

WATER PERMIT NO. 2723-2

Name of Applicant: **Hagen Properties LLC**

Address: **745 N River St, Hot Springs SD 57747**

Phone: **303 968-6966**

Amount of Water Claimed: **0.25 cfs**

Total Acres: **NA**

Source of Water Supply: **Moccasin Springs**

Water to be used for: **commercial**

County: **Fall River**

Type of Waste Disposal System:

Location: **within city limits**

PRIORITY

Date Received: **12-16-13**

Application/License Fee: **\$ 950**

Corrected Application Received: **12-23-13**

Period of Annual Use: **Jan 1- Dec 31**

Remarks:

Diversion Point: **S 1/2 SE 1/4 Sec 14-T7S-R5E**

Land to be Irrigated: **NA**

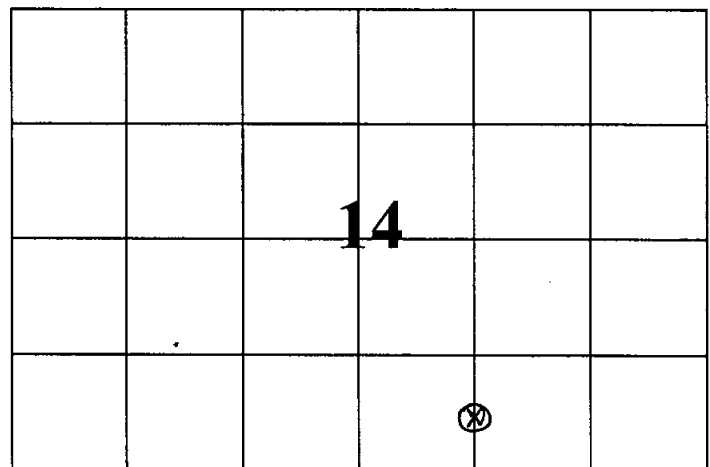
Depth of Well: **NA**

Well Driller:

Remarks:

Type of Map: **aerial**

Prepared by:



Reviewed and the Number Assigned on: **12-23-13**

By: **Karen Schlaak**

Notice of Hearing - date to intervene: _____

RECEIVED
DEC 16 2013
WATER RIGHTS
PROGRAM

Mail to: PMB 2020 DENR - Water Rights 523 E Capitol Ave Pierre, SD 57501-3182 ph. (605) 773-3352	No. <u>2723-2</u> (office use only) Hydrologic Unit <u>10120109</u>
	Basin <u>Upper Chayenne</u> <u>605-745-4120</u>
	Newspaper <u>Hot Springs Star, Box 100 57747</u>
	<u>Rapid City Journal, Box 450 57701 605-8300</u>

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

Check use(s) of water:

- | | | | |
|--|--|--|---|
| ☐ Municipal | ☐ Suburban Housing | ☒ Recreational | ☐ Institutional |
| ☐ Rural Water System | ☒ Commercial | ☐ Fish & Wildlife | ☒ Geothermal Heat |
| ☒ Domestic (over 18 gpm) | ☐ Industrial | ☐ Other | |

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. (2392-2/previous permit)

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

APPLICATION FOR REINSTATEMENT OF PREVIOUS
WATER PERMIT NO. 2392-2.

1. Name of Applicant HAGEN PROPERTIES LLC Phone 303-968-6966
(check one) ☒ Owner ☐ Tenant/lessee
Mailing Address 745 N. RIVER ST. HOT SPRINGS SD 57747
(Address) (City) (State) (Zip Code)
2. Amount of water claimed 0.25 *CFS or **GPM ***AF
(*Cubic Feet per Second) (**Gallons per Minute) (***)Acre Feet - storage capacity of dam/dugout or annual use if applicable)

3. Source of water supply MOCCASIN SPRINGS

4. Location of point of diversion (example - 3 wells in SW1/4 NE1/4 section 12-T104N-R53W) County

S1/2 SE1/4 SEC 14-T75-R5E

5. County or counties where water will be used FALL RIVER

6. Annual period during which water is to be used JANUARY 1 - DECEMBER 31

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)

THIS APPLICATION IS FOR NEW WATER PERMIT (RECENTLY
WATER PERMIT 2392-2) FOR A PROPOSED COMMERCIAL
DEVELOPMENT ORIGINALLY PERMITTED UNDER NOS 1809-2, 2050-2,
2050A-2, 2050B-2 AND 2050C-3. EXPIRATION OF CONSTRUCTION PERIOD OF
2392-2 LARSED WATER PERMIT IN 2011.

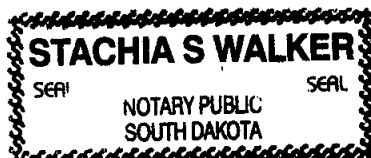
STATE OF SOUTH DAKOTA)
County of Fall River) SS

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)

I, Kara Hagen, the applicant, certify that I have read this application, have examined the attached map and that the matters stated are true and that I intend, and am able to complete the necessary construction.

Applicant's signature Kara Hagen

Subscribed and sworn to before me this 12 day of December 20 13



Notary Public signature
My Commission Expires
October 17, 2018

**SOUTH DAKOTA
WATER PERMIT NO. 2723-2**

Date of first receipt of application December 16, 2013.

Date of return to applicant for corrections, amendments or changes December 17, 2013.

Date of receipt of corrected application December 23, 2013.

The Chief Engineer, on behalf of the Water Management Board, issues Water Permit No. 2723-2 to Hagen Properties LLC, c/o Kara Hagen, 745 N River St, 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. 2723-2 appropriates 0.25 cubic feet of water per second from Moccasin Springs located in the S 1/2 SE 1/4 Section 14-T7S-R5E.
2. The water appropriated shall be used for the purpose of commercial and geothermal heat 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. 2723-2 is April 4, 2014.
5. The date from which applicant may claim right is December 16, 2013.
6. One-fifth of the construction is to be completed on or before October 4, 2016.
7. All construction is to be completed on or before April 4, 2019.
8. Water is to be put to beneficial use on or before April 4, 2023.
9. Water rights obtained in compliance with the laws of the State of South Dakota may not be unlawfully impaired by this appropriation.

QUALIFICATIONS

1. Consumptive diversions of water are subject to low flows as needed for downstream domestic use, including livestock water and prior rights being by-passed. Diversions under this permit shall be in accordance with any written order issued by the Chief Engineer.
2. There shall be no discharge to the waters of the state without first obtaining a surface water discharge permit from the Surface Water Quality Program, Department of Environment and Natural Resources.
3. No chemicals shall be added to the water that will be discharged without prior approval from the Surface Water Quality Program, Department of Environment and Natural Resources. If necessary, the surface water discharge permit must be amended to include limits and monitoring to address the chemicals added.
4. Permit No. 2723-2 is subject to compliance with existing and applicable Water Management Board rules including:
 - a. Chapter 74:04:05 Drinking Water Standards
 - b. Chapter 74:52:01 Surface Water Discharge Permit – General Provisions
 - c. Chapter 74:52:02 Surface Water Discharge Permit Application Requirements
 - d. Chapter 74:52:03 Surface Water Discharge Permit Conditions

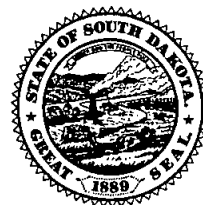
WATER MANAGEMENT BOARD

By: _____

Jeanne Goodman
Jeanne Goodman, Chief Engineer
Water Rights Program
Department of Environment and Natural Resources

APR 24 2014

date



Sec 10
T007S
R05E

Sec 11
T007S
R05E

Sec 12
T007S
R05E

Sec 15
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Sec 14
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Sec 13
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Sec 22
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R05E

Sec 23
T007S
R05E

Sec 24
T007S
R05E



RECEIPT

WATER RIGHTS PROGRAM

South Dakota Department of Environment and Natural Resources

RECEIVED OF Hagen Properties LLC, 745 N River St, Hot Springs SD 57747 Date 12-23, 20 13

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

Fee for Application for Permit No. <u>2723-2</u> to Appropriate Water, to construct and to put water to beneficial use	750	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. <u>2723-2</u>	200	00
Fee for Filing Transfer Form _____		
Fee for _____		
Fee for Issuing New Well Driller's License No. _____ for C.Y. _____		
Fee for Renewal of Well Driller's License No. _____ for C.Y. _____		
Fee for Issuing Well Pump Installer's License No. _____ for C.Y. _____		
Fee for Renewal of Well Pump Installer's License No. _____ for C.Y. _____		
(Any Other Work Provided by Law)	TOTAL	950.00

No. 06548

By Jeanne Woodman
Chief Engineer
/KS



RECEIVED
DEC 23 2013
WATER RIGHTS
PROGRAM

DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182

denr.sd.gov

December 17, 2013

Hagen Properties LLC
c/o Kara Hagen
745 N River St
Hot Springs SD 57747

Dear Ms. Hagen:

Thank you for submitting the *Application for a Permit to Appropriate Water* for commercial use in Fall River County. In order to complete the application, the following is required.

- A map needs to be submitted that references a government section corner or quarter corner including section, township and range showing the location of the Moccasin Springs diversion point. For your use, I have enclosed a map with those designations. Please mark the proposed location of the diversion point from Moccasin Springs with an "X".
- The application/license fee to appropriate 0.25 cubic feet of water per second will be \$950.00. Please submit this amount.

If you have any questions, please contact me.

Sincerely,

Karen Schlaak

Karen Schlaak
Water Rights Program
605 773-3352
karen.schlaak@state.sd.us

enclosure

*See you
soon!
Karen*



**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. 2723-2, Hagen Properties LLC**

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. 2723-2, Hagen Properties LLC, c/o Kara Hagen, 745 N River Street, Hot Springs SD 57747.

The Chief Engineer is recommending APPROVAL of Application No. 2723-2 because 1) there is reasonable probability that there is unappropriated water available for the applicant's proposed use, 2) the proposed diversion can be developed without unlawful impairment of existing rights, 3) the proposed use is a beneficial use and 4) it is in the public interest with the following qualifications:

1. Consumptive diversions of water are subject to low flows as needed for downstream domestic use, including livestock water and prior rights being by-passed. Diversions under this permit shall be in accordance with any written order issued by the Chief Engineer.
2. There shall be no discharge to the waters of the state without first obtaining a surface water discharge permit from the Surface Water Quality Program, Department of Environment and Natural Resources.
3. No chemicals shall be added to the water that will be discharged without prior approval from the Surface Water Quality Program, Department of Environment and Natural Resources. If necessary, the surface water discharge permit must be amended to include limits and monitoring to address the chemicals added.
4. Permit No. 2723-2 is subject to compliance with existing and applicable Water Management Board rules including:
 - a. Chapter 74:04:05 Drinking Water Standards
 - b. Chapter 74:52:01 Surface Water Discharge Permit – General Provisions
 - c. Chapter 74:52:02 Surface Water Discharge Permit Application Requirements
 - d. Chapter 74:52:03 Surface Water Discharge Permit Conditions

See report on application for additional information.

Jeanne Goodman, Chief Engineer
February 19, 2014

REPORT TO THE CHIEF ENGINEER

WATER PERMIT APPLICATION NO. 2723-2

Hagen Properties LLC

JANUARY 17, 2014

Water Permit Application No. 2327-2 proposes to appropriate 0.25 cubic feet per second (cfs) from a spring located in the S ½ SE ¼ of Section 14, T07S-R05E for commercial and geothermal heating purposes in Fall River County.

WATER SOURCE: Minnekahta Springs (Madison or Minnelusa aquifer).

GEOLOGY AND SPRING CHARACTERISTICS

The applicant has identified the water source in question as “Moccasin Springs”. This spring is frequently referred to as “Minnekahta Spring” in literature. The spring occurs near the contact point between the Minnekahta Limestone and the Spearfish Formation and is near the base of a Quaternary terrace deposit (Wolcott, 1967). The high concentration of solids in the water from the spring and the 90°F temperature (SD Geologic Survey) suggest that the water from this spring is not from the Minnekahta, Spearfish, or terrace aquifers in the area. Geochemical and isotopic analysis of the water from the Minnekahta Spring indicate that the Madison and Minnelusa aquifers contribute water to all of the springs in the Hot Springs area (Whalen, 1994). Stiff diagrams (graphical representations of the dissolved ions in the water), show that the thermal springs in the Hot Springs area, such as Minnekahta Springs are primarily Madison fed springs (Whalen, 1994).

Minnekahta Springs is one of several springs within the City of Hot Springs. The discharge of these springs is fairly consistent throughout the year (Rahn, 1973) and constitute the base flow of the Fall River. The flow of Fall River is regulated by dams forming Coldbrook Reservoir and Cottonwood Springs Lake. For the period in which flows have been regulated (1970-1996), the annual mean discharge of Fall River is 21.8 cfs (Burr, 1996).

SDCL 46-2A-9

Pursuant to SDCL 46-2A-9, a permit to appropriate water may be issued only if there is a reasonable probability that there is unappropriated water available for the applicant’s proposed use, that the proposed diversion can be developed without unlawful impairment of existing rights and that the proposed use is beneficial and in the public interest. This report will address the availability of unappropriated water and the effect on pertinent existing rights which appropriate water from this aquifer.

WATER AVAILABILITY

Listed below are the five Water Rights currently appropriating water from Fall River downstream of the Minnekahta Springs (Water Rights, 2014):

Water Right/Permit No.	Owner	Use	Diversion Rate
876-2	Joe Allen	Irrigation	0.520 cfs
1783-2	Timmer Water Users Assoc.	Irrigation	0.460 cfs
2007-2	City of Hot Springs	Geothermal (Nonconsumptive)	0.580 cfs
2083-2	N. J. Varick	Irrigation	0.036 cfs
2463-2	Hot Springs Housing and Redevelopment Commission	Geothermal (Nonconsumptive)	0.500 cfs

The total amount of appropriated water from Fall River (2.096 cfs, 1.016 consumed) compared with the annual mean discharge of the river indicate that unappropriated water is available for the proposed diversion rate of 0.25 cfs.

The Fall River flows into the Cheyenne River approximately five miles downstream of the City of Hot Springs and below Angostura Dam. During most years the needs of the Cheyenne River irrigators are met with the combined discharge of the Fall River and return flows from the Angostura Irrigation District. Low flows in the Cheyenne River can occur when the Angostura Reservoir is filling. During low flow periods, this permit may be required to by-pass any consumptive water use to provide flows in the river for downstream domestic use, including livestock watering and senior water rights.

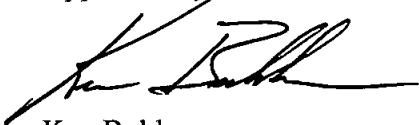
CONCLUSIONS

- 1) Application No. 2723-2 proposes to appropriate 0.25 cfs from Moccasin Springs, connected to Minnekahta Springs for geothermal heating and commercial uses.
- 2) Unappropriated water is available from Moccasin/Minnekahta Springs and Fall River to supply to proposed appropriation.
- 3) Given the average flow rate of Fall River, interference with existing downstream water rights is not expected to be a concern.
- 4) During low flow times, the owner of this permit may be required to temporarily cease consumptive water uses.



Bracken Capen
SD DENR Water Rights, Natural Resources Engineer

Approved by.



Ken Buhler
SD DENR Water Rights, Natural Resources Engineer

REFERENCES

- Burr, M.J., R. Teller, K. Neitzert, 1996, Water Resources Data South Dakota Water Year 1996, U.S. Geological Survey Water-Data Report SD-96-1, Rapid City, SD
- Rahn, P.H., J. Gries, 1973, Large Springs in the Black Hills, South Dakota and Wyoming, South Dakota Geological Survey Report of Investigation No. 107, Vermillion, SD.
- South Dakota Geological Survey, Medicinal Waters of South Dakota, Prepared for the Natural Resources Commission
- Water Rights Program, 2014, "Domestic Well Log Files, Observation Well Files, and Water Permit Files", DENR-Water Rights Program, Joe Foss Building, Pierre, SD 57501
- Whalen, P.J., 1994, Source Aquifers for Cascade Springs, Hot Springs, and Beaver Creek Springs in the Southern Black Hills of South Dakota, South Dakota School of Mines and Technology Master of Science Thesis, Rapid City, SD
- Wolcott, D.E., 1967, Geology of the Hot Springs Quadrangle Fall River and Custer Counties, South Dakota, Geological Survey Bulletin 1063-K, United States Government Printing Office, Washington, DC

RECEIVED

MAR 14 2014

Form 8

WATER RIGHTS
PROGRAM

PROOF OF PUBLICATION

STATE OF SOUTH DAKOTA)
) SS
County of Fall River)

I, Brett Nachtigall

certify that the attached printed Notice was
taken

from the Hot Springs Star

printed and published in Hot Springs

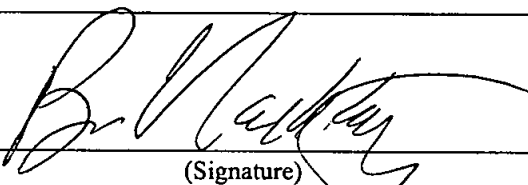
County of Fall River and

state of South Dakota. The notice was
published

in the newspaper on the following date:

Mar. 11, 2014

Cost of Printing \$21.71


(Signature)

Publisher
(Title)

3-11-14
(Date Signed)

420

NOTICE OF APPLICATION

NO. 2723-2 to

Appropriate Water

Notice is given that Hagen Properties LLC, c/o Kara Hagen, 745 N River St, Hot Springs SD 57747 has filed an application for a water permit to appropriate 0.25 cubic feet of water per second from Moccasin Springs located in the S 1/2 SE 1/4 Section 14-T7S-R5E for commercial and geothermal heat purposes.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 2723-2 because 1) unappropriated water is available, 2) existing rights will not be unlawfully impaired, 3) it is a beneficial use of water, and 4) it is in the public interest. In accordance with SDCL 46-2A-23, the Chief Engineer will act on this application, as recommended, unless a petition is filed opposing the application or the applicant files a petition contesting the Chief Engineer's recommendation. If a petition opposing the application or contesting the recommendation is filed, then a hearing will be scheduled and the Water Management Board will consider this application. Notice of the hearing will be given to the applicant and any person filing a petition.

Any person interested in opposing or supporting this application or recommendation must file a written petition with BOTH the applicant and Chief Engineer. The applicant must file a petition if contesting the Chief Engineer's recommendation. 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 March 21, 2014.

The petition may be informal, but must include a statement describing the petitioner's interest in the application, the petitioner's reasons for opposing or supporting the application, and the signature and mailing address of the petitioner or the petitioner's legal counsel, if legal counsel is obtained. Contact Eric Grontlund at the above Water Rights Program address to request copies of information pertaining to this application.

Steven M. Pimer, Secretary,
Department of Environment
and Natural Resources.

Published once at the total
approximate cost of \$21.71.

Mar. 11

RECEIVED

MAR 26 2014

WATER RIGHTS
PROGRAM

Affidavit of Publication

STATE OF SOUTH DAKOTA

County of Pennington

SS:

Mar. 22 L20852931

NOTICE OF APPLICATION

NO. 2723-2 to Appropriate Water

Notice is given that Hagen Properties LLC, c/o Kara Hagen, 745 N River St, Hot Springs SD 57747 has filed an application for a water permit to appropriate 0.25 cubic feet of water per second from Moccasin Springs located in the S 1/2 SE 1/4 Section 14-T7S-R5E for commercial and geothermal heat purposes.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 2723-2 because 1) unappropriated water is available, 2) existing rights will not be unlawfully impaired, 3) it is a beneficial use of water, and 4) it is in the public interest. In accordance with SDCL 46-2A-23, the Chief Engineer will act on this application, as recommended, unless a petition is filed opposing the application or the applicant files a petition contesting the Chief Engineer's recommendation. If a petition opposing the application or contesting the recommendation is filed, then a hearing will be scheduled and the Water Management Board will consider this application. Notice of the hearing will be given to the applicant and any person filing a petition.

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The petition may be informal, but must include a statement describing the petitioner's interest in the application, the petitioner's reasons for opposing or supporting the application, and the signature and mailing address of the petitioner or the petitioner's legal counsel. If legal counsel is obtained, Contact Eric Gronlund at the above Water Rights Program address to request copies of information pertaining to this application. Steven M. Pirner, Secretary, Department of Environment and Natural Resources.

(Published once at the total approximate cost of \$49.28).

Brandyn Crawford being first duly sworn, upon his/her oath says: That he/she is now and was at all time hereinafter mentioned, an employee of the RAPID CITY JOURNAL, a corporation of Rapid City, South Dakota, the owner and publisher of the RAPID CITY JOURNAL, 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 in the English language, at and within an office maintained by the owner and publisher thereof, at Rapid City, in said Pennington County, and has been admitted to the United States mail under the second class mailing privilege for at least one year prior to the publication herein mentioned; that the advertisement, a printed copy of which, taken from said Rapid City Journal, the paper in which the same was published, is attached to this sheet and made a part of this affidavit, was published in said paper once each

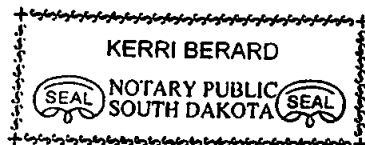
Week for one successive week, the first publication there of being on the 22nd day of MARCH that the fees charged for the publication there of are 49 dollars and 28 cents.

Brandyn R Crawford

Subscribed and sworn to before me this 24th day of MARCH, 2014

Kerri Berard

Notary public



KERRI BERARD
My Notary Public Expires
MY COMM. EXP. AUGUST 21, 2019



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 NEWSPAPER(S) RIGHT AWAY.**

February 20, 2014

Hagen Properties LLC
Kara Hagen
745 N River St
Hot Springs SD 57747

Dear Ms. Hagen:

Water Permit Application No. 2723-2 for commercial use has been examined and found to comply with the South Dakota Water Laws and applicable rules. A notice has been sent to the Hot Springs Star printed at Hot Springs SD (Ph # 605-745-4170) and the Rapid City Journal printed at Rapid City SD (Ph # 605-394-8300). You will need to contact the newspaper(s) and authorize publication of this notice. For your information, a copy of the notice, the recommendation of the Chief Engineer and report on the application 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 newspaper(s) to authorize publication of your Notice and to arrange for payment. Early contact with the paper(s) can eliminate delays. Upon receiving authorization from you, the publisher has been instructed to publish your notice. The newspaper has 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,

Eric Gronlund
Natural Resources Engineer
(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.



DEPARTMENT OF ENVIRONMENT
and NATURAL RESOURCES

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



February 20, 2014

Hot Springs Star
PO Box 1000
Hot Springs SD 57747

ATTENTION: Legal Public Notice

Enclosed is a Notice on Application No. 2723-2 to Appropriate Water. Please publish the notice once on March 4, 2014. The text of the notice can be e-mailed to your paper by contacting Karen Schlaak at (605) 773-3352.

The applicant must verify to you that the notice is to be published and arrange for payment. **Please BILL the APPLICANT for the cost of publication.** The APPLICANT is Hagen Properties LLC, c/o Kara Hagen, 745 N River St, Hot Springs SD 57747 (Ph # 303-968-6966).

Please send the Water Rights Program an affidavit or the enclosed Proof of Publication form immediately.

The applicant pays the cost of publication, but the Water Rights Program records require an affidavit or Proof of Publication. Delays in receiving the affidavit can be costly to the applicant.

Sincerely,

Eric Gronlund
Natural Resources Engineer
605 773-3352

enclosures



DEPARTMENT OF ENVIRONMENT
and NATURAL RESOURCES

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



February 20, 2014

Rapid City Journal
PO Box 450
Rapid City SD 57701

ATTENTION: Legal Public Notice

Enclosed is a Notice on Application No. 2723-2 to Appropriate Water. Please publish the notice once on March 4, 2014. The text of the notice can be e-mailed to your paper by contacting Karen Schlaak at (605) 773-3352.

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Sincerely,

Eric Gronlund
Natural Resources Engineer
605 773-3352

enclosures

Schlaak, Karen

To: HSS News
Subject: RE: Notice for Application No. 2723-2, Hagen Properties LLC

From: Sheryl Grimes [<mailto:Sheryl.Grimes@lee.net>] **On Behalf Of** HSS News
Sent: Thursday, February 27, 2014 12:30 PM
To: Schlaak, Karen
Subject: RE: Notice for Application No. 2723-2, Hagen Properties LLC

Hi Karen, we are unable to get ahold of Kara Hagen. We have tried several times, left messages and she won't return our calls. Do we pull the legal notice or run it without her verification?

Thank you,

Sheryl Grimes

Production Manager ~ Hot Springs Star
107 North Chicago Street, Hot Springs, SD 57747
P: 605-745-4170 F: 605-745-3161
E: sheryl.grimes@lee.net
W: starads@lee.net

*Called Sheryl
she was going to let
me know if she contacted
Kara before deadline*

From: Schlaak, Karen [<mailto:Karen.Schlaak@state.sd.us>]
Sent: Monday, February 24, 2014 2:32 PM
To: HSS News
Subject: Notice for Application No. 2723-2, Hagen Properties LLC

As requested. Please send the affidavit ASAP.

Karen Schlaak
Water Rights Program
Phone: 605 773-3352
Fax: 605 773-4068

Instruction to Newspaper - Publish the Notice on March 4, 2014. The applicant is responsible for payment. The text of the notice can be e-mailed to your paper by contacting Karen Schlaak at (605) 773-3352 or email: Karen.schlaak@state.sd.us.

NOTICE OF APPLICATION NO. 2723-2 to Appropriate Water

Notice is given that Hagen Properties LLC, c/o Kara Hagen, 745 N River St, Hot Springs SD 57747 has filed an application for a water permit to appropriate 0.25 cubic feet of water per second from Moccasin Springs located in the S 1/2 SE 1/4 Section 14-T7S-R5E for commercial and geothermal heat purposes.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 2723-2 because 1) unappropriated water is available, 2) existing rights will not be unlawfully impaired, 3) it is a beneficial use of water, and 4) it is in the public interest. In accordance with SDCL 46-2A-23, the Chief Engineer will act on this application, as recommended, unless a petition is filed opposing the application or the applicant files a petition contesting the Chief Engineer's recommendation. If a petition opposing the application or contesting the recommendation is filed, then a hearing will be scheduled and the Water Management Board will consider this application. Notice of the hearing will be given to the applicant and any person filing a petition.

Any person interested in opposing or supporting this application or recommendation must file a written petition with BOTH the applicant and Chief Engineer. The applicant must file a petition if contesting the Chief Engineer's recommendation. 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 March 14, 2014.

The petition may be informal, but must include a statement describing the petitioner's interest in the application, the petitioner's reasons for opposing or supporting the application, and the signature and mailing address of the petitioner or the petitioner's legal counsel, if legal counsel is obtained. Contact Eric Gronlund at the above Water Rights Program address to request copies of information pertaining to this application. Steven M. Pirner, Secretary, Department of Environment and Natural Resources.

Published once at the total approximate cost of _____.

Schlaak, Karen

From: Schlaak, Karen
Sent: Tuesday, March 04, 2014 9:45 AM
To: 'Sheryl Grimes'
Subject: RE: Notice on application for Kara Hagen
Attachments: 2723-2public.short.docx

Great! Attached it the notice to be published on March 11, 2014. Please send me the affidavit ASAP.
Karen

From: Sheryl Grimes [<mailto:Sheryl.Grimes@lee.net>]
Sent: Tuesday, March 04, 2014 9:38 AM
To: Schlaak, Karen
Subject: RE: Notice on application for Kara Hagen

Good morning Karen, Kari Hagen finally contacted us late yesterday, so if you could send us a new notice we will get it in our Mar. 11 edition.

Thank you,

Sheryl Grimes

Production Manager ~ Hot Springs Star
107 North Chicago Street, Hot Springs, SD 57747
P: 605-745-4170 F: 605-745-3161
E: sheryl.grimes@lee.net
W: starads@lee.net

From: Schlaak, Karen [<mailto:Karen.Schlaak@state.sd.us>]
Sent: Monday, March 03, 2014 6:28 AM
To: Sheryl Grimes
Subject: RE: Notice on application for Kara Hagen

I'll send a new one. Let me know. thanks

From: Sheryl Grimes [<mailto:Sheryl.Grimes@lee.net>]
Sent: Friday, February 28, 2014 12:47 PM
To: Schlaak, Karen
Subject: Notice on application for Kara Hagen

Hi Karen, we are still unable to get ahold of Kara, so I have pulled the legal for the 4th. I will continue to try to get ahold of her, if I do, can we run the notice on the 11th, or do you need to send a new one with the date revised?

Thank you,

Sheryl Grimes

Production Manager ~ Hot Springs Star

Instruction to Newspaper - Publish the Notice on March 11, 2014. The applicant is responsible for payment.

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Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 2723-2 because 1) unappropriated water is available, 2) existing rights will not be unlawfully impaired, 3) it is a beneficial use of water, and 4) it is in the public interest. In accordance with SDCL 46-2A-23, the Chief Engineer will act on this application, as recommended, unless a petition is filed opposing the application or the applicant files a petition contesting the Chief Engineer's recommendation. If a petition opposing the application or contesting the recommendation is filed, then a hearing will be scheduled and the Water Management Board will consider this application. Notice of the hearing will be given to the applicant and any person filing a petition.

Any person interested in opposing or supporting this application or recommendation must file a written petition with BOTH the applicant and Chief Engineer. The applicant must file a petition if contesting the Chief Engineer's recommendation. 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 March 21, 2014.

The petition may be informal, but must include a statement describing the petitioner's interest in the application, the petitioner's reasons for opposing or supporting the application, and the signature and mailing address of the petitioner or the petitioner's legal counsel, if legal counsel is obtained. Contact Eric Gronlund at the above Water Rights Program address to request copies of information pertaining to this application. Steven M. Pirner, Secretary, Department of Environment and Natural Resources.

Published once at the total approximate cost of_____.

Schlaak, Karen

From: Schlaak, Karen
Sent: Wednesday, March 19, 2014 8:58 AM
To: Brandyn Crawford (Brandyn.Crawford@rapidcityjournal.com)
Subject: FW: Application No. 2723-3, Hagen Properties LLC

It should have been published on March 4th. Not certain if the applicant, Kara Hagen called to authorize publication.

From: Schlaak, Karen
Sent: Wednesday, March 19, 2014 8:55 AM
To: Brandyn Crawford (Brandyn.Crawford@rapidcityjournal.com)
Subject: Application No. 2723-3, Hagen Properties LLC

Brandyn,

I need another affidavit. It is for the Notice of Application No. 2723-3, Hagen Properties LLC, c/o Kara Hagen, 745 N River St, Hot Springs SD 57747. It was to be published on March 11th.

Thanks for your help.

Karen Schlaak
Water Rights Program
Phone: 605 773-3352
Fax: 605 773-4068

*Called Kara Hagen 3/19/14
She thought when she called Hot Spring Star
to authorize publication, she was doing it for
both papers.*

Schlaak, Karen

To: Brandyn Crawford
Subject: RE: Application No. 2723-3, Hagen Properties LLC

Yes that will be fine.

From: Brandyn Crawford [<mailto:Brandyn.Crawford@rapidcityjournal.com>]
Sent: Wednesday, March 19, 2014 11:12 AM
To: Schlaak, Karen
Subject: RE: Application No. 2723-3, Hagen Properties LLC

Karen,

Will Saturday the 22nd work, we only run legals on Wed, Thur, Fri & Sat!

Thank You,

Brandyn Crawford
Office – (605) 394-8334
brandyn.crawford@lee.net



Shoot for the moon. Even if you miss, you'll land among the stars. ~Les Brown

From: Schlaak, Karen [<mailto:Karen.Schlaak@state.sd.us>]
Sent: Wednesday, March 19, 2014 10:11 AM
To: Brandyn Crawford
Subject: RE: Application No. 2723-3, Hagen Properties LLC

Okay just called Kara Hagen and she is supposedly going to call you to authorize publication and arrange for payment. Please publish this notice on Monday, March 24, 2014.
Attached is the notice.

Please send me the affidavit ASAP.

Karen

Instruction to Newspaper - Publish the Notice on March 24, 2014. The applicant is responsible for payment.

NOTICE OF APPLICATION NO. 2723-2 to Appropriate Water

Notice is given that Hagen Properties LLC, c/o Kara Hagen, 745 N River St, Hot Springs SD 57747 has filed an application for a water permit to appropriate 0.25 cubic feet of water per second from Moccasin Springs located in the S 1/2 SE 1/4 Section 14-T7S-R5E for commercial and geothermal heat purposes.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 2723-2 because 1) unappropriated water is available, 2) existing rights will not be unlawfully impaired, 3) it is a beneficial use of water, and 4) it is in the public interest. In accordance with SDCL 46-2A-23, the Chief Engineer will act on this application, as recommended, unless a petition is filed opposing the application or the applicant files a petition contesting the Chief Engineer's recommendation. If a petition opposing the application or contesting the recommendation is filed, then a hearing will be scheduled and the Water Management Board will consider this application. Notice of the hearing will be given to the applicant and any person filing a petition.

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The petition may be informal, but must include a statement describing the petitioner's interest in the application, the petitioner's reasons for opposing or supporting the application, and the signature and mailing address of the petitioner or the petitioner's legal counsel, if legal counsel is obtained. Contact Eric Gronlund at the above Water Rights Program address to request copies of information pertaining to this application. Steven M. Pirner, Secretary, Department of Environment and Natural Resources.

Published once at the total approximate cost of _____.



DEPARTMENT OF ENVIRONMENT
and NATURAL RESOURCES

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



APR 24 2014

Hagen Properties
Kara Hagen
745 N River St
Hot Springs SD 57747

Dear Ms. Hagen:

Enclosed is Water Permit No. 2723-2 authorizing construction of your water diversion system and beneficial use of the water, not exceeding the limits as specified in the Water Permit.

Form 10, *Notice of Completion of Works and Application of Water to Beneficial Use*, is enclosed. Please return this completed form after you have finished the system and have put the water to beneficial use. An investigation can then be scheduled so the water license 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,

Jeanne Goodman, Chief Engineer
Water Rights Program
(605) 773-3352

enclosures

Report of Examination of Works and/or Application of Water to Beneficial Use For Permit No. 2723-2

I have this day, May 7, 2019 made a thorough examination of the water use system constructed by Hagen Properties LLC, 1829 Minnekahta Ave., Hot Springs, SD 57747 of Permit No. 2723-2, bearing the priority of 12/16/2013 authorizing the diversion of 0.25 cu. ft. per second water from Moccasin Springs for commercial purposes, in Fall River County.

Inspection contact & relationship to permit holder, if applicable: **Kara Hagen, owner**
605-890-1321

A. Works used to divert and transport water to place of use

The applicant has identified the source of water for this project as Moccasin Springs, which is frequently referred to as Minnekahta Springs in technical literature. The spring occurs near the contact between the Minnekahta Limestone and the Spearfish Formation. The water has a high concentration of solids and a relatively high temperature which ranges from 88 – 93 °F depending on the exact location of flow issuing from the formation. Prior geochemical and isotopic analysis of water indicate that thermal springs in the Hot Springs area such as Minnekahta Springs are primarily fed by the Madison aquifer (Whalen 1994).

Water is collected and retained around the original red rock pools with walls which for the most part date to the original development made at this site in 1890 for the Minnekahta Bath House and Open Air Plunge. Flow exiting the pools discharges into the city storm water system which then discharges into Fall River approximately 1,250' east. Flow discharging into Fall River at the time of the inspection appeared to be considerably less than .25 cfs but seasonal flow variability and losses within the system could contribute to some variation of flow at the discharge point.

B. Works used to apply water to beneficial use:

The Moccasin Spring is the source of water for the "Moccasin Springs Natural Mineral Spa", which is owned and operated by Hagen Properties LLC. The development consists of two natural hot pools of 88-90° F and 93° F respectively, a heated pool with temperatures of 98-102° F, a pool house and bath house. Water from the spring will also be used for sprinkler irrigation on less than 0.1 acre of turf grass around the pools. The main building which is supplied with water from the City of Hot Springs houses a restaurant, yoga studio, massage therapy rooms and bath rooms and will use city water for grass and landscaping at the front entrance.

C. Compliance with Permit Requirements:

1) **Permit qualifications being abided by Yes.** Note: The permit specifications required prior approval of the DENR Surface Water Quality Program if any chemicals were to be added to the water. No chemicals are added. This is a natural mineral spa.

list any extended period of nonuse: none

2) **Exceptions to compliance are: none**

D. Condition and Location:

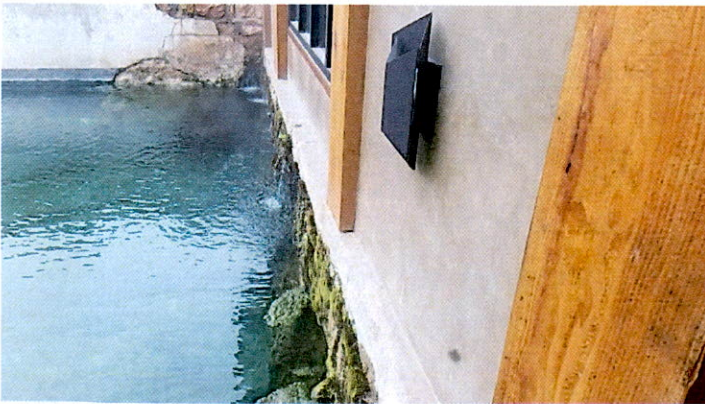
1. The system is in **good** condition with the point of diversion (**approximate center of collection gallery**) located as follows:
505' N and 1,249' W of the SE corner Section 14 T7S R5E (43.43484, -103.485955).
2. The works are capable of diverting and conveying to the place of use **0.25** cu. ft. per second of water which is to be used for **commercial** use and the license should be issued for **0.25 cfs.**
3. All structures, wells and lands on map **Yes**

F. Comments or other permit(s) associated with the project: Permit No. 2723-2 is for a commercial project that was previously permitted under Permit No. 2392A-2. Permit No. 2392A-2 was cancelled due to expiration of the required construction period of 2/17/2008. The project had also been authorized by previous Permit Nos. 2392-2, 2050-2, 2050-2A, 2050-2B and 2050-2C which were also cancelled due to expiration of construction time.



Steven Quissell
Water Rights Inspector
DENR Water Rights Program

Date Report Completed: **May 8, 2019**



Spring flow discharging into pool from foundation of pool warming house. The foundation was original to the 1890 structure. (93⁰ pool)



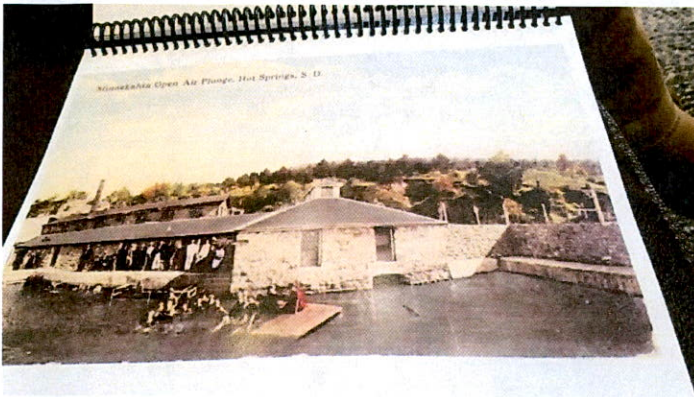
Original walls from 1890 structure surrounding 3 sides of the 88-90⁰ pool.



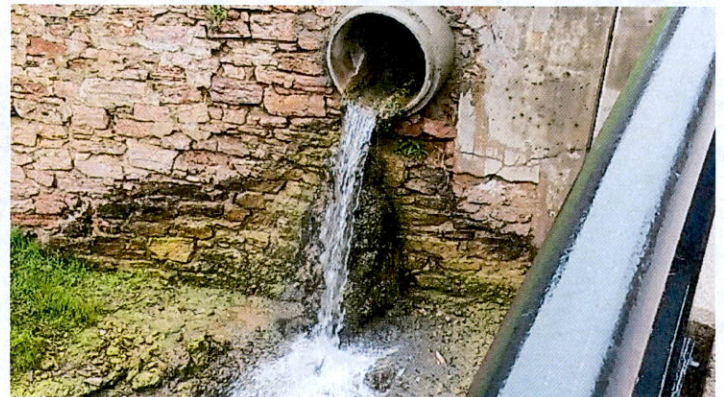
Natural hot pool in foreground, smaller natural hot pool in background.



Discharge to city storm sewer through original 1890 wall.

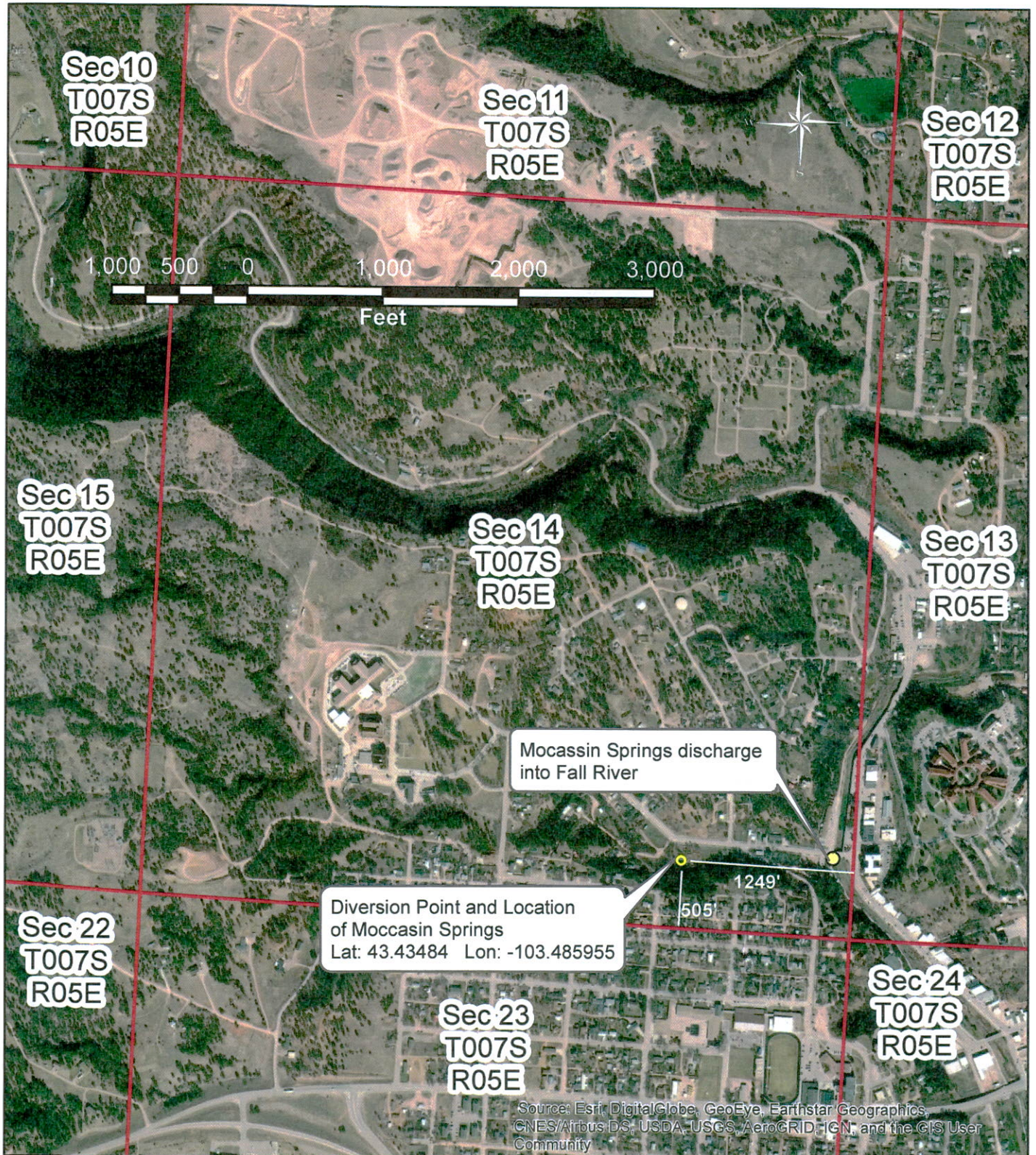


Historical photo from similar vantage point as top photo. Bath house is long since demolished but original foundation and wall surround remain. (see above)



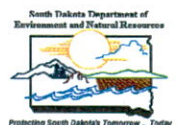
Moccasin Spring discharge from city storm sewer into Fall River

Water Right #2723-2
Hagen Properties LLC
5/7/2019



Steven Quissell

Steven Quissell
Water Rights Inspector
DENR Water Rights Program





DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182

denr.sd.gov

JUN 03 2019

2723-2

Kara Hagen
Hagen Properties LLC
1829 Minnekahta Ave
Hot Springs SD 57747

Dear Ms. Hagen:

Enclosed is Water License No. 2723-2. This is the final water right document completing your process of obtaining a Water Right. Included with your license is a map prepared by the staff engineer who conducted the field investigation.

As long as you use the water beneficially, as stated in the Water License, State Water Laws provide that you have a continuing right to use the water.

Sincerely,

Jeanne Goodman, Chief Engineer
Water Rights Program
(605) 773-3352

enclosures

**STATE OF SOUTH DAKOTA
WATER LICENSE NO. 2723-2**

(1) Hagen Properties LLC, 1829 Minnekahta Avenue, Hot Springs SD 57747 made Application No. 2723-2, December 16, 2013 for a water permit to divert 0.25 cubic feet of water per second from Moccasin Springs, Fall River County, South Dakota for commercial purposes. Permit No. 2723-2, with a priority date of December 16, 2013 was approved April 4, 2014 and issued to the applicant for diversion of water with construction of the described water supply system to be completed on or before April 4, 2019 and for the application to beneficial use of water on or before April 4, 2023.

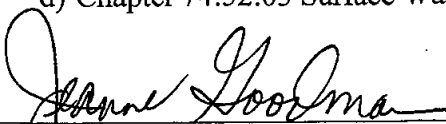
(2) It is certified that the permit holder has complied with the provisions of South Dakota State Law relating to construction of the water supply system and the application of water to beneficial use and is entitled to divert 0.25 cubic feet of water per second for beneficial use. The location of the diversion point (approximate center of collection gallery) is:

- 505'N and 1,249'W of the SE corner of Section 14, T7S, R5E (SE ¼ SE ¼)
Latitude 43.43484, Longitude -103.485955

(3) Pursuant to South Dakota Water Law 46-5-30.1 Hagen Properties LLC, 1829 Minnekahta Avenue, Hot Springs SD 57747 the holder and/or owner of Water Right No. 2723-2 is issued a license to appropriate water, the right to use 0.25 cubic feet of water per second from Moccasin Springs with a priority date of December 16, 2013 from the location specified in (2) of this license for commercial purposes.

This license is subject to South Dakota Water Law, any limitations or conditions listed in Water Right No. 2723-2 and subject to the following qualifications:

- Consumptive diversions of water are subject to low flows as needed for downstream domestic use, including livestock water and prior rights being by-passed. Diversions under this permit shall be in accordance with any written order issued by the Chief Engineer.
- There shall be no discharge to the waters of the state without first obtaining a surface water discharge permit from the Surface Water Quality Program, Department of Environment and Natural Resources.
- No chemicals shall be added to the water that will be discharged without prior approval from the Surface Water Quality Program, Department of Environment and Natural Resources. If necessary, the surface water discharge permit must be amended to include limits and monitoring to address the chemicals added.
- Permit No. 2723-2 is subject to compliance with existing and applicable Water Management Board rules including:
 - a) Chapter 74:04:05 Drinking Water Standards (**74:04:05 was Repealed**) See Chapter 74:04:12
 - b) Chapter 74:52:01 Surface Water Discharge Permit - General Provisions
 - c) Chapter 74:52:02 Surface Water Discharge Permit Application Requirements
 - d) Chapter 74:52:03 Surface Water Discharge Permit Conditions



Jeanne Goodman, Chief Engineer
Water Rights Program
Department of Environment and Natural Resources

JUN 03 2019

date

