

**HERMOSA TOWN BOARD
TUESDAY, AUGUST 1ST, 2023
REGULAR MEETING @ 6.00pm**

- 1) **ROLL CALL:**
 - A. BOT Roll Call: Styles, Henrichsen, Ferguson, Kramer, Holsworth
 - B. Acknowledgement of other Attendees
 - C. Pledge of Allegiance to be led by Styles

- 2) **CALL FOR CHANGES:**
 - A. Review of current agenda items
 - B. Motion to accept the agenda as presented/amended

- 3) **SPECIAL ITEMS:**
 - A. Gail Boddicker – Oath of Office
 - B. Meeting Protocol
 - C. Adopt a special rule of order

- 4) **CONSENT CALENDAR:**
 - A. Approval of the July 18th, 2023, Regular meeting minutes

- 5) **CONFLICT OF INTEREST DECLARATION**

- 6) **CLAIMS:**
 - A. Review payroll and claims
 - B. Motion to approve the claims as presented/amended

- 7) **LAW ENFORCEMENT/ ABATEMENTS/COMPLAINTS:**
 - A. Committee report
 - B. Custer County Log
 - C. Abatements
Properties, Dumpster

- 8) **LEGAL:**
 - A. Engineer expense reimbursement.

- 9) **ENGINEER:**
 - A. Water Rehab Project (WRT System)
 - B. Hermosa Sidewalk Project
 - C. Sewer Project (Lagoon design & expansion)
 - D. Water/Sewer Facility Plans - pending
Resolution(s) review
DANR Award
Bruels Email
 - E. Black Hills Council of Local Governments - pending
 - F. Town of Hermosa Water and Sewer Extension Project – pending
 - G. Hermosa Hills Drainage
Town accept Walter Street-pending
 - H. Whitney Street Drainage – pending for monitoring
 - I. Facility Plan for Booster
Possibly to add to USDA-pending
 - J. Rural Development
Application pending

- 10) **PLANNING & ZONING**
 - A. Permit 2022-25 - REVISED- Digging/ROW-Sewer Connection- Parcels 009318 & 009319
 - B. 2023-06 – Commercial Remodeling Permit Application – 250 Main St. – Storage Loft – pending

- 11) **PUBLIC WORKS**
- A. Committee Report
 - B. Streets, Street Light Repairs, Water & Sewer Department Updates
Trustee report on town lighting needs
 - C. Agreement for performance of services of public works and town maintenance
 - D. Chuck Irvine training expenses
 - E. Walter street maintenance – add gravel
 - F. “No Parking” street sign repair on Ferguson St.
- 12) **FINANCE OFFICE:**
- A. Monthly financials.
 - B. Department updates
 - C. Grant research
 - D. 2024 Budget
 - E. Safe for Town office
 - F. Discussion of signature card
 - G. Flexible work hours for Jill Dybvig
- 13) **OLD BUSINESS:**
- A. Annexation: Voluntary Annexation
 - B. Town Sign, pending
 - C. Town Office: Deck Staining, pending
 - D. Library: Deck Staining, pending
 - E. Hermosa Connects
 - F. Law enforcement contract
 - G. Sidewalk extension. – from Ingalls Blvd
 - H. Chicken ordinance - Backyard hen permit application form and fees
- 14) **NEW BUSINESS:**
- A. SBHW presentation – pending – Mid to late August
 - B. Contractors Licensing Ordinance – Chapter 112 – Review 112.03 - Requirement and Obligations
 - C. Letter of support for the new library building
 - D. Chapter 91: Public Nuisances
 - E. Water meters – 2024 budget
 - F. Change speed limit on Whitney street from 15 to 25mph
 - G. Detailing and servicing the newer patrol car and verifying the tires are not older than 5 years DOT date.
- 15) **ITEMS FROM CITIZENS:** No action will be taken by the board on any issue related without being first placed on a future agenda, by the board, to allow for proper notice. (Reserved time for public comment is 15 minutes). Meetings of the Board of Trustees are open to the public. The audience will be allowed to comment on specific agenda items during the time allotted on the agenda for those items, according to established procedures of the Board. This is a time for members of the public (citizens, business owners, and those living within one mile of the town limits) to express concerns or discuss issues having relevance to the town. Anyone wishing to address the Town Board during this time shall be asked to stand and identify themselves after being recognized by the Board President.
- 16) **TRUSTEE INPUT:**
- 17) **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
- 18) **ADJOURN:** Motion by _____; Second by _____ to adjourn the meeting at _____ PM.

4 A.

**HERMOSA TOWN BOARD
TUESDAY, JULY 18, 2023
REGULAR MEETING @ 6.00pm**

ROLL CALL: Styles called the meeting to order on Tuesday, July 18th at 6.01 pm with the following members present: Styles, Henrichsen (absent), Ferguson, Kramer, Holsworth. Also present: Chuck Ferguson, Leah Berg, Elmer Claycomb and citizens. Pledge of Allegiance led by Jerald Styles.

CALL FOR CHANGES: Motion made, seconded to approve agenda as presented; Vote: Unanimous, motion carried.

SPECIAL ITEMS: Meeting protocol, that addresses some of the issues during BOT meetings, presented by Jerald Styles. Motion made by Ferguson to adopt a special rule of order to limit the time for each speech by the BOT member to 3 minutes, no second, motion failed. 10 Minute BOT member speech time per "Robert's Rules of Order" stays in effect.

CONSENT CALENDAR: Motion made by Ferguson, seconded by Holsworth to approve July 5th, 2023 BOT regular meeting minutes; Vote: Unanimous, motion carried.

CONFLICT OF INTEREST DECLARATION: None

CLAIMS ACES Engineering INC: Permit review 2023-17 \$215.00; Ardvard Pest Control Pest control-Town office \$212.39; Golden West Technologies: Monthly service-July23 \$563.50; Midcontinent testing lab. Inc: Water testing 2nd Qtr.2023 \$5,117.00; Mt. Rushmore telephone: Phone/Internet/Fax \$257.44; Pioneer Bank and Trust: Stamps/Flowers \$434.87; Bank Charge for 2 signature acct. \$25.00; Rural Development: RD1 loan-July interest/principal \$1,278.00; RD2 loan-July interest/principal \$417.00; RD3 loan-July interest/principal \$222.00; Sanders Sanitation: Monthly sanitation service 06/23 \$4,406.41; SD Department of Revenue: Sales tax May/June 2023 \$576.95; Half of the Malt bev. fee \$75.00; SDARWS: Annual Dues, Class C Member \$385.00; South Dakota Public Assurance: Annual Insurance 2023-2024 \$14,909.25; Southern Hills Publishing: Publishing/Legal 06/23 \$262.50. Accounts Payable Total \$29,357.31. Payroll Paid On 7/14/23: Financial administration \$1,934.57, Water \$259.15, Sewer \$155.49, Promoting City/ BBB \$51.82, EFTPS-Electronic Federal Tax FED/FICA TAX \$606.20, Payroll related Total: \$3,007.23. TOTAL FUNDS: \$32,364.54: General \$18,967.05, BBB Gross receipts tax \$67.76, Water \$5,193.91, Sewer \$8,135.82 . Motion made by Holsworth, seconded by Ferguson to approve the claims list except Pioneer Bank & Trust Credit card payment of \$105.34, which to be reimbursed to the Town; Vote: Unanimous, motion carried.

LAW ENFORCEMENT/ ABATEMENTS/COMPLAINTS: Second interview was done for the law enforcement applicant, background check process – pending. Custer County log provided in the packet. Courtesy calls for abatements are being made by Donna Ferguson, records provided to the BOT members.

LEGAL: Engineer expense reimbursement – pending.

ENGINEER: Water Rehab Project (WRT System)- pending resubmittal. Hermosa sidewalk project – in progress. Sewer project (Lagoon design & expansion): pending SD DANR response after the comments were addressed by ACES on July 5th, 2023. Water/Sewer Facility Plans and Black Hills Council of Local Governments-pending. Town of Hermosa water and sewer extension project-last letter not approving the designs received on May 24th, 2023. Discussion held between Leah Berg (ACES engineering), Elmer Claycomb and BOT. Motion made by Holsworth, seconded by Kramer to allow ACES engineering to resubmit the plans back to SD DANR using the Sioux Falls standards with the insulation and the details that were in the previous plans, drawings and specifications will show 6" of cover; Vote: Unanimous, motion carried. Hermosa Hills drainage-pending repairs. Whitney street drainage- continued monitoring the situation. Facility plans for booster, water meters-motion made by Holsworth, seconded by Ferguson to have the water meter update added to the 2024 budget; Vote: Unanimous, motion carried. Motion made, seconded to move water meters from section 9) Engineer to section 14) New business; Vote: Unanimous, motion carried. Rural development - pending.

PLANNING & ZONING: Permit 2022-25-Digging/Row– pending. Permit 2023-06–commercial remodeling permit application – pending. Motion made by Holsworth, seconded by Kramer to do the inspection for the storage loft permit#2023-06 by Chuck Ferguson and report to the BOT; Vote: 3 Ayes, 1 abstained by Ferguson, motion carried. Motion made by Ferguson, seconded by Holsworth to approve Permit #2023-19 to work in Right of Way-315 Main street; Vote: Unanimous, motion carried. Motion made, seconded to remove item D) Permit #2023-19 from the agenda; Vote: Unanimous, motion carried.

PUBLIC WORKS: Streets, streetlights, water, sewer update report by Chuck Ferguson. Quarterly reports submitted. Lagoon issues addressed. Lagoon expansion project is pending, no additional actions will be taken in the meantime. Lagoon testing done for high Ammonia levels and results received. Motion made by Holsworth, seconded by Ferguson to request ACES engineering to send all the sewer test results to Tina McFarling SD DANR; Vote: Unanimous, motion carried. Walter street maintenance – motion made by Kramer, seconded by Ferguson to have G.J. Holsworth & Son Inc. add/spread gravel at Dollar General approach to radius of Walter street: cost of \$390.00 will include wheel pack after grade, re-grade, final pack and grade; Vote: 3 Ayes, 1 abstained by Holsworth,

motion carried. Motion made by Ferguson, seconded by Kramer to table other maintenance costs with D.J. Holsworth & Son Inc., do more research, perform site visits to have a better idea of what needs to be done; Vote: 3 Ayes, 1 abstained by Holsworth, motion carried. Public works agreement – pending. Training expenses-none. Public works will repair “No Parking” street sign on Ferguson street.

FINANCE OFFICE: Monthly financials – presented in the packet. Department updates: Mosquito grant contract signed, the town will receive \$1299.00 grant for mosquito control expenses. Grant research – ongoing process. 2024 Budget – the board will meet on August 16th, 17th and 18th, 2023 to work on the budget. Microphone research – will be added to the 2024 budget. 1 applicant was interviewed for Finance Officer’s position. Motion made by Ferguson, seconded by Holsworth to hire Gail Boddicker as a temporary full-time finance officer for the Town of Hermosa; Vote: Unanimous, motion carried. Motion made, seconded to remove items E. Microphone research and F. Town office personnel from the agenda; Vote: Unanimous, motion carried.

OLD BUSINESS: Voluntary annexation – pending. Town Sign- pending. Town Office and Library deck Staining-pending. Hermosa connects- Information about Hermosa Connects group and upcoming events can be found at www.hermosaconnects.com website as well as Facebook page. Law enforcement contract with Custer County-signed and submitted. Sidewalk extension-from Ingalls Blvd – pending, approximate project year 2028. Chicken ordinance pending.

NEW BUSINESS: Southern Black Hills Water (SBHW) presentation-pending. Motion made by Holsworth, seconded by Kramer to officially invite only SBHW representatives for the presentation and not the state until after; Vote: Unanimous, motion carried. Contractors licensing ordinance – pending. Motion made, seconded to send a letter of support for the library presented in the packet to the Custer County Commissioners; Vote: Unanimous, motion carried. Public nuisances – calls for abatements can be made before sending the official abatement letter to the residents.

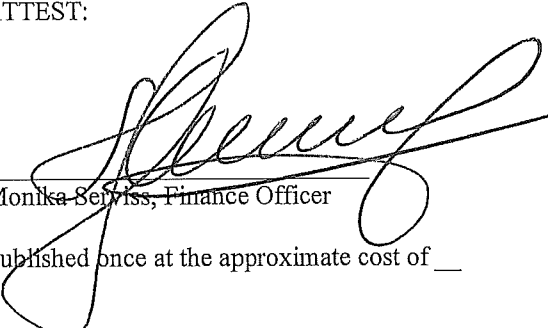
ITEMS FROM CITIZENS: None.

TRUSTEE INPUT: Thank you for a good meeting.

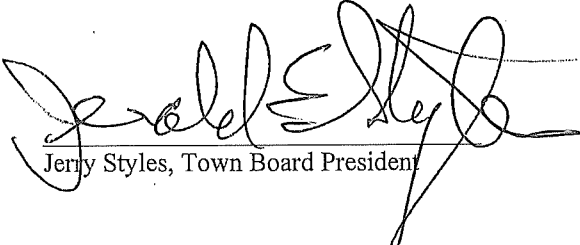
EXECUTIVE SESSION: None

ADJOURN: Motion made, seconded to adjourn the meeting at 8:57pm; Vote: Unanimous, motion carried.

ATTEST:



Monika Seiwiss, Finance Officer



Jerry Styles, Town Board President

Published once at the approximate cost of _

6 A.

Claims for approval 08-01-2023

| VENDOR | REFERENCE | AMOUNT |
|---------------------------------------|--|---------------------|
| BLACK HILLS ELECTRIC COOP.,Inc | Utilities Electric 07/2023 | \$ 2,745.54 |
| CHUCK FERGUSON | Monthly agreement 07/2023, Reimb(Gloves), Inspections, Ferguson subdivision - pull pump, push dumpster | \$ 2,989.84 |
| Custer County Auditor | Wages, travel | \$ 693.37 |
| CUSTER COUNTY SHERIFF | Law enforcement contract | \$ 8,666.67 |
| DANR | Water treatment exam 08/31/23 | \$ 60.00 |
| Door Security Products Inc. | Change passwords on cameras | \$ 133.93 |
| GOLDEN WEST TECHNOLOGIES | IT support, Styles email | \$ 175.00 |
| Harvey's Lock & Security | Walk through for new keys | \$ 102.00 |
| HAWKINS, Inc. | Water treatment chemicals, degreaser | \$ 755.84 |
| Jill Dybvig | Milage-Training-GIS | \$ 70.56 |
| Johnson Law office | T/C with Monika and BOT meeting | \$ 389.50 |
| METERING &TECHNOLOGY solutions | Meters and parts | \$ 35.00 |
| Midwest Assistance Program | Annual contract 2023-2024 | \$ 485.00 |
| RURAL DEVELOPMENT | RD1 loan-August Interest/Principal | \$ 1,278.00 |
| | RD2 loan-August Interest/Principal | \$ 417.00 |
| | RD3 loan-August Interest/Principal | \$ 222.00 |
| SOUTH DAKOTA 811 | Message fees/voice out 06/2023 | \$ 221.76 |
| US BANK | SRF August Interest/Principal | \$ 1,493.23 |
| | Accounts Payable Total | \$ 20,934.24 |
| Payroll Total Paid On: 7/28/23 | Legislative | \$ 591.27 |
| | Financial administration | \$ 1,878.17 |
| | Gen. Gov't buidings | \$ 121.21 |
| | Water | \$ 372.53 |
| | Sewer | \$ 157.94 |
| | Promoting City/ BBB | \$ 52.64 |
| EFTPS-Electronic Federal Tax | FED/FICA TAX | \$ 802.40 |
| HEALTH POOL OF SOUTH DAKOTA | Admin single health 08/23 | \$ 917.87 |
| SOUTH DAKOTA RETIREMENT SYSTEM | SDRS | \$ 704.86 |
| | Payroll Total | \$ 5,598.89 |
| UB Deposit Refund | WATER | 402.96 |
| | Refund Checks Total | 402.96 |
| ***** REPORT TOTAL ***** | | 26,936.09 |
| GENERAL | | 16,764.07 |
| BBB GROSS RECIPITS TAX | | 68.83 |
| WATER | | 7,591.41 |
| SEWER | | 2,511.78 |

9 B.

From: Noem, Jay
Sent: Thursday, July 20, 2023 12:39 PM
To: Monika Serviss; Kathy Styles
Cc: Noem, Jay; communicationscenter@custercountysd.com; Wicks, Tim
Subject: 07RK - Sidewalk Replacement Update

Good morning.

Quick update for the Hermosa Sidewalk project.

The concrete is poured between 3rd and 4th St. outside of the double arch pipe and sidewalk at the intersection of 3rd and Vilas. This will be complete as soon as the pipe order comes in. TruForm will be backfilling and preparing for Erosion Control up until next Tuesday, July 25th.

Wednesday the 26th we will move traffic control between 2nd and 3rd St. and do it all over again. We are anticipating 2 weeks for the second stretch also.

Please give a call if you have any questions.

Thank you,



JAY NOEM
PROJECT MANAGER
SOUTH DAKOTA DEPARTMENT OF
TRANSPORTATION
CUSTER AREA DOT
PO Box 431
CUSTER, SD 57730
O: 605-673-4948 | C: 605-440-1220
DOT.SD.GOV

From: chris.garrigan@truformconstruction.com <chris.garrigan@truformconstruction.com>
Sent: Thursday, July 20, 2023 11:38 AM
To: 'Tim Birmeier' <tim.birmeier@truformconstruction.com>; Noem, Jay <Jay.Noem@state.sd.us>; 'JD Wetsit' <jwetsit@trafficservicescompany.com>; 'Corey Dillavou' <cdillavou@trafficservicescompany.com>; 'mikethreesons' <mikethreesons@aol.com>; gabepalmer89@gmail.com
Subject: [EXT] PCN 07RK Shared Use Path

All,

PCN 07RK - Hermosa Shared Use Path

Reference Agreement #717147

| | | | |
|---|---|-------------------------------------|----------------------------|
| Total Project Estimated Amount (per Background item 3 of the agreement) | | | |
| | \$189,795.00 | | |
| | TAP Funds (per I.M of Agreement) | \$152,455.00 | |
| | City Funds: includes 19.68% City Match on federal eligible items per I.M of Agreement) | \$37,340.00 | |
| Pre-Bid Opening | | | |
| State's Original Construction Estimate (Federal Eligible Costs) | \$142,260.56 | TAP Funds (80.32%) | City Funds (19.68%) |
| Construction Estimate per Agreement (Exhibit A) | \$141,100.00 | \$113,331.52 | \$27,768.48 |
| Difference | \$1,160.56 | City agreed to fund this difference | |
| <i>Per Part 1.H of the Agreement: Plans must either be revised to reduce construction costs, or the City must agree to fund the difference</i> | | | |
| Note - per Part 1.K of the Agreement, If the low bid received is over the State Construcion Est (Federal Eligible Costs), the exceeding amount will be eligible for TAP Funding at a rate of 80.32% with a 19.68% City Match. | | | |
| Low Bid (1/11/2023) | \$198,013.50 | TAP Funds (80.32%) | City Funds (19.68%) |
| Amount Over State's Original Construction Estimate (\$198,013.50 - \$142,260.56) | \$55,752.94 | \$44,780.76 | \$10,972.18 |
| City's Total Infrastructure Contribution (\$27,768.48 + \$1,160.56 + \$10,972.18) | \$39,901.22 | | |
| Current Anticipated Project Funding Breakdown based on latest estimates and cost incurred (considering City is willing to fund the Difference mentioned above) | | | |
| | TAP Funds | City Funds | Total |
| Preliminary Engineering | \$22,363.25 | \$5,479.44 | \$27,842.69 |
| Construction Costs (Low Bid) | \$158,112.28 | \$39,901.22 | \$198,013.50 |
| Construction Engineering | \$10,521.92 | \$2,578.08 | \$13,100.00 |
| Non-Infrastructure (Bikes, etc.) | \$0.00 | \$2,145.15 | \$2,145.15 |
| TOTALS = | \$190,997.45 | \$50,103.89 | \$241,101.34 |

9c.

From: Leah Berg
Sent: Friday, July 28, 2023 10:42 AM
To: Monika Serviss
Cc: dfinch@proacesinc.com; Michael Towey
Subject: Re: Town of Hermosa - Information

All,









We have compiled all of the documents related to the Lagoon Expansion project. We have put them in a DropBox Folder you can access with the link below:

<https://www.dropbox.com/scl/fo/ar5usul79qb4oj0mzwmac/h?rlkey=1gk0hp9k48d5vi7z4eimixc5v&dl=0>

We also put together a timeline, that is in the folder but I will attach because it might be a good starting point to see how the project evolved referencing BOT action etc.

Mike - I would be happy to visit with you anytime to summarize the project or go over anything, just let me know.

Here is a view of the folders within the DropBox Folder and the documents otherwise included:

-  2-2-23 to SD DANR Stamped-Signed - 1st Submission
-  3-30-23 REV to SDDANR - 2nd Submission
-  6-6-23 REV to SDDANR - 3rd Submission
-  7-5-2023 REV to SDDANR - 4th Submission
-  Archeological Study_QualityServices
-  DANR Responses
-  IXOM_Craig Steve_Solar Bees
-  MNX & Triplepoint

0_Lagoon Project Timeline Layout.pdf
01_12_23 Meeting and Cost Estimate.pdf
12_22_2022 - Work Session Minutes.pdf
Best Management Practice Plan.pdf
CMOM_Hermosa.pdf
Current Lagoon & IE Design.pdf
FW_Hermosa - PDF of letter and Settlement Agreement attached.msg
Hermosa Lagoon Expansion Layout 12-20-22.pdf
Hermosa Sewer Map for testing.pdf
Hermosa-Settlement Agreement_Modified_Sept.pdf
NPDES Compliance Inspection Manual - DMR - EPA 3320-1.pdf
Pace - CCTV Inspection.pdf
Request for Extension.pdf
Request for Lagoon Information.pdf
Short Form Agreement Between O & E 12-6-22 Lagoon Expansion.pdf
Sludge Test.pdf
Soil Calcs.pdf

Thank you,

Leah Berg, P.E.
Civil Engineer / President

ACES
Affordably Creative Engineering Services, Inc.
324 St. Joseph St, Suite 200
Rapid City, SD 57701
Phone 605-716-4646
Cell 605-545-1120
L.Berg@proacesinc.com

On Fri, Jul 21, 2023 at 12:18 PM Monika Serviss <monika@hermosasd.com> wrote:

Hi Leah and Daniel,

06-01-2021

Motion was made by Holsworth, seconded, to allow ACES Engineering, to pursue the WRT System; vote; Flug, aye; Henrichsen, abstained, Holsworth, aye; King, aye; Schumack, aye; motion carried.

Motion by Holsworth, second by Flug, to request ACES to put together the proposal to submit the WRT Facilities Plan through Bill Lass, Black Hills Council of Local Government, to be submitted to DANR; vote; Flug, aye, Henrichsen, nay; Holsworth, aye; King, aye; Schumack, aye; motion carried.

Motion by Holsworth, second by Flug, to request ACES to provide the town with a proposal for the lagoon facilities plan to be submitted to the Black Hills Local Council of Government; vote; Flug; vote; Henrichsen, nay; Flug, aye, Holsworth, aye, King, aye, Schumack, aye, motion carried.

Motion by Holsworth, second by Flug, to request Interstate Engineering, Renner Associates and ACES to bid the addition of the lagoon cell to the existing lagoon system; vote; Flug, aye; Henrichsen, nay; Holsworth, aye; King, aye; Schumack, aye; motion carried.

Holsworth will prepare the bid document.

Moton by Holsworth, second by Flug, to request Interstate Engineering, Renner, and ACES engineering firms to bid the Sewer Facilities Plan to go to Black Hills Council of Local Governments to be submitted to the state; vote; Flug, aye, Henrichsen, nay; Holsworth, aye; King, aye; Schumack, aye; motion carried.

Motion by Holsworth, second by Schumack, to accept the contract by ACES Engineering to begin design on the Preston Family Development Water/Sewer Extension project; vote; Flug, aye; Henrichsen, nay; Holsworth, aye; King, aye; Schumack, aye; motion carried.

06-15-2021

Neugebauer's are requesting the town install a permanent suction pipe in the lagoon. Ferguson researching for the correct product to use.

11-16-2021

Sewer Project (Lagoon expansion): pending until funding with Custer County has been resolved.

Town of Hermosa Water and Sewer Extension Project:

Discussion with Preston to request they expedite the review and return of the contract agreement between Preston Family and Town of Hermosa.

Motion made and seconded to approve Berg to submit application for funding for: New Well, WRT System, Lagoon Expansion, and Gumbo Lily Additions to include a \$17 surcharge; vote; all aye, motion carried.

01-18-2022

Lagoon:

pumped and land applied the lagoon with approval from SD DANR. Ferguson to schedule company to camera and jet the sewer lines; Ferguson concerned there may be infiltration in the lagoon as it is filling too quickly.

02-15-2022

PUBLIC HEARING:

The Purpose of the Public Hearing is a requirement of the funding applications that were submitted to DANR for the:
"Sanitary/Storm Sewer Facilities Funding Application" - Wastewater Lagoon Expansion, Gumbo Lily Addition Improvements Project(s).

Need for the Project: The lagoons need improvement done to the collection treatment. Also, there is an area adjacent to the town that are on septic systems and the plan is to put them on town collection system.

All Alternatives Evaluated and Costs for Each: No Action: Is not reasonable for no action.

Regionalization: This is not an option as there are no other sewer treatment facilities in the area.

Lagoon Expansion Project: Evaluated with cost: \$680,277.00.

Sequencing Batch Reactor (SBR) Wastewater Treatment Plant: with cost: \$2,794,143.00.

Relocation of the existing treatment facility: with a cost of \$655,000.

Gumbo Lily with cost of \$469,200.

All options looked at for possible expansion that the town could evaluate. The following alternatives selected and proposed for the funding application are:

- Lagoon Expansion Project
- Gumbo Lily would extend the sewer collection system

Proposed Financing for the Project: The funding application submitted to DANR is called a, "Sanitary/Storm Sewer Facilities Funding Application". DANR may fund these projects from one of two primary sources: the Clean Water State Revolving Loan Fund (or SRF) Program and/or the Consolidated Water Facilities Construction Program. It is also possible the DANR will have extra grant or principal forgiveness available if the

department receives additional American Rescue Plan Act funds if the legislature allocates funds in 2022. This has not yet occurred during the legislative session.

Amount of Loan to be Borrowed for Project: Total cost of the project is \$1,150,000.00 with \$76,000 local ARPA earmarked for the project. The requested amount to DANR is \$1,074,000.00. The town should always assume the funds will be 100% loan, make plans based on all loan.

Revenue Source Pledged for Loan Repayment: Town will use a sewer surcharge. The surcharge will be used to pay off the loan.

Interest Rate and Term of the Loan: 2.125% for 30 years.

Effect of the Proposed Financing on User Rates: The approximate per-account monthly surcharge resulting from the financing and based on 100% loan plus a 10% debt reserve requirement is (based on approximate information):

\$4,037.18/month debt service + \$403.72/month debt service reserve = \$4,440.90 Total.
\$4440.90 divided by 226 accounts = \$19.65/month approximate surcharge.

Holsworth called for Public Comments/Questions.

Ferguson to install the motor in the booster. Ferguson reported he is monitoring the lagoon and it is holding containment. The town will proceed with hiring a company to camera and jet the town's lines and we will then be able to review the condition of the infrastructure.

03-15-2022

Sewer: Ferguson reported company is in town jetting and camera-ing sewer lines. No major infiltration to lagoon was detected.

04-05-2022

Sewer: lagoon level has exponentially dropped. Ferguson reported the town is in compliance with DANR. Ferguson reported the results of the recent camera-ing and jetting indicate there is little to no infiltration in the lagoon.

Sewer Project/Lagoon Expansion: Previously, Hermosa was awarded a grant of \$76,000, those funds were matched to provide Local ARPA Contribution of \$76,000 and a State ARPA Grant of \$299,400.

04-19-2022

The lagoon test results depict erratic E-Coli results. Motion made and seconded to approve Ferguson to purchase a lagoon treatment to bring down the E-Coli; vote; all ayes, motion carried.

Motion made and seconded to approve the PACE contract; vote; all ayes, motion carried.

07-05-2022

Lagoon is in good shape with no concerns about overflow at this time. Per Chuck Ferguson.

08-02-2022

Sewer Project (Lagoon expansion): motion made and seconded to sign, "Wastewater Lagoon Expansion & Gumbo Lily Lane Addition Improvements" agreement with DANR; vote; four, ayes, one nay; motion carried.

09-20-2022

Sewer Project: motion made and seconded to direct the town board president to execute an agreement with ACES to complete the final design plan for the lagoon expansion and that the same be submitted to DANR by the town engineer; vote; one nay; three ayes, motion carried.

Citizen requested to review the bid submittals for the design of the lagoon expansion project. In addition, citizens requested the town follow processes as citizens are required to follow when submitting project plans.

10-04-2022

Ferguson reported the lagoon will need to be pumped prior to November 1; Holsworth requested Ferguson to perform the test on the lagoon prior to pumping.

11-01-2022

Ferguson: lagoon pumping is completed.

Ferguson to complete the DANR required reports. Discussion regarding the DANR Notice of Violation/Penalty. Ferguson said he must have a trustee and representative from the finance office in attendance when he speaks with DANR or other government officials and he must adhere to requirements in the Capacity, Management, Operation, and Maintenance (CMOM) Program.

Per the Settlement Agreement with DANR, a motion was made and seconded, the town will not apply the DANR penalties to Ferguson for Hermosa's Noncompliance with its Surface Water Discharge Permit, a letter of reprimand to Ferguson will be placed in his file, he must not have any conversations with DANR, SDARWS or other government officials without a department chair, other trustee and finance officer or finance office employee in attendance or a letter of reprimand will be sent with a possible fine and/or termination of his position with the Town of Hermosa; vote; all ayes, motion carried

11-17-2022

Sewer Project (Lagoon expansion) – pending, Ferguson been answering questions to the engineer. The sludge test was done and documented and sent to ACES. Engineer needs to finish the facility/expansion plan to be approved and then move to the bid stage.

12-06-2022

Sewer Project (Lagoon design & expansion)-updated pricing provided by ACES for the original and the alternative/recommended designs. Motion made, seconded to move forward with the alternative/recommended design and allow ACES to complete the design; Vote: 2_ayes, 1 nay, motion carried.

01-31-2023

1st Submission

Project Manual with Plans, Design Narrative, and Transmittal Form submitted to SDDANR via SharePoint, web link included. Verified with Kyle Doerr email (DANR).

02-01-2023

Drew Huisken (DANR) reached out to inform ACES the plans submitted lack a stamp and signature.

02-02-2023

Stamp and Signed Plans have been submitted to SDDANR via SharePoint, web link included. Comments arrived 02/28/23

03-30-2023

2nd Submission to DANR with applied updates and recommendations
Comments arrived 04/14/2023

06-06-2023

3rd Submission to DANR with applied updates and recommendations
Sewer Map prepared for testing locations to detect high ammonia deposit location
Comments arrived 06/23/2023

07-05-2023

4th Submission to DANR with applied updates and recommendations

9 F.

From: lberg@proacesinc.com
Sent: Tuesday, July 25, 2023 1:01 PM
To: Monika Serviss; 'Elmer Claycomb'; Jerry Styles
Cc: dfinch@proacesinc.com
Subject: RE: Hermosa Water and Sewer Extension | Response letter FOR APPROVAL

Hi Monika,

We did not get an email from Elmer so we gave him a call yesterday and he said he had seen the revised version of the response and he thought it could be submitted to the State.

We submitted it to SDDANR today and are waiting for them to acknowledge the receipt of the response.

Thank you,
Leah M. Berg, P.E.
Civil Engineer / President

ACES
AFFORDABLY CREATIVE ENGINEERING SERVICES

Affordably Creative Engineering Services, Inc
324 St. Joseph St, Suite 200
Rapid City, SD 57701
Fax 605-716-1144
Phone 605-716-4646
Cell 605-545-1120
L.Berg@proacesinc.com

From: Monika Serviss <monika@hermosasd.com>
Sent: Tuesday, July 25, 2023 12:40 PM
To: lberg@proacesinc.com; 'Elmer Claycomb' <elclaycomb@gmail.com>; Jerry Styles <styles@hermosasd.com>
Cc: dfinch@proacesinc.com
Subject: RE: Hermosa Water and Sewer Extension | Response letter FOR APPROVAL

Hi Leah,
Did the Water/Sewer got resubmitted? Or waiting on Elmer's response?

Thank you,

Monika Serviss
Finance Officer
Town of Hermosa
605-255-4291

MEMORANDUM

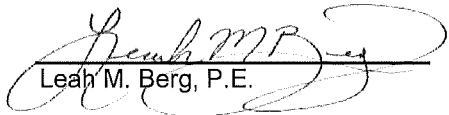
PROJECT: Town of Hermosa Water and Sewer Extension
LOCATION: Hermosa, Custer County, South Dakota
DATE: July 19, 2023
TOPIC: Response to SDDANR Letter dated May 24, 2023

Items attached for reference:

- (1) SDDANR letter dated May 24, 2023
- (2) EXHIBIT – REVISED which includes the changes requested for the sanitary sewer main between Sta 7+00 & 9+00.

The attached EXHIBIT – REVISED dated 07/19/2023 provides information about the location and additional modifications to be completed.

The solution is based on City of Sioux Falls Standard Plat 950.17 and the SDDANR calculated 6" of cover over the additional foam board, as stated in the February 23, 2023 letter.



Leah M. Berg, P.E.



**DEPARTMENT of AGRICULTURE
and NATURAL RESOURCES**

JOE FOSS BUILDING
523 E CAPITOL AVE
PIERRE SD 57501-3182
danr.sd.gov

May 24, 2023

The Honorable Dan Holsworth
Town of Hermosa
PO Box 298
Hermosa, SD 57744

RE: Hermosa – Water and Sewer Extension (22-048)

Dear Mr. Holsworth:

On May 5, 2023, the Department of Agriculture and Natural Resources (DANR) received additional information from ACES regarding the water and sewer extension project. The information was submitted in response to the April 6, 2023, letter from the department.

The department previously provided copies of standard details that have been approved in the past for similar installations. These standard details include minimum requirements for depth of cover as well as minimum width and/or depth of insulation. Please note, only the City of Rapid City Detail 11-1 requires a minimum cover depth. **The City of Sioux Falls Engineering Design Standards for Public Improvements, Standard Plate 950.17 does not include a minimum depth of cover over the insulation.** Note that the department's February 23, 2023, letter included a minimum width calculation for 6 inches of cover over the foam board. The submitted plans indicate a 4-inch minimum cover is proposed which will require the minimum width of the insulation board shown be increased to be approvable.

As indicated in previous letters from the department, we are unable to approve the plans and specifications as submitted. Therefore, the existing, constructed wastewater line is not approved and cannot be placed into service.

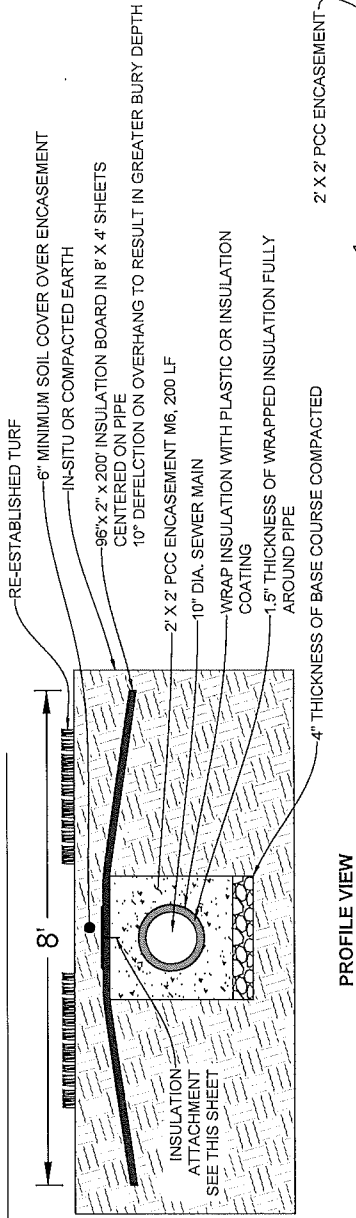
If you have any questions, please contact me at (605) 773-4647.

Sincerely,

Neal Konda, P.E.
Natural Resources Engineer
Livestock Services Program

cc: Leah Berg, PE, Affordably Creative Engineering Services, Inc. (email)
Elmer Claycomb, PE, Claycomb Engineering, PO Box 57, Fairburn, SD 57738
Kent Hagg, Town of Hermosa Attorney
Ann Mines Bailey, Office of Attorney General

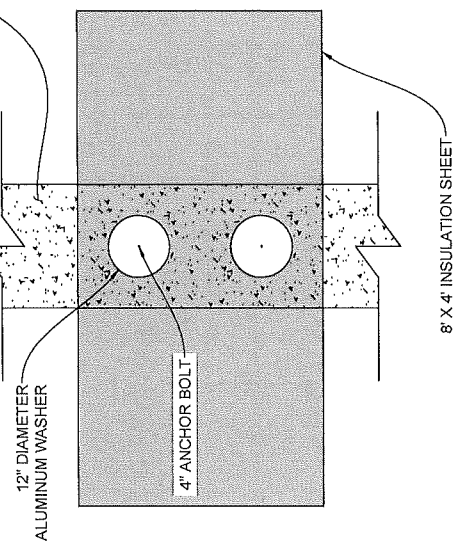
EXHIBIT - REVISED



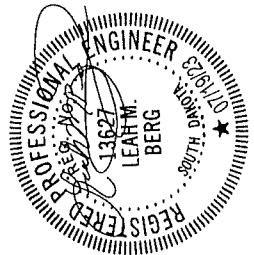
PROFILE VIEW

NOTES:

1. MODIFICATIONS SHOWN IN RED ON THIS EXHIBIT.
 - 1.1 INSULATION BASED ON CITY OF SIOUX FALLS STANDARD PLATE 950.17
2. EXCAVATE PCC (PORTLAND CEMENT CONCRETE) ENCASUREMENT TO EXPOSE TOP AND PARTIAL SIDES OF 2' X 2' BOX ENCASUREMENT.
3. CONTRACTOR MUST NOT DAMAGE PCC. DISTURB BASE OF ENCASUREMENT SUPPORT OR DISTURB EXISTING WATER MAIN 10' TO THE WEST.
4. INSTALL 2" THICK INSULATION BOARD OR APPROVED EQUAL INSTALLED FOR 200 LF APPROX. STA 7+00 TO STA 9+00 INSULATION SHALL BE EXTRUDED-POLYSTYRENE BOARD INSULATION FORMED FROM POLYSTYRENE BASE RESIN BY AN EXTRUSION PROCESS USING HYDROCHLORO-FLUOROCARBONS AS BLOWING AGENT TO COMPLY WITH ASTM C578, TYPE IV, WITH 1.60 LB/CU. FT. MINIMUM DENSITY AND A COMPRESSIVE STRENGTH OF 25 LB./SQ. IN AS SPECIFIED IN ASTM D1622 AND ASTM D1621 RESPECTIVELY. THE MAXIMUM THERMAL CONDUCTIVITY OF THE INSULATION SHALL CONFORM TO ASTM C518, C177, AND C578. THE MAXIMUM WATER ABSORPTION PERCENTAGE BY VOLUME SHALL BE 1% IN ACCORDANCE WITH ASTM D2842. THE RANGE OF WATER VAPOR PERMEANCE SHALL BE 0.4 TO 1.0 PERM IN ACCORDANCE WITH ASTM E96. SEE SHEET C2.01 SECURE EACH SHEET WITH TWO (2) 12" DIAMETER ALUMINUM WASHERS WITH ANCHOR BOLT, 4" THROUGH CENTER.
5. BACKFILL EARTH SHALL BE COMPACTED.
6. CONTRACTOR SHALL RESTORE GROUND SURFACE WITH SEEDING, FERTILIZE AND COVER OPERATIONS
7. AT STA.7+00 AND STA.9+00 SIGNAGE SHALL BE PROVIDED AS FOLLOWS: "CAUTION - BURIED UTILITIES. BEFORE DIGGING OR IN AN EMERGENCY CALL TOWN OF HERMOSA. 605-235-4391"



INSULATION ATTACHMENT - PLAN VIEW



DATE: 07/19/2023

AFFORDABLY CREATIVE ENGINEERING SERVICES, INC.
 326 Sims Road
 Hermosa, Florida 33070
 (850) 716-4456 Fax: (850) 716-1144

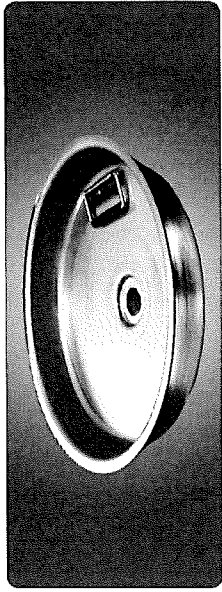
ACES PROJECT NO: 20-1144d



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 Securing Critical Infrastructure
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THE LOCKDRY DEVICE

Keep the elements out



Benefits

- Blocks surface water, dirt, and debris from entering manholes
- Reduces waste treatment costs
- Sizes from 20" to 36"
- Stainless steel handle for easy drop in and lift out
- Neoprene compression gasket for water-tight seal with frame
- Optional gas deflection port with self-sealing rubber grommet
- 16 gauge spun stainless steel construction- won't corrode, warp, or split
- Maintenance - free
- The LockDown security version available to protect against unauthorized entry

Stop water from entering your system through manhole covers.
 A LockDry under the cover keeps water, dirt and debris out. Made from stainless steel, the LockDry is durable and resists deterioration. For security, the LockDown is available.

LockDown Inc
 2291 Plumkett Road
 Conyers, GA 30012
LockDown
 Securing Critical Infrastructure
 www.lockdowninc.com
 (866) 399-2512
 (770) 483-5702
 secure@lockdowninc.com

NOTES:

1. MANHOLES HAVE BEEN INSTALLED.
2. PROVIDE AND INSTALL THE MANHOLE INSERTS BY LOCKDRY, AS SHOWN ON THIS SHEET OR APPROVED EQUAL.
 - 2.1. WATER-TIGHT SEAL
 - 2.2. MANHOLES 1 THROUGH 4 SHALL RECEIVE INSERTS
3. CONTRACTOR MUST NOT DAMAGE EXISTING MANHOLE FRAME AND COVER.
4. CONTRACTOR SHALL RESTORE GROUND SURFACE TO RE-CONSTRUCTION CONDITIONS AS NECESSARY.

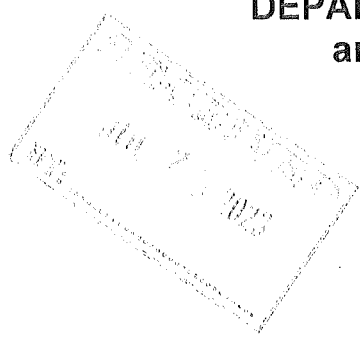
MANHOLE INSERTS



DEPARTMENT of AGRICULTURE
and NATURAL RESOURCES

JOE FOSS BUILDING
523 E CAPITOL AVE
PIERRE SD 57501-3182
danr.sd.gov

11A.



July 21, 2023

Mr. Chuck Ferguson
Town of Hermosa
PO Box 298
Hermosa, SD 57744

RE: Hermosa-Old System Public Water System (EPA ID 0154)

Dear Mr. Ferguson:

The Drinking Water Program has received the test results of a drinking water compliance sample collected from **Hermosa-Old System Public Water System's** entry point on **July 11, 2023**, for the analysis of **nitrate**. The South Dakota Water Standards require that results of compliance monitoring be kept on file for not less than ten years.

The analytical results indicate that the nitrate sample from the entry point is below one-half the maximum contaminant level (MCL) of 10 mg/L. As a result, your system will continue to sample for **nitrate on an annual basis**. ***The next nitrate sample from your systems entry point will be due for analysis between January 1 and December 31, 2024.***

The nitrate and nitrite samples are "entry point" sampling; samples are to be collected at the entry point to the distribution system just after any treatment that may exist.

If you have questions concerning this letter or the nitrate results, please contact me.

Sincerely,

Peter Mockus
Drinking Water Program
(605) 773-4053

11 A.

From: Anderson, Tom
Sent: Friday, July 28, 2023 1:25 PM
To: Gail Boddicker
Subject: RE: Hydrogen Peroxide Chemical Addition Approval

I also recommend sampling the Pond A water for the following:

- BOD
- TSS
- Ammonia
- pH
- DO

Thanks,

Tom

From: Anderson, Tom <Tom.Anderson@state.sd.us>
Sent: Friday, July 28, 2023 2:23 PM
To: town@hermosasd.com
Cc: Anderson, Tom <Tom.Anderson@state.sd.us>
Subject: Hydrogen Peroxide Chemical Addition Approval

Good Afternoon Monika and Chuck,

The request to add 15 gallons of a 35% hydrogen peroxide solution to Pond A is approved.

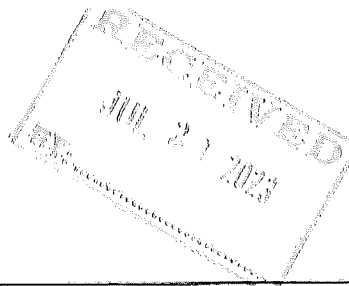
Please keep me updated on the condition of Pond A.

Let me know if you have any questions.

Thanks,



Tom Anderson
Environmental Engineer / Water Quality Program
Department of Agriculture and Natural Resources
[523 E. Capitol Ave. Pierre SD 57501](https://www.danr.sd.gov)
[\(605\) 773-4066](tel:(605)773-4066)
danr.sd.gov



427 SOUTH CHAPELLE
C/O 500 EAST CAPITOL
PIERRE, SD 57501-5070
(605) 773-3595

12 B.

RUSSELL A. OLSON
AUDITOR GENERAL

July 18, 2023

Gail Boddicker, Finance Officer
Town of Hermosa
PO Box 298
Hermosa, SD 57744

We have reviewed and accepted your audit report on the:

Town of Hermosa
(For the Year Ended December 31, 2021)

Our review was limited to the report and did not include a review of the working papers. Our limited review does NOT constitute a pre-issuance review.

It is our understanding that the Hill City Prevalier News is the official newspaper for the Town of Hermosa. If this is not the case, please inform me of the name of the current official newspaper.

Please present a copy of this letter to the governing board to indicate our acceptance of the audit report.

Yours very truly,

Russell A. Olson
Auditor General

RAO:sld

cc: Benjamin Elliott, CPA
Independent Audit Services, PC
PO Box 262
Madison, SD 57042

Fixed
Custer County
Chronicle

12 B.

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

Monika Serviss,
Finance Officer
Town of Hermosa
P.O. Box 298
Hermosa, South Dakota 57744
605.255.4291

July 11, 2023

RE: December 31, 2021 Financial Report

Dear Monika,

Enclosed are 7 copies of the Town of Hermosa's December 31, 2021 financial report. I am also sending you an electronic copy and hard copies to:

- 1 copy to the Custer County state's attorney
- 2 copies to the Department of Legislative Audit
(with a copy of my billing)
- 1 copy to South Dakota Department of Agriculture & Natural Resources
- 1 copy to USDA - Rural Development

I understand that your official newspaper is the Southern Hills Publishing, Inc. Monika, it has been a pleasure to work with you and Gail on this engagement. Please give me a call if I can be of further assistance.

Sincerely,

Ben Elliott

INDEPENDENT AUDIT SERVICES, PC

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

Governing Board
Monika Serviss, Finance Officer
Town of Hermosa
230 Main Street
P.O. Box 298
Hermosa, SD 57744

June 27, 2023

Letter of Comments

Greetings,

From my work with your December 31, 2021 financial report, I have the following comments.

Compliance

Minutes - Salaries and Wages:

SDCL 6-1-10 and 9-14-28 require a complete list of officer and employee salaries and wages with the proceedings of the first meeting of the year. The Town's 2021 minutes did not list salaries and wages as required. The salaries and wages should be listed individually in the minutes and not just referenced to a resolution.

Minutes - Newspaper:

SDCL 9-12-6 requires the Town to designate in the minutes the official newspaper of the Town. The 2021 minutes did not designate the Town's official newspaper.

Minutes - Depositories:

SDCL 9-22-6 requires the Town to designate in the minutes the depository or depositories of the Town. The 2021 minutes did not designate Pioneer Bank and Trust, SD.FIT or Edward Jones as official depositories of the Town.

TIF Debt Service Fund:

SDCL 9-22-12 requires that interest earned by a debt service fund be credited to that fund. The TIF Debt Service fund does have a cash balance and I believe it should receive some allocation of interest.

Personal Property Inventory:

SDCL 5-24-1 and 5-24-3 require a personal property inventory of all department be done and filed with the finance officer by January 10th of each year. This was not done in 2021.

Old Outstanding Checks:

We note that there were checks outstanding at the end of 2021 that were more than 1 year old. SDCL 43-41B-14 and 43-41B-18 require a proper report, and transmittal of the corresponding monetary amounts, of all of the city's outstanding checks that are not cashed within one year of their issuance date. Uncashed checks should be sent to: Unclaimed Property Division, South Dakota State Treasurer's Office, 500 East Capitol Pierre, South Dakota 57501. If a check is for \$50 or more the name and address of the payee needs to be listed. Checks under \$50 can be aggregated with no names.

Internal Controls

FEMA Fund:

There has been no activity in the FEMA Fund for 2 years. I understand the \$1,500 in this fund is for relocation assistance. If this assistance is no longer needed the money should be returned and the fund closed.


Utility Billing of Town Departments:

To better understand the cost of operating various departments and the revenue generated by the water and sewer funds, the Town should bill itself for its use of water and sewer services.

Fraud Policy:

Attached is a copy of the City of Colman's fraud policy for your consideration.

Sincerely,


Ben Elliott

cc: Department of Legislative Audit

**HERMOSA TOWN BOARD
REGULAR MEETING
TUESDAY, JANUARY 5, 2021 @
Following Executive Session**



- 1) ROLL CALL:
 - A. BOT Roll Call: Flug, Henrichsen, Holsworth, King & Schumack
 - B. Acknowledgement of other attendees
 - C. Pledge of Allegiance to be led by Henrichsen

- 2) EXECUTIVE SESSION: **(5:30)**
 - A. Motion to enter Executive Session allowable by SDCL 1-25-2.1 - Personnel
 - B. Motion to exit out of Executive Session
 - C. Motions resulting from Executive Session

- 3) CALL FOR CHANGES:
 - A. Review of current agenda items
 - B. Motion to accept the agenda as presented/amended

- 4) CONSENT CALENDAR:
 - A. Approval of December 15, 2020, special (2) and regular board meeting minutes

- 5) CLAIMS:
 - A. Review Payroll and Claims
 - B. Taz Court

- 6) LAW ENFORCEMENT/ ABATEMENTS/ COMPLAINTS:
 - A. Local updates
 - B. Decrease in speed limits, pending
 1. Whitney and Main

- 7) LEGAL:
 - A. TIFD Project Plan Amendment, pending

- 8) ENGINEER:
 - Item 8A: TA Grant (Sidewalk)
 - Item 8B: Water Rehab Project
 - Item 8C: N Second Street Box Replacement:
Pending contractor to begin construction
 - Item 8D: Lagoon Expansion
 - Item 8E: Whitney Street/Second Street, pending

- 9) PUBLIC WORKS:
 - A. Streets, streetlight repairs, water & sewer department updates
 - B. Letter to contractor regarding damages/repair on school property
 - C. SDARWS 46th Annual Membership Meeting (via Zoom)

- 10) FINANCE OFFICER:
 - A. Monthly financials
 - B. Department updates
 - C. CARES Act/Business Continuity; Laptop purchases
Computer use policy
 - D. December 15, 2020, Special Meeting BOT pay

11) PLANNING & ZONING:

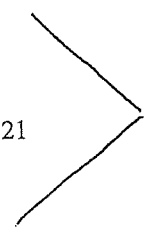
- A. Review of December 22, 2020, regular meeting minutes
- B. Annexation, Zoning and Permissible Uses – Fairgrounds Place/McDermand
- C. P&Z COVID Continuity Plan
- D. Permit 2020-41, 33 N 1st St., Informational Permit, pending
- E. 2020-43, 170 Wilder Blvd; Digging/Bldg Permit

12) OLD BUSINESS:

- A. Norm Jones, Home Occupation Based Business
- B. Town Shop rental
- C. Southern Black Hills Water System, pending
- D. Whitney Street ditch issue discussion, pending
- E. Curve on Whitney Street update, pending
- F. Extra Territorial Agreement
- G. Preston Family Inc, pending

13) NEW BUSINESS:

- A. Resolution 2021-01 Salary and Wages
- B. 2021 Election Date & Combining Agreement
- C. Designation of Custer County Chronicle as Official Newspaper for 2021
- D. Designation of Pioneer Bank & Trust as Official Financial Institution for 2021
- E. Casey Peterson Hermosa Audit Engagement Letter
- F. Letter from citizen regarding incomplete roof installation
- G. Announcement of Christmas Lighting Contest Winners for 2020
- H. Regulations for future subdivisions, pending

 DONE!

14) ITEMS FROM CITIZENS: No action will be taken (3-minute time limit per speaker)

15) TRUSTEE INPUT:

16) ADJOURN:

Motion by _____; second by _____ to adjourn the meeting at _____ pm.

TOWN OF HERMOSA
Suggested Audit Journal Entries
December 31, 2021 - (1 year)

| | 2021 Books | AJE Dr, Cr "--" | 2021 Audit | Remarks |
|--------------------------------|---------------|--------------------|---------------|---------------------------------|
| GENERAL FUND (101) | | | | |
| 103.00 Petty Cash | 0.00 | | 0.00 | |
| 101.00 Checking | 264,674.15 | 313.58 | 264,987.73 | Adjust to actual |
| 104.00 SD FIT | 39,825.98 | (313.54) | 39,512.44 | Adjust to actual |
| Not in GL | 232.98 | (232.98) | 0.00 | Adjust to actual |
| 105.00 Cash - Edward Jones | 19,013.75 | | 19,013.75 | |
| 267 Net position - unassigned: | -323,746.86 | 232.94 | -323,513.92 | Residual change to net position |
| Check | 0.00 | 0.00 | 0.00 | |

| | 2021 Books | AJE Dr, Cr "--" | 2021 Audit | Remarks |
|--------------------------------|---------------|--------------------|---------------|---------|
| BBB Fund (211) | | | | |
| 103.00 Petty Cash | 0.00 | | 0.00 | |
| 101.00 Checking | 42,839.25 | | 42,839.25 | |
| 267 Net position - unassigned: | -42,839.25 | | -42,839.25 | |
| Check | 0.00 | 0.00 | 0.00 | |

| | 2021 Books | AJE Dr, Cr "--" | 2021 Audit | Remarks |
|--------------------------------|---------------|--------------------|---------------|---------|
| FEMA Fund (272) | | | | |
| 103.00 Petty Cash | 0.00 | | 0.00 | |
| 101.00 Checking | 1,500.00 | | 1,500.00 | |
| 267 Net position - unassigned: | -1,500.00 | | -1,500.00 | |
| Check | 0.00 | 0.00 | 0.00 | |

| | 2021 Books | AJE Dr, Cr "--" | 2021 Audit | Remarks |
|--------------------------------|---------------|--------------------|---------------|---------------------------------|
| TIF Fund (301) | | | | |
| 103.00 Petty Cash | 0.00 | | 0.00 | |
| 101.00 Checking - restricted | 34,863.51 | | 34,863.51 | |
| 220.10 Customer deposits | (4,997.54) | 4,997.54 | 0.00 | Remove - no off-setting cash |
| 267 Net position - unassigned: | -29,865.97 | -4,997.54 | -34,863.51 | Residual change to net position |
| Check | 0.00 | 0.00 | 0.00 | |

| | 2021 Books | AJE Dr, Cr "-" | 2021 Audit | Remarks |
|--------------------------------|---------------|-------------------|---------------|---------------------------------|
| WATER FUND (602) | | | | |
| 101.00 Cash | 246,321.10 | | 246,321.10 | |
| 107.00 Cash reserve | 4,706.97 | | 4,706.97 | |
| SD.FIT | 30,812.00 | | 30,812.00 | |
| Restricted cash: | | | | |
| 108.00 customer deposits | 8,710.50 | | 8,710.50 | |
| 220.10 Customer trust deposits | (13,160.87) | 4,450.87 | (8,710.00) | To equal cash |
| Restricted - debt service | (19,170.00) | | (19,170.00) | |
| 267 Net position - unassigned: | -258,219.70 | -4,450.87 | -262,670.57 | Residual change to net position |
| Check | 0.00 | 0.00 | 0.00 | |

| | 2021 Books | AJE Dr, Cr "-" | 2021 Audit | Remarks |
|--------------------------------|---------------|-------------------|---------------|---------|
| SEWER FUND (604) | | | | |
| 101.00 Checking cash | 275,666.39 | | 275,666.39 | |
| SD FIT | 67,288.83 | | 67,288.83 | |
| Restricted - debt service | (3,834.00) | | (3,834.00) | |
| 267 Net position - unassigned: | -339,121.22 | | -339,121.22 | |
| Check | 0.00 | 0.00 | 0.00 | |

INDEPENDENT AUDIT SERVICES, PC

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

Governing Board
Monika Serviss, Finance Officer
Town of Hermosa
230 Main Street
P.O. Box 298
Hermosa, SD 57744

June 27, 2023

RE: Communication with Those Charged with Governance
at the Conclusion of the Audit

Greetings,

I have audited the modified cash basis of accounting financial statements of governmental activities, business-type activities, and each major fund, of the Town of Hermosa as of December 31, 2021 and for the one year then ended. Professional standards require that I provide you with information about my responsibilities under generally accepted auditing standards and Government Auditing Standards, as well as certain information related to the planned scope and timing of my audit. I have communicated such information to you in my engagement letter dated February 5, 2022. Professional standards also require that I communicate to you the following information related to my audit.

Significant Audit Findings

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Hermosa are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the one year ending December 31, 2021. I noted no transactions entered into by the Town of Hermosa during the one year ending December 31, 2021 for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The Town of Hermosa's financial statements do not have accounting estimates because the Town's financial statements are prepared on a modified cash basis of accounting.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management and completing my audit.

Corrected and Uncorrected Misstatements

Professional standards require me to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following misstatement detected as a result of audit procedures was corrected by management: No significant changes to cash balances were needed at December 31, 2021.

Disagreements with Management

For the purpose of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to my satisfaction, that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of my audit.

Management Representations

I have requested certain representations from management that are included in the management representation letter dated November 10, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town of Hermosa's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town of Hermosa's auditor. However, these discussions occurred in the normal course of our professional relationship and my responses were not a condition of my retention.

Other audit findings are included in my June 27, 2023 Letters of Comments.

Other Matters

With respect to supplementary information accompanying the financial statements, I made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to my audit of the financial statements. I compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements themselves.

This information is intended solely for the use of the governing board and management of the Town of Hermosa and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,


Benjamin Elliott

12 E.



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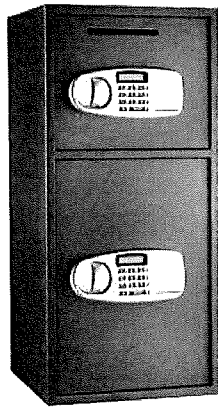
Lifetime Support

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- Fire Safes
- Fire Rated Burglary Safes
- Gun Safes
- Burglary Safes
- Hotel Safes
- Data Safes/Media Safes
- TL-15 Safes/TL-30 Safes
- Diversion Safes
- Can Safes
- Electronic Keyless Locks
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Home > Drop Safes | Depository Safes > ALS Double Door Electronic Drop Safe W/Drop Slot Only \$389.99 #1 Seller

ALS Double Door Electronic Drop Safe W/Drop Slot Only \$389.99 #1 Seller



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Product Description

- ALS Double Door Electronic Drop Safe W/Drop Slot Only \$389.99
- Simple programmable Electronic Lock with LCD Display
- Code can be changed infinitely.
- 4 incorrect entry alarm
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- Bottom lined with foam .
- Pre-drilled holes inside the safe with fixing bolts allowing anchoring. Bolts included
- Powder coated interior and exterior.
- 1 Interior shelf for bottom compartment can be removed
- Slot Size 6" X 1/2"
- External Safe Dimensions: 30.5"H x 14.5"W x 14"D
- Internal Top Compartment Dimensions: 11"H x 14"W x 12"D
- Internal Bottom Compartment Dimensions: 19"H x 14"W x 12"D
- Weight: 85 lbs.
- Comes in black finish

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Quotation

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| Customer Information | |
|--|--|
| City of Hermosa PO Box 298 Hermosa, SD 57744 | |



| Quote # | Date | MeterTechSolutions.Com | Rep | Condition |
|--|-----------|------------------------|--------------|-------------|
| 2023 Proj | 12/8/2022 | MTS Contact | FWA | |
| Product Description | | Quantity | Cost | Total |
| BEACON Engagement Fee; Service1-500 | | 1 | 7,700.00 | 7,700.00 |
| 66220-005 Beacon Billing Integration Fee 1-500 | | 1 | 0.00 | 0.00 |
| Beacon AMA for Mobile Solutions ONSITE Training 69328-303 (CE/ME) | | 1 | 0.00 | 0.00 |
| Badger Meter Beacon fees billed directly to the utility: \$0.99 / Orion Cellular endpoint (each) / month The utility will need to contact their Utility Billing Software vendor for the cost and availability to implement a Beacon interface. | | | | |
| Orion LTE-M Cellular-M Endpoint **M**; 25' Flying Lead; 64394-031 Wall Mount | | 280.5 | 167.25 | 46,830.00 |
| M25 Gallon 8 Dial HRE with 25' Twist Tight Wire; Torx Screws | | 90 | 93.25 | 8,392.50 |
| <i>Payment Terms: Net 30 With Approved Credit. Pricing good for 60 days from the date above unless otherwise noted.</i> | | | Total | \$62,922.50 |

FOB: Factory / Burnsville, MN

Interest of Local Officials in Contracts

Elected or appointed officers of local governments are generally barred from being interested in any contract with their respective entities. There are certain conditions which allow public officers to be interested in contracts with their own respective entities without fraud or deceit. In view of the numerous prohibitions, conditions and requirements, **local officials should solicit advice of their respective legal officials** before any such contracts are contemplated. Listed below are a few of the statutes that apply to related parties or conflict of interest. The list is not intended, nor should it be considered a list ALL applicable statutes and is provided for general reference purposes only.

- Chapter 3-23 Conflicts of Interest
- Chapter 3-16 Malfeasance, Misfeasance and Nonfeasance in Office
- Chapter 6-1 Acts and Records of Local Officers
- Chapter 8-9 Township Contracts and Purchases
- Chapter 9-14 Municipal Officers and Employees
- Chapter 13-20 School District Purchases and Contracts
- South Dakota Constitution, Article VIII, Section 17 (*School Districts*)

When Bidding is Required

There are currently two bid limits to consider when purchasing agencies enter into purchase contracts. If the purchasing agency intends to enter into a contract for any public improvement that involves the expenditure of one hundred thousand dollars or more, or a contract for the purchase of supplies or services, other than professional services, that involves the expenditure of twenty-five thousand dollars or more, the purchasing agency shall advertise for bids or proposals. (SDCL 5-18A-14)

Bidding is also required when the local entity anticipates expenditures in the following conditions, purposes or circumstances:

- a. Although no single expenditure for an item will exceed the amount requiring bidding, if the total amount purchased during a year (generally a fiscal year) will exceed the bid limit, then advertisement for competitive bids is required. (*Fonder v. City of South Sioux Falls* (1955) 76 SD 31, 71 NW 2d 618, 53 ALR 2d 493) (*State ex rel. Small v. Hughes County Comm.* (1965) 81 SD 238, 133 NW 2d 228) (AGR 1963-64, p. 333)
- b. Contracts for the collection and hauling of garbage and waste in excess of the bid limit are subject to the competitive bidding requirements. (*Northern Hills Sanitation, Inc. v. Board of Comm., City of Lead* (1978) 272 NW 2d 835) Garbage hauling and supply contracts may include a procedure for adjusting prices to meet changing market conditions not within the control of the vendor. (SDCL 5-18C-7)
- c. Even though only one bid is expected, advertisement for bids is still required. There is always a possibility an unknown bidder may be interested in the contract. (AGR 1967-68, p. 303)

- (1) The proposals shall be solicited through a request for proposals. The request for proposals shall state the relative importance of price and other factors, if any;
- (2) Public notice of the request for proposals shall be given pursuant to § 5-18A-14;
- (3) A proposal may be submitted either manually or electronically in a manner authorized by the purchasing agency;
- (4) Each proposal shall be opened so as to avoid disclosure of contents to competing offerors during the process of negotiation. A register of proposals shall be prepared documenting the name and address of each offeror and identifying each offeror awarded a contract. The register shall be open for public inspection after contract award;
- (5) As provided in the request for proposals, a discussion may be conducted with any responsible offeror who submitted a proposal determined to be reasonably susceptible of being selected for award for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Each offeror shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of a proposal. A revision may be permitted after a submission and prior to an award for the purpose of obtaining the best and final offer. In conducting any discussion, there may be no disclosure of any information derived from any proposal submitted by a competing offeror;
- (6) An award shall be made to the responsible offeror whose proposal conforms to the solicitation and is determined in writing to be the most advantageous to the purchasing agency taking into consideration price and the evaluation factors set forth in the request for proposals. No other factors or criteria may be used in the evaluation. The contract file shall contain the basis on which the award is made. Written notice of the award of a contract to the successful offeror shall be promptly given to each offeror. The purchasing agency may reject any and all proposals and readvertise for proposals if none of the proposals are satisfactory, or if the purchasing agency believes any agreement has been entered into by the offerors to prevent competition; and
- (7) This section does not apply to state professional service contracts issued pursuant to § 5-18A-37 and §§ 5-18D-17 to 5-18D-24, inclusive.

Sole Source Procurement

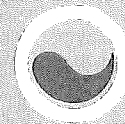
A contract may be awarded for supplies or services without competition if the purchasing agency determines in writing that the supplies or services are of such a unique nature that the contractor selected is clearly and justifiably the only practicable source to provide the supplies or services. The determination that the contractor selected is justifiably the sole source shall be based on either the uniqueness of the supplies or services or the sole availability at the location required. In such cases, the purchasing agency shall conduct negotiations, including price, delivery, and quantity to obtain the most advantageous price and shall include the written verification of the sole source in the contract file. This section does not apply to construction services or construction equipment. (SDCL 5-18A-8)

Welcome

We are pleased to present you with the inaugural edition of our quarterly Western Dakota Regional Water System (WDRWS) newsletter. We plan to use this resource to update water systems, as well as City, Tribal, State, and County leaders, on progress and topics associated with the WDRWS. This 2023 Second Quarter Edition is a bit lengthier than what will follow in subsequent quarters, as we want to highlight all aspects of activities that have been undertaken since formation of the WDRWS in late 2021. We invite you to join us in our effort to develop a sustainable water supply that will support the quality of life we all value in Western South Dakota.

FYI

WDRWS NEWSLETTER



WESTERN
DAKOTA REGIONAL
WATER SYSTEM

issue 1 2023

“Our goal is to bring Missouri River water to the parched communities of western South Dakota... a once-in-a-lifetime opportunity to jumpstart these projects. The clock is ticking. Let’s do this.”

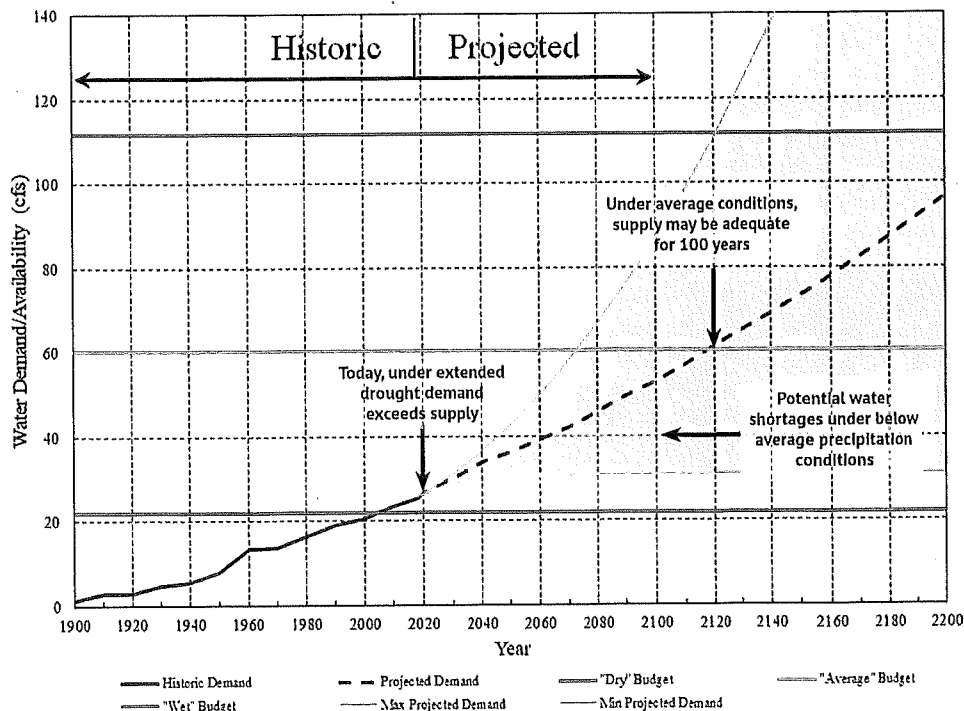
Senator Helene Duhamel
read the full story on page 2

An Eye-Opener

Dale Tech is the City of Rapid City’s Director of Public Works. He also serves as WDRWS’s President. He was first alerted to the need of creating a diverse portfolio of water resources by a 2019 SD Mines study. “That analysis was really an eye-opener for a lot of people,” Tech says. That study indicates a combination of increased population growth and the presence of drought conditions could result in dire consequences for western South Dakota – unless action is taken.

“We’ve really seen the kind of scenario that we’re trying to avoid in California and the southwest U.S. over

the last year – they’re running out of water,” Tech says. To avoid this kind of progress-halting restrictions on water, Tech advises that the communities of western South Dakota diversify their water resources. “We need to grow smartly and conserve our water resources. Utilizing Missouri River water is something we have to certainly investigate and participate in. And it’s a very worthwhile endeavor. And if we can make it happen, I think that’s going to be an integral part of western South Dakota for the next hundred years or more.”



From Pierre

Senate Bill 156, as amended, was introduced in the South Dakota State Legislature during the 2023 session of congress. The bill directed the remaining \$100 million of American Rescue Plan Act (ARPA) money allocated to South Dakota to be used for water projects in the state. WDRWS would have been eligible for some of the funds, which would be managed by the DANR, similarly to the ARPA funds passed in the 2022 legislature.

Since the bill was for funding, it required a two-thirds vote. It passed through both houses in the legislature, but with differing amounts. The bill was sent to a conference committee and was amended to dedicating \$50 million for water projects. The Senate passed the conference committee report, but the House failed to pass the report by two votes.

The bill's primary sponsor was Senator Helene Duhamel (R-Rapid City). When introducing the bill on the Senate floor, she said, "Our goal is to bring Missouri River water to the parched communities of western South Dakota. We need to use what we can because we may never have this opportunity again in our lifetime. This is an ideal use for the dollars, and I hope that my fellow legislators will choose to give us the once-in-a-lifetime opportunity to jumpstart these projects. The clock is ticking. Let's do this."

Even though Senate Bill 156 was not signed into law, its supporters hope that its journey through the legislative process will bring a new level of awareness of the need for a

new water source for western South Dakota.



"Integral to the next hundred years or more of western South Dakota." – Dale Tech

Water in National News

Water shortages are happening across the nation. How are other states planning and preparing to make sure that there's enough water for their residents?

Residents from Aurora, Colo. have recently been told by their city council that the days in which they can irrigate their lawns will be reduced from three days a week to two. The Aurora City Council has declared their municipality to be under "stage one water availability," as the reservoir level in the area is projected to be at 48 percent through this summer.

Residents who water more than their prescribed two days a week can expect a surcharge on their water bills. City officials are hoping

to incentivize residents of Aurora to decrease their water usage this summer with the implementation of the surcharge.

Snowpack in the area has been under the annual average since 2020. Local officials project the levels of the reservoirs each spring and determine which level of water restrictions are to be put into place. Short term conservation measures such as those implemented in Aurora and other places across the country play an important role in maximizing the water that is currently available to residents. Aurora, like many other communities throughout the country, is also researching and working on long term solutions for their water needs.

SD Searchlight's Seth Tupper points out how other states are eyeing Missouri River water as a potential solution to their water shortages.



Progress to Date

2019-2020

Dec 2019

West Dakota Water Development District (WDWDD) receives SD Mines Report

Mar 2020

WDWDD asks Banner Associates to start West River discussion to gauge interest

Dec 2020

WDWDD receives report to proceed with governance, technical evaluation, and funding

2021

Jan 2021

WDWDD commissions Water Use Study. Asks for a new non-profit to be convened

Sept 2021

Western Dakota Regional Water System (WDRWS) Non-Profit is formed

Oct 2021

Water Use Study completed

Nov 2021

Named on the State Water Plan

Dec 2021

Water Summit

WDRWS First Annual Membership Meeting

2022-2023

Jan 2022

Submits Drinking Water Facilities Funding Application.

April 2022

WDRWS receives \$8M, 100% American Rescue Plan Act Grant

Jan/Mar 2023

Met with water systems for data collection

Feb 2023

Congressional meeting during National Rural Water Association conference in Washington, DC

March 2023

WDRWS received \$1M State Water Resources Management Systems grant



Meet this quarter's Consulting Team

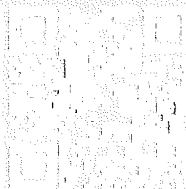
In February 2022, the WDRWS Board selected its engineering consulting team. AE2S, Black & Veatch and KLJ have successfully teamed together on more than 100 projects. Here we spotlight the team at AE2S.

AE2S

A 100 percent employee-owned environmental engineering consulting firm, AE2S was founded in the Upper Midwest in 1991 and over the years has worked with clients to plan, develop, design and construct thousands of water projects. AE2S specializes in drinking water and has developed and designed more than 30 regional water systems over the past 20 years. AE2S has offices in Rapid City, Spearfish and Sioux Falls, as well as 17 additional offices across North Dakota, Minnesota, Montana, Wisconsin, Colorado, and Utah.

Go digital

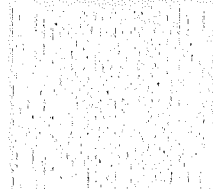
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Scan Me

In the News

Black Hills Pioneer covered a February presentation made by Dr. Cheryl Chapman, Executive Director of WDRWS, to the Spearfish City Council. The Spearfish City Council later voted to join WDRWS.



Scan Me

In each newsletter, we'll highlight the water needs of specific communities throughout western South Dakota. This quarter, we'll be taking a look at Rapid City.

RAPID CITY

Population: 72,009

Water Connections: 23,171

Average Water Use: 9.520 MGD

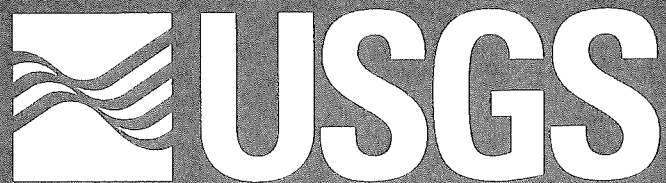


Ensuring water security

"As population in the area increases, the need to ensure water security will grow ever greater. Therefore, local entities with a stake in our water security should pool their resources to ensure that they are proactive in securing future sources of water, one of which could involve water from the Missouri River." (Source: 2019 SDSMT Study)

Access to reliable and plentiful source of high quality drinking water is critically important from a public health and safety standpoint, especially in western South Dakota, which has a more arid climate and limited water supplies. This is compounded by population and industrial growth.

Collaborating with the



science for a changing world

The United States Geological Survey (USGS) provides unbiased knowledge of the nation's water resources to support human wellbeing, healthy ecosystems, economic prosperity, and to anticipate and help resolve impending water resource conflicts and emergencies. The WDRWS has entered into a collaborative agreement with the USGS to gain current data related to water use trends and the effects of additional water use on existing groundwater and surface water resources in western South Dakota. Specifically, the USGS will investigate and report on water use trends in the Black Hills region from 1990 through 2020.

The USGS will complete the data collection phase of its study by September 30, 2023. This will be followed by a data analysis and verification step in which trends from 1950 through 2015 will be compared to the current data. The USGS will develop a written publication presenting the data and findings of the study, which will be released to the WDRWS, other project partners, and available online to the public. It is estimated that this effort will be completed by September 30, 2024.

Open Houses

Tuesday, May 9, 4-7 pm in City of Spearfish Council Chambers at 625 N Fifth Street in Spearfish

Wednesday, May 10, 4-7 pm at Elevate's David Lust Accelerator Building located at 18 E Main Street in Rapid City

2023 Annual Meeting

Tuesday, Sept 12th, 2023, Spearfish Holiday Inn and Convention Center

Measuring the need

Ensuring long term water security for western South Dakota will be a challenging feat. However, the ARPA grant and other funds secured by the WDRWS Board of Directors and staff provides a unique opportunity to overcome the most challenging part of providing long term, reliable water service to the region. We are taking the first step by seeking answers to some initial questions shown below.

The funding already secured for this project will help answer these questions and much more. However, it will be essential for the project to have broad support and participation from water systems across the region.

This canvassing of communities is an ongoing project.

Questions being presented to communities include:

- Who's interested in participating in the project?
- How much water do they need?
- When do they need the water?
- Do they need raw or treated water?

Funding To Date

To date, the WDRWS has benefitted from funding from a variety of sources. Contributions have been made by the following members and local partners:

City of Box Elder: \$50,000

City of New Underwood: \$1,000

City of Rapid City: \$100,000

City of Spearfish: \$10,000

Elevate Rapid City: \$25,000

Meade County: \$7,500

Pennington County: \$50,000

Rapid Valley Sanitary District: \$10,000

South Dakota Community Foundation: \$20,000

West Dakota Water Development District: \$25,000

West River Water Development District: \$25,000

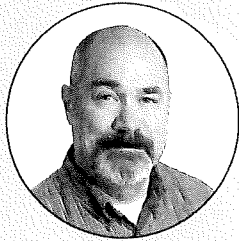
In April 2022, the WDRWS received \$8M in grant funds through the American Rescue Plan Act of 2021 (ARPA). This award was first approved by the South Dakota Board of Natural Resources and then appropriated by the Legislature. This funding is currently supporting preliminary planning efforts related to total water needs, preliminary pipeline routes, water treatment options, and potential intake siting. In March 2023, the Board of Natural Resources awarded WDRWS an additional \$1M from the State Water Resource Management System (SWRMS) program. This award can be used for operational costs of the organization and provides additional funding to study and develop the project.

It is anticipated that the total expenditure associated with assessing the need, determining the approach to pipeline routing, sizing and locating a potential intake, and completing environmental and financial analyses will total nearly \$13M (in 2022 dollars). Upon completion of these initial studies and analyses, the WDRWS will have a better understanding of the expanse, size, and cost of the project. In February 2023, representatives of the WDRWS met with members of the South Dakota Congressional Delegation to provide an update on the project and request federal authorization necessary for the project to proceed. The WDRWS will continue to have conversations with the Delegation in support of authorization and to request future funding support for the project.

Board Members and Executive Director



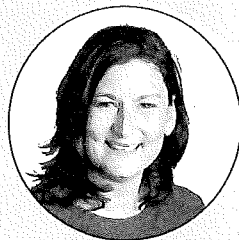
Dale Tech, President
Public Works Director,
City of Rapid City



Doug Curry,
Secretary/Treasurer
Public Works
Director, City of Box
Elder



Jake Fitzgerald
Manager, West River/
Lyman Jones Rural
Water System



Mayor Teresa Hall
Mayor, City of New
Underwood



Chuck Jacobs
Director, Oglala Sioux
Tribe Department of
Water Maintenance &
Conservation;
Board Member, Mni
Wiconi



Nick Broyles, Public
Works Director, City of
Spearfish

A Brief History

Western South Dakota is currently experiencing rapid growth in population and water needs, both of which are expected to double in the next century. In 2017 West Dakota Water Development District (WDWDD) was due to renew their Future Use Permit on the Missouri River for 10,000 acre-ft/year. To better inform the decision to renew the permit, WDWDD commissioned South Dakota Mines (SDM) to conduct the research project, "Missouri River Water Allotment Study for Future Use Water Permit 1443-2." The SDM study, completed in 2019, found current water demands in western Pennington County will exceed available water resources during an extended drought. The study's authors included the following statement, "As population in the area increases, the need to ensure water security will grow ever greater. Therefore, local entities with a stake in our water security should pool their resources to ensure that they are proactive in securing future sources of water, one of which could involve water from the Missouri River." When WDWDD received this report, it committed funding to explore interest in western South Dakota to take action on this recommendation.

Concern about the potential lack of adequate future water supply prompted the creation of the Western Dakota Regional Water System (WDRWS) in September of 2021 to evaluate and plan for the long-term water needs of western South Dakota. Due to the area's growing population and the unpredictable nature of future drought conditions, WDRWS is needed to ensure reliable ongoing access to drinking water in western South Dakota. Residents and businesses could experience sharp increases in water rates, extreme conservation measures, and limited economic development if an additional water source isn't identified and developed soon.

The SDM study included potential pipeline routes from the Missouri River at Pierre to western Pennington County, including alignments from Oahe Reservoir to Rapid City. WDRWS proposes to develop a water system to provide supplemental water supply from the Missouri River for municipalities, rural water systems, and Tribes. The WDRWS system will also incorporate concepts for conservation and to maximize existing West River water supplies.

An initial canvassing effort began in 2022 to gauge interest in WDRWS participation in western South Dakota. The information gathered during the canvass will inform the project team on the location, timing, and quantity of water needed now and in the future.

Ultimately, the participating users of the WDRWS will determine the service area, pipeline alignment, and overall infrastructure needs.

Small Towns at Risk

Teresa Hall is the mayor of New Underwood and serves as a board member for WDRWS. "It's a really worthwhile project," she says. When she was first presented with the findings of the 2019 SD Mines study, she was shocked. "I was just blown away by the information and the enthusiasm of those who presented it," Hall says. Hall concluded that the work of WDRWS was something that she and her hometown of New Underwood needed to be a part of. "I really think it's important that New Underwood gets in on the ground floor. If we don't take part in things like this, we'll get left behind. This will keep our town alive."

Hall deeply cares about her hometown, and adores the lifestyle that New Underwood provides for her and her family. "I moved to New Underwood when I was in seventh grade. I graduated high school here, moved away and then moved back. I just really prefer small town living," she says. "I've got family here. My husband's family is here. It's been the best."

New Underwood was incorporated in 1908. The town has relied on two wells for their water. "And they're always at risk of failing," Hall says.

Almost all of the drinking water in western South Dakota comes from underground aquifers, namely the Madison Aquifer. This underground source of water has provided residents of western South Dakota with plentiful and high-quality water for generations. As officials from South Dakota consider the water needs of their communities, an increasing number of them are considering this critical aspect of progress and growth from a long term perspective. And many of them are seeing a need to create redundancy in their water systems.

"I don't want us ever to be without water. If we don't have water, we don't have a town," Hall says. For communities like New Underwood, the need to create redundancy in their water system may be even more pressing than that of larger communities.

The conventional approach for communities shoring up their water futures is to secure diverse sources to draw on and establish a system of conservation. Communities are able to take stock and create "if-then" scenarios — if this water source fails, then we can rely on this one. If these wells are running low, this sort of conservation measure can be taken. Some communities, though, have fewer choices when it comes to these redundancies.

Communities — especially those located in between the Missouri River and the Black Hills — are at higher risk for being impacted by dwindling water supplies. Due to geological and topographical features, these communities usually rely on shallow wells to tap into aquifers. These shallow wells are typically more vulnerable to degradation of water quality and depletion. For this reason, it is likely that as water sources are strained more in western South Dakota, the first communities to feel the repercussions in an irrecoverable way would be smaller communities on the outskirts of the Black Hills — like New Underwood.

Mayor Hall's advice for the residents of western South Dakota

So what can the average resident of western South Dakota do to advance this generations-impacting project? "When we're applying for state or federal grants, let your legislators know that you're in favor of this. Let your state officials and federal officials know that this is something that is really important — that this has been on the back burner for too long," Hall says. Lawmakers, typically, listen to their constituents — especially if there seems to be a consensus among them.

Mayor Hall is optimistic for both the future of this infrastructure project and of her hometown of New Underwood. "I hope that the momentum just keeps gathering. We just need to get the word out. It's important that people know why we're doing this."

Become a member

Individuals and water systems organizations of any size are able to support the work of WDRWS. The membership and support structure allows a variety of groups to take part in the work of WDRWS.

Class 1 Member **Voting member – \$1500** **annual dues**

An organization with at least 200 residential connections or commercial equivalent

Class 2 Member – \$750 annual dues **Voting member**

An organization with less than 200 connections or commercial equivalent or an organization with over 200 residential connections that is fully built out within its jurisdictional territory

Associate Member – \$375 annual dues **Non-voting member**

Any firm, corporation, political entity, or subdivision not eligible to be a voting member but desiring to support WDRWS

Supporting Individual – \$50 annual dues **Non-member**

Any individual or interested party desiring to support WDRWS



**WESTERN
DAKOTA REGIONAL
WATER SYSTEM**

PO Box 484
Rapid City, South Dakota 57709

Who is Affected?

Cheryl Chapman, the Executive Director of WDRWS, answers some questions about the coming water needs of western South Dakota.

Do smaller water systems need to be concerned about the overall water needs of western South Dakota?

About 45 percent of the water use in the Black Hills is made up of small water systems, where oftentimes one pump and one well serves a group of homes. There's over 350 of these smaller water systems throughout the region. We've been actively reaching out and communicating with these water systems—and communities throughout western South Dakota—addressing all the water needs of western South Dakota.

What are the factors that will determine our future water availability?

There are three things that really influence our water availability. One is

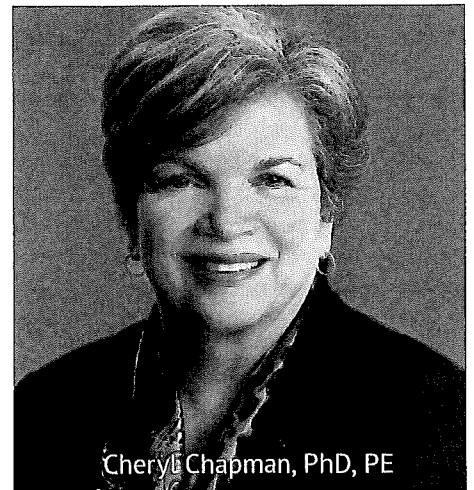
drought. One is population. And one that is not talked about very much is the quality of water available. If anything should happen to change the quality, that would put pressure on our water needs. All three of these factors are reasons why we want to keep moving on to develop this project.

What are the solutions to this issue?

Conservation is a piece of the puzzle, but not the whole picture. Additional water sources could provide redundancy and in some cases better water quality, reducing treatment requirements. But the magnitude of a project like this can take years to build — all the more reason to work today to secure our future.

What does it look like if we don't do anything?

According to the 2019 South Dakota Mines report, prolonged drought would stretch water resources beyond current demand. Knowing South Dakota climate, it's not a matter if we have a drought—but when. Combined with increasing population and demand on our aquifers, we need to plan now for future needs.



Cheryl Chapman, PhD, PE

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