

**HERMOSA TOWN BOARD  
TUESDAY, NOVEMBER 7, 2023  
REGULAR MEETING @ 6:00pm**

ROLL CALL: Styles called the meeting to order on Tuesday, November 7, 2023, at 6.00 pm with the following members present: Ferguson, Henrichsen, Holsworth, Kramer and Styles. KLJ engineers, Attorney Johnson, Harris and Ferguson also present. Interested citizens also present. Pledge of Allegiance led by Jerald Styles.

CALL FOR CHANGES: Motion made and seconded to approve the agenda as amended (move Engineer after Conflict of Interest); vote; all ayes, motion carried.

SPECIAL ITEMS: Meeting protocol presented.

CONSENT CALENDAR: Motion made and seconded to approve October 17, 2023, BOT regular minutes and October 25 and 27, 2023, special meeting minutes as presented; vote; all ayes, motion carried.

CONFLICT OF INTEREST DECLARATION: Board members are responsible to refrain from discussion and voting on agenda items that they may have a conflict of interest.

ENGINEER: Hermosa Sidewalk Project, pending final bill from SD DOT. Sewer Project (Lagoon design & expansion) AET update, pending report from SD DANR on final design. Town of Hermosa Water and Sewer Extension Project – SBHW approved the sewer line that is crossed under their water line. This was one of the four conditions for the town to move forward to have the sewer line approved. Hermosa Hills Drainage, completed. Motion made and seconded to remove Hermosa Hills Drainage from the agenda; all ayes, motion carried. KLJ Engineering: Motion made and seconded to approve KLJ task order for bidding and construction management for the lagoon project; vote; Holsworth, nay; Ferguson, aye; Henrichsen, aye; Kramer, aye, Styles, aye; motion carried. Engineering staff reports/office support: motion made and seconded to approve KLJ's task order for preparing staff reports, provide office support; vote; all ayes, motion carried. Evaluate lift station at Ferguson Subdivision for storm water issues: discussion, no action. Feasibility study for tying into SBHW to submit to SDDANR funding/grants: dates and times to be determined. Looking at a cost estimate. Feasibility study for placing water, and sewer along Whitney Street from east of the railroad to Highway 79 to submit to SDDANR for funding/grants; Feasibility study for evaluating (stormwater along Whitney and road replacement) the intersection of Whitney and 2<sup>nd</sup> Street to Highway 79 for SDDOT for funding/grants; and Highway 79 sewer repair bidding and construction management – all pending. Motion made and seconded to request KLJ to prepare cost estimate design for the extension to the town's water/sewer lines to service Ferguson properties along Whitney with all costs paid by the developer with the exception of the sewer repair needed by the town along Manning. Discussion. The town will have responsibility for the piping and lift station once installed, all costs will be Ferguson's responsibility with the exception of the portion of the sewer the town needs to repair. A letter from the town will be sent to the property owners for their input. Vote: Ferguson, abstained; Henrichsen, aye; Holsworth, aye; Kramer, aye; Styles, aye; motion carried.

CLAIMS: Motion made and seconded to approve November 7, 2023, Payroll and Claims; discussion. Vote; all ayes, motion carried. A & B BUSINESS EQUIPMENT INC, MONTHLY PRINTER/FAX FEE, \$574.80; AMERICAN LEGAL PUBLISHING Corp, Folio/Internet Supplement Pg, \$195.00; AXON ENTERPRISE INC, Body Camera , \$649.30; BLACK HILLS ELECTRIC COOP, Inc, Utilities/Electric, \$2,769.05; DANR, Stormwater construction, \$100.00; DSG-DAKOTA SUPPLY GROUP, Check Valves x 3,5th St Lift Station, \$1,206.43; CHUCK FERGUSON , Monthly agreement 10/2023, \$2,600.00; CHUCK FERGUSON, Preparation for lagoon pumping, \$1,071.61; G.J. HOLSWORTH & SON, INC, Spread 20 Ton Rock, \$390.00; GOLDEN WEST TECHNOLOGIES, Monthly service-November 2023, \$576.00; GWORKS, Annual subscription, \$6,070.00; Hawkins, Inc., Hydrogen Peroxide, \$223.95; HILLS SEPTIC, Emergency lagoon pumping, \$41,490.00; HORST TRUCKING, Gravel/Lagoon, \$1,304.55; JOHNSON LAW OFFICE, BOT mtg, email, revue, ordinance, \$1,795.50; MT RUSHMORE TELEPHONE, PHONE/INTERNET, \$258.49; PIONEER BANK & TRUST, Adobe, Newsletter, \$304.23; RURAL DEVELOPMENT, RD1 loan-November Interest, \$1,278.00; RURAL DEVELOPMENT, RD2 loan-November Interest, \$417.00; RURAL DEVELOPMENT, RD3 loan-November Interest, \$222.00; Southern Hills Publishing, Publishing/Legal, \$275.13; YESCO Rapid City, Fuse, mileage, labor, \$551.56; **Accounts Payable Total, \$64,322.60. Payroll:** Total Paid On: 10/30/2023, Legislative, \$1,296.69; Financial administration, \$2,263.04; Gen. Gov't buildings, \$155.84; Water, \$335.43; Sewer, \$126.00; Promoting City/ BBB, \$42.00; LE, \$484.61; EFTPS- Electronic Federal Tax, \$1,088.36; HEALTH POOL OF SOUTH DAKOTA, Admin single health/life 11/23, \$917.87; SOUTH DAKOTA RETIREMENT SYSTEM, SDRS, \$346.66. **Payroll Related Total, \$7,056.50. REPORT TOTAL, GENERAL:** \$15,548.43; BBB GROSS RECEIPTS TAX: \$ 51.09; WATER: \$ 7,421.05; SEWER: \$48,358.53. **Total Funds: \$71,379.10**

LAW ENFORCEMENT/ABATEMENTS/COMPLAINTS: Marshal's Report, none. Custer County Log, will be provided next meeting. Dispatch Contract, pending. Motion made and seconded to remove, Approval to hire Heath Lowry and Approval to reimburse for duty phone/monthly charges from the agenda; vote; all ayes, motion carried. Abatements: concern with prairie dogs, the town will follow the abatement ordinance process.

LEGAL: Engineer expense reimbursement, pending. Resolution assistance to dissolve P&Z, completed. Assistance to review and rewrite ordinances to support dissolving P&Z, completed. Delegation for signing permits, pending Dybvig's review. Legal – Bond Schedule: motion made and seconded to table this item until a marshal is hired; vote; all ayes, motion carried. Motion made and seconded to request Attorney to evaluate what needs to be done to add a nonvoting member to the BOT from outside the city limits and within one mile limit; discussion. Vote; Holsworth, nay; Ferguson, aye, Henrichsen, aye, Kramer, aye, Styles, aye; motion carried. ACES/WRT contract (Executive Session). Motion made and seconded to remove, Resolution assistance to dissolve P&Z, Assistance to review and rewrite ordinances to support dissolving P&Z, Legal – Bond Schedule, and ACES/WRT contract (Executive Session) from the agenda; vote; all ayes, motion carried.

PLANNING & ZONING: P&Z October 24, 2023, minutes reviewed; no action. Motion made and seconded to remove, permit 2022-25, Revised Digging/ROW from the agenda; vote; Ferguson, abstained, Henrichsen, aye, Holsworth, aye, Kramer, aye, Styles, aye, motion carried.

PUBLIC WORKS: Ferguson updated on streetlights. Leak in the tower is still seeping but sediment may be helping to seal itself, should be able to postpone addressing the issue until after the first of the year. Valve needs to be repaired but the tank needs to be isolated from the town to repair. Lagoon: plan to burn weeds around area before the end of the year. Streets: Styles and Ferguson to perform drive around town to look at condition of streets and report to BOT. Agreement for performance of services of public works and town maintenance: draft contracts distributed to BOT, requested BOT to review the drafts and be prepared to discuss and make decisions at November 14, 2023, Work Session. Open Work Orders: to be included in BOT packets in order to track open Work Orders.

FINANCE OFFICE: October bank reconciliation and financial reports to be presented November 21, 2023, meeting. Jodi Simons began working as Finance Officer. Motion made and seconded to approve Boddicker to work on November 10, 2023, Veterans Day, vote; all ayes, motion carried. Motion made and seconded to approve June 4, 2024, as the election date; vote; all ayes, motion carried. Motion made and seconded to approve Operating Agreement Renewals for:

1. Operating Agreement Corner Pantry Travel Center, Package (off-sale) Liquor
2. Operating Agreement Hermosa Deli & Lounge, Retail (on-sale) Liquor
3. Operating Agreement Lazy R Bar and Grill; Retail (on-sale) Liquor-Restaurant

Vote: all ayes, motion carried.

Motion made and seconded to approve Uniform Alcoholic Beverage License Renewal

1. PL-4469, Corner Pantry Travel Center, Package (off-sale) Liquor
2. RL-5208, Hermosa Deli & Lounge, Retail (on-sale) Liquor
3. RR-22505, Lazy R Bar and Grill; Retail (on-sale) Liquor-Restaurant

Vote: all ayes, motion carried.

Tracking Items: to be included in BOT packets in order to track important issues.

OLD BUSINESS: Annexation: Voluntary Annexation, pending. Hermosa Connects: Baker reported Hermosa Connects will meet November 13, 2023, at 9:00 am, Hermosa Coffee Shop.

NEW BUSINESS: SBHW presentation – pending. Headwaters Economics – public meeting to be held on Monday, November 13, 2023, at 6:00 PM. Andersen Engineers, Survey; Locate 9 Corners, pending. Shorb's easement requirements owed to them by town, pending. Town office camera system investigation: security company requested a walk through to discuss the town needs. Ferguson and Styles volunteered. Leasing Town Shop: motion made and seconded to request sealed bids for leasing the Town Shop on a per month payment for one year with 4 option years with the rate going up 3% per each option year, discussion. Vote; all ayes, motion carried. Styles and Boddicker to work on document to send to Attorney. Motion made and seconded to approve contract services with Joan Harris at \$25 per hour for up to 100 hrs. for a total of \$2,500. Joan will be required to submit in writing what she will be working on and the number of hours it will take and get approval in writing to proceed from the Finance Officer and the Board President or Vice President prior to any work commencing. Discussion. Start date to begin once it is approved. Vote; all ayes, motion carried. Motion made and seconded to approve advertising for pumping and trucking of the lagoon, date to be determined, in support of construction; discussion. Vote; all ayes, motion carried.

Discussion of utilization of office space: motion made and seconded to move this item to November 14, 2023, Work Session. Henrichsen asked to amend the motion to attend Work Session with no pay, no second, amended motion failed. Vote on original motion: all ayes, motion carried. Water connection issue – 355 Main Street, discussion. Motion made and seconded to request town to investigate, repair, install a tap – whatever is needed - to support water to the tap, at town's expense; vote: all ayes, motion carried. 1<sup>st</sup> Readings: Ordinance 154.02, Definition of Planning & Zoning Commission, Ordinance 155.02, Definition of Planning & Zoning Commission, Chapter 32A. 2<sup>nd</sup> Reading and approval scheduled for November 21, 2023.

ITEMS FROM CITIZENS: None.

TRUSTEE INPUT: Holsworth: pleased to see the water percentage loss was decreased. Ferguson: none. Kramer: good meeting. Henrichsen: good meeting, pleased to see resolution for water issue at 355 Main Street. Styles: very good meeting, appreciates the input from the board members. Pleased to be able to keep Harris involved with town activities.

EXECUTIVE SESSION: Motion made and seconded to enter into executive session allowable by SDCL 1-25-2.1 for Legal/Personnel/Contract purposes at 7:52 pm; vote: all ayes, motion carried. Motion made and seconded to come out of executive session at 8:30 pm; vote: all ayes, motion carried. Motion made and seconded to authorize the Board of Trustees President and Finance Officer to sign the Termination Agreement and Mutual Release with ACES concerning the WRT contract and contemporaneous with submitting that to ACES, we will also provide ACES a letter from the Attorney providing ACES with termination notice concerning the WRT contract and they have an opportunity to cure the defaults under that contract within 30 days. Vote: Holsworth, nay, Ferguson, aye, Henrichsen, aye, Kramer, aye, Styles, aye, motion carried.

ADJOURN: Motion made, seconded, to adjourn the meeting at 8:34 pm; vote: all ayes, motion carried.

ATTEST:

Gail Boddicker, Finance Officer

Jerry Styles, Town Board President

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