

WATER PERMIT NO. 2377A-2

Name of Applicant: Southern Black Hills Water System

Address: 26858 Hwy 385, Hot Springs SD 57747

Phone: 605 745-4669

Amount of Water Claimed: no add'l

Total Acres: NA

Source of Water Supply: groundwater (2 wells)

Water to be used for: rural water system

County: Custer

Type of Waste Disposal System:

Location: 6 miles southeast of Keystone

PRIORITY

Date Received: 2-5-21

Application/License Fee: \$ 100

Corrected Application Received:

Period of Annual Use: Jan 1 – Dec 31

Remarks: Requesting to add rural water system use

Diversion Point: NE 1/4 Sec 20-T2S-R7E

Land to be Irrigated: NA

Depth of Well:

Well Driller:

Remarks:

Type of Map:

Prepared by:

				⊗	

20

Reviewed and the Number Assigned on:

By: **Karen Schlaak**

Notice of Hearing - date to intervene: _____

**SOUTH DAKOTA
WATER PERMIT NO. 2377A-2**

Date of first receipt of application February 5, 2021.

The Chief Engineer, on behalf of the Water Management Board, issues Water Permit No. 2377A-2 to Southern Black Hills Water System, c/o Don Peterson, Manager, 26858 Hwy 385, Hot Springs SD 57747 authorizing the construction of the water use system and the placing of water to beneficial use subject to the following limitations, conditions and qualifications:

1. Water Permit No. 2377A-2 amends Water Right No. 2377-2 to include rural water system use. Water Right No. 2377-2 appropriates 0.333 cubic feet of water per second from two wells (main well and backup well) completed into the Madison Aquifer for suburban housing development and commercial use. The main well is located in the NE 1/4 NE 1/4 Section 20 and the backup well in the NE 1/4 SW 1/4 Section 17; both in T2S-R7E. This permit includes the addition of rural water system use to the water right. No additional water appropriation is authorized with this permit. This site is located approximately 6 miles southeast of Keystone SD.
2. The water appropriated shall be used for the purpose of rural water system use and may not exceed the amount of water needed for beneficial use.
3. The water is to be used during the following described annual period: January 1 – December 31.
4. The date of approval of Permit No. 2377A-2 is April 19, 2021.
5. The date from which applicant may claim right is October 11, 1996 (established by Permit No. 2377-2).
6. Water rights obtained in compliance with the laws of the State of South Dakota may not be unlawfully impaired by this appropriation.

QUALIFICATIONS

1. The wells approved under Water Permit No. 2377-2 are located near domestic wells and other wells which may obtain water from the same aquifer. The well owner under this Permit shall control his withdrawals so there is not a reduction of needed water supplies in adequate domestic wells or in adequate wells having prior water rights.
2. The permit holder shall report to the Chief Engineer annually the amount of water withdrawn from the Madison aquifer.

WATER MANAGEMENT BOARD

By: Eric Gronlund
Eric Gronlund, Chief Engineer
Water Rights Program
Department of Agriculture and Natural Resources

MAY 17 2021

date



PAID

FEB 5 2021

Ck# 98400

Mail to: DENR - Water Rights 523 E Capitol Ave Pierre, SD 57501-3182 ph. (605) 773-3352	No. <u>2377A-2</u> (office use only) Hydrologic Unit <u>10/20/09</u>
	Basin <u>Upper Cheyenne</u>
	Newspaper <u>Custer & Chronicle</u>
	<u>Rapid City Journal</u>

Application For Permit To Appropriate Water Within The State Of South Dakota

Check use(s) of water:

- | | | | |
|---|--|---|--|
| ☐ Municipal | ☐ Water Distribution System | ☐ Recreational | ☐ Institutional |
| ☐ Rural Water System | ☒ Commercial | ☐ Fish & Wildlife | ☐ Geothermal |
| ☐ Domestic (over 18 gpm) | ☐ Industrial | ☒ Other <u>Suburban Housing Development</u> | |

Type of Application:
(check one)

- ☐ New ☐ Vested Right (Use predates Mar 2, 1955) ☐ Future Use Reservation
☐ Place to Beneficial Use Water Reserved by Future Use Permit No. _____
☒ Amendment/Correction to Permit No. 2377-2

Description of amendment/correction: (i.e. change diversion point(s), add diversion point(s), change use, etc.)

This is a request pursuant to SDCL § 46-2A-12 to add "Rural Water System" to the uses authorized under Permit #2377-2

1. Name to Appear on Water Permit Southern Black Hills Water System, Inc.

Mailing Address 26858 Highway 385 Hot Springs SD 57747
 (Address) (City) (State) (Zip Code)

Phone 605-745-4669 Mobile _____ Email _____

2. Amount of water claimed no add't *CFS or _____ **GPM and _____ ***AF or _____ Gallons
 Flow rate and volume are both required. (*Cubic Feet per Second) (**Gallons per Minute) (***)Acre Feet - storage capacity of dam/dugout or annual use)

3. Source of water supply ground water4. Location of point of diversion 1 well in NE corner of section 20, T2N, R7E & backup well County Pennington

(example - 3 wells in SW1/4 NE1/4 section 12-T104N-R53W)

If not a public water supply (e.g. municipal), will water be used outside of the area described above? ☐ Yes ☐ No

If "Yes," where will water be used? _____

(example - NW1/4 section 12-T104N-R53W)

5. County or counties where water will be used _____

6. Annual period during which water is to be used _____

7. Give a description of the project. When available include any preliminary engineering report or other reports or information that will help explain the project. (Attach sheet if more space is needed)

See attached.

I, Donl Peterson _____, the applicant, certify under
 Name of Person Title (if applicable)

penalty of perjury that I have read this application, examined the attached map, and that the matters stated are true. I further certify, if acting on behalf of an entity or individual other than myself, that I am authorized to submit this application.

2015-10

Attachments: Attach Form 2A if diversion is from a well or dugout, or if storage of water is proposed. Also, attach map and any other technical information. (see instructions)

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Water Permit #2377-2 was transferred to Southern Black Hills Water System in 2017. The Permit currently authorized that water to be used for Suburban Housing Development and Commercial purposes. Given the rapidly expanding growth in this area, Southern Black Hills seeks to add Rural Water System as an authorized use. With that use added, Southern Black Hills would be able to tie the water into its existing system. Southern Black Hills seeks to add this permitted use so that the water can be tied into its system without additional permitting when the need arises.

Supplemental Information

(type or print)

1. Well Information (check one or both as applicable) ☐ Drilling new well(s) ☒ Using existing well(s)

- a) If new wells, how many ____ Have test holes been drilled ☐ Yes ☐ No Drilled by ____
(if yes, please provide copies of logs)
- b) If existing wells, how many 1 Provide copy of log(s), if available. Drilled by Alexander Drilling

For either Existing or Proposed Wells:

- c) Well Depth (required) 500ft Depth to Top of Water Bearing Material 460ft Depth to Water from Surface 125ft
- d) Distance to nearest domestic well on applicant's property none Property owned by others 1/2 mile

2. Wastewater Disposal System Information

- a) Type of System (i.e. septic tank, drain field) _____
- b) System Capacity (gallons) _____ Year Constructed _____
- c) Connected to the City of _____ Sanitary System

3. Dugout Information

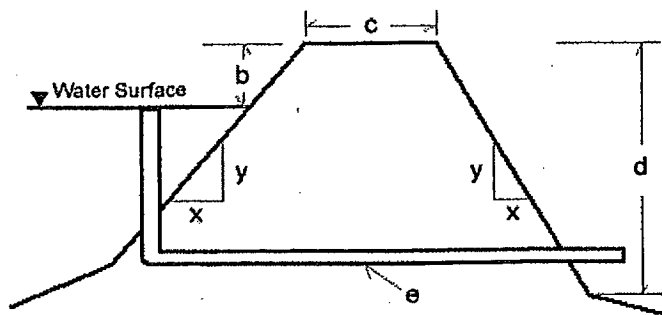
- a) Surface Dimensions _____ Depth _____
- b) Depth to water (ground surface to water level) _____

4. Water Storage Dams

If the proposed water use system contains one or more storage dams, please furnish the information requested below for each dam. The locations of the dams need to be shown on the map submitted with the application.

- a) If a private engineering firm or government agency was involved in the design of this dam, please give their name and address:

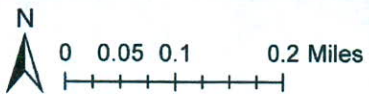
- b) Freeboard _____
- c) Crest Width _____
Crest Length _____
- d) Height _____
- e) Primary Outlet Capacity _____
If pipe, diameter _____
- f) Secondary Spillway Capacity _____
Spillway Width _____
- g) X & Y Slope (e.g. 3 to 1 is a typical slope)
Upstream _____
Downstream _____
- h) Surface Area of Impoundment _____
- i) Storage _____ Acre Feet
- j) Drainage Area Above Dam _____ Acres





Legend

-  Section Boundaries - PLSS
-  Existing Licenses and Permits



Prepared by Bracken Capen
Natural Resources Engineer
DENR, Water Rights Program





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WATER RIGHTS
PROGRAM

506 Sixth Street
Post Office Box 8045
Rapid City, South Dakota 57709
Main: (605) 342-1078
Fax: (605) 342-9503

www.gpna.com

Matthew E. Naasz
Email: mnaasz@gpna.com
Direct Dial: (605) 719-3424

January 27, 2021

VIA US MAIL AND EMAIL

Ron Duvall
Water Rights Program
South Dakota Department of Environment and Natural Resources
523 East Capitol Ave.
Pierre, SD 57501

Re: Southern Black Hills Water System, Inc.'s Application for Amendment for Permit #2377-2

Dear Mr. Duvall:

Attached please find the applications of Southern Black Hills Water System, Inc.'s to amend Water Permit 2377-2 to add "rural water system" use. Currently the Permit is authorized to use water for commercial and suburban housing development purposes.

Southern Black Hills Water System acquired Water Permit #2377-2 in 2017. At the time the Permit was transferred to Southern Black Hills Water System, Jenny McGrath with the Water Rights Program sent a letter indicating that should Southern Black Hills Water intend to tie the well associated with Permit #2377-2 into its water distribution system, additional permitting would be required to add "rural water system" use to the existing water right. This application is a request to do just that.

With the rural water system use added to Water Permit #2377-2, Southern Black Hills Water System will be able to tie the water from the well associated with this Permit into its distribution system when the need arises. This will allow Southern Black Hills Water to efficiently move forward with providing residents of the Southern Black Hills quality potable water in a timely fashion. The population of the Southern Black Hills is growing rapidly and Southern Black Hills needs to be able to meet the potable water needs of the current and future residents of the area. Granting this amendment will help ensure that Southern Black Hills Water can accomplish that goal.

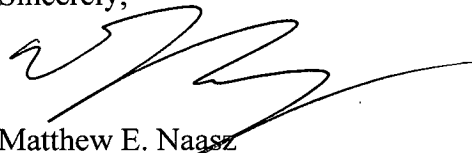
Very truly yours,
Matthew E. Naasz
Attorney at Law
Southern Black Hills Water System, Inc.

Offices in Rapid City and Pierre, South Dakota

Attorneys licensed to practice in South Dakota, North Dakota, Nebraska, Wyoming, and Montana

As always, Southern Black Hills greatly appreciates the assistance provided by the South Dakota Water Rights Program. If there are any questions, please do not hesitate to contact myself or Don Peterson.

Sincerely,

A handwritten signature in black ink, appearing to read 'Matthew E. Naasz', with a stylized, flowing script.

Matthew E. Naasz

MEN:cah

cc: Don Peterson, Southern Black Hills Water System

RECEIPT

WATER RIGHTS PROGRAM

South Dakota Department of Environment and Natural Resources

Date February 5, 2021

RECEIVED OF Gunderson Palmer Nelson & Ashmore LLP PO Box 8045 Rapid City SD 57709

The following amount in fees for services rendered as provided for by law:

Fee for Application for Permit No. <u>2377-2^A</u> to Appropriate Water, to construct and to put water to beneficial use	\$100.00
Fee for Application for Permit No. _____ to Appropriate Water for Future use	\$
Fee to retain Future Use Permit No. _____ after period of seven years.	\$
Fee for Inspecting Constructed Works, confirming beneficial use and issuing Water License No. _____	\$
Fee for Filing Transfer Form _____	\$
Fee for _____	\$
Fee for Issuing New Well Driller's License No. _____	\$
Fee for Renewal of Well Driller's License No. _____	\$
Fee for Issuing Well Pump Installer's License No. _____	\$
Fee for Renewal of Well Pump Installer's License No. _____	\$
(Any Other Work Provided by Law) TOTAL	\$100.00

By Eric Gronlund
Chief Engineer

vm



DENR
SOUTH DAKOTA

**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
denr.sd.gov

**RECOMMENDATION OF CHIEF ENGINEER FOR WATER PERMIT
APPLICATION NO. 2377A-2, Southern Black Hills Water System**

Pursuant to SDCL 46-2A-2, the following is the recommendation of the Chief Engineer, Water Rights Program, Department of Environment and Natural Resources concerning Water Permit Application No. 2377A-2, Southern Black Hills Water System, 26858 Highway 385, Hot Springs SD 57747.

The Chief Engineer is recommending APPROVAL of Application No. 2377A-2 because 1) the proposed amendment to add rural water system use will not unlawfully impair existing rights, 2) the proposed use is a beneficial use and 3) it is in the public interest with the following qualification:

1. The wells approved under Water Permit No. 2377-2 are located near domestic wells and other wells which may obtain water from the same aquifer. The well owner under this Permit shall control his withdrawals so there is not a reduction of needed water supplies in adequate domestic wells or in adequate wells having prior water rights.
2. The permit holder shall report to the Chief Engineer annually the amount of water withdrawn from the Madison aquifer.

See report on application for additional information.

Eric Gronlund, Chief Engineer
March 22, 2021

NOTE: Water Right No. 2377-2 was issued for a 20-year term pursuant to South Dakota Codified Law (SDCL) 46-1-14 and 46-2A-20. The 20-year term remains applicable to Water Right No. 2377A-2 and as such any future action taken regarding the 20-year term pursuant to SDCL 46-2A-21 may affect Application No. 2377A-2, if approved.

REPORT ON PERMIT APPLICATION NO. 2377A-2
SOUTHERN BLACK HILLS WATER SYSTEM INC.
MARCH 23, 2021

Application No. 2377A-2 proposes to amend Water Right No. 2377-2 to include rural water system use. Water Right No. 2377-2 appropriates 0.333 cubic feet per second (cfs) from two wells completed into the Madison aquifer, the main well located in NE ¼ NE ¼ Section 20 and the backup well located in the NE ¼ SW ¼ Section 17, both in T2S-R7E, for suburban housing development use and commercial use. No increase in the diversion rate or volume of water is requested by this application. The site of the existing wells is approximately 6 miles southeast of Keystone, SD, in Pennington County. This application, if approved, will retain the October 11, 1996, priority date assigned to Water Right No. 2377-2.

Pursuant to South Dakota Codified Law 46-5-30.4, any water permit/right holder may apply for a change of use of the water as long as the request does not increase the rate of diversion, increase the volume of water to be appropriated, or impair existing rights.

AQUIFER: Madison (MDSN)

Aquifer Characteristics

The Madison aquifer occurs within the karstic upper portion of the Madison Limestone where numerous fractures and solution openings have created extensive secondary porosity and permeability (Driscoll, et al., 2002). Driscoll, et al. (2002) also noted that the Madison aquifer is mostly under confined conditions except near or at its outcrops around the Black Hills. As a result, because the saturated thickness is less than the formation thickness, the aquifer is unconfined. The well completion report for Water Right No. 2377-2 specifies 10 feet of topsoil overlying the Minnelusa Formation to a depth of 300 feet below the surface. The Madison was encountered from 300 to 500 feet below the surface with a static water level measured at 345 feet. This indicates that the Madison aquifer is unconfined at the location of the proposed application (Water Rights, 2021a). There are also several domestic wells, on file with the SD DENR-Water Rights Program, in the vicinity of this application with similar well completion reports which further indicate unconfined conditions for the Madison aquifer (Water Rights, 2021b).

OBSERVATION WELL DATA

The DENR-Water Rights Program monitors 26 observation wells completed into the Madison aquifer (Water Rights, 2021c). The hydrographs created from observation wells illustrate how the aquifer reacts to regional climatic conditions and local pumping. Observation well PE-95A is within 1 mile of the wells authorized by Water Right No. 2377-2. The hydrograph for this observation well is shown in Figure 1 and is representative of other Madison aquifer observation wells in the vicinity of the proposed application. It indicates that the aquifer responds well to climatic conditions with rising water levels during wet periods and declining water levels during drier periods. It also demonstrates that any drawdowns from pumping are temporary because the water levels seasonally recover. This recovery indicates that climatic conditions (the natural effects of recharge to and discharge from the aquifer) govern the long-term fluctuations in water level of aquifer rather than the impacts of pumping.

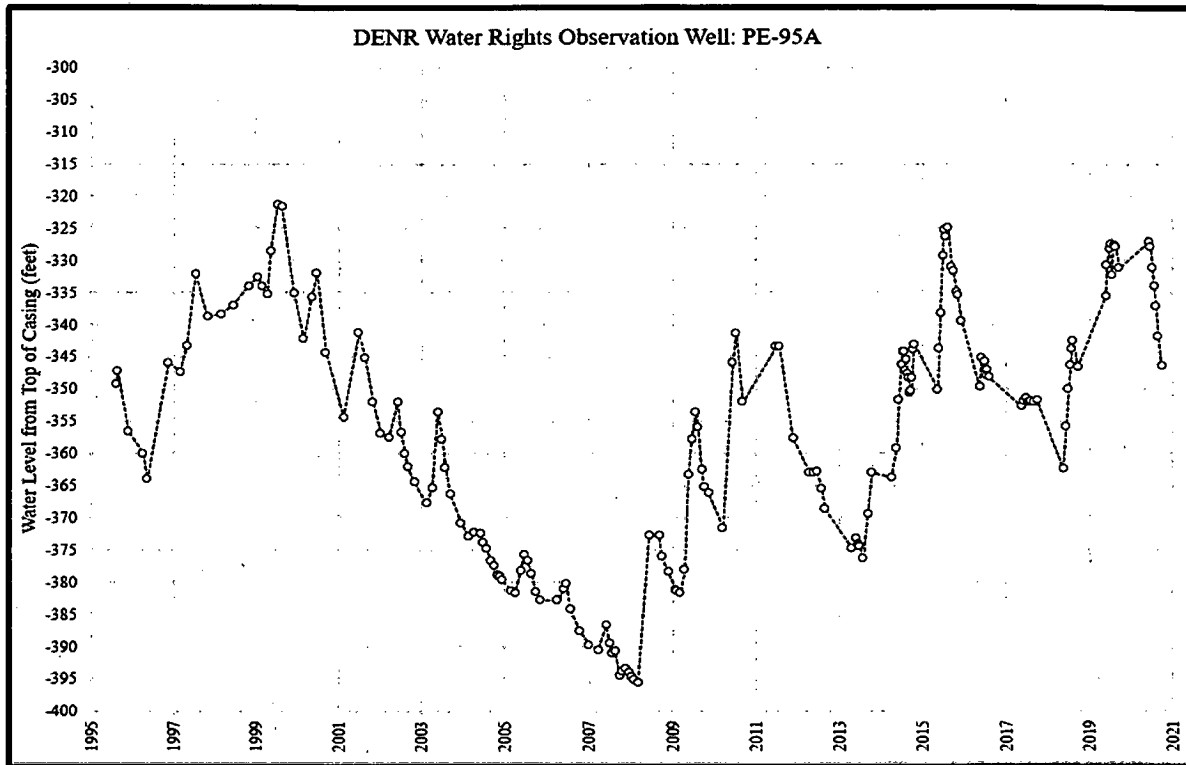


Figure 1. Hydrograph for Observation Well PE-95A approximately 0.7 miles northwest of the main well and approximately 0.1 miles west of the backup well for Water Permit Application No. 2377A-2 (Water Rights, 2021c).

POTENTIAL FOR UNLAWFUL IMPAIRMENT OF EXISTING WATER RIGHTS

Currently, there are 155 water rights/permits, 10 future use permits, and 1 pending application, appropriating water from the Madison aquifer (Water Rights, 2021a). There are domestic wells on file with the SD DENR-Water Rights Program, which appear to be completed into the Madison within the area of the proposed application. (Water Rights, 2020b). However, the existing diversion rate and annual appropriation authorized by Water Right No. 2377-2 will not be increased by this application. Therefore, there should not be any increase in the likelihood of impairing existing rights. The expectation for no unlawful impairment from pumping is further supported because there are no complaints on file with SD DENR-Water Rights Program regarding well interference due to pumping by Water Right No. 2377-2 or in the vicinity of the proposed application (Water Rights, 2021d).

CONCLUSIONS

1. Application No. 2377A-2 proposes to amend the suburban housing development use and commercial use authorized under Water Right No. 2377-2 to include rural water system use.
2. There is no increase in diversion rate or volume of water to be authorized by this application consequently, there will be no unlawful impairment of existing rights as specified in SDCL 46-5-30.4.

3. The aquifer is unconfined in the vicinity of the application therefore, existing appropriate or domestic users with adequate wells will not be unlawfully impaired due to pumping.
4. This permit will retain the priority date and qualifications from Permit No. 2377-2.



Blaise M. Hansen
SD DENR – Water Rights Program

REFERENCES

Driscoll, D.G., Carter, J.M., Putnam, L. D., Williamson, J. E., 2002, *Hydrology of the Black Hills Area, South Dakota*. U.S. Geological Survey Water-Resources Investigations Report 02-4094.

Water Rights. 2021a. *Water Right/Permit Files*. SD DENR-Water Rights Program. Joe Foss Building, Pierre, South Dakota.

Water Rights. 2021b. *Well Completion Report Files*. SD DENR-Water Rights Program. Joe Foss Building, Pierre, South Dakota.

Water Rights. 2021c. *Observation Well Database*. SD DENR-Water Rights Program. Joe Foss Building, Pierre, South Dakota.

Water Rights. 2021d. *Pennington County Files*. SD DENR-Water Rights Program, Joe Foss Building, Pierre, South Dakota.

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APR 22 2021

WATER RIGHTS
PROGRAM

Affidavit of Publication

State of South Dakota)

)ss.

County of Custer)

Charles W. Najacht of said county, being duly sworn, on oath says that he is publisher of the Custer County Chronicle, a weekly newspaper printed and published in Custer City, said County of Custer and has full and personal knowledge of all the facts herein stated; that said newspaper is a legal newspaper and has a bona-fide circulation of at least two hundred copies weekly, and has been published within said County for fifty-two successive weeks next prior to the publication of the notice herein, mentioned, and was and is printed wholly or in part in an office maintained at said place of publication: that the

Dept. of Environment-Water Rights Dept.
Notice of Application Nos 2752A-2
& 2377A-2 - So. Black Hills Water System

a printed copy of which, taken from the paper in which the same was published, is attached to this sheet, and is made a part of this Affidavit, was published in said newspaper at least once each week for one successive week(s), on which said newspaper was regularly published, to wit:

Apr 7, 2021; _____;
_____; _____;
_____; _____;
_____; _____;

the full amount of the fees for the publication of the annexed notice is \$ 39.99.

Charles W. Najacht

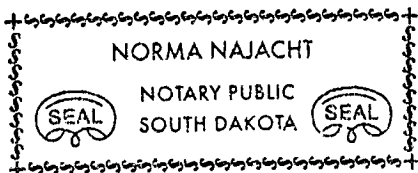
Subscribed and sworn to me before this 7th

of April, 20 21;

Norma Najacht

NOTARY PUBLIC

MY COMMISSION EXPIRES: May 5, 2024



NOTICE OF APPLICATION

NOS. 2752A-2 AND 2377A-2

Notice is given that Southern Black Hills Water System, c/o Don Peterson, Manager, 26858 Hwy 385, Hot Springs SD 57747 has filed the following applications for a water permit.

Application No. 2752A-2 proposes to amend Water Permit No. 2752-2 to extend the length of time to complete construction of works to divert water. Water Permit No. 2752-2 appropriates 170 acre-feet of water annually at a maximum diversion rate of 0.33 cubic feet of

water per second (cfs) from three wells to be completed into the Inyan Kara Aquifer (500 feet deep) in the SE 1/4 NE 1/4 Section 30-T2S-R8E for rural water system use serving users in Pennington and Custer Counties. This site is located approximately 1/2 mile northwest of Hermosa.

Water Permit No. 2752-2 was approved July 11, 2016, with construction of works to be completed by July 11, 2021, with water being put to beneficial use by July 11, 2025. Application No. 2752A-2 requests to extend the length of time allowed for construction of works (Well No. 3) from July 11, 2021 to November 30, 2022. Application No. 2752A-2, if approved, will retain the April 25, 2016 priority date assigned to Permit No. 2752-2.

Pursuant to SDCL 46-5-26 a permit may be amended to extend the time for application to beneficial use due to delays caused by engineering difficulties, delays caused by operation of law or delays caused by other exigent circumstances as identified by the Water Management Board. The permit holder is requesting an extension of time due to the unexpected need for a third well and construction delays caused by the COVID-19 pandemic.

Application No. 2377A-2 proposes to amend Water Right No. 2377-2 to include rural water system use. Water Right No. 2377-2 appropriates 0.333 cfs from two wells (main well and backup well) completed into the Madison Aquifer for suburban housing development and commercial use. The main well is located in the NE 1/4 NE 1/4 Section 20 and the backup well in the NE 1/4 SW 1/4 Section 17; both in T2S-R7E. This application proposes the addition of rural water system use to the water right. Application No. 2377A-2, if approved, will retain the October 11, 1996 priority date assigned to Permit No. 2377-2. No additional water appropriation is requested with this application. This site is located approximately 6 miles southeast of Keystone SD.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application Nos. 2752A-3 and 2377A-3 with qualifications because 1) existing rights will not be unlawfully impaired, 2) it is a beneficial use of water, and 3) it is in the public interest. The Chief Engineer's recommendation with qualifications, the applications, and staff reports are available at <http://denr.sd.gov/public> or contact Ron Duvall for this information, or other information, at the Water Rights Program address provided below.

Any person interested in opposing or supporting the applications or recommendations must file a written petition with BOTH the applicant and Chief Engineer. The applicant must file a petition if contesting the Chief Engineer's recommendations. The Chief Engineer's address is "Water Rights Program, Foss Building, 523 E Capitol, Pierre SD 57501 (605 773-3352)" and the applicant's mailing address is given above. A petition filed by either an interested person or the applicant must be filed by April 19, 2021.

The petition may be informal but must include a statement describing the petitioner's interest in the applications, the petitioner's reasons for opposing or supporting the applications, and the signature and mailing address of the petitioner or the petitioner's legal counsel, if legal counsel is obtained.

If the applicant does not contest the recommendations of the Chief Engineer and no petition to oppose the applications is received, the Chief Engineer shall act on the applications pursuant to the recommendations with no hearing held before the Water Management Board. If a petition opposing the applications or contesting the recommendations is filed, then a hearing will be scheduled, and the Water Management Board will consider the applications. Notice of the hearing will be given to the applicant and any person filing a petition.

Published once at the total approximate cost of \$39.99

*** Proof of Publication ***

STATE OF SOUTH DAKOTA)

County of Pennington)

SS:

SOUTHERN BLACK HILLS WATER SYSTEM

Don Peterson

26858 HWY. 385

HOT SPRINGS SD 57747

ORDER NUMBER 27747

The undersigned, being duly sworn, upon his/her oath says: That he/she is now and was at all time hereinafter mentioned, a clerk of the RAPID CITY JOURNAL, a corporation of Rapid City, South Dakota, a legal and daily newspaper printed and published in Rapid City, in said County of Pennington, and has full and personal knowledge of all the facts herein stated as follows: that said newspaper is and at all of the times herein mentioned has been a legal and daily newspaper with a bonafide paid circulation of at least Two Hundred copies daily, and has been printed and published for at least one year prior to the first date of the published notice.

This affidavit is a true and corrected copy of notice which appeared

in said newspaper once each day for one

successive day, the first publication there of being on the

7th day of April, 2021

Lacy Brueseler

Section: Legal

Category: 0084 Water Permits

PUBLISHED ON: 04/07/2021

TOTAL AD COST:

83.40

FILED ON:

4/7/2021

Subscribed and sworn to before me this

7th day of April, 2021

Sheri Spender Notary Public

My commission expires

November 21, 2025



April 7 L27747

NOTICE OF APPLICATION

NOS. 2762A-2 and 2377A-2

Notice is given that Southern Black Hills Water System, c/o Don Peterson, Manager, 26858 Hwy 385, Hot Springs SD 57747 has filed the following applications for a water permit.

Application No. 2762A-2 proposes to amend Water Permit No. 2752-2 to extend the length of time to complete construction of works to divert water. Water Permit No. 2752-2 appropriates 170 acre-feet of water annually at a maximum diversion rate of 0.33 cubic feet of water per second (cfs) from three wells to be completed into the Inyan Kara Aquifer (600 feet deep) in the SE 1/4 NE 1/4 Section 30-T2S-R6E for rural water system use serving users in Pennington and Custer Counties. This site is located approximately 1/2 mile northwest of Hermosa.

Water Permit No. 2752-2 was approved July 11, 2016, with construction of works to be completed by July 11, 2021, with water being put to beneficial use by July 11, 2025. Application No. 2762A-2 requests to extend the length of time allowed for construction of works (Well No. 3) from July 11, 2021 to November 30, 2022. Application No. 2762A-2, if approved, will retain the April 25, 2018 priority date assigned to Permit No. 2752-2.

Pursuant to SDCL 48-5-26 a permit may be amended to extend the time for application to beneficial use due to delays caused by

engineering difficulties, delays caused by operation of law or delays caused by other extant circumstances as identified by the Water Management Board. The permit holder is requesting an extension of time due to the unexpected need for a third well and construction delays caused by the COVID-19 pandemic.

Application No. 2377A-2 proposes to amend Water Right No. 2377-2 to include rural water system use. Water Right No. 2377-2 appropriates 0.333 cfs from two wells (main well and backup well) completed into the Madison Aquifer for suburban housing development and commercial use. The main well is located in the NE 1/4 NE 1/4 Section 20 and the backup well in the NE 1/4 SW 1/4 Section 17; both in T2S-R7E. This application proposes the addition of rural water system use to the water right. Application No. 2377A-2, if approved, will retain the October 11, 1996 priority date assigned to Permit No. 2377-2. No additional water appropriation is requested with this application. This site is located approximately 6 miles southeast of Keystone SD.

Pursuant to SDCL 48-2A-2, the Chief Engineer recommends APPROVAL of Application Nos. 2762A-2 and 2377A-2 with qualifications because 1) existing rights will not be unlawfully impaired, 2) it is a beneficial use of water, and 3) it is in the public interest. The Chief Engineer's recommendation with qualifications, the applications, and staff reports are available at <http://denr.sd.gov/public> or contact Ron Duval for this information, or other information, at the Water Rights Program address provided below.

Any person interested in opposing or supporting the applications or recommendations must file a written petition with BOTH the applicant and Chief Engineer. The applicant must file a petition if contesting the Chief Engineer's recommendations. The Chief Engineer's address is "Water Rights Program, Foss Building, 523 E Capitol, Pierre SD 57501 (605 773-3352)" and the applicant's mailing address is given above. A petition filed by either an interested person or the applicant must be filed by April 19, 2021.

The petition may be informal but must include a statement describing the petitioner's interest in the applications, the petitioner's reasons for opposing or supporting the applications, and the signature and mailing address of the petitioner or the petitioner's legal counsel, if legal counsel is obtained.

If the applicant does not contest the recommendations of the Chief Engineer and no petition to oppose the applications is received, the Chief Engineer shall act on the applications pursuant to the recommendations with no hearing held before the Water Management Board. If a petition opposing the applications or contesting the recommendations is filed, then a hearing will be scheduled, and the Water Management Board will consider the applications. Notice of the hearing will be given to the applicant and any person filing a petition.

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DENR
SOUTH DAKOTA

**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
denr.sd.gov

**NOTE: TO BE SURE OF PUBLICATION ON
THE CORRECT DATES, CONTACT
THE NEWSPAPERS RIGHT AWAY.**

March 26, 2021

Southern Black Hills Water System
Don Peterson, Manager
26858 Hwy 385
Hot Springs SD 57747

Dear Mr. Peterson:

Water Permit Application Nos. 2752A-2 and 2377A-3 for rural water system use has been examined and found to comply with the South Dakota Water Laws and applicable rules. A notice has been sent to the Custer Co. Chronicle printed at Custer SD (Ph # 605 673-2217) and the Rapid City Journal printed at Rapid City SD (Ph # 605 394-8336). You will need to contact the newspapers and authorize publication of this notice. For your information, a copy of the notice, the recommendations of the Chief Engineer and reports on the applications are enclosed. Please review the notice prior to publication and notify this office, if you have any corrections or questions.

Be sure to contact the above newspapers to authorize publication of your Notice and to arrange for payment. Early contact with the papers can eliminate delays. Upon receiving authorization from you, the publishers have been instructed to publish your notice. The newspapers have also been instructed to send us the Proof of Publication. We must receive Proof of Publication before action can be taken on the application.

Sincerely,

Karen Schlaak

Karen Schlaak
Water Rights Program
(605) 773-3352

enclosures

NOTE: If you plan to contest any part of the Chief Engineer's recommendation, you must file a petition pursuant to the procedures outlined in the attached notice of hearing. The Water Management Board will then consider your concerns during a hearing on the application.

c: Matt Naasz

NOTICE OF APPLICATION NOS. 2752A-2 and 2377A-2

Notice is given that Southern Black Hills Water System, c/o Don Peterson, Manager, 26858 Hwy 385, Hot Springs SD 57747 has filed the following applications for a water permit.

Application No. 2752A-2 proposes to amend Water Permit No. 2752-2 to extend the length of time to complete construction of works to divert water. Water Permit No. 2752-2 appropriates 170 acre-feet of water annually at a maximum diversion rate of 0.33 cubic feet of water per second (cfs) from three wells to be completed into the Inyan Kara Aquifer (500 feet deep) in the SE 1/4 NE 1/4 Section 30-T2S-R8E for rural water system use serving users in Pennington and Custer Counties. This site is located approximately 1/2 mile northwest of Hermosa.

Water Permit No. 2752-2 was approved July 11, 2016, with construction of works to be completed by July 11, 2021, with water being put to beneficial use by July 11, 2025. Application No. 2752A-2 requests to extend the length of time allowed for construction of works (Well No. 3) from July 11, 2021 to November 30, 2022. Application No. 2752A-2, if approved, will retain the April 25, 2016 priority date assigned to Permit No. 2752-2.

Pursuant to SDCL 46-5-26 a permit may be amended to extend the time for application to beneficial use due to delays caused by engineering difficulties, delays caused by operation of law or delays caused by other exigent circumstances as identified by the Water Management Board. The permit holder is requesting an extension of time due to the unexpected need for a third well and construction delays caused by the COVID-19 pandemic.

Application No. 2377A-2 proposes to amend Water Right No. 2377-2 to include rural water system use. Water Right No. 2377-2 appropriates 0.333 cfs from two wells (main well and backup well) completed into the Madison Aquifer for suburban housing development and commercial use. The main well is located in the NE 1/4 NE 1/4 Section 20 and the backup well in the NE 1/4 SW 1/4 Section 17; both in T2S-R7E. This application proposes the addition of rural water system use to the water right. Application No. 2377A-2, if approved, will retain the October 11, 1996 priority date assigned to Permit No. 2377-2. No additional water appropriation is requested with this application. This site is located approximately 6 miles southeast of Keystone SD.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application Nos. 2752A-3 and 2377A-3 with qualifications because 1) existing rights will not be unlawfully impaired, 2) it is a beneficial use of water, and 3) it is in the public interest. The Chief Engineer's recommendation with qualifications, the applications, and staff reports are available at <http://denr.sd.gov/public> or contact Ron Duvall for this information, or other information, at the Water Rights Program address provided below.

Any person interested in opposing or supporting the applications or recommendations must file a written petition with BOTH the applicant and Chief Engineer. The applicant must file a petition if contesting the Chief Engineer's recommendations. The Chief Engineer's address is "Water Rights Program, Foss Building, 523 E Capitol, Pierre SD 57501 (605 773-3352)" and the applicant's mailing address is given above. A petition filed by either an interested person or the applicant must be filed by April 19, 2021.

The petition may be informal but must include a statement describing the petitioner's interest in the applications, the petitioner's reasons for opposing or supporting the applications, and the signature and mailing address of the petitioner or the petitioner's legal counsel, if legal counsel is obtained.

If the applicant does not contest the recommendations of the Chief Engineer and no petition to oppose the applications is received, the Chief Engineer shall act on the applications pursuant to the recommendations with no hearing held before the Water Management Board. If a petition opposing the applications or contesting the recommendations is filed, then a hearing will be scheduled, and the Water Management Board will consider the applications. Notice of the hearing will be given to the applicant and any person filing a petition.

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**DEPARTMENT of AGRICULTURE
and NATURAL RESOURCES**

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

MAY 17 2021

Southern Black Hills Water System Inc.
c/o Don Peterson, Manager
26858 Hwy 385
Hot Springs SD 57747

Dear Mr. Peterson:

Enclosed is Water Permit Nos. 2377A-2 and 2752A-2 authorizing construction of the water diversion systems and beneficial use of the water, not exceeding the limits as specified in the Water Permits.

Form 10's, *Notice of Completion of Works and Application of Water to Beneficial Use*, are enclosed. Please return these completed forms after you have finished the systems and have put the water to beneficial use. An investigation can then be scheduled so the water licenses may be issued, thus completing the acquisition of a water right.

An informational sheet *Common Water Right Questions?* is also enclosed. This sheet is intended to answer some of the questions associated with obtaining and keeping a water right.

Sincerely,

Eric Gronlund, Chief Engineer
Water Rights Program
(605) 773-3352

enclosures