warranty.

5.3 No Special or Consequential Damages

Client and Consultant agree that to the fullest extent permitted by law neither party shall be liable to the other for any special, indirect, or consequential damages whatsoever, whether caused by either party's negligence, errors, omissions, strict liability, breach of contract, breach of warranty, or other cause or causes.

5.4 Indemnification

To the fullest extent permitted by law, Client and Consultant mutually agree to indemnify and hold each other harmless from and against any and all claims, damages, losses and expenses, defense costs including reasonable attorneys' fees, and court or arbitration costs and other liabilities arising from their own negligent acts, errors or omissions in performance of their services under this Agreement, but only to the extent caused that each party is responsible for such damages, liabilities and costs on a comparative basis of fault.

5.5 No Third Party Beneficiaries

Client and Consultant expressly agree that this Agreement does not confer upon any third party any rights as a beneficiary to this Agreement. Consultant accepts no responsibility for damages, if any, suffered by any third party as the result of a third party's use of the work product, including reliance, decisions, or any other action taken based upon it.

Client agrees that Consultant's services and work products are for the exclusive present use of Client. Client agrees



ANTHONY THEODOROU AND COMPANY

SECTION 6 – Miscellaneous Provisions

6.1 Notices

Any notice to either party herein shall be in writing and shall be served either personally or by registered or certified mail addressed to the signing party shown on the signature page.

6.2 Joint Preparation

For purposes of contract interpretation and for the purpose of resolving any ambiguity in this Agreement, the parties agree that this Agreement was prepared jointly by them and/or their respective attorneys.

6.3 Headings

Headings used in this Agreement are for the convenience of reference only and shall not affect the construction of this Agreement.

6.4 Severability

If any of the provisions contained in this Agreement are held for any reason to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

6.5 Dispute Resolution

If negotiation in good faith fails to resolve a dispute within thirty (30) days of written notice of the dispute by either party, then the parties agree that, with the exception of claims that are subject to the applicable venue's small claims court jurisdiction, each dispute, claim or controversy arising from or related to this Agreement or the relationships which result from this Agreement shall be subject to mediation as a condition precedent to initiating legal or equitable actions by either party. Unless the parties agree otherwise, the mediation shall be in accordance with the Commercial Mediation Procedures of the American Arbitration Association then currently in effect. A request for mediation shall be filed in writing with the American Arbitration Association and the other party. No legal or equitable action may be instituted for a period of ninety (90) days from the filing of the request for mediation unless a longer period of time is provided by agreement of the parties. Cost of mediation shall be shared equally between the parties and shall be held in a location mutually agreed upon by the parties. The parties shall memorialize any agreement resulting from the mediation in a mediation settlement agreement, which agreement shall be enforceable as a settlement in any court having jurisdiction thereof.

6.6 Equal Opportunity

Consultant will, in the performance of this Agreement, comply with federal, state, and local laws, and all regulations and orders issued under any applicable law related to equal employment opportunity, non-discrimination, or employment generally.

Consultant certifies that it will not knowingly employ or contract with a non-legal resident of the United States to perform work under this Agreement, and verifies or attempts to verify employee eligibility of its employees through participation in the U.S. Department of Homeland Security and Social Security Administration's E-Verify system.

6.7 Governing Law

This Agreement is to be governed by the laws of the jurisdiction in which the project is located. For locations outside of the United States, this Agreement shall be governed by the laws of the State of South Dakota.

6.8 Entire Agreement

This Agreement, along with those documents specified, attached, or hereby tied together, and serially numbered Work Authorizations if used, constitute the entire Agreement between the parties hereto and no changes, modifications, extensions, terminations, or waivers of this Agreement, or other documents, or any of the provisions herein, or therein contained, shall be valid unless made in writing and signed by duly authorized representatives of both parties.

— / ALT



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6C

CONSULTING SERVICES AGREEMENT

Client: Town of Hermosa	Project Name: 2026 On-call Planner and Grant Writer
Address: 230 Main Street, Hermosa SD 57744	Project Location: Hermosa, SD
Telephone: (605)255-4291	Consultant Telephone: (605)569-3646
Client Contact: Kelburn Koontz	
Client Job No.	Consultant Job Number: 111925.01
This agreement is made by and between <u>Town of Hermosa, SD</u> , hereafter called "Client" and <u>Anthony Theodorou and Company</u> , hereafter called "Consultant", for professional consulting services as specified herein. Consultant agrees to provide client with requested consulting services, more specifically described as follows: (or shown in Attachments)	

See: Attachment A: On-Call Planner & Extraterritorial Agreement w/ Pennington Co.

Attachment B: Grant Writer (Water Meters & Transportation grant)

The Standard Terms & Conditions and the following Attachments are hereby made part of the Agreement:
Attachment A: On-Call Planner & Extraterritorial Agreement w/Pennington Co.
Attachment B: Grant Writer (Water Meters & Transportation grant)

By Signing this Agreement, Client acknowledges that it has read and fully understands this Agreement and all attachments thereto. Client further agrees to pay Consultant for services described herein upon receipt of invoice from Consultant for estimated fees:

Time and Materials, not to exceed: **\$71,860.00**

In witness whereof, the parties hereto have made and executed this Agreement:

Client: _____ Anthony Theodorou & Company

By: _____

By: Anthony Theodorou

Authorized Representative

Authorized Representative

Print: _____

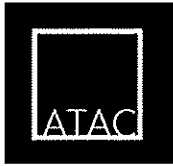
Print: Anthony L. Theodorou PE

Title: _____

Title: President

Date: _____

Date: November 29, 2025



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Attachment A: On-Call Planner & Extraterritorial Agreement w/ Pennington Co.

2/18/2025 awarded, Benesch Extraterritorial Agreement contract

9/23/2025 awarded, Benesch Job. No. 112506, On-Call Planner

Project Amount: \$5,400 (Extraterritorial Jurisdiction Agreement)
 + \$15,600 (On-call Planner Annual, renews 10/1/26)

Remaining Balance: Full amount = \$21,000 on 11/13/2025

Summary of Project

Benesch was awarded, through town Planner Neil Putnam, the contract for on-call Planner and tasked with the negotiation and preparation of the new Extraterritorial Agreement with Pennington County on behalf of the town of Hermosa. The on-call planners role is to review all permit, conditional land use, signage and variances and review the town's ordinances, coordinate with the town Building Official and Engineer, and support the needs of the Finance Officer in matters related to Planning and Zoning and Board of Adjustment.

Status of Project: In- Complete. Benesch no longer has a certified planner on-staff in South Dakota. Mr. Neil Putnam has moved to ATAC.

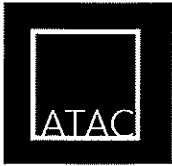
Remaining Scope: Full Scope of work remains to be done. In addition, final version of the comprehensive plan must be reviewed and adopted by the town.

Proposed Scope to Anthony Theodorou and Company (ATAC)

The town of Hermosa will acquire all project files from Benesch and provide them to ATAC. The scope will be to complete the 2025 Comprehensive Plan for the town of Hermosa, in accordance with State regulations. ATAC will provide Mr. Putnam in the hybrid-remote capacity he previously filled, with the town Engineer filling in for Mr. Putnam in-person as needed. Mr. Putnam will complete the Extraterritorial Jurisdiction Agreement with Pennington County that he started.

Fees: Time and Materials (T&M) not to exceed:

From remaining Benesch balance:	\$20,960.00
24 hours of Principal Time @\$180/hour =	\$ 4,320.00
128 hours of Planner Time @\$130/hour =	\$16,640.00



Office: 601 West Boulevard, Rapid City, SD 57701
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ATTACHMENT B: Grant Writer: Water Meter Grant & Transportation Grant

1/21/2025 awarded for WaterSmart BOR grant, Benesch job no. 1125-600011.00

Project Amount: \$22,500

Remaining Balance: \$21,245.04 on 11/13/2025

5/20/2025 awarded for FRA grant. \$29,800

Remaining Balance: \$29,800 on 11/13/2025.

Summary of Project

To address the requirements of DANR for every water user to have a water meter, the town requested Benesch to write a Bureau of Reclamation (BOR) WaterSmart Grant through the Water Resources and Planning Office. BOR provides funding to authorities with the power delivery authority to leverage their money and resources by cost sharing with BOR on small-scale on-the-ground projects that seek to conserve, better manage, or otherwise make more efficient use of water supplies. Proposed projects that are supported by an existing water management and conservation plan, optimization review or other planning effort let by the applicant are prioritized. There was approximately \$12 million in funding with the maximum award being \$125,000. Cost Share was 50%. The Notice of Funding Opportunity (NOFO) was paused at the beginning of the second Trump Administration.

To link the town to a proposed historic downtown area along the western side of the railroad tracks and provide alternative pathways for pedestrians when the train is blocking the tracks, the town requested Benesch to write a Federal Railroad Administration (FRA) Grant to develop alternatives for a Pedestrian Bridge that would eliminate the at-grade crossing at the western end of Vilas Street and connect it to Ferguson Street, see Fig. 1.



Figure 1. Vilas Street at-grade railroad crossing - Hermosa, SD.



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Since May of 2025, the priorities have shifted to providing a pedestrian mode of transportation from the east side to the west side of highway 79. In order to facilitate this priority, the town can reallocate the funds proposed for the FRA grant to write a Transportation Alternatives Program (TAP) grant through the South Dakota Department of Transportation (SD DOT).

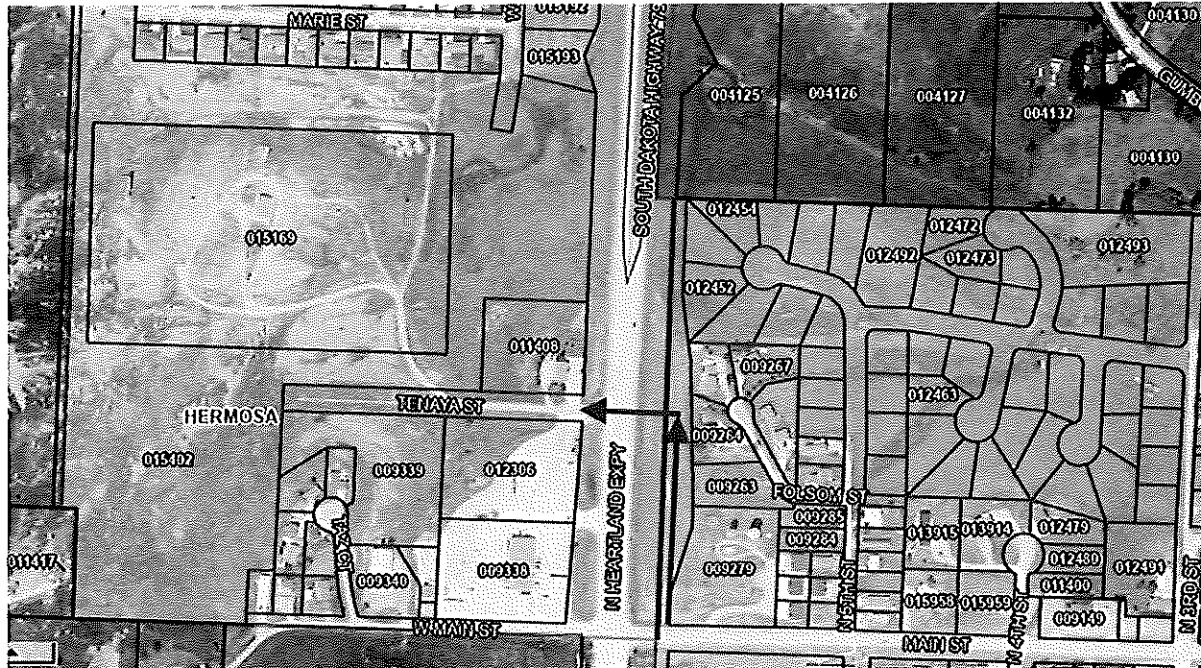
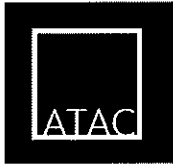


Fig. 2 Transportation alternative for Pedestrian Bridge to Tenaya Street.

The deadline for submittal of a letter of intent is July 15, 2026. A pedestrian bridge would allow people to cross the highway by foot at any time of the day or night, connecting the 24 hour gas station with the majority of town and allowing children on the west side of the highway to access school by foot without the need to cross the busy highway (which has a dangerous vertical curve at the crossing location). Preliminary sketches and an analysis of the location will need to be provided along with all other TAP grant requirements.

Status of Project: BOR Grant Applications are paused until further notice. FRA Grant incomplete.

Remaining Scope: New Water meter funding opportunity to be researched and applied for. FRA grant to be converted into a TAP grant to access the west side of the highway.



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Proposed Scope to Anthony Theodorou and Company (ATAC)

The scope will be to add to the town Planner the responsibility of Grant Writing. Neil Putnam has 23 years of experience as a certified Planner with equal experience in writing grants. The town Engineer will support Mr. Putnam with technical information and any analyses needed for the two grant applications.

The original deadlines for the BOR Grant was February 10, 2026. This Notice of Funding Opportunity and closing date are paused and under review until further notice. A new water meter funding opportunity will be researched by ATAC providing remote water meter reading for the town.

The new deadline for the FRA grant is January 7, 2026. In lieu of the FRA grant, the TAP grant Letter of Intent is due July 15, 2026.

Fees: Time and Materials (T&M) not to exceed:

From remaining Benesch balance:	\$50,900.00
70 hours of Principal Time @\$180/hour =	\$12,600
80 hours of Designer Time @\$170/hour =	\$13,600
190 hours of Planner Time \$130/hour =	\$24,700

Hourly Rates:

Principal PE = \$180/hour

Certified Flood Plan Manager/Design Engineer = \$170/hour

Operator-in-charge = \$150/hour

Planner/Building Official/Shift Operator = \$130/hour

Intern/CAD draftsman = \$110/hour

Technician = \$80/hour

General Labor = \$50/hour



ANTHONY THEODOROU AND COMPANY

STANDARD TERMS AND CONDITIONS

SECTION 1 – Services by Consultant

1.1 General

Consultant shall provide services under this Agreement only upon request of the Client, and only to the extent defined and required by the Client. These services may include the use of outside services, outside testing laboratories, and special equipment.

Attachments to this Agreement are as identified on the signature page to this Agreement or using serially numbered Work Authorizations, and with these GENERAL CONDITIONS, are all as attached hereto, and made a part of this Agreement.

1.2 Scope of Services and Fees

The services to be performed by Consultant and the associated fee are attached hereto and made a part of this Agreement or by using serially numbered Work Authorizations, all as identified on the signature page to this Agreement, and shall be performed by the Consultant in accordance with the Client's requirements. The Scope of Services and Fee Estimate (Attachment A) is valid for sixty (60) days, after which Consultant reserves the right to revise the Scope or Fee Estimate.

It is mutually understood that Consultant's fee is not a firm contractual amount, except that the total fee by the Consultant shall not be exceeded unless authorized in writing by the Client. The intent of the Scope of Services is to identify the services to be provided by Consultant. However, it is specifically understood that by written notice to Consultant, Client can decrease or, with concurrence of Consultant, increase the Scope of Services.

SECTION 2 – Payments to Consultant

2.1 Method of Payment

Payment for Consultant's personnel services and direct expenses shall be based on the Method of Payment which is identified on the signature page to this Agreement or serially numbered Work Authorizations, attached hereto, and made a part of this Agreement.

2.2 Payment for Personnel Services

2.2.1 Payment

Payment for the services rendered by Consultant's personnel shall be based on the hours of chargeable time spent in accordance with Consultant's Schedule of Unit Rates, which is identified on the signature page to this Agreement and attached hereto, and made a part of this Agreement.

2.2.2 Chargeable Time

Chargeable time for Consultant's personnel is that period of their time devoted to providing services requested by Client. Chargeable time for field personnel located away from Consultant's office for more than one week is a minimum of eight hours per day and five days per calendar week, except for Consultant's personnel leaves during an employee's sick leave or vacation time.

Travel time from Consultant's office to an assigned work site, and return to Consultant's office, is chargeable time; or if more economical for Client, Consultant shall lodge its personnel overnight near the work site in lieu of traveling back to Consultant's office at the end of each work day.

2.2.3 Overtime Rates

The basis for payment to Consultant for each hour worked in excess of forty (40) hours in any calendar week shall be the applicable hourly rate as specified in the Schedule of Unit Rates.

2.3 Payment for Direct Expenses

2.3.1 Payment

For Direct Expenses incurred by Consultant, payment to Consultant by the Client shall be in accordance with Consultant's Schedule of Unit Rates.

2.3.2 Direct Expenses

For the purposes of this Agreement, Direct Expenses to be contracted and managed by Consultant and payable by Client to Consultant shall include: Outside Services including the services and reimbursable expenses for firms other than Consultant which are necessary for the work the Consultant is directed to perform; Laboratory Tests and related reports necessary for the work the Consultant is directed to perform, either by the Consultant or by an outside service for the Consultant; Special Equipment expenses including the costs of the Consultant locating, acquiring, leasing, or renting any equipment or facilities not currently owned, leased, or rented by Consultant at the time of the request for services which are necessary to enable Consultant to provide the services requested; vehicles furnished by Consultant for Consultant's authorized travels and for Consultant's field personnel; Per Diem expense or actual costs of maintaining Consultant's field personnel on or near the Project site; for each day of field assignment away from Consultant's office; and Other Direct Expenses associated with all services provided hereunder and identified in the Schedule of Unit Rates.

2.4 Payment Conditions

2.4.1 Consultant shall submit monthly invoices for all personnel services and direct expenses under this Agreement and a final invoice upon completion of services.

2.4.2 Invoices are due and payable upon receipt by Client. Interest at a rate of 1.5% per month, or the maximum allowed by law, will be charged on all past due amounts starting thirty (30) days after date of invoice. Payments will first be credited to interest and then to principal.

2.4.3 In the event of a disputed or contested invoice, Client must provide written notice to Consultant within ten (10) days of the date of any invoice, otherwise the invoice will be considered to be correct. In the event Client timely submits in writing a dispute on a particular invoice, only that portion so contested will be withheld from payment and the Client will pay the undisputed portion. No interest will accrue on any reasonably contested portion of the invoice until mutually resolved.



ANTHONY THEODOROU AND COMPANY

2.4.4 If Client fails to make payment in full to Consultant of amounts owed pursuant to this Section 2 within forty-five (45) days of the date of the invoice, Consultant may, after giving seven (7) days' written notice to Client, suspend services until payment has been made in full, including interest. Consultant shall have no liability to Client for delays or damages caused by such suspension of services. Client agrees to pay all costs of collection, including reasonable attorney's fees, incurred by Consultant as a result of Client's failure to make payments in accordance with this Agreement. No final plans, documents or reports will be released for any purpose until Consultant has been paid in full.

2.4.5 The billing rates specified in the Schedule of Unit Rates for subsequent years shall be adjusted annually in accordance with Consultant's costs of doing business, subject to Client's review and concurrence.

SECTION 3 – Term of Agreement

3.1 Term

Consultant's obligations to perform under this Agreement shall extend from the date of execution until terminated by either party.

3.2 Abandonment of Work

Client shall have the absolute right to abandon any work requested hereunder or to change the general scope of the work at any time, and such action on its part shall in no event be deemed a breach of contract.

3.3 Termination of Agreement

3.3.1 Termination with Cause

The obligation to provide further services under this Agreement may be terminated with cause by either party by written notice stating the basis for the termination and providing 7 days to cure. The termination will be effective seven (7) days after delivery of written notice thereof if the basis for the termination has not been cured. In the event of termination by Consultant caused by failure of the Client to perform in accordance with the terms of this Agreement, Client shall pay for all services performed prior to the effective date of termination, including all project termination expenses, collection fees and legal expenses. Consultant shall prepare a progress report, including information as to all the services performed by Consultant and the status of the services as of the date of the termination, and provide information and documents developed under the terms of this Agreement to the Client. Upon receipt of final payment, Client shall pay for all services performed prior to the date of termination.

3.3.2 Termination without Cause

Either party may, at its sole discretion, terminate this Agreement without cause at any time. In the event of such termination, the terminating party will promptly notify and confirm the termination in writing to the other party. The termination will be effective seven (7) days after delivery of written notice thereof. Upon termination, Consultant shall prepare a progress report, including information as to all the services performed by Consultant and the status of the services as of the date of the termination, and provide information and documents developed under the terms of this Agreement to the Client upon receipt of final payment.

3.4 Payment for Work Upon Abandonment or Agreement Termination

If Client abandons requested work or terminates this Agreement, Consultant shall be paid on the basis of work completed to the date of abandonment or effective date of termination. Consultant shall perform no activities other than reasonable wrap-up activities after receipt of notice of abandonment or termination. Payment for the work shall be as established under Section II.

SECTION 4 – General Considerations

4.1 Assignment and Responsibility for Personnel

4.1.1 The assignment of personnel and all phases of the undertaking of the services which Consultant shall provide hereunder shall be subject to the oversight and general guidance of Client.

4.1.2 While upon the premises of Client or property under its control, all employees, agents, and subconsultants of Consultant shall be subject to Client's rules and regulations respecting its property and the conduct of its employees thereon.

4.1.3 However, it is understood and agreed that in the performance of the work and obligations hereunder, Consultant shall be and remain an independent Consultant and that the employees, agents, or subconsultants of Consultant shall not be considered employees of or subject to the direction and control of Client. Consultant shall be responsible for the supervision and performance of all subconsultants who are to perform hereunder.

4.2 Insurance

4.2.1 Consultant shall furnish Client a certificate of insurance upon request showing amounts and types of insurance carried by Consultant, which certificate shall contain a commitment by the Insurance Company that during the time any work is being performed by Consultant under this Agreement it will give Client notice of cancellation or non-renewal of the insurance coverage shown on such certificates in accordance with policy provisions.

4.2.2 Any construction contracts relative to Consultant's Services shall require that the Client and Consultant be included as additional insureds on the contractor's and subcontractor's commercial general liability and commercial automobile liability insurance policies and that the coverage afforded Client and Consultant is primary to any insurance maintained by Client or Consultant and that Client and Consultant's insurance is non-contributory with any coverage afforded by contractor and subcontractors. Client will also require contractors and subcontractors to purchase and maintain insurance, compensation and employer's liability insurance.



ANTHONY THEODOROU AND COMPANY

4.3 Successors and Assigns

4.3.1 Client and Consultant each binds itself and its partners, successors, executors, administrators, assigns, and legal representatives to the other party to this Agreement and to the partners, successors, executors, administrators, assigns, and legal representatives of such other party, in respect to all covenants, agreements, and obligations of this Agreement.

4.3.2 Neither Consultant nor Client shall assign or transfer any rights under or interest in (including, but without limitation, moneys that may become due or monies that are due) this Agreement without the written consent of the other party, except as stated in paragraph 4.3.1 and except to the extent that the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this paragraph shall prevent Consultant from employing such independent consultants, associates, and subconsultants as it may deem appropriate to assist in the performance of services hereunder.

4.3.3 Nothing herein shall be construed to give any rights or benefits hereunder to any one other than Client and Consultant except as otherwise provided herein.

4.4 Compliance with Law

4.4.1 Consultant shall exercise the professional standard of care to comply with, and cause its subconsultants to comply with, applicable Federal, state, and local laws, orders, rules, and regulations in effect at the time services are rendered, and relating to the performance of the services Consultant is to perform under this Agreement. If the Scope of Services requires Consultant to prepare an application for a permit, Consultant does not represent or warrant that said permit or approval will be issued by any governmental body.

4.4.2 Neither the Consultant nor the Consultant's agents or employees shall discriminate against any employee or applicant for employment to be employed in the performance of this Agreement with respect to hiring, tenure, terms, conditions, or privileges of employment, because of race, color, religion, sex, or national origin.

4.5 Ownership and Reuse of Documents

4.5.1 All drawings, specifications, test reports, and other materials and work products, including those that have been prepared or furnished by Client prior to this Agreement that remain Client's property. Consultant shall be permitted to retain copies. Client furnished documents and Client shall make available to Consultant copies of these materials as necessary for the Consultant to perform the services requested hereunder.

4.5.2 All drawings, specifications, test reports, and other materials and work products, including electronic media drawings, designs, and other data filed on electronic media which will be prepared or furnished by Consultant (and Consultant's independent professional associates and subconsultants) under this Agreement, are instruments of service in respect to the Project and Consultant shall retain an ownership and property interest therein whether or not the Project is completed.

Client may make and retain copies for information and reference in connection with the use and reoccupation of the Project by Client and others; however, such documents are not intended or represented to be suitable for Client by Client or others acting on behalf of Client on extensions of the Project or on any other project. Further, Consultant makes no warranty as to the compatibility of computer data files with computer software and software releases other than that used by Consultant in performing services herein, and to the condition or availability of the computer data after an acceptance period of thirty (30) days from delivery to Client. Any reuse without written verification of adaptation by Consultant for the specific purpose intended will be at Client's sole risk and without liability or legal exposure to Consultant or to Consultant's independent professional associates or subconsultants, and Client shall indemnify and hold harmless Consultant and Consultant's independent professional associates and subconsultants from all claims, damages, losses, and expenses including attorney's fees arising out of or resulting therefrom. Any such verification or adaptation will entitle Consultant to further compensation at rates to be agreed upon by Client and Consultant.

4.6 Consultant's Personnel at Project Site

4.6.1 The presence or duties of the Consultant personnel at a Project site, whether as onsite representatives or otherwise, do not make the Consultant or its personnel in any way responsible for those duties that belong to the Client and/or the construction contractors or other entities, and do not relieve the construction contractors or any other entity of their obligations, duties, and responsibilities, including, but not limited to, all construction methods, means, techniques, sequences, and procedures necessary for coordinating and completing all portions of the construction work in accordance with the project documents and any health or safety precautions required by such construction work. The Consultant and its personnel have no authority to exercise any control over any construction contractor or other entity or their employees in connection with their work or any health or safety precautions and have no duty for inspecting, noting, observing, correcting, or reporting on health or safety deficiencies of the construction contractor or other entity or any other persons at the site except Consultant's own personnel.

4.6.2 To the extent Consultant's Scope of Work includes construction observation, the Consultant shall keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and report to the Owner (1) known deviations from the Contract Documents and from the most recent construction schedule submitted by the Contractor, and (2) defects and deficiencies observed in the Work. Consultant neither guarantees the performance of the contractor(s) nor assumes responsibility for contractor(s)' failure to perform their work in accordance with the project documents.



ANTHONY THEODOROU AND COMPANY

4.7 Opinions of Cost, Financial Considerations, and Schedules

In providing opinions of cost, financial analyses, economic feasibility projections, and schedules for the Project, the Consultant has no control over the cost of labor, materials, equipment, or services furnished by others, or over the Contractor(s)' methods of determining prices, or over competitive bidding or market conditions. Consultant's opinions of probable Total Project Costs and Construction Costs provided for herein are approximations only. On the basis of Consultant's experience and qualifications and Consultant's professional judgments as an experienced and qualified professional consultant familiar with the construction industry. Consultant makes no warranty that the Client's actual Total Project or Construction Costs, financial aspects, economic feasibility, or schedules will not vary from the Consultant's opinions, analyses, projections, or estimates. If Client wishes greater assurance as to any element of the Total Project or Construction cost, feasibility, or schedule, Client will employ an independent cost estimator, contractor, or other appropriate advisor.

4.8 Discovery of Unanticipated Pollutant and Hazardous Substance Risks

4.8.1 If Consultant, while performing the services, discovers pollutants and/or hazardous substances that pose unanticipated risks, it is hereby agreed that the scope of services, schedule, and the estimated cost of Consultant's services will be reconsidered and that this Agreement shall immediately become subject to renegotiation or termination.

4.8.2 In the event that the Agreement is terminated because of the discovery of pollutants and/or hazardous substances posing unanticipated risks, it is agreed that Consultant shall be paid for its total charges for labor performed and reimbursable charges incurred to the date of termination of this Agreement, including, if necessary, any additional labor or reimbursable charges incurred in demobilizing.

4.8.3 Client also agrees that the discovery of unanticipated pollutants and/or hazardous substances may make it necessary for Consultant to take immediate measures to protect health and safety. Consultant agrees to notify Client as soon as practically possible should unanticipated pollutants and/or hazardous substances be suspected or encountered. Client authorizes Consultant to take measures that in Consultant's sole judgment are justified to preserve and protect the health and safety of Consultant's personnel and the public. Client agrees to compensate Consultant for the additional cost of taking such additional precautionary measures to protect employees' and the public's health and safety. This section is not intended to impose upon Consultant any duties or obligations other than those imposed by law.

SECTION 5 - Professional Services

5.1 Performance of Services

Consultant shall perform its services consistent with the professional skill and care ordinarily provided by firms practicing in the same or similar locality under the same or similar circumstances (hereinafter the "Standard of Care"). Consultant expressly disclaims all express or implied warranties and guarantees with respect to the performance of professional services, and it is agreed that the quality of such services shall be judged solely as to whether the services were performed consistent with the Standard of Care. Consultant owes Client that level of performance defined in this Section 5.1, and nothing herein shall be construed as creating a fiduciary relationship.

If at any time prior to construction Client believes Consultant's services are deficient due to not meeting the Standard of Care, Client must immediately inform Consultant in writing and shall afford Consultant the opportunity to correct such deficiency. If upon review by Consultant it is determined there is a deficiency that fails to meet the standard of care and it is attributable to Consultant, the deficiency shall be corrected at no additional cost to Client.

5.2 Limitation of Liability

Client and Consultant agree to allocate certain of the risks so that, to the fullest extent permitted by law, Consultant's total liability to Client is limited to the amount paid under the contract or \$50,000 whichever is greater, this being the Client's sole and exclusive remedy, apart from the insurance coverage listed in section 4.2 above, for any and all injuries, damages, claims, losses, expenses, or claim expenses (including attorneys' fees) arising out of this Agreement from any cause or causes. Such causes include, but are not limited to, Consultant's negligence, errors, omissions, strict liability, breach of contract, or breach of warranty.

5.3 No Special or Consequential Damages

Client and Consultant agree that to the fullest extent permitted by law neither party shall be liable to the other for any special, indirect, or consequential damages whatsoever, whether caused by either party's negligence, errors, omissions, strict liability, breach of contract, breach of warranty, or other cause or causes.

5.4 Indemnification

To the fullest extent permitted by law, Client and Consultant mutually agree to indemnify and hold each other harmless from and against any and all claims, damages, losses and expenses, defense costs including reasonable attorneys' fees, and court or arbitration costs and other liabilities arising from their own negligent acts, errors or omissions in performance of their services under this Agreement, but only to the extent caused that each party is responsible for such damages, liabilities and costs on a comparative basis of fault.

5.5 No Third Party Beneficiaries

Client and Consultant expressly agree that this Agreement does not confer upon any third party any rights as a beneficiary to this Agreement. Consultant accepts no responsibility for damages, if any, suffered by any third party as the result of a third party's use of the work product, including reliance, decisions, or any other action taken based upon it.

Client agrees that Consultant's services and work products are for the exclusive present use of Client. Client agrees



ANTHONY THEODOROU AND COMPANY

SECTION 6 – Miscellaneous Provisions

6.1 Notices

Any notice to either party herein shall be in writing and shall be served either personally or by registered or certified mail addressed to the signing party shown on the signature page.

6.2 Joint Preparation

For purposes of contract interpretation and for the purpose of resolving any ambiguity in this Agreement, the parties agree that this Agreement was prepared jointly by them and/or their respective attorneys.

6.3 Headings

Headings used in this Agreement are for the convenience of reference only and shall not affect the construction of this Agreement.

6.4 Severability

If any of the provisions contained in this Agreement are held for any reason to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

6.5 Dispute Resolution

If negotiation in good faith fails to resolve a dispute within thirty (30) days of written notice of the dispute by either party, then the parties agree that, with the exception of claims that are subject to the applicable venue's small claims court jurisdiction, each dispute, claim or controversy arising from or related to this Agreement or the relationships which result from this Agreement shall be subject to mediation as a condition precedent to initiating legal or equitable actions by either party. Unless the parties agree otherwise, the mediation shall be in accordance with the Commercial Mediation Procedures of the American Arbitration Association then currently in effect. A request for mediation shall be filed in writing with the American Arbitration Association and the other party. No legal or equitable action may be instituted for a period of ninety (90) days from the filing of the request for mediation unless a longer period of time is provided by agreement of the parties. Cost of mediation shall be shared equally between the parties and shall be held in a location mutually agreed upon by the parties. The parties shall memorialize any agreement resulting from the mediation in a mediation settlement agreement, which agreement shall be enforceable as a settlement in any court having jurisdiction thereof.

6.6 Equal Opportunity

Consultant will, in the performance of this Agreement, comply with federal, state, and local laws, and all regulations and orders issued under any applicable law related to equal employment opportunity, non-discrimination, or employment generally.

Consultant certifies that it will not knowingly employ or contract with a non-legal resident of the United States to perform work under this Agreement, and verifies or attempts to verify employee eligibility of its employees through participation in the U.S. Department of Homeland Security and Social Security Administration's E-Verify system.

6.7 Governing Law

This Agreement is to be governed by the laws of the jurisdiction in which the project is located. For locations outside of the United States, this Agreement shall be governed by the laws of the State of South Dakota.

6.8 Entire Agreement

This Agreement, along with those documents specified, attached, or hereby tied together, and serially numbered Work Authorizations if used, constitute the entire Agreement between the parties hereto and no changes, modifications, extensions, terminations, or waivers of this Agreement, or other documents, or any of the provisions herein, or therein contained, shall be valid unless made in writing and signed by duly authorized representatives of both parties.

— / ALT

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WO Title	Progress	Date Created	Date Completed	Priority	Service Address
Saddle at sewer tap	Not started	2/3/2023		Medium	280 Maning
Same meter reading	Not started	8/21/2023		Medium	350 Vilas
Water leak in pit	Not Started	11/20/2025	--	None	102 2nd St
Shut water off	Not Started	11/18/2025		None	10 N 5th St
Shut Water Off	Not Started	11/05/2025	11/18/2025	None	25 N 2nd St
Issues with booster pump	Not Started	09/22/2025	--	None	27 N 5th St
Shut water off	Not Started	09/18/2025		None	160 Fairgrounds Pl
Shut water off	Not Started	09/11/2025	9/18/2025	None	160 N 2nd St
Low water pressure	Not Started	08/11/2025	--	None	855 Main Street
Meter not reading	Not Started	08/01/2025	--	None	239 Donna St
Evidence of sewage leak	Not Started	07/03/2025	--	High	
TURNING HEART	Not Started	06/23/2025	--	Medium	300 E MAIN ST. LOT 58
Water Meter Remote Reader Repair - Follow Up	Not Started	05/16/2025	--	Low	51 N 5th Street, PO Box 282
#2025-01 WILES	Not Started	04/30/2025	--	Medium	27 N 4TH ST
Water Meter Remote Reader Repair	Completed	04/24/2025	04/24/2025	Low	51 N 5th Street, PO Box 282

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Claims for approval 12-02-2025		
VENDOR	REFERENCE	AMOUNT
A & B BUSINESS	MONTHLY PRINTER/FAX FEE	\$ 554.05
ATAC	ENGINEERING DWSRF/WTP/NEW WELL	\$ 8,640.00
ATAC	ENGINEERING TIF #2	\$ 1,040.00
BANK WEST	CLASSIC WEB BANKING FEE	\$ 25.00
BANK WEST CREDIT CARD	KEYS/STAMPS/ADOBE/STAPLES/COPY PAPER/CERTIFIED MAIL	\$ 5,843.32
BATTLE CREEK FIRE DEPARTMENT	JULY/AUGUST/SEPTEMBER 2025 TIF #1 TAXES	\$ 762.60
VONDA BELT	REIMBURSE FOR LYSOL CLEANING SUPPLIES	\$ 6.03
BENESCH	LONE COYOTE WATER & SEWER EXT ENGINEERING FEES FINAL INVOICE	\$ 1,088.50
BENESCH	TIF #2 ENGINEERING FEES FINAL INVOICE	\$ 2,099.50
BENESCH	WATERSMART GRANT ENGINEERING FEES	\$ 1,313.28
BENESCH	WATERSMART GRANT ENGINEERING FEES FINAL INVOICE	\$ 330.48
BENESCH	FY22 DWSRF ENGINEERING FEES FINAL INVOICE	\$ 3,685.00
BENESCH	NORTH WATER TANK ENGINEERING FEES FINAL INVOICE	\$ 881.50
BENESCH	WASTEWATER TREATMENT PLANT ENGINEERING FEES FINAL INVOICE	\$ 780.00
BLACK HILLS ELECTRIC COOP	UTILITIES ELECTRIC - OCTOBER 2025	\$ 2,862.18
CUSTER COUNTY AUDITOR	JULY/AUGUST/SEPTEMBER 2025 TIF #1 TAXES	\$ 2,458.08
CUSTER COUNTY SCHOOL DISTRICT	JULY/AUGUST/SEPTEMBER 2025 TIF #1 TAXES	\$ 8,998.65
DOOR SECURITY PRODUCTS	SET UP ICNOW ON CAMERA SYSTEM	\$ 168.37
CHUCK FERGUSON	CONTRACT SERVICES - NOVEMBER 2025	\$ 3,120.00
HERMOSA ARTS & HISTORY ASSOCIATION	DONATION FOR SANTA'S VILLAGE	\$ 500.00
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 SEPTEMBER/OCTOBER 2025	\$ 291.95
SD MUNICIPAL LEAGUE	2026 ANNUAL MEMBERSHIP DUES	\$ 661.00
SD PUBLIC ASSURANCE ALLIANCE	ANNUAL LIABILITY AND PROPERTY INSURANCE	\$ 19,076.32
TOWN OF HERMOSA	REINVESTMENT OF CD FUNS	\$ 140,501.08
Accounts Payable Total		\$ 207,603.89
Payroll related		
Total Paid On: 11/28/2025		
	Legislative, Financial Administration, Govt Blds	\$ 4,448.82
	Water	\$ 301.47
	Sewer	\$ 102.91
	Promoting City/BBB	\$ 34.30
EFTPS-ELECTRONIC FEDERAL TAX	FED/FICA TAX	\$ 1,246.78
SOUTH DAKOTA RETIREMENT	SDRS	\$ 1,295.76
HEALTH POOL OF SD	FO SINGLE HEALTH INSURANCE	\$ 1,043.57
Payroll Total		
		\$ 8,473.61
***** REPORT TOTAL *****		
		\$ 216,077.50

CLAIMS REPORT

Check Range: 11/19/2025-12/02/2025

VENDOR NAME	REFERENCE	AMOUNT	VENDOR TOTAL	CHECK# CHECK DATE
A & B BUSINESS EQUIPMENT INC	MONTHLY PRINTER/FAX FEE	554.05		642 12/02/25
A & B BUSINESS EQUIPMENT INC	MONTHLY PRINTER/FAX FEE		554.05	
ANTHONY THEODOROU AND COMPANY	ENGINEERING-DWSRD/WTP/NEW WELL	8,640.00		652 12/02/25
ANTHONY THEODOROU AND COMPANY	ENGINEERING TIF2	1,040.00	9,680.00	653 12/02/25
BANK WEST	CKASSUC WEB BANKING FEE		25.00	643 12/02/25
BANKWEST CARDMEMBER SERVS	GEAR BOX FOR WWT		5,843.32	644 12/02/25
BATTLE CREEK FIRE DEPARTMENT	JUL/AUG/SEP TIF #1 TAXES		762.60	18476 12/02/25
BENESCH	FY22 DWSRF ENG FEES FINAL INV		10,178.26	18477 12/02/25
BLACK HILLS ELECTRIC COOP., Inc	ELECTRIC UTILITY-STREET LIGHTS		2,862.18	
Custer County Auditor	JUL/AUG/SEP TIF #1 TAXES			639 11/28/25
			2,458.08	18478 12/02/25
CUSTER COUNTY SCHOOL DIST 16-DANR	JUL/AUG/SEP TIF #1 TAXES		8,998.65	18479 12/02/25
	WASTEWATER DISCHARGE PERMIT			
Door Security Products Inc.	SET UP ICNOW ON CAMERAS		168.37	18480 12/02/25
EFTPS-Electronic Federal Tax	FED/FICA TAX		1,246.78	636 11/28/25
CHUCK FERGUSON	CONTRACT SERVICES-WATER		3,120.00	637 11/28/25
HEALTH POOL OF SOUTH DAKOTA	FO SINGLE HEALTH INSURANCE	1,043.57	1,043.57	18481 12/02/25
HERMOSA ARTS & HISTORY ASSOC	DONATION/SANTA VILLAGE 2025		500.00	18463 11/19/25
MG OIL	FUEL FOR MARSHAL - SEPT 2025			
RURAL DEVELOPMENT	RD LOAN 1 - NOV 2025 PRINCIPAL	1,278.00		647 11/23/25
RURAL DEVELOPMENT	RD 2 LOAN-NOV 2025 INTEREST	417.00		648 11/23/25
RURAL DEVELOPMENT	RD 3 LOAN-NOV 2025 INTEREST	222.00	1,917.00	649 11/23/25
SD DEPT OF REVENUE	SALES TAX SEPT/OCT 2025		291.95	650 11/21/25
SDML Workers' Compensation Fund	MEMBERSHIP DUES 2026		661.00	651 11/20/25
SD PUBLIC ASSURANCE ALLIANCE	ANNUAL FINANCE OFFICE INS		19,076.32	18482 12/02/25
SILVERSMITH DATA	SOFTWARE INTEGRATION/SETUP			
SOUTH DAKOTA RETIREMENT SYSTEM	SDRS	635.38		640 11/28/25
SOUTH DAKOTA RETIREMENT SYSTEM	SDRS	660.38	1,295.76	641 11/28/25
TOWN OF HERMOSA	TRANSFER FUNDS TO NEW CO ACCT		140,501.08	18464 11/19/25
Vonda Belt	REIMBURSE FOR LYSOL CLEANER		6.03	645 12/02/25
Accounts Payable Total			211,190.00	
Utility Refund Checks				
Refund Checks Total				
Payroll Checks				
101	GENERAL		4,448.82	
211	BBB GROSS RECEIPTS TAX		34.30	
602	WATER		301.47	
604	SEWER		102.91	
Total Paid On: 11/28/25			4,887.50	
Total Payroll Paid			4,887.50	

CLAIMS REPORT
Check Range: 11/19/2025-12/02/2025

FUND NAME

DEPOSIT AMOUNT

Report Total

=====
216,077.50
=====



CUSTER COUNTY SHERIFF'S OFFICE
SHERIFF MARTY MECHALEY
420 MT RUSHMORE ROAD, CUSTER, SOUTH DAKOTA, 57730
PHONE: (605) 673-8146 FAX: (605) 673-8154



Hermosa November 2025 - CFS's

Printed on December 1, 2025

CFS Date/Time	CFS #	Case Number	Code	Code : Description	Outstanding Forms Name Zone
11/02/25 10:28:37	CFS2511851		EXT	EXT : Extra Patrol	21A11 HERMOSA
11/03/25 13:00:57	CFS2511881		PAPSERV	PAPSERV : Paper Service	21A10 HERMOSA WALTER ST (0.2 miles)
11/03/25 13:11:32	CFS2511882		PAPSERV	PAPSERV : Paper Service	21A10 HERMOSA WALTER ST (0.1 miles)
11/03/25 13:21:42	CFS2511884		PAPSERV	PAPSERV : Paper Service	21A10 HERMOSA FERGUSON ST (230.4
11/03/25 16:48:55	CFS2511892		THAZ	THAZ : Traffic Hazard	212A HERMOSA 2ND ST (57.6 feet) and

10B

CFS Date/Time	CFS #	Case Number	Code	Code : Description	Outstanding Forms Name Zone
11/03/25 18:44:04	CFS2511897		HARR	HARR : Harassment	212A
11/04/25 09:34:53	CFS2511909		SUSP	SUSP : Suspicious	HERMOSA W MAIN ST (92.2 feet) 212A
11/05/25 20:27:05	CFS2511978		CONCIT	CONCIT : Concerned	HERMOSA VILAS ST (157.7 feet) 21A17
11/06/25 09:36:30	CFS2511994		PAPSERV	PAPSERV : Paper Service	HERMOSA W MAIN ST (92.2 feet) 21A3
11/06/25 09:52:04	CFS2511995		PAPSERV	PAPSERV : Paper Service	HERMOSA WALTER ST (0.2 miles) 21A3
11/07/25 13:36:12	CFS2512029		911MISC	911MISC : 911Misc	HERMOSA FERGUSON ST (230.4 21
11/08/25 16:30:13	CFS2512059		PAPSERV	PAPSERV : Paper Service	HERMOSA W MAIN ST (92.2 feet) 21A6
					HERMOSA FERGUSON ST (230.4

CFS Date/Time	CFS #	Case Number	Code	Code : Description	Outstanding Forms By: Zone
11/10/25 13:32:26	CFS2512111	2025-00636	DSS	DSS : DSS Referral	21A7
11/11/25 06:59:55	CFS2512131		SPATROL	SPATROL : School Patrol	HERMOSA MAIN ST (117.7 feet)
11/11/25 07:21:02	CFS2512132		TSTOP	TSTOP : Traffic Stop	21A7
11/11/25 07:39:17	CFS2512134		TSTOP	TSTOP : Traffic Stop	HERMOSA MAIN ST (171.3 feet)
11/11/25 07:59:58	CFS2512136		TSTOP	TSTOP : Traffic Stop	212A
11/11/25 08:14:33	CFS2512137		TSTOP	TSTOP : Traffic Stop	HERMOSA N 5TH ST (0.1 miles)
11/11/25 08:17:53	CFS2512138		EXT	EXT : Extra Patrol	212A
					HERMOSA W MAIN ST (92.2 feet)

CFS Date/Time	CFS #	Case Number	Code	Code : Description	Outstanding Forms By: Zone
11/11/25 15:06:28	CFS2512149		TSTOP	TSTOP : Traffic Stop	212A HERMOSA
11/11/25 15:20:24	CFS2512150		SPATROL	SPATROL : School Patrol	212A HERMOSA MAIN ST (171.3 feet)
11/11/25 15:52:20	CFS2512152		TSTOP	TSTOP : Traffic Stop	212A HERMOSA
11/11/25 18:29:54	CFS2512156		BARKING	BARKING : Barking Dog	212A HERMOSA FERGUSON ST (203.8
11/12/25 11:51:03	CFS2512181		JUVMISC	JUVMISC : Juvenile Misc	21A7 HERMOSA MAIN ST (171.3 feet)
11/13/25 20:47:30	CFS2512234		911A	911A : 911 Abandoned	21A11 HERMOSA SOUTH DAKOTA
11/14/25 07:29:07	CFS2512241		SIG1	SIG1 : EMER, ACCIDENT,	HP58 HERMOSA N HEARTLAND EXPY

CFS Date/Time	CFS #	Case Number	Code	Code : Description	Outstanding Forms By Zone
11/14/25 15:18:28	CFS2512256		911MISC	911MISC : 911Misc	21
11/14/25 21:19:42	CFS2512262		AMB	AMB : Ambulance Call	HERMOSA HERMOSA FOLSOM ST (0.1 miles) 21A6
11/16/25 17:18:26	CFS2512306		NOISE	NOISE : Noise	HERMOSA HERMOSA MAIN ST (171.3 feet) 21A6
11/17/25 21:27:21	CFS2512339		UNWANTED	UNWANTED : Unwanted	HERMOSA HERMOSA FERGUSON ST (203.8 21A12, 21A9
11/21/25 17:08:14	CFS2512457		LIVESTOCK	LIVESTOCK : Livestock	HERMOSA HERMOSA W MAIN ST (92.2 feet) 21A17
11/22/25 14:34:14	CFS2512471		911H	911H : 911 Hang Up	HERMOSA HERMOSA FERGUSON ST (203.8 21A11
11/23/25 07:17:45	CFS2512490		DSS	DSS : DSS Referral	HERMOSA HERMOSA WALTER ST (39.9 feet) GF548, 21A5 HERMOSA HERMOSA INGALLS BLVD (0.1

CFS Date/Time	CFS #	Case Number	Code	Code : Description	Outstanding Forms Name Zone
11/23/25 14:31:10	CFS2512496		TRAFFCOMP	TRAFFCOMP : Traffic	HP201, 21A19 HERMOSA HERMOSA
11/23/25 20:59:31	CFS2512505		VEHSTLN	VEHSTLN : Stolen Vehicle	21A9 HERMOSA W MAIN ST (92.2 feet)
11/25/25 10:02:00	CFS2512539		JUVMISC	JUVMISC : Juvenile Misc	21A7 HERMOSA MAIN ST (171.3 feet)
11/26/25 17:37:19	CFS2512586		PAPSERV	PAPSERV : Paper Service	21A6 HERMOSA FERGUSON ST (0.1
11/26/25 18:03:40	CFS2512587		EXT	EXT : Extra Patrol	21A6 HERMOSA
11/28/25 06:09:53	CFS2512623	2025-00673	DRUGS	DRUGS : Drugs	21A5 HERMOSA W MAIN ST (92.2 feet)
11/28/25 16:13:41	CFS2512632		WELFARE	WELFARE : Welfare	21A13 HERMOSA WALTER ST (0.1 miles)

CFS Date/Time	CFS #	Case Number	Code	Code : Description	Outstanding Forms
11/29/25 19:42:27	CFS2512688		EXT	EXT : Extra Patrol	21A19 HERMOSA
11/30/25 11:39:00	CFS2512710		TRAFFCOMP	TRAFFCOMP : Traffic	21A11, 21A5 HERMOSA HERMOSA DRY CREEK RD (0.5

Total Records: 42

11A

service call, \$1,066.69; DANR, Drinking Water Annual Permit Fee, \$100.00; FEDEX, shipping for WWTP panels, \$231.60; HAWKINS, Deldrum/Hypochlorite water chemicals, \$597.05; KIEFFER SANITATION, monthly sanitation fee for August 2025, \$4,175.73; MG OIL COMPANY, fuel for Marshal vehicle, \$172.09; MT RUSHMORE TELEPHONE, Phone & Fax Invoice 13671575, 13677824, 13685520, \$260.95; SOUTH DAKOTA DEPARTMENT OF REVENUE, sales tax for July and August 2025, \$601.61; SOLBERG KNOWLES & ASSOCIATES, level sensor for drop box, \$43,571.00; TEMPERATURE TECHNOLOGY, repair control box south lift station, \$278.00; **Accounts Payable Total: \$67,870.22.** UTILITY DEPOSIT REFUNDS: MICHAEL BRUCE, \$125.00; **Deposit Refund Total: \$125.00.** Payroll related: Total Paid on 9/15/2025; General, \$2,621.52; Water, \$144.04; Sewer, \$86.42; Promoting City/BBB, \$28.81; EFTPS-Electronic Federal Tax, FED/FICA TAX, \$756.18; **Total Payroll Related Paid: \$3,636.97. REPORT TOTAL: \$71,632.19.**

LAW ENFORCEMENT/ABATEMENTS/COMPLAINTS: Marshal Alias gave a Marshal's report. Motion by Serviss and seconded by Ferguson to approve the cost of phone and internet for the Marshal's Office at an estimate of \$135.38 per month; vote: all aye, motion carried.

LEGAL: Attorney Hagg stated he volunteered his time for this meeting to make his comments regarding the acknowledgement of Harris' resignation. Mr. Hagg presented a letter from Bangs, McCullen, Butler, Foye & Simmons, L.L.P. confirming that he is currently a fully licensed attorney-at-law in South Dakota. Mr. Hagg tendered his resignation as Town Attorney in protest of the Board's recognition of Harris's resignation.

BREAK: The board took a ten-minute break and recessed at 7:20 p.m.

PUBLIC WORKS: Ferguson reported on two streetlights that had been repaired and one that is still in need of repair. The hydraulics of the Vak Truck are currently being worked on and when repaired it will be used for jetting. Serviss reported on current street work done on Taz Court. Koontz reported that he had received information from Dan Holsworth regarding his proposal for street work. Discussion was held on the need to inventory and document all water meters to determine what is needed if the town were to proceed with replacement of all meters with new auto read meters. This would exceed the threshold of \$50,000 and therefore require a formal competitive bid process. The Water Committee will draft a job description for the meter reading position.

ECONOMIC DEVELOPMENT: Serviss reported he had not recently attended any meetings and tourism is slowing down.

FINANCE OFFICE: Cornelison presented the monthly financial reports. It was suggested that a monthly profit and loss statement be included in the future. Koontz and Cornelison will look into getting this report done for the October 21, 2025, meeting.

OLD BUSINESS: Motion by Serviss and seconded by Ferguson to appoint Scott James as Town Attorney. Serviss amended the motion and seconded by Ferguson to appoint Scott James as Interim Town Attorney with consideration of other letters of interest received within sixty days. Motion by Kramer and seconded by Serviss to amend the amended motion to have letters of interest received by December 2, 2025; vote on second amended motion: three aye and Koontz abstained, motion carried. Vote on first amended motion: all nay, motion failed. Vote on original motion, all nay, motion failed.

BREAK: The board took a five-minute break and recessed at 8:45 p.m.

NEW BUSINESS: The second reading of Ordinance 2.078 Appropriating Funds for the Fiscal Year 2026 was held. Motion by Serviss and seconded by Ferguson to approve Ordinance 2.078; vote: all aye, motion carried.

11 B

**RESOLUTION __-2025
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 six (6) classes of water users: In Town Residential, In Town Commercial, North Hermosa Water Users, 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	N HERMOSA WATER USERS	OUT OF TOWN RESIDENTIAL	OUT OF TOWN COMMERCIAL	HISTORICAL /RELIGIOUS
0-3000	\$41.00	\$65.00	\$56.00	\$75.00	\$90.00	
3001-4000	\$46.00	\$71.00	\$66.00	\$85.00	\$102.00	
4001-5000	\$51.00	\$77.00	\$76.00	\$95.00	\$114.00	
5001-6000	\$56.00	\$83.00	\$86.00	\$105.00	\$126.00	
6001-7000	\$61.00	\$89.00	\$96.00	\$115.00	\$138.00	
7001-8000	\$66.00	\$95.00	\$106.00	\$125.00	\$150.00	
8001-9000	\$71.00	\$101.00	\$116.00	\$135.00	\$162.00	
9001-10000	\$76.00	\$107.00	\$126.00	\$145.00	\$174.00	
10001-11000	\$81.00	\$113.00	\$136.00	\$155.00	\$186.00	
11001-12000	\$86.00	\$119.00	\$146.00	\$165.00	\$198.00	
12001-13000	\$91.00	\$125.00	\$156.00	\$175.00	\$210.00	
13001-14000	\$96.00	\$131.00	\$166.00	\$185.00	\$222.00	
14001-15000	\$101.00	\$137.00	\$176.00	\$195.00	\$234.00	
15001-16000	\$106.00	\$143.00	\$186.00	\$205.00	\$246.00	
16001-17000	\$111.00	\$149.00	\$196.00	\$215.00	\$258.00	
17001-18000	\$116.00	\$155.00	\$206.00	\$225.00	\$270.00	
18001-19000	\$121.00	\$161.00	\$216.00	\$235.00	\$282.00	
19001-20000	\$126.00	\$167.00	\$226.00	\$245.00	\$294.00	

Each 1000 gallons thereafter shall be calculated at the rate of \$5.00 for in town residential users, \$6.00 for in town commercial users, \$10.00 for out-of-town residential users, and \$12.00 for out-of-town commercial users.

ATTEST:

TOWN OF HERMOSA

Terri Cornelison
Finance Officer

Kelburn Koontz
Town Board President

Vote: Koontz,

Servi s,

Kramer,
Ferguson,
Vacant

First Reading: _____

Published: _____

Published once at the approximate cost of _____ in the Custer County Chronicle

Town of Hermosa – Application for Historic/Religious Water User Status

(Pursuant to Resolution __-2025)

1. Applicant Information

Organization Name: _____

Physical Address of Building: _____

Mailing Address (if different): _____

Contact Person: _____ Phone: _____

Email: _____

2. Eligibility Category (check all that apply)

☐ Nonprofit historical society / heritage organization

☐ Museum or historical display facility

☐ Religious institution (worship, ministry, or instruction)

☐ Other qualifying historical/cultural organization (explain):

3. Description of Building Use

Describe how the building is used for historical, cultural, educational, or religious purposes:

4. Public Access

Describe the building's hours or schedule of public access (regular or periodic):

5. Organizational Documentation

Please attach:

- Proof of nonprofit status (IRS letter or SD nonprofit registration), if applicable

- Brochures, website pages, or materials describing building purpose or public use
- Photographs of building (optional)

6. Certification

I certify that the information in this application is true and that the building meets the criteria for Historic/Religious classification under Resolution ____-2025. Approval is subject to Town Board determination and may be revoked if eligibility ceases.

Signature: _____

Printed Name: _____

Title: _____

Date: _____

FOR CLERK USE ONLY:

_____ Approved. Rate Change shall be effective on bill dated _____

_____ Denied. This application does not meet the criteria for exemption because:

(A Denial may be appealed to the Town Board as a whole, and Town Board may review applications and revoke approval if eligibility ceases or was determined erroneously)

TOWN CLERK

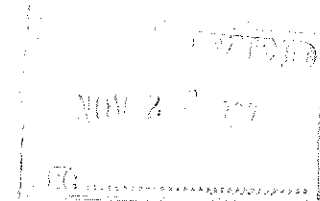
INDEPENDENT AUDIT SERVICES, P.C.

Benjamin Elliott, CPA
P.O. Box 262
Madison, South Dakota 57042
IndependentAuditServices@yahoo.com
605.270.3020

13C

November 21, 2025

Terri Cornelison,
Finance Officer
Town of Hermosa
P.O. Box 298
Hermosa, SD 57744



Dear Terri,

Thank you for the opportunity to present a proposal to audit the Town of Hermosa for the two years ending December 31, 2025. I appreciate your expression of confidence by asking me to make this proposal.

If this proposal is accepted, audit procedures can begin after your 2025 books are completed. A copy of these reports will be requested: Cash Balances, Revenue Guideline, Expenditure Guideline, General Ledger Audit Detail Brief, Revenue/Expenditure Audit Detail Brief, Receipt Book, and Payments.

The field work for your audit can begin in January 2026 although some preliminary work may be done sooner. The audit will be completed by February 15, 2026.

If this proposal is chosen, please sign both copies of the enclosed engagement letter: return one copy to me and keep a copy for your files. I will handle filing with the Department of Legislative Audit.

Again, I appreciate the opportunity to present this proposal to the Town of Hermosa. If chosen, I will look forward to working with you.

Sincerely,

Ben
Ben Elliott

INDEPENDENT AUDIT SERVICES, P.C.

Benjamin Elliott, CPA
P.O. Box 262
Madison, South Dakota 57042
605.270.3020

Kelburn Koontz, President
Hermosa Town Board
Terri Cornelison, Finance Officer
Town of Hermosa
P.O. Box 298
Hermosa, SD 57744

November 21, 2025

Cash Basis Audit Engagement Letter For the Two Years Ending December 31, 2025

Greetings,

This letter will confirm our understanding of the services I am to provide the Town of Hermosa (the Government) as of and for the two years ending December 31, 2025, subject to authorization by the Auditor General.

Audit Scope and Objectives

I will audit the cash basis of accounting financial statements of, as applicable, governmental activities, business-type activities, aggregate discretely presented component units (if any), each major fund, and the aggregate remaining fund information (if any), including disclosures, which collectively comprise the basic cash basis of accounting financial statements of the Government as of and for the two years ending December 31, 2025.

Accounting standards generally accepted in the United States of America provide for certain supplementary information (SI), such as management's discussion and analysis (MD&A), to supplement the Government's basic financial statements. Such information, although not a part of the basic financial statements, is recommended by the Government Accounting Standards Board who consider it to be an essential part of financial reporting by placing the basic financial statements in an appropriate operational, economic, or historical context. Management acknowledges that it is responsible for the SI, that SI is measured and presented in accordance with prescribed guidelines, whether the methods of measurement or presentation have changed from those used in the prior period and, if applicable, the reasons for the change, and any significant assumptions underlying the measurement or presentation of SI. As part of my engagement, I will apply certain limited procedures to the Government's SI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I will not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurances. The following SI will be subject to certain limited procedures, but will not be audited.

- (1) Management's Discussion and Analysis (if provided by the Government)
- (2) Budgetary Comparison Schedules - Budgetary Basis
- (3) Schedule of the Town's Proportionate Share of the South Dakota Retirement System's Net Pension (Asset)/Liability
- (4) Schedule of the Town's Contributions to the South Dakota Retirement System

Supplementary information other than SI also accompanies the Government's financial statements. Management acknowledges that it is responsible for (a) preparing the supplementary information, (b) providing the auditor with written representation concerning the supplementary information, (c) including the auditor's report on the supplementary information in any document that both contains the supplementary information and indicates the auditor has reported on the supplementary information, and (d) either presenting the supplementary information with the audited financial statements or, if the supplementary information will not be presented, making the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information and auditor's report thereon are issued. I will subject the following supplementary information to the auditing procedures applied in my audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements taken as a whole. This supplementary information will include the following.

- (1) Schedule of Long-term Debt (if required)
- (2) Schedule of Expenditures of Federal Awards (if required)
- (3) Combining Nonmajor Fund Financial Statements (if required)

Additional supplementary information other than SI and audited supplementary information mentioned above, may also accompany the Government's financial statements. I will not subject the following additional supplementary information to the auditing procedures applied in my audit of the financial statements and will not provide an opinion on it in relation to the financial statements taken as a whole.

- (1) Other schedules (as required)

In connection with my audit of the basic financial statements, I will read the following "other information" and consider whether a material inconsistency exists between the "other information" and the basic financial statements, or the "other information" otherwise appears to be materially misstated. If, based on the work performed I conclude that an uncorrected material misstatement of the "other information" exists, I am required to describe it in my report.

- (1) Other information schedules (as required)

The audit is conducted knowing that I am independent of the Town of Hermosa in both fact and appearance.

The objective of my audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes my opinions about whether the Government's financial statements are fairly presented, in all material respects, in conformity with a modified cash basis of accounting (Special Purpose Framework) and report on the fairness of the supplementary information referred to above when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- > Internal control over financial reporting and compliance with provision of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.
- > (If required) internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements and (if required) Single Audit

My audit will be conducted in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards for financial audits contained in *Government Auditing Standards*, issued by the Controller General of the United States; (if required) the Single Audit Act Amendments of 1996; and the provisions of Uniform Guidance, and will include tests of accounting records, a determination of major programs(s) in accordance with OMB Uniform Guidance (if required), and other procedures I consider necessary to enable me to express such opinions and to render the required reports. As part of an audit in accordance with GAAS and Government Auditing Standards, I will exercise professional judgment and maintain professional skepticism throughout the audit.

I will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates (if any) made by management. I will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentations. I will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, Government Auditing Standards do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because I will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by me, even though the audit is properly planned and performed in accordance with GAAS and Government Auditing Standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, I will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to my attention. I will also inform the appropriate level of management of any violations of laws or governmental regulations that come to my attention, unless clearly inconsequential. I will include such matters in the reports required for a Single Audit (if required). My responsibility as an auditor is limited to the period covered by my audit and does not extend to any later periods for which I am not engaged as the auditor.

I will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Government's ability to continue as a going concern for a reasonable period of time.

My procedures will include tests of documentary evidence supporting the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, and financial institutions. I will also request written representations from your attorneys as part of the engagement.

I have identified the following significant risk(s) of material misstatement as part of my audit planning.

- (1) Listing of salaries and wages in the minutes
- (2) Use of restricted ARPA funds
- (3) Status of TIF fund
- (4) Status of FEMA fund

I will not use third-party service providers to provide auditing services for this engagement. The South Dakota Department of Legislative Audit or a licensed certified public accounting firm may be used to review the financial statements covered by this engagement letter or the related workpapers.

My audit of your financial statements does not relieve you of your responsibilities.

Audit Procedures - Internal Control

I will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that I consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. My tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Government Auditing Standards.

As required by the Uniform Guidance (if this is a Single Audit), I will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that I consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, my tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in my report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, I will express no such opinion. However, during the audit, I will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, Government Auditing Standards, and (if required) the Uniform Guidance.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, I will perform tests of the Government's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and I will not express such an opinion in my report on compliance issued pursuant to Government Auditing Standards.

The Uniform Guidance (if required) requires that I also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. My procedures will consist of tests of transactions and other applicable procedures described in the OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the Government's major programs. For federal programs that are included in the Compliance Supplement, my compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of those procedures will be to express an opinion on the Government's compliance with requirements applicable to each of its major programs in my report on compliance issued pursuant to the Uniform Guidance.

Other Services

I will also assist in preparing, as applicable, an analytical trial balance from the Government's general ledger, the financial statements, related notes to the financial statements, suggested adjustments to the financial statements, and the schedule of expenditures of federal awards in conformity with the modified cash basis of accounting (Special Purpose Framework) and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under Government Auditing Standards and such services will not be conducted in accordance with Government Auditing Standards. I will perform the services in accordance with applicable professional standards. The other services are limited to preparing, as applicable, an analytical trial balance from the Government's general ledger, the financial statements, related notes to the financial statements, suggested adjustments to the financial statements, and the schedule of expenditures of federal awards previously defined. I, in my sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services I provide. You will be required to acknowledge in the management representation letter my assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience, (SKE) to evaluate the adequacy and results of those services, and accept responsibility for them.

The individual with sufficient SKE will be the Government's finance officer.

Responsibilities of Management for the Financial Statements and (if applicable) the Single Audit

My audit will be conducted on the basis that you acknowledge and understand your responsibility of (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulation (including federal statutes), rules, and provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to me and for the accuracy and completeness of that information (including information from outside the general and subsidiary ledgers). You are also responsible for providing me with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transaction, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance (if applicable); (3) additional information that I may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom I determine it necessary to obtain audit evidence. At the conclusion of my audit, I will require certain written representations from you about the financial statements; schedule of expenditures of federal awards (if required); federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to me in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing me about all known or suspected fraud affecting the government involving (1) management, (2) employees who have a significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing me of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employed, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws,

regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that I report. Additionally, as required by Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for my review by the closing date of this engagement.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditure of federal awards (including notes and noncash assistance received, and COVID-19 related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include my report on the schedule of expenditures of federal awards in any document that contains, and indicates that I have reported on, the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes my report thereon. Your responsibilities include acknowledging to me in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to me any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for preparation of the other supplementary information (if any), which I have been engaged to report on in conformity with the modified cash basis of accounting (Special Purpose Framework). You agree to include my report on the supplementary information in any document that contains, and indicates that I have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes my report thereon. Your responsibilities include acknowledging to me in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with the modified cash basis of accounting; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with the modified cash basis of accounting; (3) the methods of measurement or presentation have not changed from those use in the prior period (or, if they have changed) the reasons for such changes); and (4) you have disclosed to me any significant assumptions or interpretations underlying the measurement or presentations of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to me corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on my current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

I understand that your employees will prepare and locate any documents selected by me for testing.

At the conclusion of the engagement, I will complete (if required) the appropriate sections of the Data Collection Form that summarizes my audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. I will coordinate with you the electronic submission and certification. The Data Collection form and the reporting package must be submitted within the earlier of 30 calendar days after the receipt of the auditor's reports or nine months after the end of the audit period.

I will provide management a copy of a letter listing the entities that will receive a copy of the audit report and financial statement. However, it is understood that the audit report and financial statement is a public document and is available on-line through the South Dakota Department of Legislative Audit's web site.

The audit documentation for this engagement is the property of Independent Audit Services, PC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit finding, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Independent Audit Services PC personnel. Furthermore, upon request, I may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested. If I am aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, I will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Benjamin Elliott is the person responsible for supervising the engagement and signing the reports. I expect to begin my audit in the January 2026.

My fee for these services will be a fixed fee of \$9,000 plus \$2,500 if the government expended over \$750,000 of federal awards in 2024 or 2025 and this engagement is subject to Single Audit (Uniform Guidance) requirements. This fee is based on anticipated cooperation from you office and the assumption that unexpected circumstances will not be encountered during the engagement.

There are no separate charges for out-of-pocket travel cost, lodging, telephone or copying. My audit billing will include a summary of professional time spent on this engagement.

Billing of the audit fee will be for 75% of the amount owed on submission of the draft of the audit report and 25% upon acceptance of the final audit report by the Department of Legislative Audit. It is agreed, after the final audit report has been delivered to the Government, that a billing for the remaining 25% of the audit will be submitted to the Government for approval pending a final acceptance

by the Department of Legislative Audit. If payment is approved, payment will be held until after final acceptance by the Department of Legislative Audit is received.

Should unforeseen circumstances arise that would require a significant extension of my auditing procedures, I will discuss with you the specific matters involved before extending my audit scope and incurring additional costs. Any additional cost will be agreed to in advance and will be based on an hourly fee of \$150 per hour or a fixed amount depending on the circumstance.

Reporting

I will issue written reports upon completion of my engagement. My report will be addressed to the Government and its principal officials. Circumstances may arise in which my report may differ from its expected form and content based on the results of my audit. Depending on the nature of these circumstances, it may be necessary for me to modify my opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to my auditor's report, or if necessary, withdraw from this engagement. If my opinions are other than unmodified, I will discuss the reasons with you in advance. If, for any reason, I am unable to complete the audit or am unable to form or have not formed opinions, I may decline to express opinions or issue reports, or I may withdraw from this engagement.

The Government Auditing Standards report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing on internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Government's internal control or compliance, and (2) the report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Government's internal control and compliance. The Uniform Guidance report (if required) on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the result of that testing based on the requirements of Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

The Department of Legislative Audit or I will prepare and publish, at your expense, a legal notice stating that an audit has been completed, where a copy of the audit report may be found on file for public inspection, together with a brief recital of the substantial items of error, irregularity or loss, in sufficient detail so that the public may be informed of the important findings of the audit.

Government Auditing Standards require that I provide you with a copy of my most recent external peer review report and any letter of comments, and any subsequent peer review reports and letter of comment received during the period of the contract. My November 2023 peer review has been sent to you, which received the highest rating of pass.

I appreciate the opportunity to be of service to the Town of Hermosa and believe this letter accurately summarizes the significant terms of my engagement. If you have any questions, please contact me. If you agree with the terms of the engagement as described in this letter, please sign both copies where indicated: keep one copy for your records and return one copy to me. I will handle filing with the Department of Legislative Audit.

Thank you for the opportunity to present this proposal to the Town of Hermosa.

Sincerely,

INDEPENDENT AUDIT SERVICES, P.C.

Benjamin Elliott
Benjamin Elliott, CPA

This letter correctly sets forth the understanding of the Town of Hermosa.

Kelburn Koontz, President

Date

Terri Cornelison, Finance Officer

Date

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Current Mt Rushmore Telephone Internet Cost \$62.95/month

Current Mt Rushmore Telephone Telephone Cost \$63.00/month

\$60.75/month

\$52.05/month

main line

2nd line

fax

7 cent Long distance

Fiber Optic Costs – Mt Rushmore Telephone

Fiber Internet 100 Mbs \$90.00/month

Fiber Internet 250 Mbs \$150.00/month

Fiber Optic Costs – Midco

Internet Speed	12 Months	24 Months	36 Months
100MB	\$105	\$95	\$85
200MB	\$135	\$125	\$115
500MB	\$165	\$155	\$145
1GIG	\$200	\$190	\$180
1.25GIG	\$225	\$215	\$205

Long Distance
5¢ per minute

	12 Months	24 Months	36 Months
Basic Phone/Fax Line	\$30	\$25	\$20

CHAPTER 73: TRAFFIC SCHEDULES

15A

Schedule

I. Speed limits

SCHEDULE I. SPEED LIMITS.

(A) It shall be unlawful for any person or persons, except law enforcement officers while on duty, or emergency services personnel while operating an emergency vehicle, to drive or operate any automobile, truck, motorcycle or other vehicle at a speed greater than the posted speed limit through the corporate limits of the town within a zone marked by highway speed signs.

(B) Upon conviction of a violation of division (A) above, the person shall be punished by a fine in an amount set by the Board of Trustees, as per the current fee schedule, or by imprisonment for a period not exceeding 30 days or by both a fine and imprisonment.

(Ord. 7, passed 6-6-1949; Ord. passed 8-5-1974, Amended by Ordinance _____)