

**HERMOSA TOWN BOARD
TUESDAY, SEPTEMBER 8, 2026
REGULAR MEETING @ 6:00PM
Draft minutes**

ROLL CALL: Serviss called the meeting to order on Tuesday, September 8, 2026, at 6:00 p.m. with the following members present: Ferguson, Kramer, Matheny, Miller, and Serviss. Interested citizens, and Town Attorney James were also present. Pledge of Allegiance led by Serviss.

COMMENTS FROM THE PUBLIC: Realtor, Mike Sjodin, was in attendance and asked about availability of water on land west of Highway 79.

CALL FOR CHANGES: Motion by Kramer and seconded by Matheny to add Item 9F Discussion on Hermosa Hills further development and approve agenda as amended; vote: all aye, motion carried.

CONSENT CALENDAR: Motion by Miller and seconded by Ferguson to approve August 17, 2026, special meeting minutes as presented; vote: three aye and two abstain, motion carried. Motion by Matheny and seconded by Miller to approve August 18, 2026, regular meeting minutes as presented; vote: four aye and one abstain, motion carried.

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

LEGAL: Town Attorney James reported draft of Preston Family agreement is ready and can be viewed in Executive Session. James has also filed complaint form to FEMA OIG hotline to initiate dispute with ATAC as directed by the board at the August 18, 2026, regular meeting. A letter has been sent by certified mail, today, to ATAC regarding the dispute of five invoices submitted for payment at the August 18, 2026, meeting.

PLANNING & ZONING: Motion by Kramer and seconded by Matheny to adjourn as Board of Trustees and reconvene as Planning & Zoning Board; vote: all aye, motion carried. Motion by Kramer and seconded by Matheny to approve Final Plat of Sclaus Tract and Fairfield Tract, Located in the NE4NE4 of Section 32, T2S, R8E, BHM, Custer County, South Dakota; vote: four aye and one abstain, motion carried. Motion by Kramer and seconded by Matheny to approve Residential Building Permit #2026-29 – 195 5th Street – Parel #009301 – Neil and Frances Yager, contingent upon all contractors listed in the permit obtain contractor licenses with the town; vote: all aye, motion carried. Permits #2026-31 and #2026-32 – move/tear down sheds – Danny & Debora Holsworth were provided for information purposes. Permit #2026-33 – put 10'x12' shed in back yard – Mindy Holsworth was provided for informational purposes. Discussion was held with realtor Mike Sjoden, engineer Shane Delbridge and contractor Trent Pulis on their plans to develop the Hermosa Hills property, starting with twenty four affordable housing sites just south of Marie Street, which includes six different floor plans. Motion by Matheny and seconded by Kramer to adjourn as Planning & Zoning Board at 6:59 p.m.; vote: all aye, motion carried. Motion by Miller and seconded by Matheny to reconvene as Board of Trustees at 6:59 p.m.; vote: all aye, motion carried.

OLD BUSINESS: The first reading of Chapter 51 Sewer Ordinances was held. Motion by Kramer to table Item 10B New Tank – Approve waiver of remaining contractor responsibilities. Motion failed for a lack of a second. Motion by Kramer and seconded by Matheny to table Item 10B New Tank – Approve waiver of remaining contractor responsibilities and have town attorney review; vote: all aye, motion carried.

BREAK: The board took a break at 7:13 p.m. and reconvened at 7:19 p.m.

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OLD BUSINESS CONTINUED: Motion by Kramer and seconded by Matheny to approve fixing sewer issue at 315 Manning Street from town main to homeowners property line and work with homeowner to make sure there is a proper connection. Motion amended by Serviss and seconded by Ferguson to approve sourcing of contractor to replace and/or install proper saddle at connection to main at 315 Manning Street. Vote on amendment: all aye, motion carried. Vote on original: four aye and one abstain, motion carried. Discussion on mowing of town property and continue to use volunteers to mow for now.

NEW BUSINESS: Item 11A Tower Hill Road drainage upgrade plan discussion will be pended until the next regular meeting. Miller stated she had spoke with Humane Services in Rapid City. Item 11B Discussion on Pursuing contracted animal control services is pending. Motion by Matheny and seconded by Miller to table Item 11C Approve Floodplain Administrator and Liaison Appointment until the next regular meeting; vote: all aye, motion carried. Serviss will work on RFQ for Infrastructure Remediation Strategic Approach. Motion by Matheny and seconded by Kramer to approve purchase of new source meter for South Pump House not to exceed a cost of \$2,646.90; vote: all aye, motion carried. Motion by Kramer and seconded by Matheny to approve \$2,500.00 budget for gravel maintenance, as long as stored behind locked gate; vote: two aye and three nay, motion failed. Motion by Miller and seconded by Ferguson to approve budget of \$2,500.00 for gravel maintenance; vote: all aye, motion carried. The first reading of Ordinance 2.079 Appropriating Funds for the Fiscal Year 2027 was held. Item 11H Approve building inspector/code enforcement agreement is pending. Motion by Matheny and seconded by Kramer to pend Item 11I Approve welded tank maintenance agreement – USG Solutions, until the next regular meeting; vote: all aye, motion carried.

CLAIMS: Motion by Matheny and seconded by Kramer to approve payroll for August 31, 2026, and claims for September 8, 2026, as presented (does not include ATAC invoices totaling \$15,570, as they are being disputed); vote: all aye, motion carried.

VENDOR	REFERENCE	AMOUNT
A & B BUSINESS EQUIPMENT INC.	MONTHLY PRINTER/FAX FEE	\$ 581.15
ALL ASPECTS INC.	SURVEY WORK FOR WATER TANKS (BOT APPROVED 7-20-260	\$ 3,530.00
BANK WEST	MONTHLY PAYROLL ACH FEE/AP ACH FEE	\$ 40.00
BANK WEST CREDIT CARD SERVICES	WATER TANK PARTS-HOSE/FUEL TANK/ADAPTERS/PIPE-ADOBE/CANDY	\$ 1,605.91
BLACK HILLS ELECTRIC COOP	ELECTRIC UTILITIES - GENERAL/STREETS/WATER/SEWER	\$ 4,325.93
CONIFER CONSTRUCTION	REIMBURSE INTERNET SERVICE MONTHLY FEE JUNE/JULY/AUGUST	\$ 621.00
CONNIE LEIMER	TWO TRAPPED CATS -SPAY/NEUTER, REIMBURSE SAFETY VESTS	\$ 90.11
CUSTER COUNTY AUDITOR	COMBINED ELECTION COST SHARE	\$ 724.33
RURAL DEVELOPMENT LOAN 1	RD1 LOAN PRINCIPAL AND INTEREST	\$ 1,278.00
RURAL DEVELOPMENT LOAN 2	RD2 LOAN PRINCIPAL AND INTEREST	\$ 417.00
RURAL DEVELOPMENT LOAN 3	RD3 LOAN PRINCIPAL AND INTEREST	\$ 222.00
SD PUBLIC ASSURANCE ALLIANCE	ADDITION OF NORTH WATER TOWN TO TOWN PROPERTY INSURANCE	\$ 1,135.89

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USG WATER SOLUTIONS	WASHOUT 40,000 GROUND STORAGE AND 33,000 UNDERGROUND TANK	\$ 1,850.00
Accounts Payable Total		\$ 16,421.32
Payroll Related: Paid 08/31/2026		
	Legislative, Financial Administration, Govt Blds	\$ 4,069.23
	Promoting City/BBB	\$ 63.83
	Water	\$ 301.20
	Sewer	\$ 126.29
HEALTHY EQUITY	HSA	\$ 62.50
HEALTH POOL OF SOUTH DAKOTA	HSA Health Plan for Finance Officer	\$ 875.96
SOUTH DAKOTA RETIREMENT	SDRS	\$ 806.72
EFTPS-ELECTRONIC FEDERAL TAX	FED/FICA TAX	\$ 1,173.42
NATIONAL INSURANCE SERVICES	Life Insurance	\$ 10.00
Payroll Total		\$ 7,489.15
***** REPORT TOTAL *****		\$ 23,910.47

WATER DEPARTMENT REPORT: Interim Water Operator, Allan Sage, will replace meter at South Pump House and has taken the required samples. Strobe light on water tower is possibly a photo sensor issue.

SEWER DEPARTMENT REPORT: There are some inspections and sampling that needs to be done and Serviss will check with Allan Sage on getting those done.

STREET DEPARTMENT REPORT: Work was done on the potholes at the entrance of Corner Pantry and some on 2nd Street. Information was distributed about Department of Transportation Community Access Road Grant, which would need to be applied for by July of 2027. Ferguson thanked Matt Steen for pushing down the yard waste dumpsters.

LAW ENFORCEMENT: Custer County log was provided for August 2026.

ABATEMENTS/COMPLAINTS: One complaint about barking dogs was received. Owners are currently out of town.

ECONOMIC DEVELOPMENT: Matheny reported that The Sour is doing well and is currently open seven days a week.

FINANCE OFFICE: Cornelison informed the board that the Western Dakota Regional Water System Annual Meeting will be held October 21-22, 2026, and will forward information to all board members.

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CLOSING COMMENTS FROM THE PUBLIC: Dan Holsworth stated there are four or five properties that need to be mowed and inquired about inspection on taps made without inspections. Deb Holsworth reported the issue of discolored water at 315 Manning Street.

TRUSTEE INPUT: Kramer thanked everyone for holding down fort when she was ill. Ferguson stated it was a very disruptive meeting. Miller did not have a comment. Matheny thought it was a good meeting and lots of work done in the last three weeks. Serviss stated issues being resolved and growing pains will happen.

EXECUTIVE SESSION: Motion by Kramer and seconded by Matheny to enter Executive Session allowable by SDCL 1-23-2.3 Legal at 9:20 p.m.; vote: all aye, motion carried. Motion by Kramer and seconded by Miller to exit Executive Session at 9:32 p.m.; vote: all aye, motion carried. Motion by Matheny and seconded by Miller to approve town attorney to transfer settlement proposal to Preston Family attorney with a thirty day notice for reply; vote: all aye, motion carried.

ADJOURN: Motion by Miller and seconded by Kramer to adjourn at 9:33 p.m.; vote: all aye, motion carried.

Terri Cornelison
Finance Officer

Aaron Serviss
Town Board President

Published once at the approximate cost of _____.