

**HERMOSA TOWN BOARD
TUESDAY, MARCH 17, 2026
REGULAR MEETING @ 6:00 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 March 3rd, 2026, regular meeting minutes an March 6, 2026 special meeting minutes

- 4) **CONFLICT OF INTEREST DECLARATION:**

(Roll call voting for any agenda item that may have a conflict of interest)

- 5) **PUBLIC HEARING AT 6:00 PM**
 - A. Public Hearing for new application for malt beverage-South Dakota wine license – TW Bar
 - B. Motion for approval
 - C. Public Hearing for new application for on-sale liquor license – TW Bar
 - D. Motion for approval
 - E. Motion to approve Operating Agreement TWR

- 6) **TOWN/FEMA UPDATES:**
 - A. FEMA BRIC Grant monthly progress meeting

- 7) **ENGINEER:**
 - A. Review of Ferguson Lift Station Ops Report from John Burckhard

- 8) **PLANNING & ZONING:**
 - A. Extraterritorial Land use violation Parcel #010619 – Hermosa Mud Bog

- 9) **WATER/SEWER DEPARTMENTS:**
 - A. Water Dept. Updates
 - B. Sewer Dept. Updates
 - C. Approve invoice of \$225.14 for sewer issues - Heartland Hair
 - D. Approve quote of \$695 for cleaning of Ferguson Lift Station
 - E. Approve budget for Public Tour Safety and Beautification Upgrades for WWTP

- 10) **PUBLIC SERVICES DEPARTMENT:**
 - A. Streets
 - B. Street Light Repairs

- 11) **LAW ENFORCEMENT/ABATEMENTS/COMPLAINTS:**
 - A. Custer County Log

- 12) **LEGAL:**
 - A.

- 13) **ECONOMIC DEVELOPMENT:**
A.
- 14) **CLAIMS:**
A. Review of payroll and claims. Motion to approve as presented/amended.
- 15) **FINANCE OFFICE:**
A. Monthly financials
B. Department updates
 - Discuss options for replacement of computer sonic wall security – expires 5/2026
 - Discuss moving future meeting time to 5:30PM
- 16) **OLD BUSINESS:**
A. TM-03/04/2026-Mail Call Response RE: H2O
B. Award 2025 Volunteer of the Year award – Dan and Shelley Martin
- 17) **NEW BUSINESS:**
A. Municipal Cybersecurity Policy for City Clerk, Finance Officers, and Board Members
B. Policy for Access to Critical Infrastructure & Key Control Procedures
C. Approve Finance Committee to work with Don Peterson to write letters to DANR
D. Pre-approve Brylee Camire’s Probationary Period Ending 03/29/2026 raise to \$19/hour
E. Provide Opportunity to Retract False Claims
F. Approve Resolution for DWSRF Loan
G. Approve Resolution for Bond
- 18) **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.
 1. Reserved time for public comment is **15 minutes**.
 2. This is a time for citizens of the town of Hermosa or owners of property within town Limits to express concerns or discuss issues having relevance to the town.
 3. Anyone wishing to address the Town Board during this time shall be asked to stand and Identify themselves after being recognized the Board President.
 4. Each person will be allotted **3 minutes** to speak.
 5. After these time limits are reached, all further commentary shall be made only with the Chair’s approval.
- 19) **TRUSTEE INPUT:**
- 20) **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
- 21) **ADJOURN: Motion** by _____; Second by _____ to adjourn the meeting at _____ PM.

HERMOSA TOWN BOARD
TUESDAY, MARCH 3, 2026
REGULAR MEETING @ 6:00 p.m.
Draft Minutes

3A

ROLL CALL: Koontz called the meeting to order on Tuesday, March 3, 2026, at 6:01 p.m. Roll Call was held with Kramer, Ferguson, Koontz, Serviss and Matheny in attendance. Interested citizens, Town Attorney James and Town Engineer Theodorou were also present. Pledge of Allegiance led by Koontz.

CALL FOR CHANGES: Motion by Koontz and seconded by Kramer to amend the agenda as follows: replace item 7B with schedule public engagement meeting for flood plain west of Hwy 79, strike the words project defunct from item 7E, strike items 10B, Add 15D 'Revoke appointment for economic development liaison, Add 15E 'require board president and vice president approval of proposed agenda and packet before releasing to the public on Friday's before the meetings and require amendment requests of agenda at board meetings. Vote: three aye, two nay, motion carried.

CONSENT CALENDAR: Motion by Koontz and seconded by Matheny to approve January 27, 2026, special meeting minutes as amended; vote: four aye and one abstain, motion carried. Motion by Matheny and seconded by Kramer to approve February 5, 2026, regular meeting minutes as presented; vote: four aye and one abstain, motion carried. Motion by Matheny and seconded by Kramer to approve February 17, 2026, regular meeting minutes as presented; vote: all aye, motion carried. Motion by Kramer and seconded by Koontz to approve February 19, 2026, special meeting minutes as presented; vote: four aye and one abstain, motion carried.

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

TOWN/FEMA UPDATES: Discussion was held on who should be able to post on the town website and what should be posted on the town website.

ENGINEER: Motion by Koontz and seconded by Matheny to approve the quote for security equipment for water and wastewater facilities from Black Hills Technologies, LLC, in the amount of \$5,568.00; vote: three aye and two nays, motion carried. Motion by Koontz and seconded by Matheny to approve budget of \$5,600 for Ferguson Lift Station Utility Services rack. Matheny amended the motion and seconded by Kramer to approve the amount to structurally strengthen Ferguson Lift Station, excluding the camera cost from the bill of materials. Vote on amendment: two aye, two nay and one abstain, motion failed. Vote on original motion: three aye, one nay and one abstain, motion carried. Motion by Koontz and seconded by Matheny to approve proposal from ECT2 for media unloading at site; secure/dry media store upon delivery for a total of \$24,400.00. Motion amended by Koontz to approve cost upon closure of DWSRF loan. Motion failed for lack of a second. Motion was amended by Kramer and seconded by Matheny to approve contingent upon closing of DWSRF loan upon which the funds can be drawn. Vote on amendment: all aye, motion carried. Vote on original motion: all aye, motion carried.

PLANNING & ZONING: Matheny presented a sample procedure for Notification of Public Meeting, and the form was included in the packet. Notice states who is having the public hearing and who to contact by email with questions, comments, and concerns prior to the public hearing. Motion by Koontz and seconded by Matheny to approve Resolution Building Permit #2026-06-Parcel #009325 contingent upon requirements stated in staff report are met (agreement to special assess the lot for the upgrades needed to accept the private pump station on Whitney Street into the Town's system and require user to be on a town-owned system and the structure and garage shall comply with the building and fire codes). Motion amended by Koontz and seconded by Kramer to add lift station be upgraded and certified by DANR. Vote on amendment: four aye and one abstain, motion carried. Vote on original motion: four aye and one abstain, motion carried. Motion by Serviss and seconded by Kramer to direct town attorney to determine jurisdiction of land use and take appropriate

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actions to resolve or necessary penalize. Serviss amended motion and Ferguson seconded to direct town attorney to review if public hearing is appropriate regarding land use for parcel #010619; vote on amendment: three aye and two abstain, motion carried. Motion by Serviss and seconded by Matheny to table Item 7D Extraterritorial Land use violation Parcel #010619-Hermosa Mud Bog until the next regular meeting; vote: all aye, motion carried. Motion by Kramer and seconded by Matheny to return \$70,250.54 to the Preston Family for water and sewer fees paid and project did not start. Motion was amended by Serviss and seconded by Matheny to increase the amount to \$140,501.08. Vote on amendment: two aye, two nay and one abstain, motion failed. Vote on original motion: all nay, motion failed. Motion by Matheny and seconded by Serviss to return \$210,751.62 to the Preston Family for water and sewer fees paid and project not started; vote: three aye, one nay and one abstain, motion carried.

PUBLIC WORKS: Town Engineer Theodorou gave an update on water and sewer. He has been reviewing the monitoring system for wellhouse and making sure Ferguson Lift Station is operational. The lagoons are filling up as needed to operate the wastewater treatment plant. Theodorou also stated he and John Buckhard had started doing the 811 locate calls. The board reviewed the open work orders provided in the packet. Motion by Koontz and seconded by Matheny to approve a budget of \$2,417.00 for replacement of booster pump at 221 Folsom; vote: four aye and one abstain, motion carried.

LAW ENFORCEMENT/ABATEMENTS/COMPLAINTS: No items were presented.

LEGAL: Town Attorney James stated he will only perform tasks directed to him by the board.

CLAIMS: Motion by Koontz and seconded by Ferguson to approve Payroll for February 27, 2026, and claims for March 3, 2026; roll call vote: Matheny – abstain, Ferguson – aye, Koontz – aye, Serviss – abstain, Kramer – aye, motion carried. A & B BUSINESS, monthly printer/fax fee, \$613.34; ATAC, FEMA/BRIC grant engineering fee, \$19,705.00; ATAC, north water tank engineering fee, \$1,020.00; ATAC, DWSFR engineering fee, \$6,800.00; ATAC, engineering fee, \$1,190; ATAC, water & sewer operations, \$920.00; ATAC, planner time, \$910.00; ATAC, planner time – TIF#2, \$455.00; CHUCK FERGUSON, contract services, \$3,120.00; BLACK HILLS ELECTRIC, utilities – water, sewer, street lights, \$3,570.19; BANKWEST CREDIT CARD, keys, locks, office supplies, Pierre trip, \$1,285.07; SOLAR SOUND CORPERATION, re-install arm & light, \$618.25; LOWER 48, weir ring for mounting sensor, \$129.64; MORGAN THEELER LLP, TIF #2 legal review, \$3000.00; RURAL DEVEOLPMENT LOAN 1, interest & principle for loan 1, \$1,278.00; RURAL DEVEOMPLEMENT LOAN 2, interest & principle for loan 2, \$417.00; RURAL DEVELOPMENT LOAN 3, interest & principle for loan 3, \$222.00; AARON SEVRISS, reimbursement for keys, \$38.17; TEM-TECH, repair south well house, \$252.00; . **Accounts Payable Total: \$45,543.66.** Payroll related: Total Paid on 2/27/2026; Legislative, Financial Administration, \$3,509.03, Water, \$409.87, Sewer, \$191.07, Promoting City/BBB, \$77.38, EFTPS-Electronic Federal Tax, \$1,048.41, South Dakota Retirement, \$1,216.76, Health Equity, \$62.50, Health Pool of South Dakota, \$875.96; National Insurance, \$10.00; **Total Payroll Related Paid: \$7,400.98. REPORT TOTAL: \$52,944.64.**

FINANCE OFFICE: Cornelison gave department updates:

- Hermosa Local Board of Equalization, Monday, March 16, 2026, at 6:00 p.m.
- District 9 Meeting in Wall, SD – Tuesday, March 31, 2026, 6:00-8:00 p.m.
- Finance Officer School in Oacoma, SD – Wednesday, June 10, 2026, through Friday, June 12, 2026
- SDML Annual Conference in Aberdeen, SD – Tuesday, October 6, 2026, through Friday, October 9, 2026

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Motion by Kramer and seconded by Ferguson to approve Finance Officer to attend Finance Officer School; vote: all aye, motion carried.

BREAK: The board took a break and reconvened at 8:56 p.m.

PLANNING & ZONING CONTINUED: Discussion was held on scheduling public engagement meeting for flood plain west of Hwy 79. Theodorou will research venue for April 8th or April 13th.

FINANCE OFFICE CONTINUED: Discussion was held on procedure for handling utility billing when leaks/floods occur. Policy in the past has been to remove the amount of consumption of the leak/flood from the sewer charge. Motion by Serviss and seconded by Ferguson to grant the Town Finance Officer discretion in adjusting utility billing when needed. Mail call included an email sent to all board members, finance officer and town attorney regarding concerns with contractor's history of non-compliance with State regulations relative to the vendors' Apple Springs location. Matheny suggested writing a letter to contract to ask what has been done to resolve the violations. This item will be placed on the next regular meeting agenda. Cornelison presented the draft of the 2024-2025 Audit performed by Independent Audit Services, P.C.

OLD BUSINESS: The board voted by paper ballot for 2025 Hermosa Volunteer of the Year. Dan and Shelly Martin received the most votes and will be presented with the award at a future regular meeting.

NEW BUSINESS: Motion by Serviss and seconded by Ferguson to approve Resolution 2026-04 A Resolution Stating Intent of the Town of Hermosa to be Included in Proposed Ambulance District, contingent upon approval from Town Attorney; vote: all aye, motion carried. Motion by Matheny and seconded by Serviss to add the Municipal Referendum Petition to submit to the voters the Planning & Zoning Resolution No. 2026-01 Resolution Providing for the Creation of Town of Hermosa, South Dakota, Tax Incremental District Number Two (2); vote: three aye and two nays, motion carried. Koontz reads out committee selections: Finance: Koontz – Chair, Kramer – Vice Chair, Water: Koontz – Chair, Kramer – Vice Chair, Streets: Matheny – Chair, Kramer – Vice Chair, Law Enforcement: Ferguson – Chair, Kramer – Vice Chair, Code Enforcement : Kramer – Chair, Ferguson – Vice Chair, Media: Koontz. Motion by Koontz and seconded by Kramer to revoke the appointment of Economic Development Liaison; vote: 2 aye, 1 nay, 2 abstain, motion failed. Motion by Koontz, seconded by Matheny to require board president and vice president to approve agenda and packet before releasing to the public on Fridays before the meetings and require amendment requests at board meetings. Motion amended by Koontz, seconded by Kramer to require finance officer as tie breaker. Motion to amend by Matheny seconded by Koontz to have the tie breaker put both things on agenda. Vote on amendment: 3 ayes, 1 nay, 1 abstain. Vote on original motion: 3 aye, 2 nay motion carried.

ITEMS FROM CONSTITUENTS: Mark Cropley questioned why actions against Trustee Serviss were necessary. Connie Leimer questioned purchase of cameras for lagoon system. Faye Miller asked what the opinion was of other board members regarding President's article in March Newsletter. Phil Preston stated the board was missing effective information by not allowing public comments on agenda items. Dan Holsworth when infrastructure jeopardized cannot afford security breach. Deb Holsworth commented on medical waste site that only having a violation of address not being changed. Margie Jurens commended Serviss on his reports and information and questioned Koontz's leadership style. Joan stated she does not sensor articles placed in the Hermosa Newsletter. Shelly Martin commended Serviss on his research and everything he does for the Town and asked why Our Savior Lutheran Church's request for donation to replace playground equipment was not on the agenda. Discussion was a possibility for town to surplus playground equipment received from the Custer School. Dan Martin stated the school got rid of the playground equipment due to liability issues and church would not be interested.

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TRUSTEE INPUT: Kramer stated school gave playground equipment to town as they could no longer ensure the equipment. Black Hills Recovery is donating \$1000 to project to replace playground equipment. Matheny stated security cameras are important and new structure of agendas is needed. Ferguson commented on feeling some of decisions made were rash and to remember board works for the town. Koontz stated that in his Hermosa Newsletter article he intended to capture the truth of the entirety of the situation and his commitment is to not misrepresent.

EXECUTIVE SESSION: No Executive Session held.

ADJOURN: Motion made by Ferguson and seconded by Koontz to adjourn meeting at 10:38 p.m., vote: all aye, motion carried.

ATTEST:

Terri Cornelison
Finance Officer

Kelburn Koontz
Town Board President

Published once at the approximate cost of _____.

HERMOSA TOWN BOARD
FRIDAY, MARCH 6, 2026
SPECIAL MEETING @ 2:00pm
Draft Minutes

ROLL CALL: Koontz called the meeting to order on Friday, March 6, 2026, at 2:00 p.m. with the following members present: Kramer, Ferguson, Koontz, Serviss and Matheny. Pledge of Allegiance led by Koontz.

CALL FOR CHANGES: Motion by Koontz and seconded by Kramer to accept agenda as presented; vote: three 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.

EXECUTIVE SESSION: Motion by Koontz and seconded by Kramer to enter Executive Session allowable by SDCL 1-25-2 – Contracts at 2:02 p.m.; vote: all aye, motion carried. Motion by Koontz and seconded by Kramer to exit Executive Session at 2:39 p.m.; vote: all aye, motion carried. Motion by Koontz and seconded by Kramer for board members not to be paid for this special meeting; vote: all aye, motion carried. Motion by Kramer and seconded by Matheny to rescind motion from March 3, 2026, BOT regular meeting, “to return \$210,751.62 to the Preston Family for water and sewer fees paid and project not started”; vote: three aye, one nay and one abstain, motion carried. Motion by Kramer and seconded by Matheny to return \$140,501.08 to the Preston Family for water fees paid and project not started and make payment after CD matures on May 21, 2026; vote: three aye and two abstain, motion carried.

ITEMS OF BUSINESS: Discussion was held on Resolution 2026-04, A Resolution Stating Intent of the Town of Hermosa to be Included in Proposed Ambulance District. Town Attorney James spoke to Custer County States Attorney Kelley and resolution will need to be updated when County selects a name for the ambulance district.

ITEMS FROM CONSTITUENTS: There were no constituents in attendance.

TRUSTEE INPUT: There was no input from Trustees.

ADJOURN: Motion made by Koontz and seconded by Ferguson to adjourn meeting at 2:44 p.m., vote: all aye, motion carried.

Terri Cornelison
Finance Officer

Kelburn Koontz
Town Board President

Published once at the approximate cost of _____.

**NOTICE OF PUBLIC HEARING
FOR NEW APPLICATION FOR
RETAIL (ON-OFF SALE) MALT BEVERAGE LICENSE
AND NEW APPLICATION FOR RETAIL (ON-SALE) LIQUOR LICENSE**

UPON NEW APPLICATION for Retail Malt Beverage License and Retail (on-sale) Liquor License, which have been presented to the Hermosa Town Board and filed with the Finance Officer, notice is hereby given that: The Town Board in and for the Town of Hermosa, Custer County, South Dakota, will hear and consider the applications for new retail malt beverage license to operate within the municipality until June 30, 2026 and application for new retail (on-sale) liquor license to operate within the municipality for the remainder of calendar year 2026, at the regular meeting of the Hermosa Town Board, to be held on the 17th of March, 2026, at the hour of 6:00 p.m., at the Hermosa Town Office, of said day.

TW Bar	Lots 23-24, Block 5 Town of Hermosa, South Dakota	On/Off Sale Malt Beverage and On-Sale Liquor
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Notice is further given that any person, persons or their attorney may appear and be heard at said scheduled public hearing who are interested in the approval or rejection of any such application.

Dated at Hermosa, South Dakota, this 24th Day of February 2025.

Terri Cornelison - Finance Officer

Publish Legal 3/4/2026

Date Received _____
Date Issued _____

License No. _____

Uniform Alcoholic Beverage License Application

A. Owner Name and Address

TW Bar LLC
PO Box 215
Hermosa, SD 57744

Owner's Telephone #: 605-641-5821

B. Business Name and Address

TW Bar
122 Vibes St
Hermosa, SD 57744

Business Telephone #: _____

Place of business is located in a municipality? Yes No

County: Cluster

Do you own or lease this property? Own Lease

Are real property taxes paid to date? Yes No

C. Indicate the class of license being applied for
(submit separate application for each class of license).

- Retail (on-sale) Liquor
- Retail (on-sale) Liquor - Restaurant
- Convention Center (on-sale) Liquor
- Package (off-sale) Liquor
- Retail (on-off sale) Wine and Cider
- Retail (on-off sale) Malt Beverage & SD Farm Wine
- Package Delivery
- Hunting Preserve
- Other _____

Is this license in active use? Yes No

Do you or any officers, directors, partners, or stockholders hold any other alcohol retail, manufacturing, or wholesaler licenses?

Yes No If Yes, please list on the back page.

D. Legal description of licensed premise:

Lot 23 + 24 ; Block 5
Town of Hermosa

Have you ever been convicted of a felony? Yes No

E. State Sales Tax Number 1043-3380-ST

F. New license Transfer? (\$150) Re-issuance

G. CERTIFICATE: The undersigned applicant certifies under the penalties of perjury that all statements provided herein are true and correct; that the said applicant complies with all of the statutory requirements for the class of license being applied for and in addition agrees to permit agents of the Department of Revenue access to the licensed premises and records as provided in SDCL 35-2-2.1, and agrees this application shall constitute a contract between applicant and the State of South Dakota entitling the same or any peace officers to inspect the premises, books and records at any time for the purpose of enforcing the provisions of Title 35 SDCL, as amended.

Date 2/16/26 Print Name Zelda Anderson Signature Z Anderson

H. APPROVAL OF LOCAL GOVERNING BODY - Notice of hearing was published on _____ . Public hearing on the application was held _____ , not less than SEVEN (7) days after official publication. The governing body by majority vote recommends the approval and granting of this license and certifies that requirements as to location and suitability of premises and applicant have been reviewed and conform to the requirements of local and South Dakota law.

Renewal - no public hearing held
Amount of fee collected with application \$ _____
Amount of fee retained \$ _____
Forwarded with application \$ _____

For Local Government Use

Transferred (State Use)

(Seal) _____
Mayor or Chairman

From: _____

Sales tax approval _____ Date _____

STATE LIQUOR AUTHORITY:

APPROVAL _____ **REVIEW** _____

If disapproved, endorse reason thereon and return to applicant

**Company supplement information
(For corporate/partnership/LP/LLC applicants)**

Name of corporation/partnership/LP LLC TW Bar LLC

Address of office and principal place of business of corporation/partnership/LP/LLC 13610 Hwy 40 Keystone SD 57744

Are all managing officers of this corporation/partnership/LP/LLC of good moral character having never been convicted of a felony? Yes No

Name, title of office, occupation and address of each of the officers/owners of the corporation, partnership, LP or LLC:

Name	Office	Address	Occupation
Zelda Anderson	owner	PO Box 215 Hermosa, SD 57744	Educator

Name of any officers, directors, partners or stockholders of applicant having a financial interest or capital stock in any other alcoholic beverage license:

Name	Type of License, License Number, Financial Interest Held, and Address of Business Location

Where and with whom are all company records kept, such as charter, by-laws, minutes, accounts, notes payable, and notes and accounts receivable, etc?

13610 Hwy 40, Keystone, SD 57744

With signature the applicant agrees to the following:

That the applicant company will comply with all provisions of ARSD chapter No. 64:75:02 of the Department of Revenue, relating to the transfer of stock and prior approval of the transfer of such stock by the Secretary of Revenue and violation of any of the provisions of said regulation or failure to comply therewith, whether by the undersigned corporation, partnership/LP/LLC or by any stockholder thereof, or by anyone interested in said company, shall constitute cause for revocation or suspension of any license issued pursuant to and in reliance on this application, or for refusal to renew such license upon expiration thereof.

We the undersigned officers and directors of the applicant company acknowledge that the within supplement application form is true and correct in every respect and that there exists no financial arrangement concerning this or any other alcoholic beverage license than that expressly set forth above. If company stock is to be transferred we ask for approval of such voluntary stock transfer.

Signature of Authorized Officer/Director/Partner

Date

Z Anderson

2-16-26

Date Received _____
Date Issued _____

License No. _____

Uniform Alcoholic Beverage License Application

A. Owner Name and Address

TLW Bar LLC
PO Box 215
Hermosa, SD 57744

Owner's Telephone #: 605-641-5821

B. Business Name and Address

TLW Bar
122 Vilas St.
Hermosa, SD 57744

Business Telephone #: _____

Place of business is located in a municipality? Yes No

County: CLUSTER

Do you own or lease this property? Own Lease

Are real property taxes paid to date? Yes No

C. Indicate the class of license being applied for (submit separate application for each class of license).

- Retail (on-sale) Liquor
- Retail (on-sale) Liquor - Restaurant
- Convention Center (on-sale) Liquor
- Package (off-sale) Liquor
- Retail (on-off sale) Wine and Cider
- Retail (on-off sale) Malt Beverage & SD Farm Wine
- Package Delivery
- Hunting Preserve
- Other _____

Is this license in active use? Yes No

Do you or any officers, directors, partners, or stockholders hold any other alcohol retail, manufacturing, or wholesaler licenses?

Yes No If Yes, please list on the back page.

D. Legal description of licensed premise:

Lot 23 & 24, Block 5
Town of Hermosa

Have you ever been convicted of a felony? Yes No

E. State Sales Tax Number 1043-3380-ST

F. New license Transfer? (\$150) Re-issuance

G. CERTIFICATE: The undersigned applicant certifies under the penalties of perjury that all statements provided herein are true and correct; that the said applicant complies with all of the statutory requirements for the class of license being applied for and in addition agrees to permit agents of the Department of Revenue access to the licensed premises and records as provided in SDCL 35-2-2.1, and agrees this application shall constitute a contract between applicant and the State of South Dakota entitling the same or any peace officers to inspect the premises, books and records at any time for the purpose of enforcing the provisions of Title 35 SDCL, as amended.

Date 2-16-26 Print Name Zelma Anderson Signature Z Anderson

H. APPROVAL OF LOCAL GOVERNING BODY – Notice of hearing was published on _____, Public hearing on the application was held _____, not less than SEVEN (7) days after official publication. The governing body by majority vote recommends the approval and granting of this license and certifies that requirements as to location and suitability of premises and applicant have been reviewed and conform to the requirements of local and South Dakota law.

Renewal - no public hearing held
Amount of fee collected with application \$ _____
Amount of fee retained \$ _____
Forwarded with application \$ _____

For Local Government Use

(Seal) _____
Mayor or Chairman

If disapproved, endorse reason thereon and return to applicant

Transferred (State Use)

From: _____

Sales tax approval _____ Date _____

STATE LIQUOR AUTHORITY:

APPROVAL _____ REVIEW _____

**Company supplement information
(For corporate/partnership/LP/LLC applicants)**

Name of corporation/partnership/LP LLC TW Bar LLC

Address of office and principal place of business of corporation/partnership/LP/LLC 13610 Hwy 40, Keystone, SD 57751

Are all managing officers of this corporation/partnership/LP/LLC of good moral character having never been convicted of a felony? Yes No

Name, title of office, occupation and address of each of the officers/owners of the corporation, partnership, LP or LLC:

Name	Office	Address	Occupation
<u>Zelda Anderson</u>	<u>owner</u>	<u>PO Box 215 Hercosa, SD 57744</u>	<u>Educator</u>

Name of any officers, directors, partners or stockholders of applicant having a financial interest or capital stock in any other alcoholic beverage license:

Name	Type of License, License Number, Financial Interest Held, and Address of Business Location

Where and with whom are all company records kept, such as charter, by-laws, minutes, accounts, notes payable, and notes and accounts receivable, etc?

13610 Hwy 40, Keystone, SD 57744

With signature the applicant agrees to the following:

That the applicant company will comply with all provisions of ARSD chapter No. 64:75:02 of the Department of Revenue, relating to the transfer of stock and prior approval of the transfer of such stock by the Secretary of Revenue and violation of any of the provisions of said regulation or failure to comply therewith, whether by the undersigned corporation, partnership/LP/LLC or by any stockholder thereof, or by anyone interested in said company, shall constitute cause for revocation or suspension of any license issued pursuant to and in reliance on this application, or for refusal to renew such license upon expiration thereof.

We the undersigned officers and directors of the applicant company acknowledge that the within supplement application form is true and correct in every respect and that there exists no financial arrangement concerning this or any other alcoholic beverage license than that expressly set forth above. If company stock is to be transferred we ask for approval of such voluntary stock transfer.

Signature of Authorized Officer/Director/Partner

Date

Z Anderson

2-16-26



Date: February 20, 2026
Subject: Operations Report
Ferguson Subdivision Pump Station
From: John Burckhard
Certified Operator

Dear Town Board of Trustees,

We would like to provide you with a report on some issues found with one of the critical assets in the town's sewer collection system, Ferguson Subdivision Lift Station.

We have discovered the following deficiencies on our first day of operations that are serious in nature and pose a risk to the station's integrity and that of the collection system:

- The level controls are malfunctioning, and the pump station does not turn on by itself. The previous operator may have been manually engaging the pump station daily based on our first day-on-the-job inspection of the condition of the floats. Three floats are covered in rags and grease and only the lower float, which shut off the pumps, is functional. See Figure 1.
- The station has been surging for quite a while back into the collection system. Figure 2 shows the area of the collection system we suspect the flows back up into based on ground elevation. The surging is evidenced by the inner walls of the pump station coated in debris and stains up to 8 feet from the top rim (of a total station height of 18 feet).
- Debris is built up in the collection lines, as evidenced by observing (and hearing) the debris clearing the lines when the station is pumped down below the inlet pipe. The lines eject solids and debris for up to an hour after the inlet line is cleared.
- The panel supporting the electrical controls is not properly anchored to the ground and built to meet design wind speed nor design seismic events as per ASCE-7 requirements. The panel and posts recently tipped over in last month's windstorm and were not permanently repaired and brought up to code. The control panel is held by one screw and the plywood is connected to the post by one lag. Figure 3-6.

We are bringing these issues to the board's attention so materials and labor can be allocated to restore automated level controls and secure the panel and supports to bring this station back into code compliance and reliable operation.



Figure 1. View of the wet well of Ferguson PS, the spot light illuminates the floats.

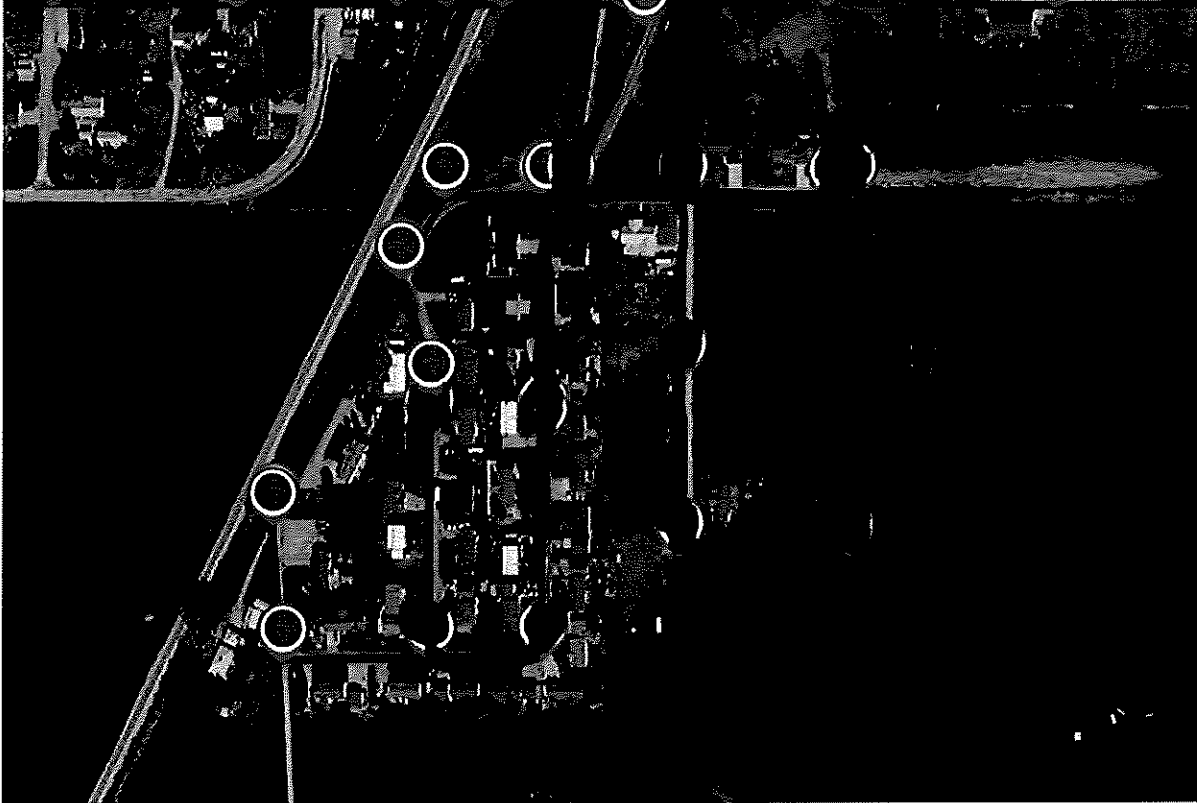


Figure 2. Collection System. Surge is likely where ground elevation is \approx 3291 ft. This figure shows the Lift Station (Red Circle) and the purple highlighted line are the sewer collection lines we suspect are surcharging every day when the station fills up.



Figure 3. Ferguson Pump Station. Temporarily braced / non-code compliant repairs.



Figures 4. Panel not secured to plywood.



Figure 5. Post not secured to plywood.



Figure 6. Wet well at 11 feet from rim (thus 7 feet full and 2 feet above inlet pipe).

ac

Terri Cornelison

From: Jennie Haas <jenniehaas@gmail.com>
Sent: Friday, February 27, 2026 8:40 AM
To: Town Email
Subject: Fwd: Invoice 2820G from Rapid Rooter

Here is the invoice from rotor rooter regarding the sewer line ,
Please confirm this email sent properly.
Jennie Haas

Heartland Hair

Sent from my iPhone

Begin forwarded message:

From: Jennie Haas <jenniehaas@gmail.com>
Date: February 27, 2026 at 8:15:52 AM MST
To: JeffH <haas26@gmail.com>
Subject: Re: Invoice 2820G from Rapid Rooter

Thanks!

Sent from my iPhone

On Feb 27, 2026, at 7:28 AM, JeffH <haas26@gmail.com> wrote:

----- Forwarded message -----

From: <rcrapidroooter@gmail.com>
Date: Thu, Feb 26, 2026 at 1:22 PM
Subject: Invoice 2820G from Rapid Rooter
To: <haas26@gmail.com>


Rapid Rooter	
Invoice <small>Due:02/26/2026</small> 2820G	Amount Due: \$225.14

Dear Customer :

Your invoice is attached. Please remit payment at your earliest convenience.

Thank you for your business - we appreciate it very much.

Sincerely,
Kerrie Collins
Rapid Rooter
605-342-6669



<Inv_2820G_from_Rapid_Rooter_16816.pdf>

9D

Hot Water Steam Treatment: We will utilize an industrial hot water pressure washer to steam clean the interior of the unit. This process thoroughly sanitizes and removes heavy buildup from the basin walls, floats, and chains.

Debris & Waste Extraction: Our crew will remove all accumulated garbage, rags, and materials from the station.

Professional Staffing: This service will be performed by a two person technical team to ensure all safety protocols and quality standards are met.

Disposal Services: All extracted waste and debris will be hauled away and disposed of in accordance with local regulations.

\$695

This quote includes all labor, specialized equipment, and disposal fees.

Please let me know if you have any more questions. Thanks

Jenna Hardy

jhardy@hillsseptic.com

Hills Septic & Portable Toilets

605-348-3293

7481 Stagestop Rd. Blackhawk, SD 57718



11A



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 February 2026 - CFS's

Printed on March 9, 2026

Outstate Agency Queried Forms
Cross Streets
Outstate Agency Required Forms
Zone

CFS Date/Time	CFS #	Case Number	Code	Code : Description	Zone
02/01/26 10:40:53	CFS2600721		EXT	EXT : Extra Patrol	21A12 HERMOSA
02/02/26 07:56:04	CFS2600740		TSTOP	TSTOP : Traffic Stop	21A17 HERMOSA
02/03/26 20:15:24	CFS2600773	2026-00048	DMGPROP	DMGPROP : Damage to	21A9 HERMOSA W MAIN ST (92.2 feet)
02/04/26 00:26:36	CFS2600775		EXT	EXT : Extra Patrol	21A19 HERMOSA N 2ND ST (0.1 miles)
02/05/26 02:18:39	CFS2600804		EXT	EXT : Extra Patrol	21A19 HERMOSA

CFS Date/Time	CFS #	Case Number	Code	Code : Description	Outstanding Permitted Forms Cross Streets Outstanding Required Forms Zone
02/05/26 19:50:46	CFS2600826		WELFARE	WELFARE : Welfare	21A5 HERMOSA MCDERMAND ST (40.0)
02/06/26 17:40:16	CFS2600855		PAPSERV	PAPSERV : Paper Service	21A6 HERMOSA MCDERMAND ST (40.0)
02/09/26 11:45:24	CFS2600906		PAPSERV	PAPSERV : Paper Service	21A12 HERMOSA MCDERMAND ST (40.0)
02/09/26 19:05:11	CFS2600917		AOA	AOA : Assist Other	21A9 HERMOSA WALTER ST (39.9 feet)
02/10/26 18:11:35	CFS2600939		PAPSERV	PAPSERV : Paper Service	21A19 HERMOSA MCDERMAND ST (40.0)
02/10/26 18:51:01	CFS2600940		911A	911A : 911 Abandoned	21A19, 21A9 HERMOSA N 3RD ST (195.5 feet)
02/10/26 20:15:39	CFS2600944		DIST	DIST : Disturbance	21A9 HERMOSA N 3RD ST (195.5 feet)

CFS Date/Time	CFS #	Case Number	Code	Code : Description	Outstanding Estimated Forms Outstanding Required Forms Zone
02/11/26 09:13:38	CFS2600946	2026-00063	FRAUDID	FRAUDID : FRAUD -	21A7 HERMOSA INGALLS BLVD (166.2
02/13/26 11:41:56	CFS2601012	2026-00069	SHOPLIFT	SHOPLIFT : Shoplifting	21A6 HERMOSA WALTER ST (39.9 feet)
02/14/26 00:27:27	CFS2601036		EXT	EXT : Extra Patrol	21A5 HERMOSA MAIN ST (171.3 feet)
02/14/26 03:06:07	CFS2601038		TRAFFCOMP	TRAFFCOMP : Traffic	21A5 HERMOSA
02/15/26 02:14:29	CFS2601048	2026-00073	MOTASST	MOTASST : Motorist	21A5 HERMOSA
02/15/26 06:52:46	CFS2601051		AMB	AMB : Ambulance Call	BATTLECREEKFD HERMOSA INGALLS BLVD (166.2
02/16/26 21:58:50	CFS2601110		TSTOP	TSTOP : Traffic Stop	21A11, 21A29_D083 HERMOSA

CFS Date/Time	CFS #	Case Number	Code	Code : Description	Outstation Cross Streets Zone	Outstation Cross Streets Zone	Outstation Cross Streets Zone
02/17/26 11:15:57	CFS2601124		ALM	ALM : Alarm	HERMOSA E MAIN ST (195.6 feet)	HERMOSA E MAIN ST (195.6 feet)	HERMOSA E MAIN ST (195.6 feet)
02/19/26 12:02:08	CFS2601164		FOLLOWUP	FOLLOWUP : Follow-up	21A12	HERMOSA WALTER ST (0.2 miles)	HERMOSA WALTER ST (0.2 miles)
02/19/26 22:52:39	CFS2601181		EXT	EXT : Extra Patrol	21A13	HERMOSA	HERMOSA
02/20/26 13:40:11	CFS2601205		PAPSERV	PAPSERV : Paper Service	21A12	HERMOSA INGALLS BLVD (166.2	HERMOSA INGALLS BLVD (166.2
02/20/26 13:49:52	CFS2601206		PAPSERV	PAPSERV : Paper Service	21A12	HERMOSA WALTER ST (0.1 miles)	HERMOSA WALTER ST (0.1 miles)
02/20/26 16:41:44	CFS2601211		ODOR	ODOR : Odor	21, BATTLECREEKFD	HERMOSA WALTER ST (39.9 feet)	HERMOSA WALTER ST (39.9 feet)
02/20/26 18:42:24	CFS2601215		PAPSERV	PAPSERV : Paper Service	21A6	HERMOSA WALTER ST (0.1 miles)	HERMOSA WALTER ST (0.1 miles)

CFS Date/Time	CFS #	Case Number	Code	Code : Description	Outstanding Unsubmitted Forms Cross Streets Outstanding Required Forms Zone
02/20/26 18:50:07	CFS2601216		PAPSERV	PAPSERV : Paper Service	21A6 HERMOSA INGALLS BLVD (29.7)
02/20/26 21:12:23	CFS2601218	2026-00089	AOA	AOA : Assist Other	21A13 HERMOSA
02/20/26 22:42:44	CFS2601223		WELFARE	WELFARE : Welfare	21A13 HERMOSA INGALLS BLVD (29.7)
02/21/26 13:22:38	CFS2601234		AMB	AMB : Ambulance Call	21A6 HERMOSA W MAIN ST (92.2 feet)
02/21/26 20:56:41	CFS2601238		EXT	EXT : Extra Patrol	21A13 HERMOSA
02/22/26 16:10:37	CFS2601255		AOA	AOA : Assist Other	21A6, SDHP HERMOSA GUMBO LILY LN (0.4)
02/22/26 18:28:10	CFS2601257		CONCIT	CONCIT : Concerned	21A19 HERMOSA W MAIN ST (92.2 feet)

CFS Date/Time	CFS #	Case Number	Code	Code : Description	Outstanding Required Forms Cross Streets Zone
02/23/26 07:18:36	CFS2601264		SPATROL	SPATROL : School Patrol	21A14 HERMOSA MAIN ST (171.3 feet)
02/23/26 09:54:24	CFS2601275		TSTOP	TSTOP : Traffic Stop	21A17 HERMOSA
02/25/26 02:53:03	CFS2601313		VEHSUSP	VEHSUSP : Suspicious	21A11 HERMOSA W MAIN ST (92.2 feet)
02/25/26 12:02:45	CFS2601323		SPATROL	SPATROL : School Patrol	21A17 HERMOSA MAIN ST (171.3 feet)
02/25/26 14:50:27	CFS2601326		SIG2HR	SIG2HR : EMER.	21A13 HERMOSA W MAIN ST (92.2 feet)
02/25/26 15:42:50	CFS2601329		PAPSERV	PAPSERV : Paper Service	21A13 HERMOSA INGALLS BLVD (166.2
02/26/26 19:32:13	CFS2601354		CONCIT	CONCIT : Concerned	21A13 HERMOSA ZND ST (121.6 feet)

Outstate and Unincorporated Forms
 3rd Street
 Outstate and Unincorporated Forms
 Zone

CFS Date/Time	CFS #	Case Number	Code	Code : Description	
02/26/26 20:14:23	CFS2601355	2026-00101	VEHSTLN	VEHSTLN : Stolen Vehicle	HERMOSA 3RD ST (221.8 feet)
02/27/26 09:04:45	CFS2601360	2026-00103	VEHABND	VEHABND : Abandoned	21A6 HERMOSA 5TH ST (0.1 miles) and
02/27/26 19:38:33	CFS2601373		CONCIT	CONCIT : Concerned	21A11 HERMOSA W MAIN ST (92.2 feet)
02/27/26 19:45:56	FRC2602217		WARRANTARR	WARRANTARR : Warrant	271K HERMOSA MAIN ST (98.8 feet) and

Total Records: 44

14A

Claims for approval 03-17-2026

VENDOR	REFERENCE	AMOUNT
INDEPENDENT AUDIT SERVICES	AUDIT FINAL DRAFT FOR 2024-2025	\$ 2,250.00
SD DEPT OF REVENUE	JAN/FEB SALES TAX	\$ 592.77
CBH CO-OP	PROPANE FOR TOWN SHOP	\$ 574.23
CONIFER CONSTRUCTION	REPLACING PIPING/VALVES IN DROPBOX	\$ 1,900.00
MT RUSHMORE TELEPHONE	PHONE/INTERNET - FAX LINE	\$ 57.62
MT RUSHMORE TELEPHONE	PHONE/INTERNET - MARSHALL OFFICE	\$ 145.60
MT RUSHMORE TELEPHONE	PHONE/INTERNET - SECOND LINE	\$ 67.34
MT RUSHMORE TELEPHONE	PHONE/INTERNET - MAIN LINE	\$ 141.86
BENESCH	OPERATIONS ON-CALL INSPECTION *FINAL*	\$ 4,973.00
BENESCH	FRA GRANT APPLICATION *FINAL*	\$ 596.00
BENESCH	ON-CALL OFFICE *FINAL*	\$ 1,404.00
BENESCH	CMOM UPDATE *FINAL*	\$ 632.00
BENESCH	ON-CALL BUILDING OFFICIAL *FINAL*	\$ 3,850.50
KIEFFER SANITATION	MONTHLY SANITATION FEE - FEB 2026	\$ 4,158.96
GOLDEN WEST TECHNOLOGIES	MONTHLY SERVICE FEE - MAR 2026	\$ 633.65
SECRETARY OF STATE	NOTARY APPLICATION FOR ADMIN	\$ 30.00
SOUTHERN HILLS PUBLISHING	PUBLISHING/LEGAL NOTICES	\$ 350.94
SOUTHERN HILLS LAW PLLC	ATTORNEY SERVICES - FEB 2026	\$ 2,047.50
Accounts Payable Total		\$ 24,405.97
Payroll related		
Total Paid On: 3/13/2026		
	Legislative, Financial Administration, Govt Blds	\$ 2,461.82
	Water	\$ 303.81
	Sewer	\$ 182.29
	Promoting City/BBB	\$ 74.14
HEALTHY EQUITY	HSA	\$ 62.50
EFTPS-ELECTRONIC FEDERAL TAX	FED/FICA TAX	\$ 777.44
Payroll Total		\$ 3,862.00
***** REPORT TOTAL *****		\$ 28,267.97

	REVENUES-MAR 2026	REVENUE -YEAR TO DATE	2025 BUDGET
GENERAL FUND	\$ 7,677.92	\$ 83,391.07	\$ 480,439.00
		\$ 83,391.07	
BBB FUND	\$ -	\$ 2,948.19	\$ 18,000.00
FEMA	\$ -	\$ -	\$ -
TIF FUND	\$ -	\$ 920.63	\$ 18,000.00
WATER FUND	\$ 10,144.87	\$ 40,926.89	\$ 238,100.00
SEWER FUND	\$ 11,997.34	\$ 230,890.54	\$ 601,366.00

GENERAL FUND	EXPENSES-MAR 2026	EXPENSES-YEAR TO DATE	2025 BUDGET
BOT	\$ 1,168.32	\$ 5,422.35	\$ 36,900.00
ELECTION	\$ 350.94	\$ 624.58	\$ 3,320.00
FINANCE OFFICE	\$ 7,894.10	\$ 33,608.02	\$ 151,707.00
ATTORNEY	\$ 2,047.50	\$ 9,652.50	\$ 24,000.00
CUSTODIAN	\$ 76.05	\$ 256.76	\$ 4,759.00
ENGINEER	\$ 11,455.50	\$ 12,530.50	\$ 25,000.00
LAW ENFORCEME	\$ -	\$ 10,506.07	\$ 74,302.00
INSPECTIONS	\$ -	\$ 42.00	\$ -
STREETS	\$ 1,891.20	\$ 3,805.83	\$ 78,951.00
GARBAGE	\$ 4,158.96	\$ 13,201.38	\$ 61,500.00
P & Z	\$ 910.00	\$ 5,560.00	\$ 20,000.00
TOTAL GENERAL	\$ 29,952.57	\$ 95,209.99	\$ 480,439.00
BBB	\$ 95.06	\$ 1,500.88	\$ 18,000.00

FEMA	\$	19,705.00	\$	51,501.71	\$	-
TIF	\$	3,455.00	\$	51,139.42	\$	18,000.00
WATER	\$	12,387.86	\$	53,124.76	\$	238,100.00
SEWER	\$	5,850.17	\$	17,725.03	\$	601,366.00

NET PROFIT/LOSS

GENERAL	\$	(22,274.65)	\$	(11,818.92)
BBB	\$	(95.06)	\$	1,447.31
FEMA		(19,705.00)		(51,501.71)
TIF	\$	(3,455.00)	\$	(50,218.79)
WATER	\$	(2,242.99)	\$	(12,197.87)
SEWER	\$	6,147.17	\$	213,165.51

BALANCE AS OF 02/28/2026

BANKWEST CHECKING	\$	1,293,692.77
SD FIT INVESTMENT	\$	160,146.02
1ST NATIONAL BANK CD	\$	140,501.08
TOTAL	\$	1,594,339.87

CLAIMS REPORT
 Check Range: 3/04/2026- 3/17/2026

VENDOR NAME	REFERENCE	AMOUNT	VENDOR TOTAL	CHECK#	CHECK DATE
A & B BUSINESS EQUIPMENT INC	MONTHLY PRINTER/FAX FEE				
ANTHONY THEODOROU AND COMPANY	PLANNER TIME/ENGINEER SEWER				
BENESCH	OPERATIONS ON-CALL INSPECTION		11,455.50	18561	3/17/26
CBH CO-OP	PROPANE FOR TOWN SHOP		574.23	18562	3/17/26
CONIFER CONSTRUCTION LLC	REPLACE PIPING/VALVES DROPBOX		1,900.00	757	3/09/26
DANR	NDPES SURFACE WATER FEE				
EFTPS-Electronic Federal Tax	FED/FICA TAX		777.44	750	3/13/26
GOLDEN WEST TECHNOLOGIES	MONTHLY SERVICE FEE MAR 2026		633.65	763	3/17/26
HEALTH EQUITY	HSA		62.50	751	3/13/26
Independent audit services	AUDIT FINAL FOR 2024-2025		2,250.00	18563	3/17/26
KIEFFER SANITATION	MONTHLY SANITATION FEE-FEB2026		4,158.96	762	3/17/26
MG OIL	FUEL FOR MARSHAL - SEPT 2025				
MT RUSHMORE TELEPHONE	PHONE/INTERNET-FAXLINE	57.62		758	3/15/26
MT RUSHMORE TELEPHONE	PHONE/INTERNET-MARSHALL OFFICE	145.60		759	3/15/26
MT RUSHMORE TELEPHONE	PHONE/INTERNET-SECOND LINE	67.34		760	3/13/26
MT RUSHMORE TELEPHONE	PHONE/INTERNET-MAINLINE	141.86	412.42	761	3/13/26
SD DEPT OF REVENUE	JAN/FEB 2026 SALES TAX		592.77	756	3/09/26
SECRETARY OF STATE	NOTARY APPLICATION - ADMIN		30.00	18564	3/17/26
Southern Hills Publishing	PUBLISHING/LEGAL NOTICES02/28		350.94	18565	3/17/26
SILVERSMITH DATA	SOFTWARE INTEGRATION/SETUP				
SOUTHERN HILLS LAW PLLC	ATTORNEY SERVICES - FEB 2026		2,047.50	764	3/17/26
			=====		
Accounts Payable Total			25,245.91		
Utility Refund Checks					

Refund Checks Total					

Payroll Checks					

101	GENERAL		2,461.82		
211	BBB GROSS RECEIPTS TAX		74.14		
602	WATER		303.81		
604	SEWER		182.29		

Total Paid On: 3/13/26			3,022.06		
			=====		
Total Payroll Paid			3,022.06		
			=====		
Report Total			28,267.97		
			=====		

16A

Letter Re Mail Call:

As part of the Town's standard due-diligence process related to the proposed contracting arrangement, the Board is reviewing publicly available regulatory documentation concerning Apple Springs Resort's wastewater treatment operations.

To ensure a complete and accurate understanding of your compliance status, we respectfully request written clarification on the following:

1. Current Compliance Status

Please confirm whether the facility is currently in full compliance with all applicable state and federal wastewater discharge permit requirements.

2. Settlement Agreement Completion

Please confirm that all terms and conditions of the 2021 Settlement Agreement with the South Dakota Department of Environment and Natural Resources were fully satisfied, including any required corrective actions, reporting obligations, or penalty payments.

3. Post-2021 Regulatory Actions

Please disclose whether any additional Notices of Violation, enforcement actions, consent agreements, penalties, or compliance directives have been issued since April 2021.

4. System Improvements

Please summarize any upgrades, operational changes, engineering improvements, or compliance measures implemented as a result of the prior enforcement action.

5. Disclosure Confirmation

Please confirm that all regulatory actions required to be disclosed under the Town's procurement process were fully and accurately disclosed in your proposal materials.

The Board's intent is to ensure transparency and to properly evaluate operational, regulatory, and performance risk in connection with the proposed contract. We appreciate your cooperation and request your written response by April.

If supporting documentation is available that demonstrates current compliance standing, please include it with your response.

Thank you for your attention to this matter.

Sincerely,

Town of Hermosa

Supporting documents differ from the email

What the Email Suggests (Page 79)

The email to the Town Board says:

- Apple Springs has a **history of non-compliance**
- The attached documents show violations and penalties
- The vendor's integrity and competence should be considered
- If violations were not disclosed, that could indicate dishonesty

Tone:

Concerned and cautionary

It implies ongoing risk and potentially serious compliance problems.

What the Supporting Documents Actually Show

Yes — There Were Violations (Documented in Detail)

The Notice of Violation and Order (pages 82–99) confirms:

- Multiple effluent violations (BOD, ammonia, TSS, E. coli) over several years
- At least 16 warning letters sent between 2015–2021
- A pattern of noncompliance in 12 of the last 29 months (as of early 2021)

So the violations are real and documented.

BUT — The Violations Were Resolved Through a Settlement

The Settlement Agreement (pages 112–114) shows:

- A negotiated penalty of **\$5,830 total**
- The penalty was suspended pending compliance
- Starting April 2021, additional penalties could apply if violations continued
- The agreement settled the claims related to the Notice of Violation

This means:

The matter was formally resolved through a legal agreement.

The email doesn't emphasize that the violations were addressed through a structured enforcement and settlement process.

The Order Required Corrective Actions

Pages 98–99 outline mandatory corrective actions, including:

- Engineering plans for system upgrades (due May 1, 2021)
- Construction start deadline (July 1, 2022)
- Completion deadline (July 1, 2023)
- Quarterly reporting requirements

This shows the state required improvements — not just penalties.

The email frames the violations more as evidence of incompetence, whereas the documents show:

Enforcement

Required upgrades

Compliance plan

Oversight

The 2015 Inspection (Attachment B)

The 2015 inspection letter confirms earlier violations and operational deficiencies
However:

- It outlines corrective actions
- It documents recommendations
- It does not accuse fraud or misrepresentation

Again, regulatory enforcement — not criminal wrongdoing.

So What's Different?**Email Tone**

Suggests possible incompetence or dishonesty

Implies ongoing unresolved issues

Raises integrity concerns

Highlights noncompliance history

Supporting Documents Reality

Documents show regulatory violations handled through formal state enforcement

Shows a negotiated settlement and compliance plan

No allegation of fraud in the official documents

Confirms history, but within a regulated enforcement process

The Key Distinction

The email frames the situation as a red-flag integrity issue.

The documents show:

- Environmental permit violations
- State enforcement
- A formal settlement
- Required corrective upgrades
- Structured compliance monitoring

In other words:

This appears to be a regulatory compliance issue that went through the normal enforcement process — not an unresolved or hidden scandal.

Municipal Cybersecurity Policy For City Clerk, Finance Officers, and Board Members

1. Purpose

To protect municipal information systems, financial records, citizen data, and operational infrastructure from unauthorized access, misuse, loss, or cyber threats.

2. Scope

This policy applies to:

- Employees
- Board Members
- Contractors that have access to Hermosa data computer systems

3. Acceptable Use of Municipal Technology

- Municipal systems are for official business purposes only
- Users shall not install unauthorized software
- Personal use must be minimal and not interfere with operations
- Users must not disable security software or safeguards

4. Access Control & Authentication

- Unique user accounts are required for all systems
- Access permissions shall follow the principle of least privilege
- Access must be revoked immediately upon termination or role change.
- Passwords must be a minimum of 12 characters with 3 of the following:
 - Number
 - Symbol
 - Upper Case
 - Lower Case

5. Email Security & Phishing Prevention

- Users must verify unexpected requests for payments.
- Suspicious emails must be reported immediately to the Board.

6. Financial & Sensitive Data Protection

- Financial systems must be secured with strong authentication controls.
- Banking credentials shall never be shared via email.
- Sensitive citizen data must be stored on secure municipal systems only.

7. Incident Reporting & Response

- Any suspected cybersecurity incident must be reported immediately to the Board.
- Systems may be temporarily disconnected to prevent further damage.
- Law enforcement or state agencies may be notified as required.

9. Training & Awareness

- Annual cybersecurity awareness training is recommended.
- Finance staff shall receive additional security/fraud prevention training.

10. Policy Review & Compliance

- This policy shall be reviewed annually.
- Violations may result in disciplinary action or removal of access privileges.

Policy for Access to Critical Infrastructure & Key Control Procedures

1. Purpose

To ensure the security, integrity, and proper oversight of all critical infrastructure, facilities, and restricted storage areas under the authority of the Board of Trustees.

2. Scope

- This policy applies to:
 - All Trustees
 - Employees and contractors
 - Any individual granted access to restricted facilities
 - This includes (but is not limited to):
 - Water and Sewer locations
 - Servers/IT infrastructure
 - Electrical, mechanical, or utility rooms
 - Security systems
 - Rented facilities on City Property
 - Records storage
 - Equipment sheds and maintenance storage areas

Section A: Access to Critical Infrastructure

A1. Authorization

- Access is limited to individuals with a legitimate operational need.
- Approval must be granted by the Board Committee Chair and Committee Vice Chair.
- Depending on facility, access may require an Operational escort.
- IT systems access must comply with Hermosa's cybersecurity policy.

A2. Levels of Access

- Access shall be categorized as:
 - Full Access – Operational responsibility
 - Limited Access – Task-specific and time-bound
 - Escorted Access – Visitors, Board, employees, or contractors under supervision

A3. Access Control Measures

- Use of physical keys and/or electronic code.
- Unique credentials must not be shared.
- Document list of shared credentials.
- Access permissions reviewed at least annually.
- Immediate revocation upon termination, resignation, or role change.

A4. Monitoring & Logging

- All access to critical areas must be logged.
- Electronic systems should retain access logs for a minimum of 24 months.
- See key log requirements

Section B: Key Control & Shed Access Procedure

B1. Key Custodian

- Admin Assistant/Clerk shall maintain a master key register.
- Master keys shall be securely stored in a locked cabinet or key safe.

B2. Key Log Requirements

- Before a key is released, the following must be recorded:
 - Full name
 - Contact information
 - Area/shed accessed
 - Reason for access
 - Date and time issued
 - Expected return date/time
 - Signature of recipient
- Upon return, record:
 - Date and time returned
 - Condition of key
 - Custodian signature verifying return

B3. Short-Term Access

- Keys issued for temporary use must be returned the same day unless otherwise approved.
- Overnight retention requires written or email authorization.

B4. Lost or Unreturned Keys

- Must be reported immediately.
- Board will assess risk and determine if rekeying or security changes are required.
- Costs associated with negligence may be recoverable from the responsible party.

B5. Duplication

- Unauthorized duplication of keys is strictly prohibited.
- Only the Board may approve key duplication.

Section C: Emergency Access

- Emergency services may access facilities when required.
- Emergency access codes or master keys shall be sealed and controlled.
- Any emergency access must be documented and reviewed by the Board.

Section D: Review & Compliance

- This policy shall be reviewed annually.
- Non-compliance may result in disciplinary action, removal of access privileges, or further action as deemed appropriate.