

HERMOSA TOWN BOARD
TUESDAY, APRIL 28th, 2026
SPECIAL MEETING @ 5:30 p.m.
Draft Minutes



ROLL CALL: Koontz called the meeting to order on Tuesday, April 28th, 2026, at 5:30 p.m. Roll Call was held with Kramer, Ferguson, Koontz, Serviss and Matheny in attendance. Interested citizens, and Town Engineer Theodorou were also present. Pledge of Allegiance led by Koontz.

CALL FOR CHANGES: Motion by Koontz and seconded by Serviss to enter back into previous motion from April 21, 2026, meeting. Motion on the floor from previous meeting was to terminate access to town property and resources by Black Hills Recovery Network (motioned by Serviss and seconded by Ferguson). Motion by Serviss and seconded by Ferguson to amend motion upon reimbursement of town expenses for the March and April issue of the Hermosa Newsletter and under six months of review prior to printing, by the Board of Trustees, Black Hills Recovery Network may continue utilizing services as is by the town. Vote on amendment: two ayes, two nays and one abstain, motion failed. Vote on original motion; two ayes and three nays, motion failed.

CONSENT CALENDAR: Motion by Koontz and seconded by Kramer to recognize that most of the automatically postponed items from the last meeting have been added to this agenda and motioned to remove the following Items from postponement - Engineer C Approve baseline testing for FOG, Engineer D Approve application to DANR for expansion of WWTP discharge permit to include FOG limit, Engineer F Dismiss Anthony Theodorou from Office of Town Engineer; vote: three ayes and two nay, motion carried. Motion by Koontz and seconded by Kramer to amend current agenda to remove Item 5A Town/FEMA Updates Terminate access to town property and resources by Black Hills Recovery Network and add Item 6A Engineer's Letter to the Custer County Chronicle and change Item 6A to 6B Approve Invoice from King Brown Welding for mount transmission for WWTP - \$1,428.57, change Item 6B to 6C Approve amendments to ATAC contracts upon review by Wade Schutz, change Item 6C to 6D Approve purchase of manhole lid inserts and approve agenda as amended; vote: three aye and two nay, 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. There will be roll call voting for any agenda items that may have a conflict of interest.

LEGAL: Matheny will compose a letter that outlines the law for harassment of board members and office staff and present it to the board to review at the Work Session.

ENGINEER: Town Engineer Theodorou presented about a letter to the Custer County Chronicle regarding article that appeared in the paper last week. Theodorou spoke with Jason Ferguson and if mistakes are made there will be an acknowledgement published in the paper. Motion by Matheny and seconded by Kramer to approve invoice from King Brown Welding to mount transmission for WWTP in the amount of \$1,428.57; vote: three ayes and two abstain, motion carried. Motion by Matheny and seconded by Ferguson to table Item 6C Approve amendments to ATAC contracts upon review by Wade Schutz; vote: one aye and four nays, motion failed. Motion by Koontz and seconded by Kramer to remove Item 6C from the agenda; vote: all aye, motion carried. Motion by Koontz and seconded by Kramer to approve up to \$2,500 for the purchase of 10 manhole lid inserts; vote: all aye, motion carried.

PLANNING & ZONING: Motion by Koontz and seconded by Kramer to approve Digging/Grading Permit for parcel #009191- R. Weller; vote: all aye, motion carried. Motion by Matheny and seconded by Ferguson to approve dismissal of approved sign permit for Heartland RV as it located more than one mile from the town limits; vote: all aye, motion carried. Motion by Koontz and seconded by Matheny to approve setup of billing for Commercial, Out of Town, Sewer user for Mud Bog property; vote: one aye and four nays, motion failed. This item will be put on May 12, 2026, Work Session Agenda.

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BREAK: The board took a recess and reconvened at 7:05 p.m.

WATER/SEWER DEPARTMENTS: Theodorou reported that the contactor in the Battle Creek well pump controller has been replaced. The town opened sealed bids for the Hermosa Water Sources Upgrades – Part 1, Wells on Friday, April 24, 2026. There was one bid received from Keller Drilling in the amount of \$1,093,721.16. Theodorou reported he had gotten an estimate to repair the Vector Truck in the amount of \$6,500.00. Recently the alarm sounded at the 5th Street and Whitney Street lift station and when he investigated there was no alarm and it was pumped down. Motion by Matheny and seconded by Kramer to approve costs of six-month cleaning of Heartland Hair; vote: all nay, motion failed. Motion by Matheny and seconded by Ferguson to approve the replacement cost of the six remaining residential booster pumps at a cost of up to \$2,500.00 each; vote: all nay, motion failed. Motion by Kramer and seconded by Matheny to table until the second meeting in June 2026; vote: all aye, motion carried. Motion by Kramer and seconded by Serviss to approve removal/testing/use of chemicals; vote: all aye, motion carried. Motion by Matheny and seconded by Ferguson to approve Final Pay Application No. 6 for Conifer Construction in the amount of \$14,921.20. Motion amended by Serviss and seconded by Matheny to add contingent upon complete inspections for electrical, mechanical, safety and operator provide written warranty. Vote on amendment: all aye, motion carried. Vote on original motion: all aye, motion carried.

PUBLIC SERVICES DEPARTMENT: Koontz reported he is still in discussion with entities for assisting with street work. There are no reports of issues with any of the streetlights currently.

LAW ENFORCEMENT/ABATEMENTS/COMPLAINTS: Motion by Koontz and seconded by Matheny to approve amended Electricity License Agreement for Implementation and Camera Use with new location; vote: three aye, one nay and one abstain, motion carried.

ECONOMIC DEVELOPMENT: Discussion was held on the purpose of TIF 2 District. As Planning & Zoning Resolution No. 2026-01 has been referred to a vote on June 2, 2026, more discussion will follow after the election.

CLAIMS: Motion by Koontz and seconded by Matheny to approve Payroll for April 15, 2026, and claims for April 21, 2026, as presented; vote: all aye, motion carried.

Claims for approval 04-28-2026		
VENDOR	REFERENCE	AMOUNT
COPY COUNTY INC	DOOR KNOCKERS FOR FEMA MEETING - REIMBURSED W/ GRANT	\$ 291.00
CONIFER CONSTRUCTION	WWTP PAYMENT #5 *FINAL*	\$ 13,358.16
LAURA EICKHOFF	REIMBURSEMENT FOR MILAGE - METER READER	\$ 26.13
GOLDEN WEST	MONTHLY SERVICE FEE MARCH 2026	\$ 633.65
HAWKINS	WATER CHEMICALS/TESTING	\$ 657.05
KIEFFER SANITATION	MONTHLY SANITATION FEE MARCH 2026	\$ 4,242.81

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MT RUSHMORE TELEPHONE	PHONE/INTERNET - MARSHALL	\$ 9.45
MT RUSHMORE TELEPHONE	PHONE/INTERNET - MAIN LINE	\$ 137.13
MT RUSHMORE TELEPHONE	PHONE/INTERNET - FAX	\$ 57.57
MT RUSHMORE TELEPHONE	PHONE/INTERNET - SECOND LINE	\$ 67.26
MID CONTINENT	WATER /LAGOON TESTING	\$ 3,290.25
NELSONS OIL & GAS	TANK RENT	\$ 36.00
SOUTHERN HILLS LAW	ATTORNEY SEVICES MARCH 2026	\$ 2,475.00
SD 811	MESSAGE FEES/VOICE CHARGES MARCH 2026	\$ 40.32
USPS	PO BOX ANNUAL FEE 2026	\$ 126.00
SD DEPT OF REVENUE	HALF OF MALT BEVERAGE - TW BAR	\$ 150.00
SD DEPT OF REVENUE	HALF OF MALT BEVERAGE - POPS	\$ 150.00
Accounts Payable Total		\$ 25,747.78
Payroll related		
Total Paid On: 4/15/2026		
	Legislative, Financial Administration, Govt Blds	\$ 2,347.66
	Water	\$ 324.70
	Sewer	\$ 194.82
	Promoting City/BBB	\$ 88.98
HEALTHY EQUITY	HSA ADMIN FEE	\$ 64.75
EFTPS-ELECTRONIC FEDERAL TAX	FED/FICA TAX-CORRECTION TO BANK REC	\$ 749.56
Payroll Total		\$ 3,770.47
***** REPORT TOTAL *****		\$ 29,518.25

FINANCE OFFICE: Monthly financial reports were provided in the meeting packet. Cornelison informed the board she had checked with the South Dakota Department of Revenue on the possibility of implementing a seasonal sales tax as requested by the board. Per SDCL 10-52-9, Municipal sales and use tax rate changes can

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only be effective on January 1st or July 1st, which does not align with the tourist season. The board acknowledged the Annual Report for 2025 as presented. Motion by Koontz and seconded by Kramer to approve registration fee for Finance Officer and Administrative Assistant to attend Budget Training in Rapid City on June 17, 2026, with an \$80.00 registration cost and approve closure of town office from 9:00 a.m. to 3:00 p.m. to allow staff to attend; vote: all aye, motion carried. Motion by Koontz and seconded by Matheny to approve the re-hire of Vonda Belt for Town Office Cleaner position at a rate of \$17.00 per hour effective April 29, 2026; vote: all aye, motion carried.

OLD BUSINESS: Motion by Matheny to approve town logo budget from BBB Funds in the amount of \$900.00. Motion failed for a lack of a second.

NEW BUSINESS: Motion by Serviss and seconded by Ferguson to waive the vaccination requirement for pets belonging to B. Morelli; vote: four aye and one abstain, motion carried. The first reading of 2.078A – Supplemental 2026 Appropriations Ordinance was held. Discussion was held on barking dog complaints received in the office. Kramer and Ferguson will draft letters to be sent to owners, and board will review at the next regular meeting. Motion by Koontz and seconded by Kramer to approve the 2026-2027 Retail (on-off sale) Malt Beverage & SD Farm Wine renewal applications for Corner Pantry Travel Center – License #RB-2776, Pop's Grocery – License #RB-25133 and TW Bar – License #RB-31029; vote: four aye and one abstain, motion carried. Motion by Serviss and seconded by Ferguson to approve a budget of \$800.00 from the BBB Funds for costs associated with flowerpots around the town (with receipts being submitted to the town office); vote: all aye, motion carried. Motion by Koontz and seconded by Matheny to table Item 15F Review updated water and sewer resolutions until the next regular meeting; vote: all aye, motion carried.

ITEMS FROM CONSTITUENTS: Deb Anderson questioned Kramer about a possible conflict of interest. Connie Leimer stated there is work that needs to be done with sewer issues on 3rd Street and Manning Street. Dan Holsworth reminded all why the DWSRF loan is important for the independence of Hermosa, DCI cameras have benefited other communities and TIF is a good thing for the town. Shelly Martin noted BOT minutes are published in the Custer County Chronicle.

TRUSTEE INPUT: Ferguson asked about a citizen having two companion dogs and if they need to be licensed. Koontz apologized for his involvement in what happened at last week's meeting and letters he submitted and were published in the Hermosa Newsletter. Matheny stated she appreciated the board doing a more standardized business agenda and believes the animal ordinance needs to be updated. Serviss noted the Open Meetings Commission is looking at legislation to require public comment be required at the beginning of a meeting. He also appreciated Koontz's apology and warned of speaking about other people in a meeting without that person being able to respond. Kramer thanked the public for attending and is looking forward to the Work Session discussion.

EXECUTIVE SESSION: No Executive Session was held.

ADJOURN: Motion made by Koontz and seconded by Matheny to adjourn meeting at 8:43 p.m., vote: all aye, motion carried.

ATTEST:

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Terri Cornelison
Finance Officer

Kelburn Koontz
Town Board President

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