

**HERMOSA TOWN BOARD
TUESDAY, MAY 19th, 2026
REGULAR MEETING 5:30 PM**



- 1) **ROLL CALL:**
 - a. BOT Roll Call: Kramer, Ferguson, Koontz, Serviss, Matheny
 - b. Acknowledgement of other Attendees
 - c. Pledge of Allegiance to be led by Koontz

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

- 3) **CONSENT CALENDAR:**
 - a. Approval of May 5th, 2026, regular meeting minutes

- 4) **CONFLICT OF INTEREST DECLARATION:**
 - a. (Roll call voting for any agenda item that may have a conflict of interest)

- 5) **LEGAL:**
 - a. Review General ATAC contract amendments opinion from Wade Schutz

- 6) **TOWN/FEMA UPDATES:**
 - a. FEMA BRIC Grant monthly progress meeting
 - b. Motion to correct Public Record regarding selection criteria for BRIC Grant Administration
 - c. Motion to clarify selection criteria for BRIC Grant Administration

- 7) **ENGINEER:**
 - a. Approve STATE Board of Certification requested contract amendments to ATAC Operations Contract

- 8) **PLANNING & ZONING:**
 - a. Approve Digging/Grading Permit for parcel #009263 – K. Koontz

- 9) **WATER/SEWER DEPARTMENTS:**
 - a. Water Dept. Updates
 - b. Sewer Dept. Updates
 - c. Review Rushmore Inspection Report for WWTP
 - d. Approve replacement of booster pump – 40 Taz ct.
 - e. Approve Quotes from Black Hills Technologies LLC
 1. Wet Dry vacuum/mops - \$177.00
 2. Lid/ladder/safety tape for well pit - \$478.00

- 10) **PUBLIC SERVICES DEPARTMENT:**
 - a. Street
 - b. Street Light Repairs
 - c. Approve quote for Dakota Asphalt

11) LAW ENFORCEMENT/ABATEMENTS/COMPLAINTS:

- a. Custer County log
- b. Approve sending animal complaint letter
- c. Enforcement of Ordinance 70.06 Dynamic Engine Brakes

12) ECONOMIC DEVELOPMENT:

13) CLAIMS:

- a. Review of payroll and claims. Motion to approve as presented/amended.

14) FINANCE OFFICE:

- a. Monthly financials
- b. Department updates
- c. Approve Auto Supplement
 - 1. Account #272-10100-33100 FEMA Grant Revenue to 272-46310-42900 FEMA Budget Other Expenses – payment received for FEMA BRIC Grant - \$81,811.71

15) OLD BUSINESS:

- a. Review new water and sewer resolutions
- b. Discuss if companion dogs need to be licensed
- c. Review and make recommendations for harassment letter

16) NEW BUSINESS:

17) ITEMS FROM CONSTITUENTS: No action can be taken by the board on any issue related without being first placed on a future agenda, to allow for proper notice.

- a. Reserved time for public comment is a maximum of **15 minutes**.
- b. This is a time for citizens of the town of Hermosa, owners of property within town or within the Intergovernmental Jurisdiction Zone.
- c. Comments should be limited to express concerns or discuss issues having relevance to the Town.
- d. Personal attacks, Defamatory content, or Disruptive Conduct will not be tolerated.
- e. Each person will be allotted **3 minutes** to speak.
- f. After these time limits are reached, all further commentary shall be made only with the Chair's approval.

18) TRUSTEE INPUT:

19) EXECUTIVE SESSION:

- a. Motion to enter Executive Session allowable by SDCL 1-25-2 – Legal/Personnel/Contract
- b. Motion to exit out of Executive Session
- c. Motions resulting from Executive Session

20) ADJOURN: Motion by _____; Second by _____ to adjourn the meeting at _____ PM

HERMOSA TOWN BOARD
TUESDAY, MAY 5th, 2026
REGULAR MEETING @ 5:30 p.m.
Draft Minutes

3a



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

CALL FOR CHANGES: Motion by Koontz and seconded by Matheny to table Item 8A Approve Digging Permit for Parcel #009263 – K. Koontz, 15B Review Water and Sewer Resolutions, Item 16B Discuss if companion dogs must be licensed and approve agenda as amended: vote: all aye, motion carried.

CONSENT CALENDAR: Motion by Matheny and seconded by Kramer to approve the April 21, 2026, regular meeting minutes and April 28, 2026, special meeting minutes as presented. Motion was amended by Serviss and seconded by Ferguson to include roll call votes for motions related to Black Hills Recovery Network in the April 28, 2026, special meeting minutes; vote on amendment: four aye and one abstain, motion carried. Vote on original motion: four aye and one abstain, motion carried.

CONFLICT OF INTEREST DECLARATION: All board members are responsible for refraining from discussion and voting on issues where they may have a conflict of interest. Koontz noted that there will be roll call voting for any agenda items that may have a conflict of interest.

LEGAL: No items were presented.

TOWN/FEMA UPDATES: Town Engineer Theodorou gave an update on the FEMA BRIC Grant. He has a new floodplain administrator assisting with the grant and will introduce at a future meeting. More drone footage is needed to update the model.

ENGINEER: No items presented.

PLANNING & ZONING: The board reviewed the exterritorial area Custer County Building Permit for parcel #015778 – Black Hills Electric Cooperative. The board welcomes Black Hills Electric Cooperative to the area and there is concern about the traffic flow on Highway 40, where the new building will be located.

WATER/SEWER DEPARTMENT: Theodorou gave an update on water. Concrete pad has been poured for the new North Water Tank, and the floor will be poured this week. There are currently no issues with our functioning well. Sewer updates included a video from John Burckhard showing improvements made at the Wastewater Treatment plant. Motion by Matheny and seconded by Ferguson to approve building inspection fee of \$477.90 for the Wastewater Treatment plant from Rushmore Inspection Services; vote: all aye, motion carried. Motion by Matheny and seconded by Koontz to approve a budget not to exceed \$500 for an electrical inspection of the Wastewater Treatment plant; vote: all aye, motion carried.

PUBLIC SERVICES DEPARTMENT: Koontz received a quote from Dakota Asphalt for possible street work and is working on getting more quotes from other vendors. Discussion was held on possibility of using hot mix that the Department of Transportation may have available. There are currently no streetlights in need of repair. Open work orders were reviewed.

LAW ENFORCEMENT/ABATEMENTS/COMPLAINTS: Serviss stated the town no longer has a Town Marshal due to the resignation of Alias.

ECONOMIC DEVELOPMENT: Serviss attended the Hermosa Connects and Hermosa Area Growth & Development Inc. meeting last night. There will be another forum meeting regarding the proposed new

HERMOSA TOWN BOARD
TUESDAY, MAY 5th, 2026
REGULAR MEETING @ 5:30 p.m.



Draft Minutes

ambulance district at the Hermosa School on Wednesday, May 6, 2026, starting at 6:30 p.m. The next meeting for Hermosa Connects is June 6, 2026, at the HAHA building.

CLAIMS: Motion by Serviss and seconded by Ferguson to suspend claim from ATAC for FEMA BRIC Grant in the amount of \$36,367.00; vote: two ayes and three nays, motion failed. Motion by Kramer and seconded by Ferguson to research the FEMA BRIC Grant payment and pend until the next regular meeting; vote: four aye and one nay, motion carried. Motion by Koontz and seconded by Matheny to approve Payroll for April 30, 2026, and Claims for May 5, 2026, sans the ATAC FEMA BRIC Grant payment in the amount of \$36,367.00; vote: three aye, one nay and on abstain, motion carried.

Vendor	Reference	Amount
A&B SOLUTIONS	Monthly printer/fax/fee	\$ 554.05
ATAC	Engineering Water/Sewer/Planner	\$20,090.00
Bank West Credit Card	Name plate/SDML mtg/Adobe/Stamps	\$ 516.86
Black Hills Electric	Electric – General/Streets/Water/Sewer	\$ 3,264.10
Rural Development	R1 Loan – April 2026 Principal/Interest	\$ 1,278.00
Rural Development	R2 Loan – April 2026 Principal/Interest	\$ 417.00
Rural Development	R3 Loan – April 2026 Principal/Interest	\$ 222.00
US Bank	SRF Quarterly Payment	<u>\$ 1,493.23</u>
Accounts Payable Total		\$ 27,835.24

Payroll Related

Total Paid on:04/30/2026

	Legislative, Financial Admin, Govt Bld	\$ 3,949.58
	Water	\$ 485.72
	Sewer	\$ 241.15
	Promoting City/BBB	\$ 80.38
Health Equity	HSA	\$ 62.50
Health Pool of SD	FO Single Health Insurance	\$ 875.96
EFTPS	Fed/FICA Tax	\$ 1,240.44
SDRS	Retirement	\$ 989.68
National Life Insurance	Life Insurance	<u>\$ 50.00</u>
Payroll Total		\$ 7,975.41

Report Total: \$ 35,810.65

FINANCE OFFICE: Monthly financial reports will be provided at the next regular meeting. Motion by Matheny and seconded by Koontz to approve and authorize board president to sign the SDPAA Insurance Renewal; vote: all aye, motion carried.

OLD BUSINESS: Discussion was held on several barking dog complaints received in the office. Motion by Serviss and seconded by Matheny to grant Abatement Committee/Code Enforcement administrative authority as animal control officer; vote: four aye and one abstain, motion carried. Motion by Koontz and seconded by Matheny to make current barking dog complaints received to date as valid; vote: four aye and one abstain, motion carried. Motion by Koontz and seconded by Serviss to table Item 15C Review and make recommendations – Harassment letter, until the next regular meeting; vote: all aye, motion carried.

NEW BUSINESS: The second reading of Ordinance 2.078A Supplemental Appropriations Ordinance was held.

TOWN OF HERMOSA

HERMOSA TOWN BOARD
TUESDAY, MAY 5th, 2026
REGULAR MEETING @ 5:30 p.m.
Draft Minutes



ORDINANCE NO. 2.078B
SUPPLEMENTAL APPROPRIATION ORDINANCE

Be it ordained by the Town of Hermosa that the following sums are supplementally appropriated to meet obligation of the municipality.

<u>EXPENDITURES</u>	General Fund Fund 101
41410 <u>Legal</u>	
Professional Fees	\$ 27,000.00
Total Legal	<u>\$ 27,000.00</u>
42100 <u>Law Enforcement</u>	
Wages	\$(27,000.00)
Total Law Enforcement	<u>\$(27,000.00)</u>
<u>Total Appropriations</u>	<u>\$ 0</u>

The following designates the fund or funds to which the money derived from the following is applied.

<u>REVENUE</u>	General Fund Fund 101
<u>SOURCE OF FUNDING</u>	
Unassigned Fund Balance	\$ 0
<u>TOTAL MEANS OF FINANCING</u>	<u>\$ 0</u>

Dated 28th day of April, 2026

ATTEST:

Terri Cornelison, Finance Officer

Kelburn Koontz, Board President

- Vote: Kramer: Aye
Koontz: Aye
Ferguson: Aye
Serviss: Aye
Matheny: Aye

Motion by Koontz and seconded by Matheny to approve as presented: vote: all aye, motion carried.

ITEMS FROM CONSTITUENTS: Jerry Styles thanked the board for a good meeting and commended the office staff for their excellent customer service. Marjorie Jurrens questioned the amount of water being hauled for the new Black Hills Electric building and recommended the board taking action for the barking dog complaints. Dan Holsworth stated he appreciated the board’s professionalism and spoke regarding the hot mix from DOT being used at the Wastewater Treatment plant.

TRUSTEE INPUT: Matheny advised citizens to call Custer County regarding vicious dogs and thanked everyone for a great meeting. Kramer agreed it was a good meeting and agreed with Matheny on calling Custer County for vicious dogs. Serviss thanked the citizens for attending and stated it was a good meeting. Ferguson’s biggest concern is the issues with barking and vicious dogs. Koontz stated it was a good meeting.

HERMOSA TOWN BOARD
TUESDAY, MAY 5th, 2026
REGULAR MEETING @ 5:30 p.m.
Draft Minutes



EXECUTIVE SESSION: Motion by Koontz and seconded by Serviss to enter into Executive Session allowable by SDCL 1-25-2.3 – Legal at 7:20 p.m.; vote: all aye, motion carried. Motion by Serviss and seconded by Matheny to exit Executive Session at 7:36 p.m.; vote: all aye, motion carried. There were no motions made from Executive Session. Motion by Koontz and seconded by Matheny to enter into Executive Session allowable by SDCL 1-25-2.1 – Personnel at 7:37 p.m.; vote: all aye, motion carried. Motion by Koontz and seconded by Ferguson to exit Executive Session at 8:05 p.m.; vote: all aye, motion carried. Motion by Matheny and seconded by Serviss to give stipend to Brylee Camire for \$400 per month and Terri Cornelison a stipend of \$200 per month while she is on her HSA. Motion amended by Matheny and seconded by Serviss to add the stipend is for health insurance cost reduction. Vote on amendment: four aye and one abstain, motion carried. Vote on original motion: four aye and one abstain, motion carried.

ADJOURN: Motion made by Koontz and seconded by Ferguson to adjourn meeting at 8:10 p.m., vote: all aye, motion carried.

ATTEST:

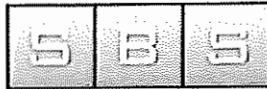
Terri Cornelison
Finance Officer

Kelburn Koontz
Town Board President

Published once at the approximate cost of _____.

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May 14, 2026
VIA EMAIL

Town of Hermosa | Board of Trustees
230 Main Street
Hermosa, SD 57744

**ATTORNEY-CLIENT
PRIVILEGED COMMUNICATION**

Legal Opinion 2026-2

Re: Opinion Regarding Proposed Amendment to ATAC Professional Services Agreements

Dear Board of Trustees:

You requested a legal opinion regarding the proposed amendment to certain professional-services agreements between the Town of Hermosa, South Dakota, and Anthony Theodorou and Company/ATAC.

My recommendation is that the Board consider revising the proposed amendment in its current form. The objective—protecting continuity of important municipal services—is appropriate for the Board to consider. But as drafted, the amendment may create avoidable enforceability concerns.

This opinion identifies legal and governance issues for the Board's consideration. It does not decide the policy question whether particular services require additional continuity protection. That determination belongs to the Board, based on the Town's operational needs, available alternatives, funding constraints, and public-interest considerations.

Documents Reviewed and Scope Limitation

For purposes of this opinion, I reviewed the following documents provided for consideration:

1. Proposed Amendment to ATAC Contracts, titled "Amendment to Professional Services Agreements (Lump Sum Not-to-Exceed and Time & Materials On-Call Contracts)."
2. ATAC Standard Terms and Conditions dated November 20, 2025.
3. ATAC 2026 On-Call Planner and Grant Writer agreement.
4. ATAC 2026 On-Call Building Official agreement.
5. February 19, 2026, Water/Wastewater Operations signed ATAC contract.
6. Fully executed 2026 ATAC Sewer contract.

7. Fully executed 2026 ATAC Water contract.
8. Partially executed April 15, 2026, Contract Operations Amendment regarding Board of Operator Certification staffing requirements.

This opinion is limited to those materials and the assumptions stated below. It is not intended to be, and should not be read as, a full litigation-risk analysis, independent factual investigation, procurement audit, grant-compliance determination, or contract-by-contract damages analysis.

I have not independently verified the completeness of the contract files, the minutes of all Board proceedings, the availability of appropriated funds, grant-reimbursement requirements, or the factual circumstances surrounding any anticipated future termination, transition, or replacement of ATAC.

Assumptions and Review Constraints

This opinion assumes that the Town approved the original agreements through proper municipal authority, including approval by vote of the governing body at a duly assembled meeting as required by South Dakota Codified Laws § 9-1-5. It also assumes compliance with South Dakota Codified Laws chapter 5-18 to the extent competitive-bidding requirements applied.

I have not independently determined whether each agreement was properly authorized, whether all execution formalities were satisfied, whether all required appropriations were in place, or whether any grant, regulatory, or funding source imposes additional requirements.

Any conclusion stated in this opinion should therefore be understood as a limited legal and governance assessment based on the materials reviewed, not as a factual certification or guarantee of enforceability. Where the opinion discusses possible risks, it does so to assist the Board in evaluating and revising the proposed amendment; it does not predict the outcome of any future dispute.

Purpose of the Proposed Amendment

Based on the materials reviewed, the proposed amendment appears intended to preserve continuity in certain Town services following personnel and contract transitions involving ATAC. That is an appropriate objective for the Board to consider.

As drafted, however, the proposed amendment appears broader than necessary. It purports to apply to all existing and future agreements between the Town and ATAC that are identified as lump-sum not-to-exceed contracts or time-and-materials on-call contracts. Future agreements may involve different scopes of work, funding sources, procurement requirements, service levels, regulatory obligations, or public-interest considerations.

For that reason, I recommend that any amendment approved by the Board be limited to specifically identified existing agreements. Future contract modifications should be presented separately for Board review and approval.

The Board may also consider distinguishing between services that are operationally critical to immediate municipal continuity and services that, while important, may allow for a more orderly transition to another provider. Generally speaking, water and wastewater operations appear to present the strongest continuity concerns. Planning, grant-writing, building-official, and similar professional services should be evaluated individually, with any enhanced continuity protections supported by specific Board findings tied to municipal need.

Water/Wastewater Operations April 15, 2026, amendment

The February 19, 2026 Water/Wastewater Operations contract includes ongoing operational obligations, and the separate April 15, 2026 amendment to that contract addresses certified water operator staffing requirements for the Town's drinking water system.

Assuming the April 15, 2026 amendment is authentic, properly authorized, and properly executed, I see no facial legal issue with the Board approving it. That conclusion is limited to the face of that amendment and the materials reviewed. It should not be read as a broader opinion on the enforceability, funding, procurement history, or operational sufficiency of any other ATAC agreement.

Facial Enforceability and Basic Contract Considerations

The proposed amendment may be facially enforceable if it is properly approved and executed. The ATAC Standard Terms and Conditions contemplate written changes, modifications, extensions, terminations, or waivers signed by duly authorized representatives of both parties.

That does not end the analysis. A written amendment may still raise issues if it is broader than the Board intended, applies prospectively to unidentified future agreements, lacks adequate mutual undertakings, or creates payment obligations that are not closely tied to work performed, transition services, or reasonably anticipated damages.

Those concerns are manageable through revision. The amendment should identify the agreements it modifies, state the municipal purpose for the modification, preserve lawful funding and appropriation limits, and define any new obligations with enough specificity that both parties and any future Board can understand what has changed. The Board's objective should be to clarify enforceable contract administration standards—not to create uncertainty about future agreements or impose terms that may later be characterized as punitive or unsupported.

i. Consideration

The proposed amendment gives ATAC additional termination protections and compensation rights beyond the existing terms. The current ATAC terms allow either party to terminate without cause at its sole discretion. If the amendment gives ATAC new protections without a corresponding new undertaking by ATAC, a later dispute could arise over whether the amendment is supported by adequate consideration.

I do not express an opinion that the amendment would fail for lack of consideration. I do recommend revising it to reduce that risk.

At minimum, the amendment should recite that it is supported by good and valuable consideration. For example:

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in furtherance of the Town's interest in the continued provision of critical municipal services, the parties agree as follows:

For added strength, it should identify what both sides are agreeing to do. For example, if ATAC is receiving additional continuity or termination protections, the amendment should also describe ATAC's corresponding obligations—such as staffing commitments, orderly-transition duties, document-transfer duties, regulatory-support obligations, or continued availability for critical municipal services during a defined transition period—so long as it is different from what was originally agreed to.

That kind of mutuality would make the amendment easier to defend as a bargained-for modification rather than a one-sided change to the Town's existing termination rights.

ii. Penalty vs. Liquidated Damages

The proposed amendment raises a separate concern to the extent it requires payment after termination based on a percentage of unperformed or unearned contract value. South Dakota Codified Laws § 53-9-5 provides that a contract fixing damages in anticipation of breach is void to that extent unless actual damages would be impracticable or extremely difficult to determine.

The concern is not the Board's objective. Protecting continuity of municipal services may be a sound public purpose. The concern is the form of the payment obligation. A flat percentage of unearned contract value may later be characterized as a penalty if it is not tied to anticipated loss, transition burden, regulatory risk, or other damages that would be difficult to calculate when the parties contract.

The proposed amendment already appears to provide for payment for work performed and for certain demobilization, close-out, or wind-down costs. My concern is not with those categories, which are more closely tied to actual transition needs. The greater concern is any additional termination-fee language based on percentages of remaining unearned contract value or projected utilization. If the Board wants to include a termination-payment provision, I recommend revising it so that any payment beyond work performed is tied more directly to documented transition-related obligations, such as reasonable wrap-up services, demobilization, transfer of records, regulatory transition assistance, and a defined transition period for identified critical services.

Town of Hermosa
c/o Board of Trustees
May 14, 2026
Page 5

If any liquidated-damages language remains, it should state that early termination of identified critical-services agreements may cause damages that are difficult to determine with precision, and that any agreed amount is intended as a reasonable estimate of those damages—not as a penalty, forfeiture, or compensation for services not performed.

Good Faith and Public-Purpose Framing

Because the Town is a public entity, the amendment should be framed around a clear municipal purpose. The strongest purposes appear to be continuity of critical services, regulatory compliance, orderly transition, and protection of Town operations.

South Dakota law recognizes an implied covenant of good faith and fair dealing in contracts. In *Nygaard v. Sioux Valley Hospitals*, 731 N.W.2d 184, 193–94 (S.D. 2007), the South Dakota Supreme Court explained that the covenant may support a contract claim when one party prevents the other from receiving the expected benefits of the bargain. The Court also cautioned, however, that the covenant cannot be used to create implied terms that conflict with the contract’s express language.

For that reason, the amendment should not rely on implied good faith alone. It should state the parties’ expectations expressly. The agreement should require both parties to exercise termination, abandonment, scope-change, task-assignment, funding, and invoice-dispute rights in good faith and for legitimate contractual, funding, regulatory, performance, legal, or municipal reasons.

At the same time, the amendment should preserve the Board’s authority to act in the Town’s interest. It should not suggest that a future Board is barred from making lawful policy, funding, regulatory, or performance-based decisions. The Board may make continuity findings if the facts support them, but those findings should remain the Board’s findings—not assumptions embedded in the amendment as legal conclusions.

Suggested simple clause:

Good Faith and Continuity of Services. The parties acknowledge that the purpose of this Amendment is to promote continuity of municipal services, orderly administration of the Agreements, and protection of the Town’s operational interests. The parties shall perform and enforce the Agreements in good faith and shall not exercise termination, abandonment, scope-change, task-assignment, funding, or invoice-dispute rights for the purpose of preventing the other party from receiving the reasonably expected benefits of the Agreements. Nothing in this Amendment limits the Town’s authority to act for legitimate municipal, funding, regulatory, performance, or legal reasons, but changes in Board composition alone shall not constitute cause for termination.

I would recommend using this kind of clause. The proposed amendment already includes concepts that can be preserved—good-faith efforts to honor agreements, Board-composition

language, and good-faith work assignment—but those concepts should be tied more clearly to municipal purpose and objective contract administration.

Recommended Revisions

If the Board elects to proceed, I recommend revising the amendment before approval to include the following features:

1. **Narrow scope.** Limit the amendment to specifically identified existing agreements, rather than all existing and future ATAC agreements.
2. **Clear municipal purpose.** State that the amendment is intended to protect continuity of services, regulatory compliance, orderly transition, and the Town's operational interests.
3. **Mutual undertakings.** Identify the obligations each party assumes under the amendment, including any additional obligations ATAC accepts in exchange for any added termination or continuity protections.
4. **Good-faith standards.** Require both parties to exercise termination, abandonment, scope-change, task-assignment, funding, and invoice-dispute rights in good faith and for legitimate contractual, funding, regulatory, performance, legal, or municipal reasons.
5. **Objective cause standards.** If the amendment limits termination without cause, define cause in objective terms, such as material breach, failure to meet the professional standard of care, loss of required licensure or certification, failure to maintain required insurance, noncompliance with law, non-appropriation, grant ineligibility, or documented lack of need.
6. **Transition protections.** Tie any payment obligation to work performed and reasonable transition-related services, including wrap-up work, demobilization, document transfer, regulatory transition assistance, and a defined transition period for critical services.
7. **Funding limits.** Preserve the Town's ability to act within lawful appropriations. See S.D. Codified Laws § 9-21-10.

These revisions would better align the amendment with the Board's continuity concerns while reducing the risk that the amendment will be viewed as overbroad, punitive, unsupported by mutual consideration, or inconsistent with future lawful municipal decision-making.

Conclusion

For the reasons stated above, the proposed amendment appears to pursue a legitimate municipal objective: preserving continuity of services on which the Town relies. In my opinion, that objective is appropriate for Board consideration and appears consistent with the Town's best interests.

If the Board wishes to proceed, I recommend that the amendment be revised before approval to focus on continuity, good-faith performance, objective termination standards, transition protections, Board findings, and lawful funding limits, rather than broad termination fees or compensation for unperformed work. With those revisions, the amendment would be better positioned as a public-purpose clarification of the parties' obligations.

Town of Hermosa
c/o Board of Trustees
May 14, 2026
Page 7

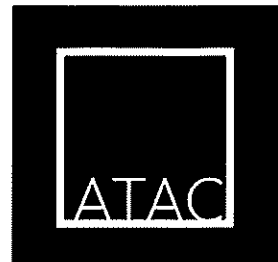
Respectfully submitted,



Wade H. Schutz
of SIEGEL, BARNETT & SCHUTZ, L.L.P.
wschutz@sbslaw.net

WHS

7a



To: Board President Kelburn Koontz
Town of Hermosa, SD
From: Anthony Theodorou & Company (ATAC)
RE: Contract Amendment - Board of Operator Certification Request
ATAC job no. 021926.01

Dear Mr. Koontz,

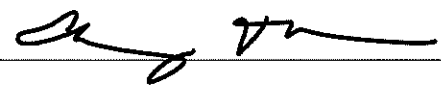
The contract amendment herein is requested by the South Dakota Board of Operator Certification to ensure that the minimum number of hours are being spent in Hermosa maintaining the town's Drinking Water System. The following language shall be taken as integral to the Operations Contract for Water/Wastewater dated February 19, 2026 and retroactively in-effect. ATAC has been providing the minimum requirement since February 19, 2026 and will continue to do so through the duration of our operations contract.

Contract Amended to include the clause:

"Staffing. The certified water operator shall, at a minimum, be physically present at the public water system and fulfill the time requirements of 3 days per week for a minimum of 1.5 hours per week. He must perform technical operation as assigned by the owner of the public water system or their designee. Time spent working on equipment within the service area of the public water system, as part of a professional operator of record's normal job responsibilities, count toward the minimum staffing time requirements."

ATAC does not require any additional fees to meet the minimum requirements of the Board.

Client:
By: _____
Authorized Representative
Print: _____
Title: _____
Date: _____

Anthony Theodorou & Company

Authorized Representative
Print: Anthony Theodorou
Title: President
Date: April 15, 2026

AMENDMENT TO PROFESSIONAL SERVICES AGREEMENTS

(Lump Sum Not-to-Exceed and Time & Materials On-Call Contracts)

This Amendment (“**Amendment**”) is entered into as of _____, 2026 (“**Effective Date**”), by and between the **Town of Hermosa**, a South Dakota municipal corporation (“**Town**”), and **ATAC**, a professional engineering company (“**Consultant**”).

RECITALS

WHEREAS, the parties have entered into one or more professional services agreements (the “**Agreements**”); and

WHEREAS, the parties desire to clarify termination rights, compensation, and minimum commitments in a manner consistent the intent of the parties and municipal contracting requirements;

NOW, THEREFORE, the parties agree as follows:

1. APPLICABILITY

This Amendment applies to all existing and future Agreements between the Town and Consultant that are identified as:

- (a) lump sum not-to-exceed contracts; and/or
- (b) time and materials on-call contracts.

Except as modified herein, all other terms remain unchanged.

2. LUMP SUM NOT-TO-EXCEED CONTRACTS

2.1 Continuity of Obligation

The Town agrees to use good faith efforts to honor each Agreement for its full term and scope and acknowledges that changes in the composition of the Town’s governing body shall not, by themselves, constitute grounds for termination.

2.2 Termination for Convenience – Compensation

If the Town terminates an Agreement for convenience or without cause, Consultant shall be entitled to:

- (a) **Payment for all work performed** through the effective date of termination; plus
- (b) **Reasonable, documented demobilization and close-out costs**; plus
- (c) A **termination fee** equal to:
 - **35% of the remaining unearned contract value**, if termination occurs in the first half of the project; or
 - **25% of the remaining unearned contract value**, if termination occurs in the second half.

The parties agree this structure represents a reasonable allocation of risk and compensation and is not a penalty.

2.3 Non-Appropriation

If the Town terminates due to non-appropriation or lack of funding, the Town shall pay all amounts due under Section 2.2(a) and (b), and shall use reasonable efforts to include termination fee obligations in future appropriations where legally permissible.

3. TIME & MATERIALS ON-CALL CONTRACTS

3.1 Anticipated Term

The parties acknowledge an intended engagement period of **up to two (2) years**, subject to the Town’s ongoing need for services.

3.2 Early Termination – Compensation

If the Town terminates the Agreement for convenience prior to two (2) years, Consultant shall be entitled to:

- (a) Payment for all services performed; plus
- (b) Reasonable wind-down costs; plus
- (c) A **termination fee** equal to the lesser of:
 - **Six (6) months of average billings**, based on prior invoices; or
 - **50% of projected annual utilization**, as reasonably estimated based on prior usage or agreed expectations.

3.3 Good Faith Work Assignment

The Town agrees to make good faith efforts to utilize Consultant for services consistent with past practice, but retains discretion regarding issuance of specific task orders.

4. FUNDING AND APPROPRIATIONS

The Town’s payment obligations are subject to lawful appropriation of funds. The Town agrees to:

- to budget for anticipated services;
- notify Consultant promptly of any anticipated funding issues; and
- not terminate Agreements for the purpose of avoiding reasonably expected services and payment obligations.

5. BOARD AUTHORIZATION

The Town represents that this Amendment has been approved in accordance with applicable procedures and that the undersigned is authorized to execute it.

6. SURVIVAL

All accrued payment obligations shall survive termination.

7. CONFLICTS

This Amendment controls over conflicting terms in the Agreements.

8. COUNTERPARTS

This Amendment may be executed in counterparts.

SIGNATURES

TOWN OF HERMOSA, SOUTH DAKOTA

By: _____

Name: _____

Title: President, Town Board of Trustees

Date: _____

ATAC

By: _____

Name: **Anthony Theodorou**

Title: President

Date: _____

Town of Hermosa

COPY

PO Box 298 • 230 Main Street • Hermosa, SD 57744

Phone (605) 255-4291 • Fax (605) 255-4094

Email: town@hermosasd.com

8a

Is Property in the Flood Plain? Yes No Zoning District _____

IF YES - YOU NEED A FLOODPLAIN DEVELOPMENT PERMIT

DIGGING/GRADING PERMIT

DATE 4/20/20

PERMIT # 2026-17

Receipt # _____ Cash Cash Check # _____ Amount \$50 (\$50.00) up to 100CY
\$20.00 each additional 100 CY

Name KELBURN KOENIG Lot Address TAD 107 Folsom Ct.

Mailing Address 234 DOVINA ST Email kelburn.k@jmail.com

Legal Description LOT 1R OF SW1/4 SEC 21 T2 R8

Telephone # 360-747-1941 Cellphone # 360-747-1941

*Contractor RYAN SIMPSON / RC ELECTRIC Phone # 605-207-3649 / 605-207-5028

*Contractors must all be registered with the Town of Hermosa

All provisions of the Laws and Ordinances of the Town of Hermosa and the State of South Dakota governing the type of work being done and will be complied with, whether specified herein or not.

The granting of a permit does not presume to give authority to violate, cancel, or set aside any of the provisions of the building code, zoning ordinances, or any other local law or ordinance regulating construction or the performance of construction in the Town of Hermosa.

Sketch and/or describe work: (use separate sheet, or attach grading plan)

Will grading operation be located in the floodplain? _____ Yes No

If yes, have ordinance requirements been met? _____ Yes _____ No

Will drainage patterns be altered? _____ Yes _____ No

Will grading operation take place in a geologically hazardous area? _____ Yes _____ No

If yes, have proper precautions been taken? _____ Yes _____ No

Quantity of Grading or Excavation: <20 Cubic Yards Area to be disturbed by proposed work: 0.1 acres.

Identify types of erosion control to be applied: N/A

Source/Destination of materials: Load of road base rock put down to make p.i., trenching / burying sewer/water/power lines

Provide traffic control per Manual on Uniform Traffic Control Devices.

Hard route: NONE needed

Buildings constructed on fill will be required to have foundations designated by a professional engineer, per SDCL 36-18 and the current building codes adopted by the Town of Hermosa.

A stormwater discharge permit from the South Dakota DENR (605-773-3351) may be required if the work under this application or the overall plan of development will result in the disturbance of over 1 acre of land.

Stormwater permit application attached. _____ Yes _____ No N/A

The Town Office will be notified upon start of work and completion of work for inspection purposes (255-4291).

Relationship to Property: Owner _____ Contractor _____ Owners Representative

I certify that I have read and understand and agree to all terms and conditions set forth herein this entire document. I

specifically understand that by signing this document I agree to be jointly and severally responsible, personally, and for any and all work done under this permit. This permit will expire one year from date of issuance.

X Kelburn Koenig

Signature _____ Date _____

PLANNING COMMISSION

Approved Denied

NAME: _____
TITLE: _____
SIGNATURE: _____
DATE: _____
APPLICATION FEE: \$50.00 DATE PAID: _____

HERMOSA BOARD OF TRUSTEES

Approved Denied

NAME: _____
TITLE: _____
SIGNATURE: _____
DATE: _____
DATE PERMIT ISSUED: _____

Parcel # 009263 OFFICE USE ONLY

TOWN OF HERMOSA

STAFF REPORT

APRIL 28, 2026

TO: Town of Hermosa Board of Trustees

FR: Neil Putnam, AICP, Town Planner and Anthony Theodorou, PE, Town Engineer

RE: Digging/Grading Permit

GENERAL INFORMATION

Applicant: Kelburn Koontz

Contractor: Ryan Simpson and RC Electric

Address: 107 Folsom Ct

Parcel Number: 009263

Legal Description: Starbuck Subdivision, Lot 1R of SW1/4SW1/4 Section 29, T2, R8, Hermosa, Custer County

Zoning: Residential

PROJECT DESCRIPTION

The project consists of putting down a road base to make a pad. The water and sewer taps are in place. There is a curb stop installed, and there is a sewer pipe pointed up out of the ground to mark the end of that service line on the property. For the electrical work, there is a different contractor than Ryan Simpson. They are listed on the permit separately, RC Electric. Trenching and burying sewer, water and power lines to the new location. Sewer all required cleanouts will be added. For the water, add hydrant and a meter. For power, add RV post with a box and a plug.

RECOMMENDATION

The contractor is to contact the Town Engineer for inspection when installation commences.

Typically, a minimum of 10 feet of horizontal separation is required between the water and sewer lines to prevent contamination.

The water lines must be at least 18 inches above the sewer at crossings.

Staff will work with the contractor, but 48-hour notice is important to prevent delays.

Also, the contractor should ensure that each sewer tap has a cleanout, either at the house or on the property line, for future inspection and maintenance.

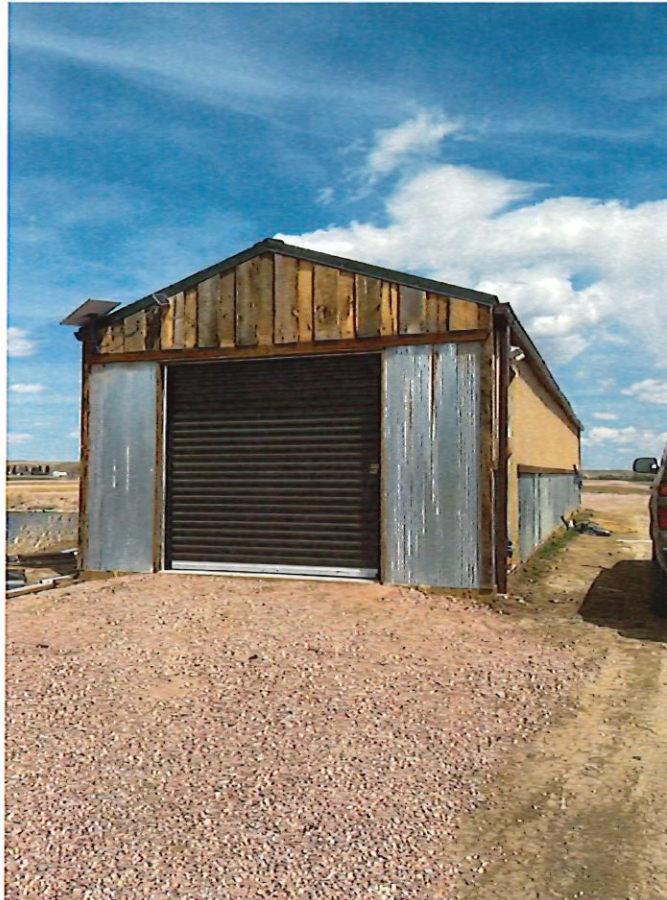
A pressure reading at a hydrant nearby should be taken and sent to the Town Engineer to verify that we have enough positive pressure in the water main prior to the wet tap.

Electrical needs to follow Black Hills Coop requirements.

Staff recommend approval if the preceding is completed.

Rushmore Inspection Services
Property Inspection Report

9c



Hermosa Wastewater Treatment Plant, Fairground PI, Hermosa, SD 57744
Inspection prepared for: City of Hermosa
Date of Inspection: 5/8/2026 Time: 2:00 PM
Weather: 73 degrees

Inspector: Kate Hipple
License # 21031
Phone: (605) 415-7397
Email: kate@rushmoreinspections.com

Table Of Contents

Summary of Items of Concern	2
Roof	3-4
Exterior	5-8
Heating and Cooling	9-10
Plumbing	11
Electrical	12-13
Doors, Windows & Interior	14-17

Summary of Items of Concern

Roof		
Page 4 Item: 1	Roof	<ul style="list-style-type: none"> • Open holes noted near roof ridge. Recommend sealing all openings.
Exterior		
Page 6 Item: 1	Exterior Areas	<ul style="list-style-type: none"> • Caulk missing in areas around entire building (see photos).
Electrical		
Page 12 Item: 1	Electrical	<ul style="list-style-type: none"> • Double tapped breaker inside panel box (more than one electrical conductor attached). This is not standard practice, and may cause overheating or even an electrical fire. Recommend evaluation by an electrician. Double tapping and lugging can create hot spots on breakers and neutral bars because they are not tightened to the correct torque-- especially if two different size conductors are used. Because the hot [black] and neutral [white] wires are both current carrying conductors, the chance is then greater for potential hot spots. If the double tap or lug becomes loose, it begins to arc. As it arcs it builds up carbon. Carbon is then resistance and with more carbon buildup the more difficult it is for the conductor to make contact, thus increasing the current. The end result can be the breaker tripping because of the loose connection [current exceeding the rating of the breaker], or signs of overheating such as discolored wires, melted wires, etc, or even fire.
Doors, Windows & Interior		
Page 14 Item: 1	Doors	<ul style="list-style-type: none"> • Door does not latch properly. • Air and light entering around door.
Page 15 Item: 2	Interior	<ul style="list-style-type: none"> • Open well below grade. Install a safety grate, cover, or guardrails to prevent falls. • Cover missing on sump pit. • Any well with a vertical depth of more than 44-inches must have a permanently affixed ladder, steps, or stairway. • Smoke detectors missing. Installation recommended.

Roof

- I. The inspector should inspect from ground level, or eaves or roof top (if a roof top access door exists):
 - A. The roof covering.
 - B. For presence of exposed membrane.
 - C. Slopes
 - D. For evidence of significant ponding.
 - E. The gutters
 - F. The downspouts.
 - G. The vents, flashings, skylights, chimney and other roof penetrations.
 - H. The general structure of the roof from the readily accessible panels, doors or stairs.
 - I. For the need for repairs.

As with all areas of the building, we recommend that you carefully examine the roof immediately prior to closing the deal. Note that walking on a roof voids some manufacturer's warranties. Adequate attic ventilation, solar / wind exposure, and organic debris all affect the life expectancy of a roof (see www.gaf.com for roof info). Always ask the seller about the age and history of the roof. On any building that is over 3 years old, experts recommend that you obtain a roof certification from an established local roofing company to determine its serviceability and the number of layers on the roof. We certainly recommend this for any roof over 5 years of age. Metal roofs in snow areas often do not have gutters and downspouts, as there is a concern that snow or ice cascading off the roof may tear gutters from the building. Likewise, be advised that such cascading may cause personal injury or even death. If this building has a metal roof, consult with qualified roofers or contractors regarding the advisability of installing a damming feature which may limit the size and amount of snow / ice sliding from the roof.

It is impossible to determine the integrity of a roof, absent of performing an invasive inspection, and absent of obvious defects noted, especially if inspection had not taken place during or immediately after a sustained rainfall. Inspector makes no warranty as to the remaining life of this roof or related components.

Be advised that there are many different roof types, which we evaluate wherever and whenever possible. Every roof will wear differently relative to its age, the number of its layers, the quality of its material, the method of its application, its exposure to direct sunlight or other prevalent weather conditions, and the regularity of its maintenance. Regardless of its design-life, every roof is only as good as the waterproof membrane beneath it, which is concealed and cannot be examined without removing the roof material, and this is equally true of almost all roofs. In fact, the material on the majority of pitched roofs is not designed to be waterproof; only water-resistant.

However, what remains true of all roofs is that, whereas their condition can be evaluated, it is virtually impossible for anyone to detect a leak except as it is occurring or by specific water tests, which are beyond the scope of our service.

Even water stains on ceilings or on the framing within attics, could be old and will not necessarily confirm an active leak without some corroborative evidence, and such evidence can be deliberately concealed. Consequently, only the installers can credibly guarantee that a roof will not leak, and they do.

We evaluate every roof conscientiously, but we will not predict its remaining life expectancy, or guarantee that it will not leak. Naturally, the sellers or the occupants of a structure will generally have the most intimate knowledge of the roof and of its history. Therefore, we recommend that you ask the sellers about it, and that you either include comprehensive roof coverage in your insurance policy, or that you obtain a roof certification from an established local roofing company. Additionally, the condition of a roof can change dramatically after a hard winter, so monitoring is always necessary.

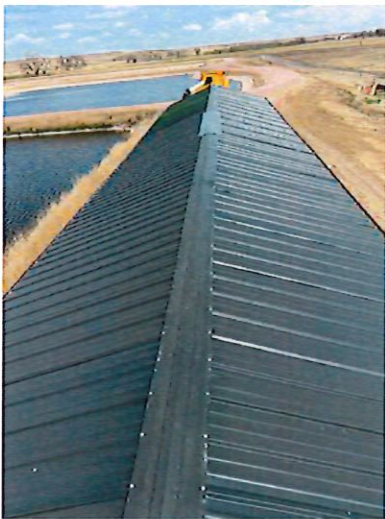
Many composite tile roofs are among the most expensive and durable of all roofs, and can be warranted by the manufacturer to last for twenty-five years or more, but are usually only guaranteed

against leaks by the installer from three to five years. Again, industry experts agree that any roof over 3 years of age should be evaluated by a licensed roofing contractor before the close of escrow. Like other pitched roofs, they are not designed to be waterproof, only water resistant, and are dependant on the integrity of the waterproof membrane beneath them, which cannot be seen without removing the tiles, but which can be split by movement, or deteriorated through time. Significantly, although there is leeway in installation specifications, the type and quality of membranes that are installed can vary from one installer to another, and leaks do occur. The majority of leaks result when a roof has not been well maintained or kept clean, and we recommend servicing them annually.

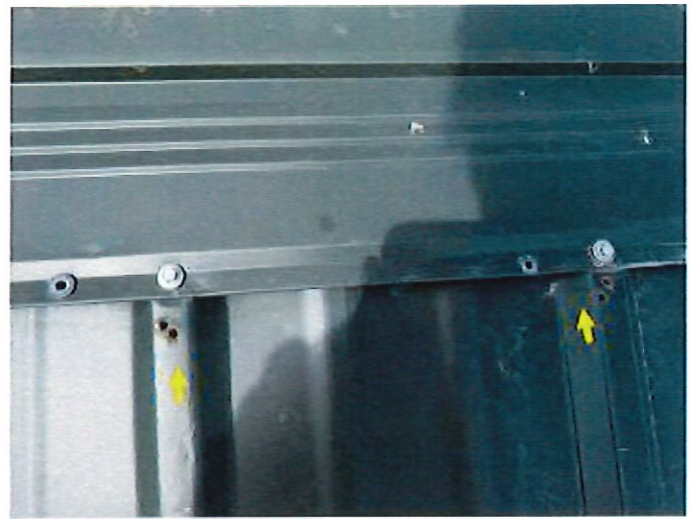
1. Roof

Observations:

- No major system safety or function concerns noted at time of inspection, except as noted below in red.
- Inspection method: Traversed
- **Open holes noted near roof ridge. Recommend sealing all openings.**



View of roof.



Open holes noted near roof ridge.

Exterior

I. The inspector should inspect:

- A. The siding, flashing and trim.
- B. All exterior doors, decks, stoops, steps, stairs, porches, railings, eaves, soffits and fascias.
- C. And report as in need of repair any safety issues regarding intermediate balusters, spindles, or rails for steps, stairways, balconies, and railings.
- D. A representative number of windows.
- E. The vegetation, surface drainage and retaining walls when these are likely to adversely affect the structure.
- F. The exterior for accessibility barriers.
- G. The storm water drainage system.
- H. The general topography.
- I. The parking areas.
- J. The sidewalks.
- K. Exterior lighting.
- L. The landscaping.
- M. And determine that a 3-foot clear space exists around the circumference of fire hydrants.
- N. And describe the exterior wall covering.

6.5.3 Wood decks and balconies

I. The inspector should inspect:

- A. With naked eye, for deck and balcony members that are noticeably out of level or out of plumb.
- B. For visible decay.
- C. For paint failure and buckling.
- D. For nail pullout (nail pop).
- E. For fastener rust, iron stain, and corrosion.
- F. And verify that flashing was installed on the deck side of the ledger board.
- G. For vertical members (posts) that have exposed end grains.
- H. For obvious trip hazards.
- I. For non-graspable handrails.
- J. Railings for height less than the 36 inch minimum.*
- K. Guardrails and infill for openings that exceed the 4 inch maximum.*
- L. Open tread stairs for openings that exceed the 4 and 3/8 inch maximum.*
- M. Triangular area between guardrails and stairways for openings that exceed the 6 inch maximum.*
- N. Built-up and multi-ply beam spans for butt joints.
- O. For notches in the middle third of solid-sawn wood spans.
- P. For large splits longer than the depths of their solid-sawn wood members.
- Q. For building egresses blocked, covered, or hindered by deck construction.
- R. For the possibility of wetting from gutters, downspouts, or sprinklers.

Grading and drainage are probably the most significant aspects of a property, simply because of the direct and indirect damage that moisture can have on structures. More damage has probably resulted from moisture and expansive soils than from most natural disasters. Also, there should be gutters and downspouts with splash blocks that discharge away from the building. We have discovered evidence of moisture intrusion inside structures when it was raining that would not have been apparent otherwise. In addition, we recommend that downspouts do not terminate over paved areas such as walks or driveways, as they can contribute to icy slip and fall hazards in winter.

Minor settlement or "hairline" cracks in drives, walks or even foundations are normal to properties of any age. They should, however, be monitored for expansion and sealed as necessary.

Note that any siding, but especially composition or hardboard siding must be closely monitored. A classic example is the older style Louisiana Pacific siding, where the failure and deterioration provided grounds for a class action lawsuit. Even modern composition siding and, especially, trim, is particularly vulnerable to moisture damage. All seams must remain sealed and paint must be applied periodically (especially the lower courses at ground level). It is imperative that continued moisture be kept from it, especially from sprinklers, rain splash back or wet grass. Swelling and

deterioration may otherwise result.

Vegetation too close to the building can contribute to damage through root damage to the foundation, branches abrading the roof and siding, and leaves providing a pathway for moisture and insects into the building.

Although rails are not required around drop-offs less than 30", consider your own personal needs and those of your family and guests. By today's standards, spindles at decks and steps should be spaced no more than 4" apart for the safety of children.

Open window wells should have either grates or, preferably, a weatherproof shield installed over them. This will keep rain and snow from building up inside the well and possibly leaking into the structure, as well as minimizing your liability from children and non-residents falling inside them. An egress ladder should also be installed within the well, especially at below-grade bedrooms.

The client should understand that this is the assessment of an inspector, not a professional engineer, and that, despite all efforts, there is no way we can provide any guaranty that this foundation, and the overall structure and structural elements of the unit is sound. We suggest that if the client is at all uncomfortable with this condition or our assessment, a professional engineer be consulted to independently evaluate the condition, prior to making a final purchase decision. The inspection is supplemental to the Property Disclosure.

At least once a year, the client should carefully inspect the exterior walls, eaves, soffits or fascia, for signs of damage caused by machinery, weather, roof leaks, overfull gutters, trees or ice, and refasten or repair individual boards or panels as necessary. All trim around doors and windows should be carefully examined and then refastened, repaired or re-caulked. The paint should be examined for blisters or peeling that might indicate moisture problems within the walls and the property touched up or repainted as necessary. Finally, the foundation (interior elements and exterior elements) should be examined for signs of cracking, insect intrusion, moisture intrusion, or changes of any type (such as the appearance of cracks, or the widening or lengthening of existing cracks).

1. Exterior Areas

Observations:

- No major system safety or function concerns noted at time of inspection, except as noted below in red.
- Small rusted area of siding noted at Northeast corner of building. Monitor and repair as needed.
- Rebar exposed at East side of building. Recommend covering, or adding caulk to the tops to prevent injury from sharp edges.
- Mesh screen missing on vent pipe. Recommend installation to prevent debris, insects, or wildlife from entering and causing damage to the fan.
- **Caulk missing in areas around entire building (see photos).**



Weeds appear to be growing into siding.



Small rusted area of siding noted at Northeast corner of building.



Caulk missing.



Caulk missing.



Mesh screen missing.



Caulk missing.



Rebar exposed at East side of building.

Heating and Cooling

6.5.5 Heating and ventilation

I. The inspector should inspect:

- A. Multiple gas meter installations, such as a building with multiple tenant spaces, and verify that each meter is clearly and permanently identified with the respective space supplied.
 - B. The heating systems using normal operating controls and describe the energy source and heating method.
 - C. And report as in need of repair heating systems which do not operate.
 - D. And report if the heating systems are deemed inaccessible.
 - E. And verify that a permanent means of access with permanent ladders and/or catwalks is present for equipment and appliances on roofs higher than 16 feet.
 - F. And verify the presence of level service platforms for appliances on roofs with a 25 percent slope or greater.
 - G. And verify that a luminaire and a receptacle outlet are provided at or near the appliance.
 - H. And verify that the system piping appears to be sloped to permit the system to be drained.
 - I. For connectors, tubing and piping that might be installed in a way that exposes them to physical damage.
 - J. Wood framing for cutting, notching and boring that might cause a structural or safety issue.
 - K. Pipe penetrations in concrete and masonry building elements to verify that they are sleeved.
 - L. Exposed gas piping for identification by a yellow label marked "Gas" in black letters occurring at intervals of 5 feet or less.
 - M. And determine if any appliances or equipment with ignition sources are located in public, private, repair or parking garages or fuel-dispensing facilities.
 - N. And verify that fuel-fired appliances are not located in or obtain combustion air from sleeping rooms, bathrooms, storage closets or surgical rooms.
 - O. For the presence of exhaust systems in occupied areas where there is a likelihood of excess heat, odors, fumes, spray, gas, noxious gases or smoke.
 - P. And verify that outdoor air intake openings are located at least 10 feet from any hazardous or noxious contaminant sources such as vents, chimneys, plumbing vents, streets, alleys, parking lots or loading docks.
 - Q. Outdoor exhaust outlets for the likelihood that they may cause a public nuisance or fire hazard due to smoke, grease, gases, vapors or odors.
 - R. For the potential of flooding and evidence of past flooding that could cause mold in ductwork or plenums.
 - S. Condensate drains
-

6.5.6 Cooling

I. The inspector should inspect:

- A. Multiple air conditioning compressor installations, such as a building with multiple tenant spaces, and verify that each compressor is clearly and permanently identified with the respective space supplied.
- B. The central cooling equipment using normal operating controls.
- C. And verify that a luminaire and a receptacle outlet are provided at or near the appliance.
- D. And verify that a permanent means of access with permanent ladders and/or catwalks is present for equipment and appliances on roofs higher than 16 feet.
- E. And verify the presence of level service platforms for appliances on roofs with a 25 percent slope or greater.
- F. Wood framing for cutting, notching and boring that might cause a structural or safety issue.
- G. Pipe penetrations in concrete and masonry building elements to verify that they are sleeved.
- H. Piping support.
- I. For connectors, tubing and piping that might be installed in a way that exposes them to physical damage.
- J. For the potential of flooding and evidence of past flooding that could cause mold in ductwork or plenums.
- K. Condensate drains.

1. Heating and Ventilation

Observations:

- No major system safety or function concerns noted at time of inspection.
- Electric heater functioning at inspection.



Electric heater functioning.

Plumbing

I. The inspector should inspect:

A. And verify the presence of and identify the location of the main water shutoff valve to each building.

B. And verify the presence of a backflow prevention device if, in the inspector's opinion, a cross connection could occur between water distribution system and nonpotable water or private source.

C. The water heating equipment, including combustion air, venting, connections, energy sources, seismic bracing, and verify the presence or absence of temperature-pressure relief valves and/or Watts 210 valves.

D. And flush a representative number of toilets.

E. And run water in a representative number of sinks, tubs, and showers.

F. And verify that hinged shower doors open outward from the shower and have safety glass conformance stickers or indicators.

G. The interior water supply including a representative number of fixtures and faucets.

H. The drain, waste and vent systems, including a representative number of fixtures.

I. And describe any visible fuel storage systems.

J. The drainage sump pumps and test pumps with accessible floats.

K. And describe the water supply, drain, waste and main fuel shut-off valves, as well as the location of the water main and main fuel shut-off valves.

L. And determine if the water supply is public or private.

M. The water supply by viewing the functional flow in several fixtures operated simultaneously and report any deficiencies as in need of repair.

N. And report as in need of repair deficiencies in installation and identification of hot and cold faucets.

O. And report as in need of repair mechanical drain-stops that are missing or do not operate if installed in sinks, lavatories and tubs.

P. And report as in need of repair commodes that have cracks in the ceramic material, are improperly mounted on the floor, leak, or have tank components which do not operate.

Q. Piping support.

1. Plumbing

Observations:

- No major system safety or function concerns noted at time of inspection.
- Recommend capping exposed ends of **PVC** lines to prevent buildup of debris.



Recommend capping exposed ends of PVC lines.

Electrical

I. The inspector should inspect:

A. The service drop/lateral.

B. The meter socket enclosures.

C. The service entrance conductors and report on any noted conductor insulation or cable sheath deterioration.

D. The means for disconnecting the service main.

E. The service entrance equipment and report on any noted physical damage, overheating, or corrosion.

F. And determine the rating of the service amperage.

G. Panelboards and overcurrent devices and report on any noted physical damage, overheating, corrosion, or lack of accessibility or working space (minimum 30 inches wide, 36 inches deep, 78 inches high in front of panel) that would hamper safe operation, maintenance or inspection.

H. And report on any unused circuit breaker panel openings that are not filled.

I. And report on absent or poor labeling.

J. The service grounding and bonding.

K. A representative number of switches, receptacles, lighting fixtures and AFCI protected receptacles. Although a visual inspection, the removal of faceplates or other covers or luminaires (fixtures) to identify suspected hazards is permitted.

L. And report on any noted missing or damaged faceplates or box covers.

M. And report on any noted open junction boxes or open wiring splices.

N. And report on any noted switches and receptacles that are painted.

O. And test a representative sample of Ground Fault Circuit Interrupter (GFCI) devices and GFCI circuit breakers observed and deemed to be GFCI's during the inspection using a GFCI tester.

P. And report the presence of solid conductor aluminum branch circuit wiring if readily visible.

Q. And report on any tested GFCI receptacles in which power was not present, polarity is incorrect, the cover is not in place, the ground fault circuit interrupter devices are not installed properly or do not operate properly, any evidence of arcing or excessive heat, or where the receptacle is not grounded or is not secured to the wall.

R. And report the absence of smoke detectors.

S. And report on the presence of flexible cords being improperly used as substitutes for the fixed wiring of a structure or running through walls, ceilings, floors, doorways, windows, or under carpets.

1. Electrical

Observations:

- No major system safety or function concerns noted at time of inspection, except as noted below in red.
- Underground service, main disconnects at panel boxes, 200 amp and 400 amp panels.
- Extension cords are used in place of hardwiring in some areas. It is preferable that electrical components be plugged into hard-wired outlets rather than extension cords to reduce the possibility of injury or electrical overload.
- Breakers are not marked at either panel.
- **Double tapped breaker inside panel box (more than one electrical conductor attached). This is not standard practice, and may cause overheating or even an electrical fire. Recommend evaluation by an electrician. Double tapping and lugging can create hot spots on breakers and neutral bars because they are not tightened to the correct torque--especially if two different size conductors are used. Because the hot [black] and neutral [white]wires are both current carrying conductors, the chance is then greater for potential hot spots. If the **double tap** or lug becomes loose, it begins to arc. As it arcs it builds up carbon. Carbon is then resistance and with more carbon buildup the more difficult it is for the conductor to make contact, thus increasing the current. The end result can be the breaker tripping because of the loose connection [current exceeding the rating of the breaker], or signs of overheating such as discolored wires, melted wires, etc, or even fire.**



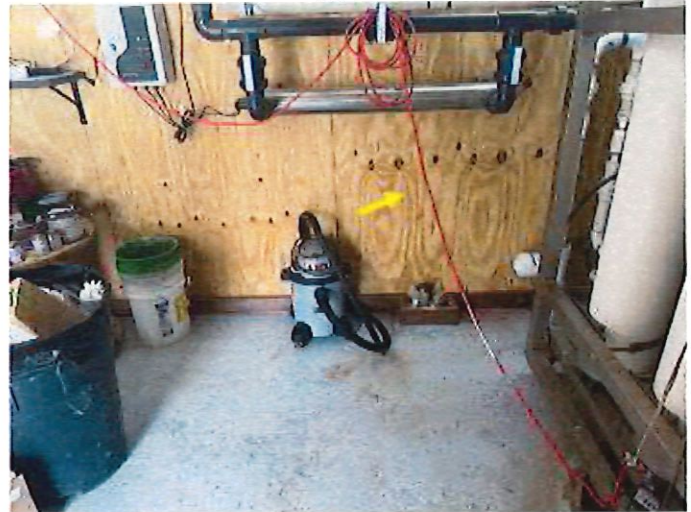
Breakers not marked.



Double tapped breaker.



Breakers not marked.



Extension cords are used in place of hardwiring in some areas.

Doors, Windows & Interior

6.5.11 Doors, windows and interior

I. The inspector should:

- A. Open and close a representative number of doors and windows.
- B. Inspect the walls, ceilings, steps, stairways, and railings.
- C. Inspect garage doors and garage door openers.
- D. Inspect interior steps, stairs, and railings.
- E. Inspect all loading docks.
- F. Ride all elevators and escalators.
- G. And report as in need of repair any windows that are obviously fogged or display other evidence of broken seals.

1. Doors

Observations:

- No major system safety or function concerns noted at time of inspection, except as noted below in red.
- Both overhead doors functioning at inspection.
- Weatherstrip damaged.
- **Door does not latch properly.**
- **Air and light entering around door.**



Weatherstrip damaged.



Door does not latch properly.



Air and light entering around door.

2. Interior

Observations:

- No major system safety or function concerns noted at time of inspection, except as noted below in red.
- EXIT light/signage missing. Recommend installation.
- Bolt sticking out of floor. Potential trip hazard. Recommend removal.
- Consider guardrail installation around drop offs/equipment with 4-inch spindle spacing.
- Sump currently does not have a pump installed. Monitoring of the sump during heavy rainfall is highly advised.
- Pipe over walkway. Consider adding yellow caution tape to draw attention and prevent injury.
- Due to potential for wet floors, consider adding caution signage.
- **Open well below grade. Install a safety grate, cover, or guardrails to prevent falls.**
- **Cover missing on sump pit.**
- **Any well with a vertical depth of more than 44-inches must have a permanently affixed ladder, steps, or stairway.**
- **Smoke detectors missing. Installation recommended.**



Bolt sticking out of floor.



EXIT lights/sign missing.



Truss type rafters.



Consider adding guardrails for safety.



Sump pit cover missing.



Open well at back of building.



Pipe over walkway.



Emergency eye wash station installed.



Fire extinguishers installed at both ends of building.

9e

Black Hills Technologies LLC

Quote

Client

Town of Hermosa
230 Main Street
Hermosa, SD 57744

Scope of Work

Donated a slightly used wet dry vaccum to the town
A mop and mop bucket to clean up muddy foot prints
Misc supplies for keeping operators clean and safe

Contact Info

John Burckhard
21053 Grizzly Gulch Road
Deadwood SD 57732
6053902612

Fee Summary

	Amount	Price Per	Total
Wet Dry Vaccum (Donated)	1	0	0
Mob Bucket	1	\$65.00	\$65.00
Mop	1	\$48.00	\$48.00
Mop Head	1	\$12.00	\$12.00
Rug	1	\$52.00	\$52.00
Total Quote:			\$177.00

Black Hills Technologies LLC

Quote

Client

Town of Hermosa
230 Main Street
Hermosa, SD 57744

Scope of Work

Build Lid for valve well, install lid for sump, ladder for well pit

Contact Info

John Burckhard
21053 Grizzly Gulch Road
Deadwood SD 57732
6053902612

Fee Summary

	Amount	Price Per	Total
Lumber/Hardware for Lid	1	\$85.00	\$85.00
Lid for Sump	1	\$135.00	\$135.00
Ladder for Well Pit	1	\$125.00	\$125.00
Safety Tape	1	\$23.00	\$23.00
Labor:	2	\$55.00	\$110.00
Total Quote:			\$478.00



10c

May 6, 2026

City of Hermosa
230 Main St
Hermosa, SD 57744

RE: Dakota Asphalt is pleased to provide a quotation for the project listed below.

Project Details: Mill and final shaping on McDermand Street (picture included).

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
1.	Mobilization	1	LS	\$ 2,100.00	\$ 2,100.00
2.	Milling roadway	1705	SY	\$ 3.50	\$ 5,967.50
3.	Final shaping	1705	SY	\$ 1.95	\$ 3,325.75
				Total	\$ 11,393.25

Clarifications

1. Mobilization is based on 1 phase to complete work.
2. Billing will be based on quantities placed.
3. Prices as quoted are good for the 2026 construction season.
4. Price does include excise tax.
5. *If additional base course is required to repair soft subgrade, material will be hauled and placed at a rate of \$0 per ton.
6. *50% payment required prior to starting work, remaining payment due upon completion

Payment to be made within 10 days following completion and billing date, 1.5% interest monthly on remaining balance. It will be the responsibility of the owner to pay all legal fees and expenses incurred in the collection of money due.

Dakota Asphalt LLC

Acceptance of Proposal

Mark Wiley
Project Manager

Name _____

Signature _____

Title _____

Date _____



City of Hamora -
The Barnard Str.

- 1. Mobil - 7
- 2. Mill - 1705 sq
- 3. Grade & Shaper - 1706 sq



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



Hermosa April 2026 - CFS's

Printed on May 11, 2026

CFS Date/Time	CFS #	Case Number	Code	Code : Description	Outstanding Cross Streets Outstanding Required Forms Zone
04/01/26 07:38:45	CFS2602170		SPATROL	SPATROL : School Patrol	2#IA7 HERMOSA N 5TH ST (0.1 miles)
04/01/26 16:13:01	CFS2602180		TRAFFCOMP	TRAFFCOMP : Traffic	2#I
04/01/26 17:14:45	CFS2602182		911A	911A : 911 Abandoned	HERMOSA DRY CREEK RD (0.5 2#IA7
04/01/26 22:30:13	CFS2602188		AMB	AMB : Ambulance Call	HERMOSA N 3RD ST (106.1 feet) 2#IA13
04/01/26 23:50:36	CFS2602190		EXT	EXT : Extra Patrol	HERMOSA INGALLS BLVD (166.2 2#IA13 HERMOSA

11a

CFS Date/Time	CFS #	Case Number	Code	Code : Description	Outstanding Permitted Forms Cross Streets Outstanding Required Forms Zone
04/02/26 19:21:22	CFS2602215	2026-00168	AOA	AOA : Assist Other	2#1A13 HERMOSA N 3RD ST (182.2 feet)
04/02/26 20:03:20	CFS2602217		EXT	EXT : Extra Patrol	2#1A7 HERMOSA
04/05/26 22:06:10	CFS2602274		TRAFFCOMP	TRAFFCOMP : Traffic	3 HERMOSA
04/06/26 08:25:25	CFS2602282		EXT	EXT : Extra Patrol	2#1A7 HERMOSA
04/06/26 14:03:00	CFS2602293		CONCIT	CONCIT : Concerned	4 HERMOSA N 2ND ST (0.1 miles)
04/06/26 15:18:39	CFS2602294		EXT	EXT : Extra Patrol	2#1A7 HERMOSA INGALLS BLVD (29.7
04/06/26 16:35:40	CFS2602295		ANFOUND	ANFOUND : Animal Found	EM01 HERMOSA N 4TH ST (198.0 feet)

CFS Date/Time	CFS #	Case Number	Code	Code : Description	Outstanding Forms Cross Streets Outstanding Required Forms Zone
04/07/26 12:38:00	CFS2602322		EXT	EXT : Extra Patrol	21A13 HERMOSA
04/08/26 01:18:07	CFS2602339		EXT	EXT : Extra Patrol	21A6 HERMOSA
04/08/26 15:00:21	CFS2602357		INSPECTION	INSPECTION : Trailer/VIN	21A12 HERMOSA
04/08/26 16:28:46	CFS2602359		TSTOP	TSTOP : Traffic Stop	21A12 HERMOSA E MAIN ST (112.4 feet)
04/09/26 12:08:42	CFS2602381		ALRBA	ALRBA : Burglar Alarm -	21A12 HERMOSA
04/10/26 03:01:19	CFS2602404		EXT	EXT : Extra Patrol	21A6 HERMOSA RUPP ST (78.2 feet)
04/10/26 09:27:23	CFS2602409	2026-00183	BURGLARY	BURGLARY : Burglary /	21A11 HERMOSA E MAIN ST (131.7 feet)

CFS Date/Time	CFS #	Case Number	Code	Code : Description	Outstanding Forms Cross Streets Outstanding Required Forms Zone
04/11/26 21:46:07	CFS2602445	2026-00181	DVA	DVA : Domestic Violent	HP120, 21A1, 21A13, HERMOSA VILAS ST (104.6 feet) 21A9, 21A17, 21A19
04/12/26 15:37:13	CFS2602456	2026-00184	DIST	DIST : Disturbance	HERMOSA WALTER ST (39.9 feet) 21A12
04/14/26 08:02:58	CFS2602506	2026-00189	THEFTOT	THEFTOT : Theft - All	HERMOSA WALTER ST (28.5 feet) 1
04/14/26 18:36:21	CFS2602522		AMB	AMB : Ambulance Call	HERMOSA FOLSOM ST (62.5 feet) 21A6
04/15/26 00:32:15	CFS2602526		EXT	EXT : Extra Patrol	HERMOSA
04/15/26 12:12:10	CFS2602540		FSMOKE	FSMOKE : Fire Call for	1
04/15/26 13:41:35	CFS2602545		EXT	EXT : Extra Patrol	HERMOSA MCDERMAND ST 21A17 HERMOSA

CFS Date/Time	CFS #	Case Number	Code	Code : Description	Outstanding Cross Streets Outstanding Required Forms Zone
04/15/26 22:12:24	CFS2602557		CIT	CIT : Citizen Assist	21A6 HERMOSA W MAIN ST (92.2 feet)
04/16/26 07:28:47	CFS2602562		SPATROL	SPATROL : School Patrol	21A7 HERMOSA MAIN ST (171.3 feet)
04/16/26 19:37:42	CFS2602579		AMB	AMB : Ambulance Call	21A13 HERMOSA W MAIN ST (92.2 feet)
04/17/26 18:33:39	CFS2602604		CONCIT	CONCIT : Concerned	21A12, 21A11 HERMOSA W MAIN ST (92.2 feet)
04/18/26 10:02:29	CFS2602619		TRAFFCOMP	TRAFFCOMP : Traffic	21A19 HERMOSA WALTER ST (0.1 miles)
04/18/26 13:48:41	CFS2602622		TSTOP	TSTOP : Traffic Stop	21A11 HERMOSA DRY CREEK RD (0.5
04/19/26 21:54:41	CFS2602652		EXT	EXT : Extra Patrol	21A17 HERMOSA

CFS Date/Time	CFS #	Case Number	Code	Code : Description	Outstanding Forms Cross Streets Outstanding Required Forms Zone
04/20/26 21:12:21	CFS2602688		EXT	EXT : Extra Patrol	2#A6 HERMOSA
04/21/26 19:05:31	CFS2602720	2026-00204	INFO	INFO : Info	2#A17, 21A13
04/23/26 19:06:57	CFS2602768		FOLLOWUP	FOLLOWUP : Follow-up	HERMOSA N 3RD ST (182.2 feet) 2#A13
04/23/26 23:39:42	CFS2602775		EXT	EXT : Extra Patrol	HERMOSA E WHITNEY ST (0.1) 2#A6
04/24/26 15:36:14	CFS2602790		EXT	EXT : Extra Patrol	HERMOSA 2#A12
04/26/26 18:07:51	CFS2602837		VEHSUSP	VEHSUSP : Suspicious	HERMOSA 2#A9
04/26/26 19:42:58	CFS2602839		EXT	EXT : Extra Patrol	HERMOSA N 2ND ST (0.1 miles) 2#A12
					HERMOSA

CFS Date/Time	CFS #	Case Number	Code	Code : Description	Outstanding/Unsubmitted Forms Cross Streets Outstanding Required Forms Zone
04/27/26 17:12:55	FRC2604659		CALLTSF	CALLTSF : Call Transfer	271C HERMOSA HERMOSA
04/28/26 21:06:54	CFS2602904	2026-00218	THEFTOT	THEFTOT : Theft - All	21A13 HERMOSA HERMOSA N 3RD ST (182.2 feet)
04/29/26 07:15:01	CFS2602911		SPATROL	SPATROL : School Patrol	21A7 HERMOSA HERMOSA MAIN ST (171.3 feet)
04/29/26 10:32:15	CFS2602918		LIFTASS	LIFTASS : Lift Assist	21A11 HERMOSA HERMOSA WALTER ST (28.5 feet)
04/29/26 13:01:52	CFS2602925		PAPSERV	PAPSERV : Paper Service	21A19 HERMOSA HERMOSA W MAIN ST (0.1 miles)
04/29/26 15:22:43	CFS2602932		THAZ	THAZ : Traffic Hazard	21A11 HERMOSA HERMOSA MAIN ST (171.3 feet)
04/29/26 15:26:11	CFS2602933		EXT	EXT : Extra Patrol	21A11 HERMOSA HERMOSA

CFS Date/Time	CFS #	Case Number	Code	Code : Description	Outstanding Permitted Forms Cross Streets Outstanding Required Forms Zone
04/30/26 01:03:36	CFS2602941		EXT	EXT : Extra Patrol	2#A6 HERMOSA HERMOSA
04/30/26 08:44:29	CFS2602950		TRAFFCOMP	TRAFFCOMP : Traffic	2#A5 HERMOSA HERMOSA 2ND ST (137.4 feet)

Total Records: 49

11c

§ 70.06 DYNAMIC ENGINE BRAKES.

(A) In order to maintain and preserve the public peace, health and welfare of its citizens, the use of dynamic engine braking shall be prohibited within the town limits.

(B) The use of dynamic engine braking shall be prohibited within the one-mile law enforcement jurisdiction of the town.

(C) Any individual violating this section shall be subject to a fine as currently used and adopted by the state for a petty offense.

(Ord. 9.04A, passed 8-15-2006)

§ 70.99 PENALTY.

(A) Any person violating any provision of this chapter for which no specific penalty is prescribed shall be subject to § 10.99.

(B) (1) Any person upon conviction of the public offense of reckless driving or careless driving in § 70.07(A) or (B) shall be fined not more than \$100, or 30 days in jail, or by both fine and imprisonment.

(2) Upon conviction of violation of § 70.07(C), the person shall be punished by a fine of not less than \$5 or more than \$100.

(Ord. 22, passed 4-5-1971; Ord. 23, passed 6-5-1972; Ord. 34, passed 3-2-1981)

13a

Claims for approval 05-19-2026

VENDOR	REFERENCE	AMOUNT
ACTION MECHANICAL	PUMP METER PIT AT 194 FAIRGROUNDS PLACE-BILL CUSTOMER	314.35
ATAC	FEMA/BRIC GRANT ENGINEERING FEE - POSTPONED FROM 5/5/2026	\$ 36,367.00
CONIFER CONSTRUCTION	BEAUTIFICATION OF WWTP - BOT APPROVED 4/7/2026	\$ 10,393.00
CONIFER CONSTRUCTION	LATEX GLOVES/PAPER TOWELS	\$ 31.91
GOLDEN WEST	MONTHLY SERVICE FEE APRIL 2026	\$ 633.65
HILLS SEPTIC	PUMP FERGUSON LIFT STATION/PUMP MANHOLE/LAGOON	\$ 1,354.59
KIEFFER SANITATION	MONTHLY SANITATION FEE APRIL 2026	\$ 4,741.81
KING BROWN WELDING	MOUNT TRANSMISSION WWTP BOT APPROVED 5/5/2026	\$ 1,428.57
MT RUSHMORE TELEPHONE	PHONE/INTERNET SECOND LINE	\$ 67.26
MT RUSHMORE TELEPHONE	PHONE/INTERNET MAIN LINE	\$ 136.84
MT RUSHMORE TELEPHONE	PHONE/INTERNET FAX	\$ 57.57
RUSHMORE INSPECTION SERVICE	WWTP COMMERCIAL INSPECTION	\$ 477.90
SD DEPT OF REVENUE	SALES TAX MARCH/APRIL 2026	\$ 588.01
SHP HOLDINGS	PUBLISHING/LEGAL NOTICES APRIL 2026	\$ 439.32
SHP HOLDINGS	FEMA/BRIC GRANT FLOOD PREVENTION MEETING AD	\$ 170.00
Accounts Payable Total		\$ 57,201.78
Payroll related		
Total Paid On: 5/15/2026		
	Legislative, Financial Administration, Govt Blds	\$ 2,668.37
	Water	\$ 378.36
	Sewer	\$ 227.01
	Promoting City/BBB	\$ 88.24
HEALTHY EQUITY	HSA	\$ 62.50
EFTPS-ELECTRONIC FEDERAL TAX	FED/FICA TAX	\$ 786.56
Payroll Total		\$ 4,211.04
***** REPORT TOTAL *****		\$ 61,412.82

CLAIMS REPORT
Check Range: 5/06/2026- 5/19/2026

VENDOR NAME	REFERENCE	AMOUNT	VENDOR TOTAL	CHECK#	CHECK DATE
A & B BUSINESS EQUIPMENT INC	MONTHLY PRINTER/FAX FEE				
ACTION MECHANICAL	PUMP METER PIT 194 FAIRGRNDS		314.35	18617	5/19/26
ANTHONY THEODOROU AND COMPANY	ENGINEERING FEMA BRIC GRANT	36,367.00		843	5/19/26
ANTHONY THEODOROU AND COMPANY	ENGINEERING FEMA BRIC GRANT		36,367.00		
CONIFER CONSTRUCTION LLC	BEAUTIFICATION OF WWT	10,393.00		844	5/19/26
CONIFER CONSTRUCTION LLC	LATEX GLOVES/PAPER TOWELS	31.91		845	5/19/26
CONIFER CONSTRUCTION LLC	BEAUTIFICATION OF WWT		10,424.91		
EFTPS-Electronic Federal Tax	FED/FICA TAX		786.56	837	5/15/26
GOLDEN WEST TECHNOLOGIES	MONTHLY SERVICE FEE APRIL 2026		633.65	828	5/19/26
HEALTH EQUITY	HSA		62.50	838	5/15/26
HILLS SEPTIC	PUMP FERGUSON LIFT STATION		1,354.59	18618	5/19/26
KIEFFER SANITATION	MONTHLY SANITATION FEE APR2026		4,741.81	830	5/19/26
KING BROWN WELDING	MOUNT TRANSMISSION WWT		1,428.57	18614	5/11/26
MG OIL	FUEL FOR MARSHAL - SEPT 2025				
MT RUSHMORE TELEPHONE	PHONE/INTERNET SECOND LINE	67.26		831	5/19/26
MT RUSHMORE TELEPHONE	PHONE/INTERNET MAIN LINE	136.84		834	5/19/26
MT RUSHMORE TELEPHONE	PHONE/INTERNET FAX	57.57	261.67	835	5/19/26
RUSHMORE INSPECTION SERV	WWT COMMERCIAL INSPECTION		477.90	18615	5/19/26
SD DEPT OF REVENUE	SALES TAX MARCH/APRIL 2026		588.01	836	5/15/26
Southern Hills Publishing	PUBLISHING/LEGAL NOTICES 04/26		609.32	18616	5/19/26
SILVERSMITH DATA	SOFTWARE INTEGRATION/SETUP				

=====
Accounts Payable Total 58,050.84

Utility Refund Checks

Refund Checks Total

Payroll Checks

101	GENERAL	2,668.37
211	BBB GROSS RECEIPTS TAX	88.24
602	WATER	378.36
604	SEWER	227.01

Total Paid On: 5/15/26 3,361.98

=====
Total Payroll Paid 3,361.98

=====
Report Total 61,412.82
=====

CLAIMS REPORT CLAIMS FUND SUMMARY

FUND	NAME	AMOUNT
101	GENERAL	10,066.94
211	BBB GROSS RECEIPTS TAX	104.78
272	FEMA/CONSTRUCTION	36,537.00
602	WATER	754.22
604	SEWER	13,949.88

	TOTAL FUNDS	61,412.82

	REVENUES-MAY 2026	REVENUE -YEAR TO DATE	2025 BUDGET
GENERAL FUND	\$ 6,926.86	\$ 160,987.14	\$ 480,439.00
		\$ 160,987.14	
BBB FUND	\$ -	\$ 5,896.54	\$ 18,000.00
FEMA	\$ -	\$ 81,811.71	\$ -
TIF FUND	\$ -	\$ 920.63	\$ 18,000.00
WATER FUND	\$ 10,872.14	\$ 79,434.75	\$ 238,100.00
SEWER FUND	\$ 12,670.01	\$ 281,509.76	\$ 601,366.00

GENERAL FUND	EXPENSES-MAY 2026	EXPENSES-YEAR TO DATE	2025 BUDGET
BOT	\$ 673.35	\$ 9,781.84	\$ 36,900.00
ELECTION	\$ -	\$ 624.58	\$ 3,320.00
FINANCE OFFICE	\$ 6,669.55	\$ 54,745.49	\$ 151,707.00
ATTORNEY	\$ -	\$ 15,030.00	\$ 51,000.00
CUSTODIAN	\$ 92.84	\$ 609.83	\$ 4,759.00
ENGINEER	\$ -	\$ 12,572.50	\$ 25,000.00
LAW ENFORCEME	\$ -	\$ 12,950.57	\$ 47,302.00
INSPECTIONS	\$ -	\$ -	\$ -
STREETS	\$ 1,228.84	\$ 6,675.40	\$ 78,951.00
GARBAGE	\$ 4,741.81	\$ 22,186.00	\$ 61,500.00
P & Z	\$ 1,710.00	\$ 9,615.00	\$ 20,000.00
TOTAL GENERAL	\$ 15,116.39	\$ 144,791.21	\$ 480,439.00
BBB	\$ 110.52	\$ 6,916.07	\$ 18,000.00

FEMA	\$	36,537.00	\$	118,639.71	\$	-
TIF			\$	53,186.92	\$	18,000.00
WATER	\$	19,910.69	\$	119,761.96	\$	238,100.00
SEWER	\$	16,689.02	\$	66,766.59	\$	601,366.00

NET PROFIT/LOSS

GENERAL	\$	(8,189.53)	\$	16,195.93
BBB	\$	(110.52)	\$	(1,019.53)
FEMA		(36,537.00)		(36,828.00)
TIF	\$	-	\$	(52,266.29)
WATER	\$	(9,038.55)	\$	(40,327.21)
SEWER	\$	(4,019.01)	\$	214,743.17

BALANCE AS OF 04/30/2026

BANKWEST CHECKING	\$	1,315,147.66
SD FIT INVESTMENT	\$	161,036.39
1ST NATIONAL BANK CD	\$	140,501.08
TOTAL	\$	<u>1,616,685.13</u>

Budget Over-expenditures

- “Automatic” supplements (ones approved by simple motion of the governing board) may be passed in the following circumstances:
 - When receiving state, federal and county grants
 - When performing work for other governments
 - When receiving revenue from insurance claims

(SDCL 9-21-9.1 & 9.2)

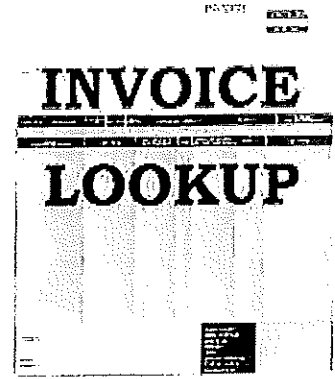
14c

Vendor TIN: 12054624
(do not enter the dash)

Invoice #: BRIC23-0014PMT1

Show Line Detail

[Display Invoice](#)



Invoice Information

Vendor: **TOWN OF HERMOSA - 12054624**
Invoice: **BRIC23-0014PMT1**
Invoice Status: **PAID IN FULL**
Primary Agency: **14 PUBLIC SAFETY (605-773-3178)**
Document Amount: **\$31,796.71**
Remittance Message: **BRIC23-0014 HERMOSA FLOOD MITIGATION ATTN: T. CORNELISON**

Payment Information

Payment Number: **Electronic Payment Number 00002650590**
Payment Date: **03/06/2026**
Bank Clearance Amount **\$31,796.71**
Payment Status: **HAS CLEARED THE BANK**
Bank Clearance Date: **03/10/2026**



SOUTH DAKOTA
DEPARTMENT
OF PUBLIC SAFETY

prevention → protection → enforcement
EMERGENCY MANAGEMENT

February 24, 2026

Terri Cornelison
Town of Hermosa Finance Officer
230 Main Street
Hermosa, SD 57744

Dear Ms. Cornelison:

A request has been forwarded to our auditor's office for a payment of the Building Resilient Infrastructure and Communities Grant funding for **BRIC23-0014-SD**, Hermosa Flood Mitigation Scoping Project grant payment #1. The check that you will be receiving will be for **\$31,796.71** (\$28,617.04 federal and \$3,179.67 state shares) for completing a portion of the drainage analysis and feasibility study. It will be your responsibility to document, on your quarterly report form, that the payment(s) requested and received have been completed. Our records indicate that you have \$364,682.96 federal share in grant funds remaining.

Federal regulations in 2 CFR 200.333, requires that all recipients of federal grants maintain those records required by state or federal law so that an audit can be done. Original or source documents must be available for audit purposes, and documentation must be available to auditors at one central office of record. If you receive over \$1,000,000 in Federal funds in any fiscal year, then a single audit or a program specific audit must be performed in accordance with Office of Management and Budget (OMB) Circular A-133. A program specific audit may be conducted when an applicant expends federal awards under ONLY one federal program (excluding Research and Development awards) and the federal program laws, regulations, or grant agreements do not require a financial statement audit of the applicant. Audits shall be conducted in accordance with OMB Circular A-133 by an auditor authorized by the Auditor General to perform the audit. Authorization may be obtained by forwarding a copy of the audit engagement letter to the Director of External Audits, Department of Legislative Audit, 427 South Chapelle, c/o 500 East Capitol, Pierre, South Dakota 57501-5070. On continuing engagements, the Auditor General's authorization should be obtained annually. Audits shall be completed and filed with granting agencies by the end of the ninth month following the end of the fiscal year being audited. Within nine months of the completion of your fiscal year, all state agencies contributing federal money to your organization must receive a copy of the completed audit, including the South Dakota Office of Emergency Management.

If you have any questions, please contact me at (605) 773-3231.

Sincerely,

Blaire Jonas
NFIP/Mitigation Specialist

CC: Brandy Petersen, Regional Coordinator
Steve Esser, Custer County Emergency Manager

https://www.facebook.com/SDPublicSafety
221 South Central Avenue • Pierre, South Dakota 57501

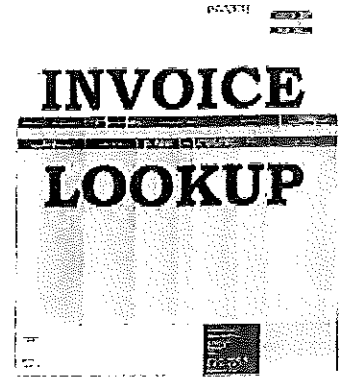
W: 605.501.6040
P: 605.773.3231

https://twitter.com/SDPublicSafety
F: 605.773.3580

Vendor TIN:
(do not enter the dash)

Invoice #:

Show Line Detail



Invoice Information

Vendor: **TOWN OF HERMOSA - 12054624**
Invoice: **BRIC23-0014 PMT2**
Invoice Status: **PAID IN FULL**
Primary Agency: **14 PUBLIC SAFETY (605-773-3178)**
Document Amount: **\$19,705.00**
Remittance Message: **BRIC23-0014 HERMOSA FLOOD MITIGATION PRJT ATTN:T.
CORNELISON**

Payment Information

Payment Number: **Electronic Payment Number 00002652527**
Payment Date: **03/20/2026**
Bank Clearance Amount: **\$19,705.00**
Payment Status: **HAS CLEARED THE BANK**
Bank Clearance Date: **03/24/2026**



SOUTH DAKOTA
DEPARTMENT
OF PUBLIC SAFETY

prevention - protection - enforcement
EMERGENCY MANAGEMENT

March 9, 2026

Terri Cornelison
Town of Hermosa Finance Officer
230 Main Street
Hermosa, SD 57744

Dear Ms. Cornelison:

A request has been forwarded to our auditor's office for a payment of the Building Resilient Infrastructure and Communities Grant funding for **BRIC23- 0014-SD**, Hermosa Flood Mitigation Scoping Project grant payment #2. The check that you will be receiving will be for **\$19,705.00** (\$17,734.50 federal and \$1,970.50 state shares) for completing a portion of the drainage analysis and feasibility study. It will be your responsibility to document, on your quarterly report form, that the payment(s) requested and received have been completed. Our records indicate that you have \$346,948.46 federal share in grant funds remaining.

Federal regulations in 2 CFR 200.333, requires that all recipients of federal grants maintain those records required by state or federal law so that an audit can be done. Original or source documents must be available for audit purposes, and documentation must be available to auditors at one central office of record. If you receive over \$1,000,000 in Federal funds in any fiscal year, then a single audit or a program specific audit must be performed in accordance with Office of Management and Budget (OMB) Circular A-133. A program specific audit may be conducted when an applicant expends federal awards under ONLY one federal program (excluding Research and Development awards) and the federal program laws, regulations, or grant agreements do not require a financial statement audit of the applicant. Audits shall be conducted in accordance with OMB Circular A-133 by an auditor authorized by the Auditor General to perform the audit. Authorization may be obtained by forwarding a copy of the audit engagement letter to the Director of External Audits, Department of Legislative Audit, 427 South Chapelle, c/o 500 East Capitol, Pierre, South Dakota 57501-5070. On continuing engagements, the Auditor General's authorization should be obtained annually. Audits shall be completed and filed with granting agencies by the end of the ninth month following the end of the fiscal year being audited. Within nine months of the completion of your fiscal year, all state agencies contributing federal money to your organization must receive a copy of the completed audit, including the South Dakota Office of Emergency Management.

If you have any questions, please contact me at (605) 773-3231.

Sincerely,

Blaire Jonas
NFIP/Mitigation Specialist

CC: Brandy Petersen, Regional Coordinator
Steve Esser, Custer County Emergency Manager

221 South Central Avenue • Pierre, South Dakota 57501
<https://www.facebook.com/SDPublicSafety>

W: dps.sd.gov

P: 605.773.3231
F: 605.773.3580
<https://twitter.com/SDPublicSafety>

Vendor TIN:
 (do not enter the dash)

Check/ACH #:



Payment Information

Payee: **TOWN OF HERMOSA** Electronic Payment Number: **00002658184**

Payment Amount: **\$54,542.66**
 Payment Date: **04/28/2026**
 Status: **HAS CLEARED THE BANK**
 Clearance Date: **04/30/2026**

Invoice(s) Included With This Payment

Agency Contact Information for questions about a specific invoice

Invoice Date	Invoice Number	Agency Code	Approval Number	Amount
04/28/2026	<u>M026BTR019</u>	02 - DOR	M304399	\$24,232.66
	MUNICIPAL TAX PAYMENT			
04/02/2026	<u>BRIC23-0014PMT#3</u>	14 - DPS	300925	\$30,310.00
	BRIC23 -0014 PMT#3 HERMOSA FLOOD PROJECT ATTN: T. CORNELISON			



SOUTH DAKOTA
DEPARTMENT
OF PUBLIC SAFETY

prevention ~ protection ~ enforcement
EMERGENCY MANAGEMENT

April 16, 2026

Terri Cornelison
Town of Hermosa Finance Officer
230 Main Street
Hermosa, SD 57744

Dear Ms. Cornelison:

A request has been forwarded to our auditor's office for a payment of the Building Resilient Infrastructure and Communities Grant funding for **BRIC23- 0014-SD**, Hermosa Flood Mitigation Scoping Project grant payment #2. The check that you will be receiving will be for **\$30,310.00** (\$27,279.00 federal and \$3,031.00 state shares) for completing a portion of the drainage analysis and feasibility study. It will be your responsibility to document, on your quarterly report form, that the payment(s) requested and received have been completed. Our records indicate that you have \$319,669.46 federal share in grant funds remaining.

Federal regulations in 2 CFR 200.333, requires that all recipients of federal grants maintain those records required by state or federal law so that an audit can be done. Original or source documents must be available for audit purposes, and documentation must be available to auditors at one central office of record. If you receive over \$1,000,000 in Federal funds in any fiscal year, then a single audit or a program specific audit must be performed in accordance with Office of Management and Budget (OMB) Circular A-133. A program specific audit may be conducted when an applicant expends federal awards under ONLY one federal program (excluding Research and Development awards) and the federal program laws, regulations, or grant agreements do not require a financial statement audit of the applicant. Audits shall be conducted in accordance with OMB Circular A-133 by an auditor authorized by the Auditor General to perform the audit. Authorization may be obtained by forwarding a copy of the audit engagement letter to the Director of External Audits, Department of Legislative Audit, 427 South Chapelle, c/o 500 East Capitol, Pierre, South Dakota 57501-5070. On continuing engagements, the Auditor General's authorization should be obtained annually. Audits shall be completed and filed with granting agencies by the end of the ninth month following the end of the fiscal year being audited. Within nine months of the completion of your fiscal year, all state agencies contributing federal money to your organization must receive a copy of the completed audit, including the South Dakota Office of Emergency Management.

If you have any questions, please contact me at (605) 773-3231.

Sincerely,

Blaire Jonas
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CC: Brandy Petersen, Regional Coordinator
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15c

Town of Hermosa
Board of Trustees
Physical Address
Email Address
Phone

Date

Subject: Notice Regarding Conduct Toward Public Officials and Employees

Dear

The Hermosa Board of Trustees is writing to address recent interactions involving your communications and/or conduct toward Town officials and/or employees.

The Town encourages public engagement and respects the right of individuals to express concerns or disagreements. However, conduct that interferes with the duties of public officials or rises to the level of harassment is not permitted and may violate South Dakota law.

You are hereby placed on notice of the following applicable statutes:

Obstruction of Public Officers or Employees – SDCL § 22-11-3 provides:

“Any person who intentionally obstructs or attempts to obstruct a public officer or employee... in the performance of any official duty, or who resists a public officer in performance of that duty, is guilty of a Class 2 misdemeanor.”

Harassment / Stalking (Course of Conduct) – SDCL § 22-19A-1 defines prohibited conduct as:

“A knowing and willful course of conduct directed at a specific person which seriously alarms, annoys, or harasses the person, and which serves no legitimate purpose.”

Disorderly Conduct – SDCL § 22-18-35 includes conduct where a person:

“Intentionally causes a public inconvenience, annoyance or alarm...”

Civil Liability for Harassment – SDCL § 20-9-32 provides that:

“There is a civil cause of action for malicious harassment... [including] damages for emotional distress, reasonable attorney fees and costs, and punitive damages.”

Required Conduct – Effective immediately, you are directed to:

- Communicate with Town officials and staff in a respectful and non-disruptive manner
- Cease any conduct that could be interpreted as harassment, intimidation, or obstruction
- Limit communications to legitimate Town business and appropriate channels

Potential Consequences – If the conduct described above continues, the Town may take further action, including but not limited to:

- Referral to law enforcement for investigation of criminal violations
- Restriction of communication methods or contact with staff
- Removal from public meetings for disruptive behavior
- Pursuit of civil remedies where applicable

This letter serves as a formal warning and opportunity to correct conduct moving forward. The Town prefers to resolve matters cooperatively but will take necessary steps to ensure a safe and functional working environment for its officials and employees.

If you have questions regarding appropriate communication channels or wish to address concerns in a constructive manner, you may contact the Town Office.

Sincerely,

Hermosa Board of Trustees