

WATER PERMIT NO. 6435-3

Name of Applicant: South Lincoln Rural Water System

Address: PO Box 155, Canton SD 57013 Phone: 605 372-4211

Amount of Water Claimed: 250 acre-feet of water Total Acres: NA

Source of Water Supply: groundwater (3 wells)

Water to be used for: rural water system use County: Turner

Type of Waste Disposal System:

Location: 2 miles northwest of Chancellor

PRIORITY Date Received: 7-21-03

Application/License Fee: \$300

Corrected Application Received: 7-30-03

Period of Annual Use: January 1 – December 31

Remarks: Increase the acre-feet limitation from 600 AF authorized by Permit No. 6311-3 to 900 AF

Diversion Point: SW ¼ SW ¼ Sec 8 and SE ¼ SE ¼ Sec 7; all in T98N-R52W

Land to be Irrigated: NA

Depth of Well: 82-92 feet deep

Well Driller: : L.T.P. Enterprises, Inc.

Remarks:

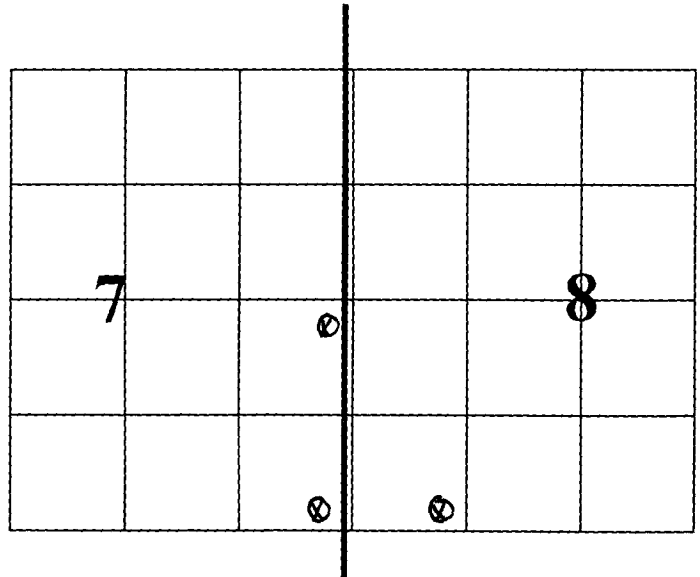
Type of Map: topo

Prepared by: Bruce Jennings, P.E.

Reviewed and the Number Assigned on: 7-30-03

By: Karen Schlaak

Notice of Hearing - date to intervene: _____



RECEIVED

JUL 21 2003

WATER RIGHTS
PROGRAM

Mail to: Water Rights Program Joe Foss Building 523 E. Capitol Pierre, SD 57501-3181 (605) 773-3352	No. <u>6435-3</u> (office use only)	Hydrologic Unit <u>10170102</u>
	Basin <u>Vermillion River</u>	
	Newspaper <u>see list</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. 6311-3

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

Add annual diversion volume to existing permit.

- Name of Applicant South Lincoln Rural Water System, Inc. Phone 605-372-4211
(check one) ☒ Owner ☐ Tenant/lessee
Mailing Address P.O. Box 155 Canton State SD 57013
(Street, RR, or Box and City) (250 AF add) (Zip Code)
- Amount of water claimed *CFS or 3 Wells, 600 ea.**GPM 900 aaf ***AF
(*Cubic Feet per Second) (**Gallons per Minute) (***)Acre Feet - storage capacity of dam/dugout or annual use if applicable)
- Source of water supply Groundwater
- Location of point of diversion (example - 3 wells in SW1/4 NE1/4 section 12-T104N-R53W) County Turner
1 Well in SW1/4, Sec. 8, T98N, R52W; 2 Wells in SE1/4, Sec. 7, T98N, R52W
SW1/4 SE1/4
- County or counties where water will be used Lincoln, Union, Turner, Minnehaha, Worthing, Chancellor,
Alcester
- Annual period during which water is to be used Year Around Jan 1-Dec 31
- 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)

Additional water supply to meet the demands of existing water system customers, including the Great Plains Ethanol Plant at Chancellor.

STATE OF SOUTH DAKOTA)

County of Lincoln SS
Charles Kuehl for

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

I, South Lincoln RWS, Inc., 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.

South Lincoln Rural Water System, Inc.

Applicant's signature Charles Kuehl

Charles Kuehl, Chairman

Subscribed and sworn to before me this 15th day of July 20 03

John Davis 7-21-2003
Notary Public signature

**SOUTH DAKOTA
WATER PERMIT NO. 6435-3**

Date of first receipt of application July 21, 2003.

Date of return to applicant for corrections, amendments or changes July 22, 2003.

Date of receipt of corrected application July 30, 2003.

The Water Management Board approved Water Permit No. 6435-3 on March 3, 2004 for South Lincoln Rural Water System, Inc., PO Box 155, Canton SD 57013 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. 6435-3 increases the acre-feet limitation authorized by Water Permit No. 6311-3. Water Permit No. 6311-3 authorizes 4.0 cubic feet of water per second (650 acre-feet of water annually) from three wells (Upper Vermillion Missouri Aquifer) approximately 90 feet deep located in the SW ¼ SW ¼ Section 8 and the SE ¼ SE ¼ Section 7; all in T98N-R52W. This permit authorizes increasing the acre-feet limitation from the three wells, from 650 acre-feet to 900 acre-feet of water annually.
2. The water appropriated shall be used for the purpose of rural water system use including serving the Great Plains ethanol plant near Chancellor 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 from which applicant may claim right is July 21, 2003.
5. One-fifth of the construction is to be completed on or before September 3, 2006.
6. All construction is to be completed on or before March 3, 2009.
7. Water is to be put to beneficial use on or before March 3, 2013.
8. 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 this Permit will be 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. Water Permit Nos. 6311-3 and 6435-3, combined, authorize a total annual diversion of 900 acre feet of water.
3. South Lincoln Rural Water System shall report to the Chief Engineer annually the amount of water withdrawn from the Upper Vermillion:Missouri Aquifer.

WATER MANAGEMENT BOARD

By: Garland Erbele
Garland Erbele, Chief Engineer
Water Rights Program
Department of Environment and Natural Resources

APR 22 2004

date



RECEIPT

WATER RIGHTS PROGRAM

South Dakota Department of Environment and Natural Resources

Date July 21, 2003

RECEIVED OF South Lincoln Rural Water System, PO Box 155, Canton SD 57013

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

Fee for Application for Permit No. <u>6435-3</u> to Appropriate Water, to construct and to put water to beneficial use	250	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. _____ 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	250.00

No.

000000

By

Darland Erbe
Chief Engineer
gm

RECEIPT
WATER RIGHTS PROGRAM
South Dakota Department of Environment and Natural Resources

Date July 30, 2003

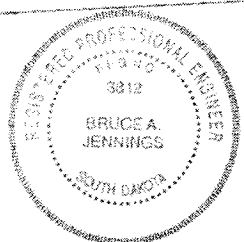
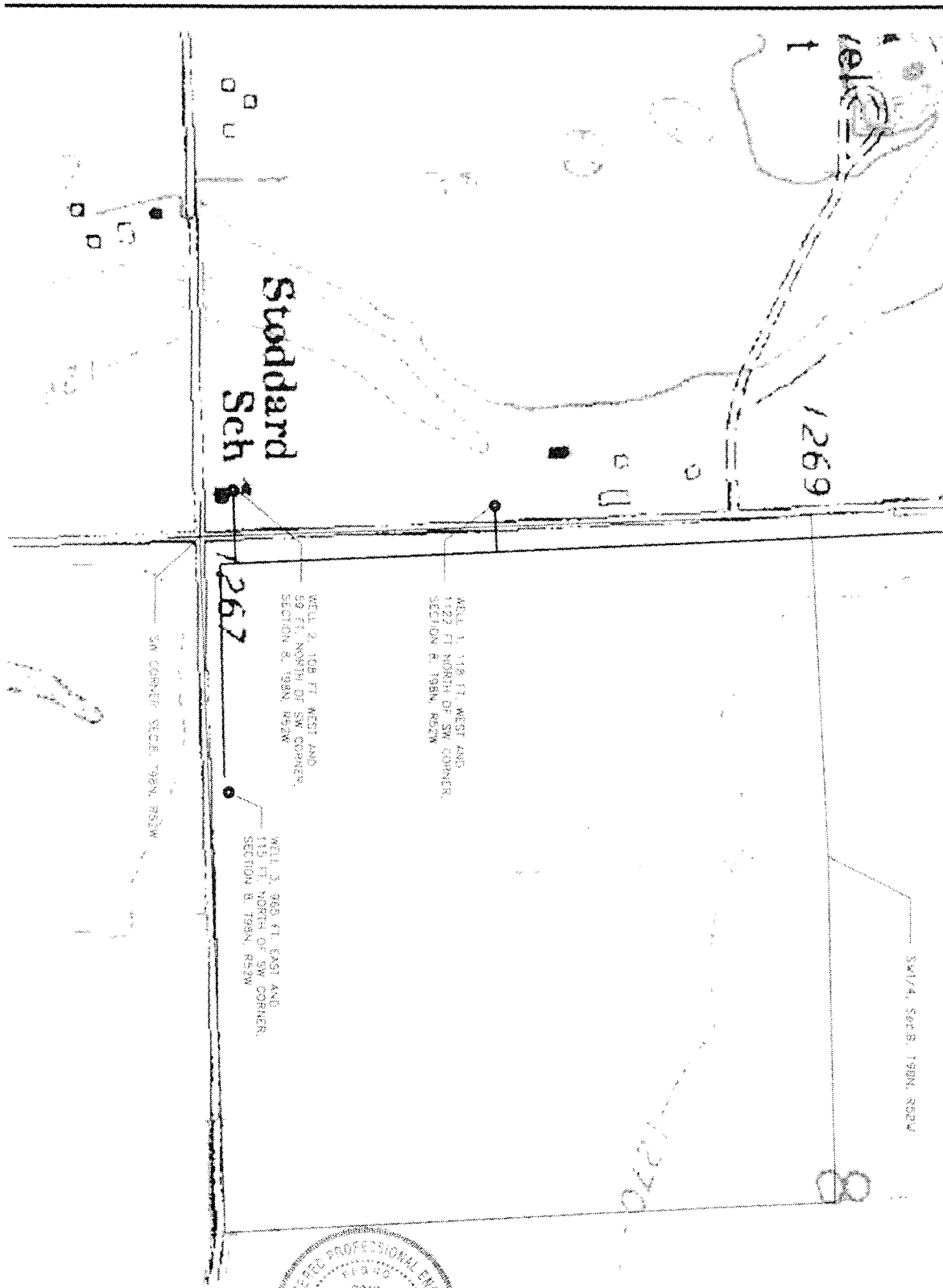
RECEIVED OF South Lincoln Rural Water System, Box 155, Canton SD 57013

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Fee for Application for Permit No. _____ to Appropriate Water, to construct and to put water to beneficial use	50	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>6311-3 6435-3</u>		
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. <u>04</u>		
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	50.00

No. 000850

By Darland E. White
Chief Engineer *gm*



I hereby certify that this plan, specification, or report was prepared by me or under my direct personal supervision, and that I am a duly Registered Professional Engineer under the laws of the

State of SOUTH DAKOTA Registration No. 3812
 By Bruce Jennings Date 03-04-02

4-108 (REVISED 7-93) LINCOLN WELLSPAWN.GWC

Project No.
801705
Sheet
1



Dewitt Grant Reckert and Associates Company
 Consulting Engineers
 Rock Rapids, Iowa
 Sioux City, Iowa
 Sioux Falls, South Dakota

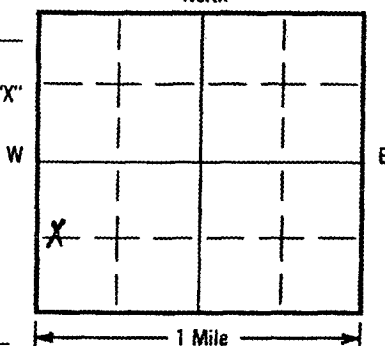
Date 2-20-02
 Drawn By BAJ
 Approved BAJ
 Revised

CHANCELLOR WELL FIELD
 PIPELINE PROJECT
 SOUTH LINCOLN RWS
 CANTON, SOUTH DAKOTA

64353

07-92

5-202



Forward Mud Rotary

Date: 6-10-03

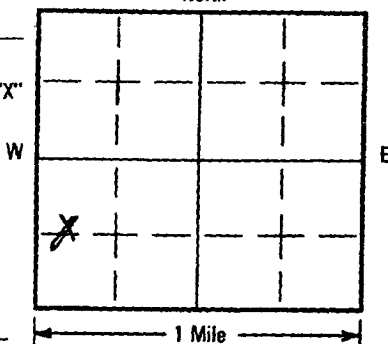
07-92

Well Owner: South Lincoln Rural Water
Business Name: _____
Address: 200 1/2 5th St.
Canton, MO 64603

Well #3

Well Completion Date

5-22-02



Distance from nearest potential pollution source (septic tank, abandoned well, feed lot, etc.)? _____ ft. from _____ (identify source).

Rural Water

☐ Domestic/Stock ☒ Municipal ☐ Business ☐ Test Holes
☐ Irrigation ☐ Industrial ☐ Institutional ☐ Monitoring well

Forward Mud Rotary

CASING DATA: ☒ Steel ☐ Plastic ☐ Other

If other describe

PIPEWEIGHT	DIAMETER	FROM	TO	HOLE DIAMETER
49.56 LB/FT	12 IN	+3 FT	63 FT	17 1/2 IN
_____ LB/FT	_____ IN	_____ FT	_____ FT	_____ IN
_____ LB/FT	_____ IN	_____ FT	_____ FT	_____ IN

Grout Type	No. of Sacks	Grout Weight	From	To
Neat Cement	30	15 lb./gal	10 ft.	45 ft.
		lb./gal	ft.	ft.

Describe grouting procedure Pumped with Tremie line

SCREEN: ☐ Perforated pipe ☒ Manufactured

Diameter 12 IN Length 20 FEET

Material J. J.

Slot Size 40 Set From 63 Feet to 83 Feet

Other information Plate Bottom

WAS A PACKER OR SEAL USED? ☐ YES ☒ NO

If so, what material?

Describe packer(s) and location? _____

DISINFECTION: Was well disinfected upon completion?

X YES. How: HTH Water

Laboratory sent to for water quality analysis

 NO. Why Not?

DEPTH

[illegible]

STATIC WATER LEVEL 14.7 Feet

If flowing: closed in pressure _____ PSI

GPM flow _____ through _____ inch pipe

Controlled by ☐ Valve ☐ Reducers ☐ Other _____

Reduced Flowrate _____ GPM

Can well be completely shut in? Yes

WELL TEST DATA:

☒ Pumped Describe: with test pump

☐ Bailed _____

☐ Other _____

Pumping Level Below Land Surface

31.93 ft. After 6 Hrs. pumped 580 GPM

_____ ft. After _____ Hrs. pumped _____ GPM

If pump installed, pump rate 400 GPM

REMARKS

REMARKS pitless unit on well @ 10 ft. Bur,
Well is Gravel Packed (Pack 1 ft approx.
20' above screen for reserve)

This well was drilled under license # 381

And this report is true and accurate.

Drilling firm L.T.P. Enterprises, Inc.

Signature of License Representative: A A

Signature of Well Owner or Equitable Property Holder:

Date: 6-10-03

FORM #30



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

July 22, 2003

South Lincoln RWS, Inc.
John Sievers
PO Box 155
Canton SD 57013

Dear Mr. Sievers:

Thank you for submitting the *Application for a Permit to Appropriate Water* for increasing the acre-foot limitation on Water Permit No. 6311-3. In order to complete the application the following is required.

We have received the \$250 application filing fee. In addition to the application filing fee, the Water Rights Program collects the \$50 licensing fee at the time of filing. Please submit \$50 for the licensing of the water permit.

If you have any questions, please contact me.

Sincerely,

Karen Schlaak

Karen Schlaak
Water Rights Program
605 773-3352

ILC ENTERPRISES, INC.

Box 184
421 S. ACADEMY
LENNOX, SD 57039
605-647-2102

RECEIVED

OCT 14 2003

WATER RIGHTS
PROGRAM

October 10, 2003

Chief Engineer
Water Rights Program, Foss Building
523 E. Capitol
Pierre, SD 57501

RE: Application No. 6435-3 to Appropriate Water.

Dear Sir:

I am writing in opposition to the above named Application. I am the land owner where the 3 wells are located and they are all within one fourth mile of our irrigation well. We support the Ethanol Plant but our irrigation system had air out of the nozzles on the first circle around the field in July. It got worse as the summer progressed.

In prior years when it was extremely dry it had air out of the first couple of nozzles at the end of August. If they draw more water, it could make this well and system unusable in dry years. For these reasons we are protesting this application.

Sincerely,



Roger Ihnen

REPORT ON WATER PERMIT NO. 6435-3
For South Lincoln Rural Water System
September 8, 2003

Application No. 6435-3 proposes to increase the acre-feet limitation authorized by Water Permit No. 6311-3. Water Permit No. 6311-3 authorizes 4.0 cfs (650 acre-feet annually) from three wells (Upper Vermillion Missouri aquifer) approximately 90 feet deep located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of section 8 and the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of section 7; all in T98N R52W in Turner County. This application proposes to increase the acre-feet limitation from the three wells, from 650 acre-feet to 900 acre-feet annually. The water is for rural water system use including serving the ethanol plant near Chancellor.

AQUIFER – UPPER VERMILLION MISSOURI (UVM)

The Upper Vermillion Missouri is a buried outwash (sand and gravel) that underlies 207 square miles and contains an estimated 1.8 million acre-feet of water in storage in Turner County and Hutchinson Counties with bar far the majority of the water in Turner County (Lindgren, 1990). The aquifer appears to be hydraulically connected to the overlying Parker Centerville aquifer near the Clay-Turner County border and in southern portion of T99N R53W and the northern portion of T98N R53W both in Turner County. The aquifer extends into McCook County to the north and into Lincoln and Clay Counties to the south.

Production well testing by the rural water system indicates well No. 1 was capable of producing 449 gpm with 39.52 feet of drawdown (specific capacity of 11.36 gpm/ft), well No. 2 was capable of producing 525 gpm with 24.01 feet of drawdown (specific capacity of 21.86 gpm/ft) and well No. 3 was capable of producing 580 gpm with 17.23 feet of drawdown (specific capacity of 33.66 gpm/ft). Apparently a 400 gpm pump was placed in each well developing a total of 2.67 cfs. All three production wells had sand and gravel (aquifer) beginning from 56 to 59 feet and extending to 83 to 92 feet below land surface.

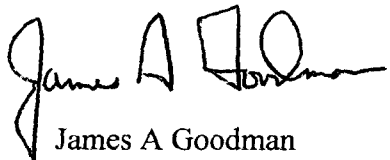
The Water Rights Program monitors 16 observation wells within a three-mile radius of this application. Seven of these wells are completed into the Parker Centerville aquifer and nine completed in the Upper Vermillion Missouri aquifer. Two of the observation wells (TU-77F and TU-77H) are completed into the upper portion of the Upper Vermillion Missouri aquifer and geologically and hydrologically would be similar to wells for this application. One of the Parker Centerville observation wells (TU-80F) is located in this immediate area. Hydrographs for these three wells and another nearby deeper Upper Vermillion Missouri observation well (TU-77G) are included with this report. In general, the water level record indicates that the aquifer is capable of sustaining additional withdrawals (Water Rights, 2003).

REVIEW OF EXISTING WATER PERMITS/RIGHTS

There are many existing water permits /rights in this area from both the Parker Centerville and Upper Vermillion Missouri aquifers. There are three existing water rights Nos. 3901-3, 3158-3 and 3541-3 with irrigation wells within 1500 of one of the three wells authorized by water permit No. 6311-3. Interference will occur. This is shown by the fluctuation of the observation well hydrographs. However, this is not expected to be adverse nor affect the availability of water from individual production wells.

CONCLUSIONS

1. Water is available from the Upper Vermillion Missouri aquifer.
2. The aquifer is confined and under artesian conditions at this site. The observation well hydrographs fluctuate as a result of pumping. There will be overlapping drawdown (interference), however, this is not expected to change significantly by approval of this application.
3. This request is simply to add an additional volume of water to water permit No. 6311-3. The amount of water requested is 250 acre-feet annually.
4. These are existing wells and have been constructed in accordance with SD Well Construction Standards.



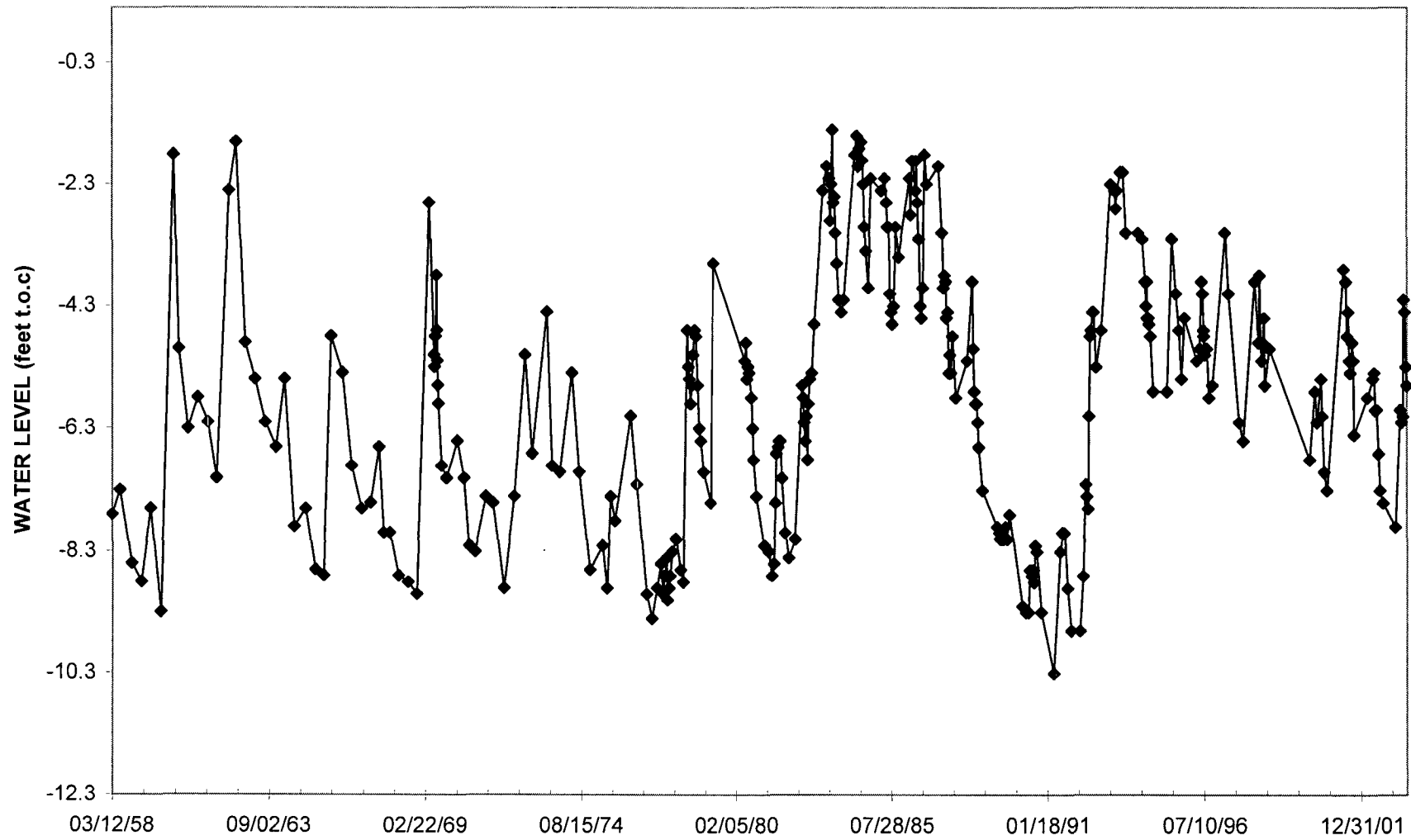
James A Goodman
Natural Resources Engineer

BIBLIOGRAPHY

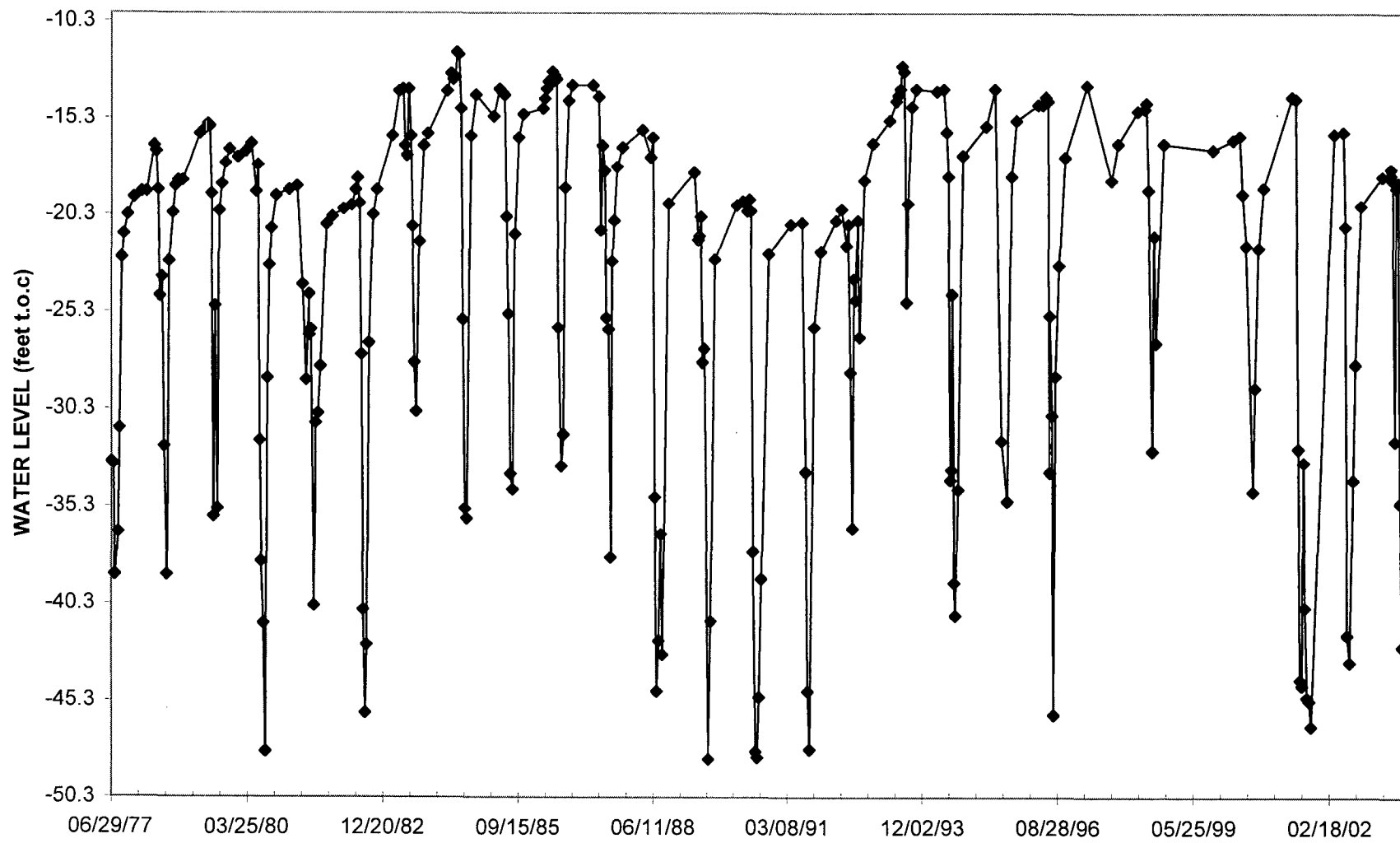
Lindgren, D.S. Hansen, 1990, Water Resources of Hutchinson and Turner Counties, South Dakota, WRI 90-4093, USGS, Huron, SD, 57350.

Water Rights, 2003, Unpublished Observation Well Data for Turner County, SD DENR, DES, Water Rights Program, Pierre, SD, 57501.

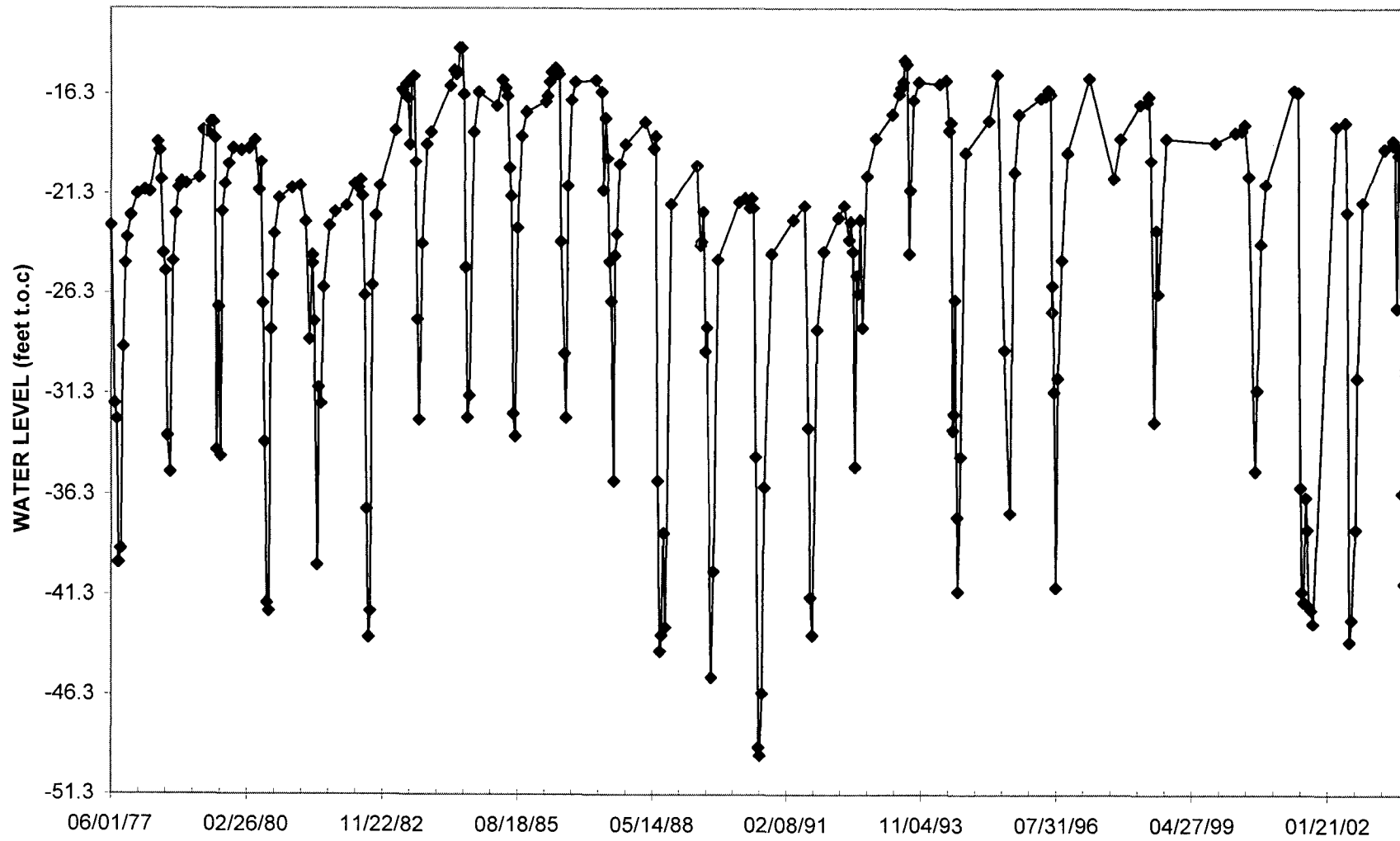
**WATER RIGHTS' OBSERVATION WELL
TU-80F**



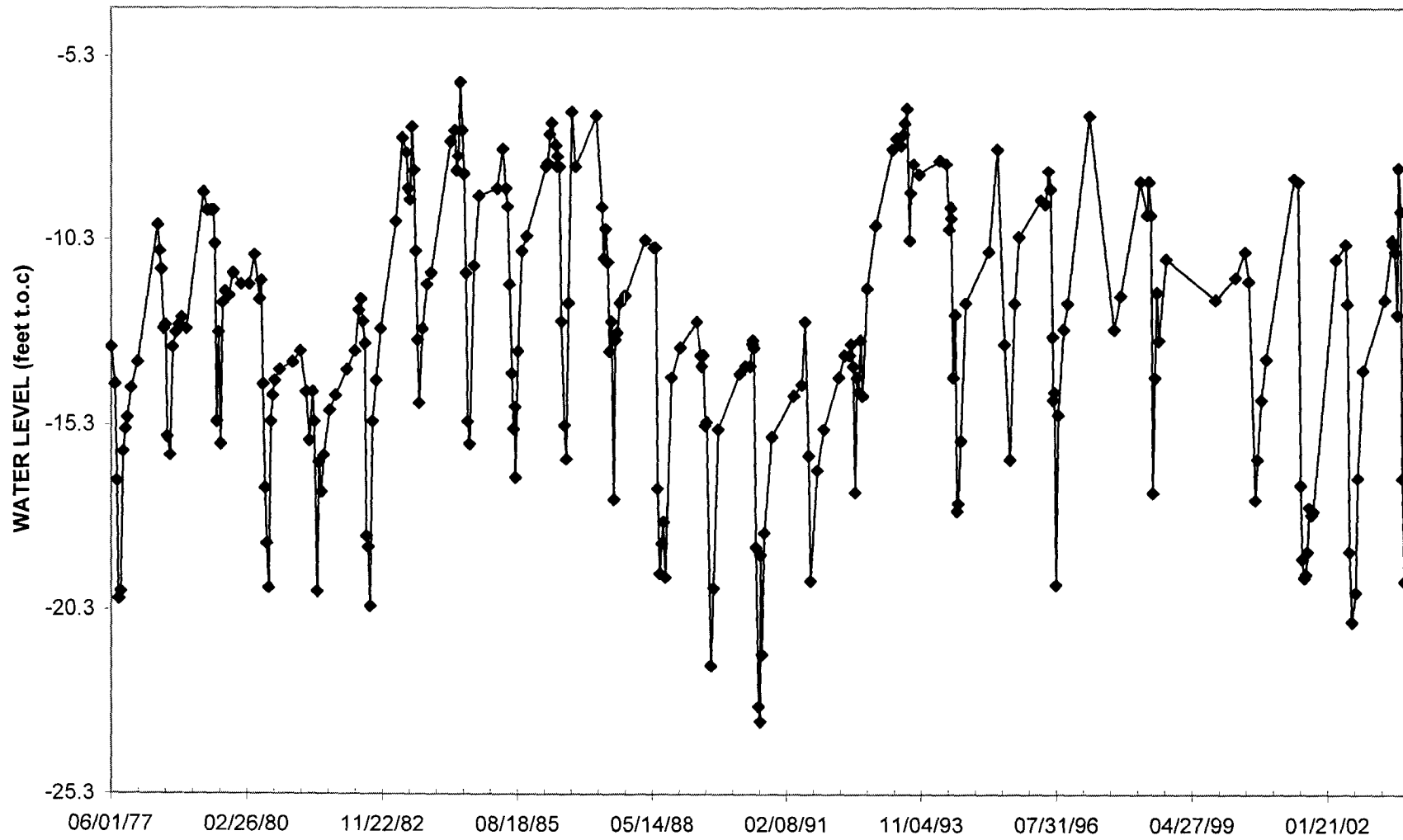
**WATER RIGHTS' OBSERVATION WELL
TU-77F**



WATER RIGHTS' OBSERVATION WELL
TU-77G



WATER RIGHTS' OBSERVATION WELL
TU-77H





**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

**RECOMMENDATION OF CHIEF ENGINEER FOR WATER PERMIT
APPLICATION NO. 6435-3, South Lincoln Rural Water System, Inc.**

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. 6435-3, South Lincoln Rural Water System, Inc., c/o Charles Kuehl, PO Box 155, Canton SD 57013.

The Chief Engineer is recommending APPROVAL of Application No. 6435-3 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. The wells approved under this Permit will be 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. Water Permit Nos. 6311-3 and 6435-3, combined, authorize a total annual diversion of 900 acre feet of water.
3. South Lincoln Rural Water System shall report to the Chief Engineer annually the amount of water withdrawn from the Upper Vermillion:Missouri Aquifer.

See report on application for additional information.

Garland Erbele, Chief Engineer
September 15, 2003



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

September 16, 2003

Sioux Valley News
PO Box 255
Canton SD 57013-0255

ATTENTION: Legal Public Notice

Enclosed is a Notice of Hearing on Application No. 6435-3 to Appropriate Water to be published twice. Please publish the first notice on September 25, 2003 with the second publication 7 days later.

The applicant must verify to you that the notice is to be published, before you make the first publication. **Please BILL the APPLICANT for the cost of publication.** The APPLICANT is South Lincoln RWS, Inc., % John Sievers, PO Box 155, Canton SD 57013 (Ph # 605-372-4211).

Please send the Water Rights Program the first publication immediately. The publication is checked for accuracy so any corrections can be made in the second publication. You may use the form below or fax a copy of the first publication. Any fax should be sent to the attention of Karen Schlaak at (605) 773-4068. Publication errors can invalidate the public notice.

After the second publication, **please send us an affidavit or use the enclosed Proof of Publication form.** 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

-----CUT HERE-----

No. 6435-3

TO: Eric Gronlund
Water Rights Program
Joe Foss Building
Pierre SD 57501-3181

Date _____

We are in receipt of your letter of September 16, 2003 enclosing Notice of Hearing to Appropriate Water by Application No. 6435-3 which was first published in our issue of _____. **ENCLOSED IS A COPY OF THIS FIRST PUBLICATION.**

Name

Newspaper



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

September 16, 2003

Beresford Republic
PO Box 111
Beresford SD 57004-0111

ATTENTION: Legal Public Notice

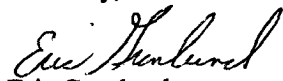
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605 773-3352

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DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

September 16, 2003

The New Era
PO Box 579
Parker SD 57053-0579

ATTENTION: Legal Public Notice

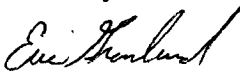
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Name

Newspaper



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

September 16, 2003

The Arugs Leader
PO Box 5034
Sioux Falls SD 57117-5034

ATTENTION: Legal Public Notice

Enclosed is a Notice of Hearing on Application No. 6435-3 to Appropriate Water to be published twice. Please publish the first notice on September 25, 2003 with the second publication 7 days later.

The applicant must verify to you that the notice is to be published, before you make the first publication. **Please BILL the APPLICANT for the cost of publication.** The APPLICANT is South Lincoln RWS, Inc., % John Sievers, PO Box 155, Canton SD 57013 (Ph # 605-372-4211).

Please send the Water Rights Program the first publication immediately. The publication is checked for accuracy so any corrections can be made in the second publication. You may use the form below or fax a copy of the first publication. Any fax should be sent to the attention of Karen Schlaak at (605) 773-4068. Publication errors can invalidate the public notice.

After the second publication, **please send us an affidavit or use the enclosed Proof of Publication form.** 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

-----CUT HERE-----

No. 6435-3

TO: Eric Gronlund
Water Rights Program
Joe Foss Building
Pierre SD 57501-3181

Date _____

We are in receipt of your letter of September 16, 2003 enclosing Notice of Hearing to Appropriate Water by Application No. 6435-3 which was first published in our issue of _____. **ENCLOSED IS A COPY OF THIS FIRST PUBLICATION.**

Name

Newspaper



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

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

September 16, 2003

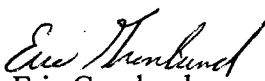
South Lincoln RWS Inc
% Johns Sievers
PO Box 155
Canton SD 57013

Dear Mr. Sievers:

Water Permit Application No. 6435-3 for Rural Water System use has been examined and found to comply with the South Dakota Water Laws and applicable rules. A notice of hearing has been sent to the Publisher of the Sioux Valley News printed at Canton, SD (Ph # 605-764-2000), the Beresford Republic printed at Beresford, SD (Ph # 605-763-2006), the New Era printed at Parker, SD (Ph #605-297-4419) and the Argus Leader printed at Sioux Falls, SD (Ph #605-331-2200). You will need to contact the newspapers and authorize publication of this notice. For your information, a copy of the notice, the recommendation of the Chief Engineer and a 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 newspapers to authorize publication of your Notice of Hearing and to arrange for payment. Early contact with the papers can eliminate delays. Upon receiving authorization, the publishers have been instructed to publish your notice once each week for two consecutive weeks with the last publication to occur twenty days before the board meeting. 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,


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.

Instruction to Newspaper - Publish first Notice on September 25, 2003 with the second publication 7 days later. The applicant is responsible for payment.

NOTICE OF APPLICATION NO. 6435-3 to Appropriate Water

Notice is given that South Lincoln Rural Water System, Inc., PO Box 155, Canton SD 57013 has filed an application for a water permit to increase the acre-feet limitation authorized by Water Permit No. 6311-3. Water Permit No. 6311-3 authorizes 4.0 cubic feet of water per second (650 acre-feet of water annually) from three wells (Upper Vermillion Missouri Aquifer) approximately 90 feet deep located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 8 and the SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 7; all in T98N-R52W. This application proposes to increase the acre-feet limitation from the three wells, from 650 acre-feet to 900 acre-feet of water annually. The water is for rural water system use including serving the Great Plains ethanol plant near Chancellor.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 6435-3 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 the 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 the 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 October 14, 2003.

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.

AFFIDAVIT OF PUBLICATION-

Customer Number: 078200
 Invoice Number: 14681

South Lincoln RWS, Inc.

Argus Leader
AFFIDAVIT OF PUBLICATION

STATE OF SOUTH DAKOTA

COUNTY OF MINNEHAHA } ss

Vicki Kiel being duly sworn, says: That The Argus Leader is, and during all the times hereinafter mentioned was, a daily legal newspaper as defined by SDCL 17-2-21, as amended published at Sioux Falls, Minnehaha County, South Dakota; that affiant is and during all of said times, was an employee of the publisher of such newspaper and has personal knowledge of the facts stated in this affidavit; that the notice, order or advertisement, a printed copy of which is hereto attached, was published in said newspaper upon

Thursday, the 25 day of September 2003 ,
Thursday, the 2 day of October 2003 ,
 _____, the _____ day of _____ 2003 ,
 _____, the _____ day of _____ 2003 ,
 _____, the _____ day of _____ 2003 ,
 _____, the _____ day of _____ 2003 ,
 _____, the _____ day of _____ 2003 ,

and that \$100.90 was charged for publishing the same including a \$5.00 affidavit fee.

[Signature]
 Subscribed and sworn to before me 10/2/2003

JOAN STAHL
 NOTARY PUBLIC
 SOUTH DAKOTA
[Signature]
 Notary Public, South Dakota

My Commission expires June 30th, 2005

NOTICE OF APPLICATION
 NO. 6435-3

to Appropriate Water
 Notice is given that South Lincoln Rural Water System, Inc., PO Box 155, Canton SD, 57013 has filed an application for a water permit to increase the acre-feet limitation authorized by Water Permit No. 6311-3. Water Permit No. 6311-3 authorizes 4.0 cubic feet of water per second (650 acre-feet of water annually) from three wells (Upper Vermillion Missouri Aquifer) approximately 90 feet deep located in the SW 1/4 SW 1/4 Section 8 and SE 1/4 SE 1/4 Section 7, all in T98N-R52W. This application proposes to increase the acre-feet limitation from the three wells, from 650 acre-feet

to 900 acre-feet of water annually. The water is for rural water system use including serving the Great Plains ethanol plant near Chancellor.

Pursuant to SDCL 48-2A-2, the Chief Engineer recommends APPROVAL of Application No. 6435-3 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 48-2A-23, the Chief Engineer will act on the 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 the 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 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 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 October 14, 2003.

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.
 14681 Sep. 25 & Oct. 2, 2003

RECEIVED
OCT - 6 2003
WATER RIGHTS
PROGRAM

Affidavit of Publication

STATE OF SOUTH DAKOTA
COUNTY OF LINCOLN

JULIE GERBER

being first duly sworn on her oath says; that the Sioux Valley News is a legal weekly newspaper of general circulation as required by South Dakota Code of Nineteen Hundred Thirty-Nine, and any acts amendatory thereto, printed and published by the Sioux Valley News, Inc., in Canton, in said county and State, and has been such legal newspaper during the time hereinafter mentioned; that she is and during all of said time was bookkeeper of said newspaper and has personal knowledge of the facts stated in this affidavit; that the advertisement headed:

NOTICE OF APPLICATION NO. 6434-3 TO APPROPRIATE WATER

a printed copy of which is hereto attached, was printed and published in said newspaper for **TWO** successive weeks upon the following dates, to-wit:

SEPTEMBER 25, 2003
OCTOBER 2, 2003

that the full amount of the fees charged for publishing the same to-wit: the sum of **\$53.09** insures solely to the benefit of the publishers of said newspaper; that no agreement or understanding for any division of this sum has been made with any other person; and that no part of said sum has been agreed to be paid to any person whomsoever.

Subscribed and sworn to before me this **2nd** day of
OCTOBER, 2003.


Notary Public, South Dakota

(Seal)

Jeanne M. Limoges
My Commission Expires
November 18, 2003

RECEIVED

OCT - 6 2003

WATER RIGHTS
PROGRAM

NOTICE OF APPLICATION NO. 6435-3 To Appropriate Water

Notice is given that South Lincoln Rural Water System, Inc., PO Box 155, Canton, SD 57013 has filed an application for a water permit to increase the acre-feet limitation authorized by Water Permit No. 6311-3. Water Permit No. 6311-3 authorizes 4.0 cubic feet of water per second (650 acre-feet of water annually) from three wells (Upper Vermillion Missouri Aquifer) approximately 90 feet deep located in the SW1/4SW1/4 Section 8 and the SE1/4SE1/4 Section 7; all in T98N-R52W. This application proposes to increase the acre-feet limitation from the three wells, from 650 acre-feet to 900 acre-feet of water annually. The water is for rural water system use including serving the Great Plains ethanol plant near Chancellor.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 6435-3 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 the 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 the 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 the 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 October 14, 2003.

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. (9-25, 10-2)

Affidavit of Publication

STATE OF SOUTH DAKOTA } :ss
COUNTY OF TURNER }

RECEIVED

OCT 17 2003

WATER RIGHTS
PROGRAM

I, **Cherrie Engbrecht** of the City of Parker, County of Turner, State of South Dakota, State of South Dakota, being first duly sworn on oath, deposes and says:

The New Era is a weekly legal newspaper of general circulation, printed and published in the City of Parker, in said County of Turner, by The New Era, Lyon Sioux Press, publishers, and has been such legal newspaper during the times hereinafter mentioned; that the said newspaper has been in existence as such legal newspaper for more than one year prior to the publication of the notice hereunto attached, and has during all of said publication of the notice hereunto attached, and has during all of said time had, and now has, more than 200 bona fide subscribers; that the undersigned, The affiant, is the **Office Manager** of the said newspaper, in charge of the advertisement department thereof and has personal knowledge of all the facts stated in this affidavit and the advertisement headed:

#3253 - John Sillers - Water Appropriate

printed copy of hereto attached, is printed and published in the said newspaper for two successive weeks, once each week and on the same day of the week, on the following dates, to-wit:

On Thursday, the 25 day of Sept, 2003;

On Thursday, the 2 day of Oct, 2003;

On Thursday, the _____ day of _____, 200____;

On Thursday, the _____ day of _____, 200____;

On Thursday, the _____ day of _____, 200____;

That \$ 45.00 being the full amount of the fees for publication of the attached notice insures solely for the benefits of the publishers of the said newspaper, that no arrangement or understanding for a division thereof has been made with any other person and that no part thereof has been agreed to be paid to any other person whomsoever.

Cherrie Engbrecht

Subscribed and sworn to before me this 14th
day of October, 2003

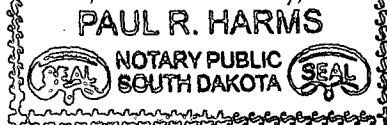
My Commission

Expires:

02/02

20006.

Notary Public, Turner County, South Dakota



Notice of Application No. 6435-3 to Appropriate Water

Notice is given that South Lincoln Rural Water System, Inc., PO Box 155, Canton, SD 57013 has filed an application for a water permit to increase the acre-feet limitation authorized by Water Permit No. 6311-3. Water Permit No. 6311-3 authorizes 4.0 cubic feet of water per second (650 acre-feet of water annually) from three wells (Upper Vermillion Missouri Aquifer) approximately 90 feet deep located in the SW 1/4 SW 1/4 Section 8 and the SE 1/4 SE 1/4 Section 7; all in T98N-R52W. This application proposes to increase the acre feet limitation from the three wells, from 650 acre-feet to 900 acre-feet of water annually. The water is for rural water system use including serving the Great Plains ethanol plant near Chancellor.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 6435-3 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 the application, as recommended, unless a petition is filed opposing the application or the applicant files a petition contesting the Chief Engineers 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 the 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 Engineers recommendation. The Chief Engineers 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 Oct. 14, 2003.

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.

(#3253, 9/25/03, 10/02/03, The New

Total \$ 45.00

Received Payment,

AFFIDAVIT OF PUBLICATION

STATE OF SOUTH DAKOTA

SS

COUNTY: UNION

CITY: BERESFORD

RECEIVED

OCT 20 2003

WATER RIGHTS
PROGRAM

NEWSPAPER: BERESFORD REPUBLIC

Judy Lundberg of said county, being first duly sworn, on oath, says: That she is the Business Manager of the said newspaper, a weekly newspaper published in said city and county, State of South Dakota; that she has full and personal knowledge of the facts herein stated; that said newspaper is a legal newspaper as defined in SDCL 17-2-2.1 through 17-2-2.4 inclusive, and has met all the requirements for at least one year next prior to the first publication of the attached public notice, and that said notice, a printed copy of which, taken from the paper in which the same was published, and which is hereto attached and made a part of this affidavit, was published in said newspaper

per 1 time(s) as follows: that the first publication of said notice in said newspaper aforesaid was on Thursday the

2 day of October, 2003, and that the succeeding publications were severally on

Thursday, the ____ day of _____, 2003;

Thursday, the ____ day of _____, 2003;

Thursday, the ____ day of _____, 2003

Affiant further says that the full amount of the fees charged for the publication of said notice inures to the benefit of the publishers of said newspaper; that no agreement of understanding for the division thereof has been made with any other person, that no part therefore has been agreed to be paid to any person whomsoever; and that the fees charges for the publication thereof are:

DOLLARS \$ 18.42

X Judy Lundberg

Subscribed and sworn to before me this 17 day of October, 2003.

[Signature]

Notary Public

My commission expires September 8, 2004

NOTICE OF APPLICATION NO. 6435-3

to Appropriate Water

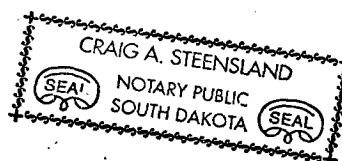
Notice is given that South Lincoln Rural Water System, Inc., PO Box 155, Canton SD 57013 has filed an application for a water permit to increase the acre-feet limitation authorized by Water Permit No. 6311-3. Water Permit No. 6311-3 authorizes 4.0 cubic feet of water per second (650 acre-feet of water annually) from three wells (Upper Vermillion Missouri Aquifer) approximately 90 feet deep located in the SW 1/4 SW 1/4 Section 8 and the SE 1/4 SE 1/4 Section 7, all in T98N-R52W. This application proposes to increase the acrefeet limitation from the three wells, from 650 acre-feet to 900 acre-feet of water annually. The water is for rural water system use including serving the Great Plains ethanol plant near Chancellor.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 6435-3 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 the 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 the 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 October 14, 2003.

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.

Publish Sep. 25 & Oct. 2, 2003



AFFIDAVIT OF PUBLICATION

STATE OF SOUTH DAKOTA

SS

COUNTY: UNION

CITY: BERESFORD

NEWSPAPER: BERESFORD REPUBLIC

RECEIVED

OCT 20 2003

WATER RIGHTS
PROGRAM

Judy Lundberg of said county, being first duly sworn, on oath, says: That she is the Business Manager of the said newspaper, a weekly newspaper published in said city and county, State of South Dakota: that she has full and personal knowledge of the facts herein stated; that said newspaper is a legal newspaper as defined in SDCL 17-2-2.1 through 17-2-2.4 inclusive, and has met all the requirements for at least one year next prior to the first publication of the attached public notice, and that said notice, a printed copy of which, taken from the paper in which the same was published, and which is hereto attached and made a part of this affidavit, was published in said newspaper

per 1 time(s) as follows: that the first publication of said notice in said newspaper aforesaid was on Thursday the

25 day of Sept., 2003, and that the succeeding publications were severally on

Thursday, the ____ day of _____, 2003;

Thursday, the ____ day of _____, 2003;

Thursday, the ____ day of _____, 2003

Affiant further says that the full amount of the fees charged for the publication of said notice inures to the benefit of the publishers of said newspaper; that no agreement of understanding for the division thereof has been made with any other person, that no part therefore has been agreed to be paid to any person whomsoever; and that the fees charges for the publication thereof are:

DOLLARS \$ 23.03

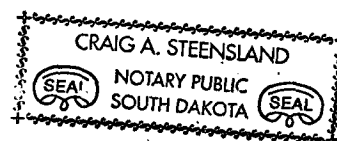
X Judy L Lundberg

Subscribed and sworn to before me this 30 day of Sept., 2003.

[Signature]
Notary Public

My commission expires September 8, 2004

AND





DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

October 17, 2003

NOTICE

TO: Charles Kuehl, Chairman
South Lincoln Rural Water System
PO Box 155
Canton SD 57013

Roger Ihnen
ILC Enterprises, Inc.
Box 184
Lennox SD 57039

FROM: Garland Erbele, Chief Engineer
Water Rights Program *Garland Erbele*

SUBJECT: Notice of Hearing on Water Permit Application No. 6435-3, South Lincoln Rural Water System

A petition has been submitted regarding Water Permit Application No. 6435-3 filed by South Lincoln Rural Water System. The petition was filed in response to the Notice of Application to appropriate water published September 25 and October 2, 2003 in the Sioux Valley News, Beresford Republic, The New Era and the Argus Leader. The petition opposing the application was submitted by Roger Ihnen. A copy of the petition is enclosed to the applicant.

As specified in the publication notice, the application proposes to increase the acre-feet limitation authorized by Water Permit No. 6311-3. Water Permit No. 6311-3 authorizes 4.0 cubic feet of water per second (650 acre-feet of water annually) from three wells (Upper Vermillion Missouri Aquifer) approximately 90 feet deep located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 8 and the SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 7; all in T98N-R52W. This application proposes to increase the acre-feet limitation from the three wells, from 650 acre-feet to 900 acre-feet of water annually. The water is for rural water system use including serving the Great Plains ethanol plant near Chancellor.

The Water Management Board will conduct a hearing to consider Application No. 6435-3 at 10:30 AM, on Wednesday, December 3, 2003, in the Conference Room, Floyd Matthew Training Center, Joe Foss Building, 523 E. Capitol Avenue, Pierre SD 57501. Pursuant to SDCL 46-2-9, 46-2-11, and 46-2A-23, the Board has legal authority and jurisdiction to conduct this hearing. The hearing time is an estimate and may be delayed due to prior agenda items. Future notice will be provided to all parties if there is a change in the hearing date or time.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 6435-3 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. The Chief Engineer's recommendation is not final or binding upon the Board. The Board is authorized to 1) approve, 2) approve with qualifications, 3) defer, or 4) deny this application based on the evidence presented at the public hearing.

The December 3, 2003, hearing date will be automatically delayed for at least 20 days upon written request to the Chief Engineer from the applicant or any interested person opposing the application. The request for an automatic delay must be filed by November 21, 2003.

This hearing may be an adversarial proceeding. Any party of record and/or the applicant have the right to be represented by a lawyer and may present evidence or cross-examine witnesses according to SDCL 1-26. These and other due process rights will be forfeited if not exercised. Decisions of the Board may be appealed to the Circuit Court and State Supreme Court as provided by law.

Notice is further given to persons with disabilities that this hearing is being held in a physically accessible place and that interpreter services will be provided, upon request, during the hearing. Please notify Eric Gronlund at (605) 773-3352 by November 21, 2003, if you have any questions about the hearing process or have special needs for which the department will make arrangements.

This application is made pursuant to SDCL 46-1-1 thru 46-1-9, 46-1-12 thru 46-1-16; 46-2-3.1, 46-2-9, 46-2-11, 46-2-13, 46-2-17; 46-2A-1 thru 46-2A-10, 46-2A-12, 46-2A-14, 46-2A-15, 46-2A-23; 46-5-1 thru 46-5-11, 46-5-13 thru 46-5-15, 46-5-24, 46-5-25, 46-5-30.2, 46-5-30.4, 46-6-3, 46-6-3.1, 46-6-6.1, 46-6-10, 46-6-13, 46-6-14, 46-6-26, 46-5-31; and Board Rules ARSD 74:02:01:01 thru 74:02:01:15.

c: Diane Best, Assistant Attorney General
Bruce Jennings, DeWild Grant Reckert and Associates, P.O. Box 511, Rock Rapids, IA 51246

NOTE: Based on South Dakota Codified Law 1-26-17, 1-26-18.3 and 1-26D-10, parties to all administrative contested cases must receive notice that if the amount in controversy exceeds two thousand five hundred dollars or if a property right may be terminated, any party may require the use of the Office of Hearing Examiners by giving notice of the request to the agency, no later than ten days after service of this notice of hearing. The matter at issue in this case does not, however, meet the criteria and the applicant and parties do not have the automatic right to a hearing examiner.

CERTIFICATION

I hereby certify that on October 17, 2003 , I have personally deposited with the United States mail at Pierre, South Dakota, first class postage, prepaid envelopes containing a Notice dated October 17, 2003 regarding Notice of Hearing on Water Permit Application #6435-3 addressed as stated below:

Charles Kuehl Chairman
South Lincoln Rural Water System
PO Box 155
Canton SD 57013

Roger Ihnen
ILC Enterprises Inc
Box 184
Lennox SD 57039

Bruce Jennings
Dewild Grant Reckert & Associates
PO Box 511
Rock Rapids IA 51246

A copy of the above described Notice was sent Inter-office to:

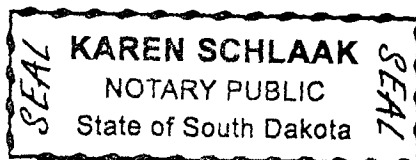
Diane Best, Assistant Attorney General, Capitol Building


Eric Gronlund
Natural Resource Engineer
Water Rights

STATE OF SOUTH DAKOTA)
) SS
COUNTY OF HUGHES)

Sworn to, before me, this 20th day of October, 2003.


Karen Schlaak
Notary Public
My Commission expires April 1, 2007



November 24, 2003

South Lincoln Rural Water Systems, Inc.
PO Box 155
Canton, SD 57013

RECEIVED

NOV 26 2003

WATER RIGHTS
PROGRAM

Chief Engineers
Water Rights Program
Foss Building
523 E. Capitol Street
Pierre, SD 57501

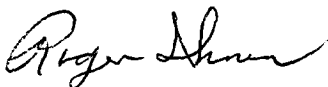
To Whom It May Concern:

Recently, we filed a petition opposing an increase for a water permit to raise the acre-feet limitation authorized by Water Permit No. 6311-3. The Notice of Application No. 6435-3 to appropriate water stated that the application was to increase the water rights from the existing three wells. Since then, I have been informed that the intention was to drill an additional fourth well to increase the water rights for Great Plains Ethanol, LLC from the deeper aquifer rather than the same aquifer that the three existing wells are in.

We would like to withdraw our complaint filed, with the stipulation that the increase in water rights or usage *not* be used out of the three existing wells. We are in agreement with South Lincoln Rural Water, and have no opposition to their request of Great Plains Ethanol, LLC, as long as the additional water is supported by the *new* well and not the existing three wells.

Thank you.

Sincerely,



Roger Ihnen



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

December 9, 2003

NOTICE

TO: John Sievers
South Lincoln Rural Water System
PO Box 155
Canton SD 57013

Roger Ihnen
ILC Enterprises, Inc.
Box 184
Lennox SD 57039

FROM: Garland Erbele, Chief Engineer
Water Rights Program

SUBJECT: Preparation of Findings of Fact, Conclusions of Law and Final Decision

The Water Management Board directed Diane Best, Assistant Attorney General, to prepare proposed Findings of Fact, Conclusions of Law and a Final Decision in the matter of Water Permit Application No. 6435-3 filed by South Lincoln Rural Water System. The Board will consider adoption of Findings, Conclusions and Final Decision at 1:00 PM, on March 3, 2004, in the Floyd Matthew Training Center, Joe Foss Building, 523 E. Capitol Avenue, Pierre SD. The agenda time is an estimate and may be delayed due to prior agenda items.

The Board requested that a copy of the proposed Findings, Conclusions and Final Decision be mailed to each Board member and parties by February 12, 2004. Written objections or comments in support of the proposed Findings, Conclusions and Final Decision, or alternative Findings, Conclusions and Final Decision are to be mailed to each Board member, the Board attorney (mailing list enclosed) by February 23, 2004.

Oral arguments by parties who timely filed written comments in opposition or support of the proposed Findings, Conclusions and Final Decision, or alternative Findings, Conclusions and Final Decision may be made on March 3, 2004. The public hearing was completed on December 3, 2003. No additional testimony will be received on March 3, 2004.

Enclosure

c: John Guhin, Deputy Attorney General
Diane Best, Assistant Attorney General

CERTIFICATION

I hereby certify that on December 9, 2003, I personally deposited with the United States mail at Pierre, South Dakota, first class postage, prepaid envelopes containing a Notice dated December 9, 2003, regarding preparation of findings of fact, conclusions of law and final decision in the matter of Water Permit Application No. 6435-3, South Lincoln Rural Water System, addressed as stated below.

John Sievers
South Lincoln Rural Water System
PO Box 155
Canton SD 57013

Roger Ihnen
ILC Enterprises, Inc.
Box 184
Lennox SD 57039

A copy of the Notice was sent Inter-office to:

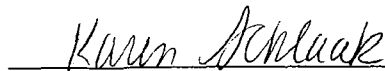
John Guhin, Deputy Attorney General
Diane Best, Assistant Attorney General



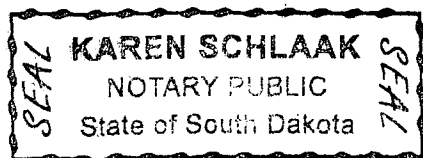
Eric Gronlund
Natural Resource Engineer
Water Rights Program

STATE OF SOUTH DAKOTA)
) SS
COUNTY OF HUGHES)

Sworn to, before me, this 10th day of December, 2003.



Karen Schlaak
Notary Public
My Commission expires April 1, 2007



2003/2004 WATER MANAGEMENT BOARD MEMBERS

Francis E. Brink
1214 South Wells Street
Aberdeen, SD 57401-7351

Leo Holzbauer, Chairman
RR 1, Box 170
Wagner, SD 57380-9681

Rodney Freeman, Jr., Vice-Chairman
P.O. Box 176
Huron, SD 57350-0176

Bernita Loucks
219 42nd Street
Rapid City, SD 57702-0240

Marian Gunderson
811 West 3rd
Yankton, SD 57078-3702

Dwayne Rollag
320 Lincoln Lane S
Brookings SD 57006-2741

BOARD ATTORNEY

John Guhin, Deputy Attorney General
Office of Attorney General
Natural Resources Section
State Capitol Building
Pierre, SD 57501

WATER RIGHTS PROGRAM

Department of Environment and
Natural Resources

Garland Erbele, Chief Engineer
Water Rights Program
Joe Foss Building
523 East Capitol
Pierre, SD 57501-3181

STAFF ATTORNEY

Diane Best
Assistant Attorney General
Office of Attorney General
Natural Resources Section
State Capitol Building
Pierre, SD 57501



Quality on Tap

PO Box 155
Canton, SD 57013

Phone: 605-372-4211
Toll Free: 866-391-7148
Fax: 605-372-4214
Email: slrw@dtgnet.com

South Lincoln Rural Water

RECEIVED
DEC 22 2003
WATER RIGHTS
PROGRAM

December 17, 2003

Attn: James Goodman
Dept. of Water Rights/DENR
Joe Foss Building
523 East Capitol
Pierre, SD 57501-3182

Dear Mr. Goodman:

As for a better understanding of the hearing held December 3, 2003. We would like you to clarify a few things and make any suggestions you see fit in solving or preventing any further actions by any user in the Vermillion Aquifer.

First we would like to know if the water rights feel South Lincoln Rural Water's three wells or Mr. Roger Ihnen would be under the state explanation of an adequate well?

We would also like to know if we drilled Mr. Ihnen a well in the lower formation and not screen the upper formation, if your staff would agree this would help solve the interference question?

Also, would it be possible for South Lincoln to drill a well on our property and deliver Mr. Ihnen his water from his water right via our pipeline? This would give us the ability to computer log and manage the aquifer.

The final question is, if these four wells are not adequate, by drilling an adequate well on Mr. Ihnen's land, would that hurt our legal stand?

Please comment on all questions and add any suggestions that may be helpful in finding a solution to this problem.

I will be waiting for your reply.

Sincerely,

John Sievers
Manager
South Lincoln Rural Water System, Inc.



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

December 24, 2003

John Sievers, Manager
South Lincoln Rural Water System, Inc.
PO Box 155
Canton, SD 57013

Dear Mr. Sievers:

You have asked several questions which pertain to action taken by the Water Management Board at the December 3, 2003 hearing on your application No. 6435-3. Hopefully, this response will help clear up those issues for you.

In answer to the first question, "Are the SLRWS three wells and the Mr. Ihnen well adequate under state law?" The answer is yes. ARSD 74:02:04:20 (6) defines an adequate well as a well constructed in a manner to allow the pump to be placed at least 20 feet into the aquifer or as near the bottom of the aquifer as possible. Because the rural water wells and Mr. Ihnen's irrigation well are completed into an "upper zone" of the Upper Vermillion Missouri aquifer does not affect whether or not the wells are adequate. Being adequate does not mean nor guarantee that a well is capable of producing the amount of water needed or authorized. There are many other factors beyond the control of the rule that affect the capacity of well.

In answer to the second question, "If SLRWS drilled Mr. Ihnen a well into the lower formation and does not screen the upper formation, would this help solve the interference question?" Absolutely, this would accomplish two things, the pump could be lowered and the source of water would not be as dependent upon the artesian head.

In answer to the third question, "Would it be possible for South Lincoln to drill a well on our property and deliver Mr. Ihnen water from his water right via our pipeline?" Yes, this is a possibility. Mr. Ihnen would need to amend his Water Right No. 3901-3 to include a new diversion point. What is needed is to physically obtain water from the same source, the Upper Vermillion Missouri aquifer and obtain an agreement with SLRWS. This agreement would have to clearly spell out both South Lincoln's and Mr. Ihnen's obligations and responsibilities. In effect, Mr. Ihnen would transfer this portion of the existing Water Right No. 3901-3 to this new diversion (or existing) point(s), retaining priority date and diversion rate. Irrigation water stays appurtenant to the land,

see SDCL 46-5-33, 46-5-34 and 46-5-34.1. Also, South Dakota follows the priority system "first in time first in right" see SDCL 46-5-7. In theory, this could put SLRWS in a position of delivering irrigation water prior to delivering water to your other users. Due to the complexities involved, South Lincoln RWS will want to give careful consideration to this potential arrangement prior to proceeding. It may be simpler for South Lincoln to purchase the well and land in question and transfer the water right for your purposes.

In answer to the fourth question, "If these four wells are not adequate, by drilling an adequate well on Mr. Ihnen's land, would that hurt our legal stand?" No, because we believe these wells are adequate by definition. Remember adequate does not mean the diversion rate has to be maintained only that the wells are constructed in such a manner to allow placement of a pump in the well in accordance with standards. The legal status of the wells is already established by priority date. The replacement well or the existing wells are in the Upper Vermillion Missouri aquifer and shallower South Lincoln and Mr. Ihnen wells could be replaced by going deeper into the aquifer and maintaining the original priority date. Deepening Mr. Ihnen's well would certainly minimize the potential for interference.

Hopefully, this response will be of assistance to you. Please feel free to contact me with any other questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "Garland Erbele". The signature is fluid and cursive, with a large initial "G" and "E".

Garland Erbele, Chief Engineer
Water Rights Program



OFFICE OF ATTORNEY GENERAL

500 East Capitol Avenue
Pierre, South Dakota 57501-5070
Phone (605) 773-3215
FAX (605) 773-4106
www.state.sd.us/atg

LARRY LONG
ATTORNEY GENERAL

MARK BARNETT
CHIEF DEPUTY ATTORNEY GENERAL

MEMORANDUM

TO: Members of the Water Management Board and
Interested Parties

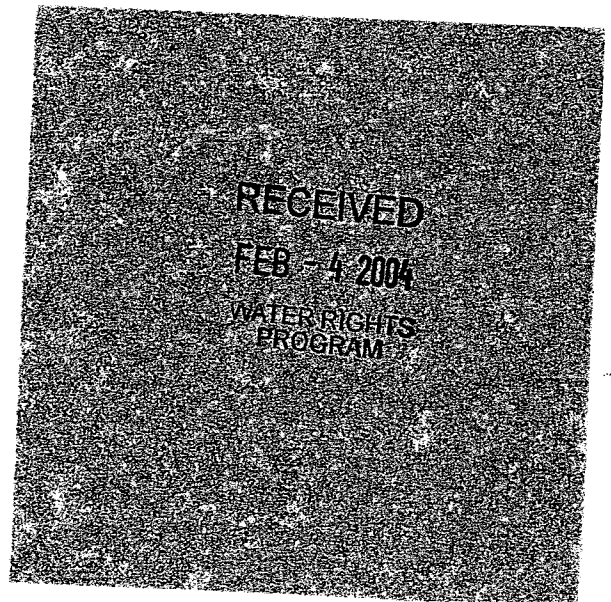
FROM: Diane Best, Assistant Attorney General *DB*

RE: Proposed Findings of Fact, Conclusions of Law and Final
Decisions In the Matter of Water Permit Application No.
6435-3, South Lincoln Rural Water System, Inc.

DATE : February 4, 2004

Consistent with the directions of the South Dakota Water Management Board, I have prepared Proposed Findings of Fact, Conclusions of Law, and a Final Decision in the above-entitled matter. It is my understanding that South Lincoln and Mr. Ihnen will have an opportunity to submit alternative proposed findings and/or objections to these Findings by February 23, 2004.

cc: Garland Erbele
John Guhin



STATE OF SOUTH DAKOTA
BEFORE THE WATER MANAGEMENT BOARD

IN THE MATTER OF WATER PERMIT)	PROPOSED FINDINGS OF FACT
APPLICATION NO. 6435-3, SOUTH)	AND CONCLUSIONS OF LAW
LINCOLN RURAL WATER SYSTEM)	

FINDINGS OF FACT

1. Application No. 6435-3 proposes to increase the acre-feet limitation authorized by an existing water permit held by South Lincoln Rural Water System, Inc. (South Lincoln). The existing water permit is No. 6311-3, which authorizes water to be drawn from three wells at a rate of up to 4.0 cubic feet per second (cfs). At present, this water permit would authorize a total volume of 650 acre-feet annually from the three wells. The three wells are approximately 90 feet deep and are located in Sections 7 and 8, T98N, R52W, Turner County, South Dakota. The three water wells draw water from the Upper Vermillion Missouri aquifer. The existing permit has a priority date of March 14, 2002.

2. Application No. 6435-3 proposes to increase the acre feet limitation (volume) of water that may be drawn from the three wells. The proposal would increase the acre-feet limitation from 650 acre-feet to 900 acre-feet annually. The increased volume of water would be for rural water system use, including serving the Great Plains Ethanol Plant near Chancellor.

3. It is undisputed that the provision of water through a public water system for rural purposes, including service to an ethanol plant, is both in the public interest and is a beneficial use. More specifically, the proposed use under this application

is beneficial to the appropriator in terms of being able to provide additional water service to the Great Plains Ethanol Plant and is also beneficial to the public in that it maximizes the use of water from the Upper Vermillion Missouri aquifer. It is in the public interest to use water for the ethanol plant because such use supports the agricultural economy generally and Turner County.

The total dissolved solids (TDS) in water for ethanol plants must be sufficiently low to meet production needs for ethanol production. The Upper Vermillion Missouri aquifer meets those needs.

4. The Department of Environment and Natural Resources expert Jim Goodman testified that sufficient water is available from the Upper Vermillion Missouri aquifer to meet the increased volume sought in this application. There is 1.8 million acre-feet of water in this aquifer in Turner and Hutchinson counties. His testimony on general water availability was undisputed at the hearing. The Board finds that the Upper Vermillion Missouri aquifer is of sufficient capacity to support the withdrawal of this additional volume.

5. The disputed area in this case involves the question of whether the withdrawal of an increased volume of water would impact other existing water rights. There are three existing water rights with irrigation wells within 1500 feet of one of the three wells authorized by water Permit No. 6311-3. These wells are authorized by water rights No. 3901-3, 3158-3, and 3541-3. There are also domestic wells in this aquifer.

6. A Petition to Intervene was filed by irrigator Roger Ihnen. The Petitioner filed a prehearing letter indicating that his understanding of the proposal would be that South Lincoln Rural Water System would drill an additional fourth well from a deeper aquifer rather than to increase its volume from the three existing wells. At hearing, however, South Lincoln provided testimony that its current proposal is to obtain more volume from the three existing wells (although South Lincoln may later drill another well). Consequently, the impairment question is squarely before the Board in this application.

7. All three South Lincoln wells are high capacity wells. Production well testing by the rural water system indicates that Well No. 1 was capable of producing 449 gallons per minute (GPM) with 39.52 feet of drawdown. Well No. 2 was capable of producing 525 GPM with 24.01 feet of drawdown. Well No. 3 was capable of producing 580 GPM with 17.23 feet of drawdown. The well log for each of the three production wells shows they were drilled in sand and gravel (aquifer) beginning from 56 to 59 feet and extending to 83 to 92 feet below land surface.

8. The aquifer level does have seasonal fluctuations.

9. The Board credits the testimony of expert witness Goodman who stated that although there may be interference, such interference is not expected to be adverse and will not affect the availability of water from individual production wells.

10. Most of the year, the provision of water use to the ethanol plant will not cause interference in other wells in this

aquifer. During peak irrigation times, however, interference may occur.

11. The Board further finds that this appropriation will not impair existing rights if it is qualified so that South Lincoln Rural Water System controls withdrawals so as not to reduce needed water supplies in adequate wells in this aquifer having prior water rights (including the three irrigation wells discussed above) and does not reduce water supplies in adequate domestic wells in this aquifer.

CONCLUSIONS OF LAW

1. The Board has jurisdiction of this matter.

2. All notices required by the constitution and statutes have been given.

3. Because this Permit application seeks authorization for an additional volume of water beyond that already authorized under Permit No. 6311-3, this Board is considering the matter as an application for a new water permit under SDCL 46-2A-2. Accordingly, the requisite standard is whether (a) there is unappropriated water available, (b) existing rights will not be unlawfully impaired, (3) the water use is a beneficial use of water and (4) the water use is in the public interest.

4. The Board concludes that the proposed water use is a beneficial use within the meaning of SDCL 46-2A-2 and SDCL 46-1-6(3). The increased volume of water to be drawn under this Permit is reasonable and useful and beneficial to the appropriator in that it will allow the appropriator to provide water to the Great Plains Ethanol plant and for other rural water

system purposes. Secondly, the water use is beneficial in that it is consistent with the interests of the public in this state in the best utilization of water supplies. This water use will maximize use of water from the aquifer in question. Further, it is undisputed that the use involved here is a beneficial use within the meaning of South Dakota's water laws.

5. The proposed water use in this case is a public interest. It is undisputed that it is in the public interest for this rural water system to provide water to the ethanol plant and for distributing water to other rural water users.

6. Unappropriated water is available within the meaning of SDCL 46-2A-2 in that sufficient water is available from the aquifer to meet the increased volume that will be drawn under this Permit. Expert testimony at hearing demonstrated that the aquifer has sufficient water to meet the rural water systems need for withdrawing the additional volume of water.

7. The fourth criteria is whether the water use would unlawfully impair existing rights. This Board finds that the water use will not unlawfully impair existing rights because any impairment is not expected to be adverse. It will not decrease the ability of neighboring wells to produce adequate water, but may reduce the rate of production for short periods.

8. The Board is also imposing conditions to prohibit impairment directly attributable to South Lincoln's pumping. Under SDCL 46-2A-2, the chief engineer recommended qualifications necessary to protect existing permitted water users with adequate wells (including nearby irrigation wells) and to protect domestic

use. This condition requires that the well owner must control withdrawals so there is not a reduction of needed water supplies in adequate domestic wells or in adequate wells having prior water rights.

The qualification provides latitude as to whether South Lincoln would control the timing of withdrawals, or otherwise mitigate (provide water to the impaired user or even assist the irrigator with construction of an alternative water supply) if adverse impairment is caused by South Lincoln's use. The Board finds that this proposed qualification should be adopted.

9. South Dakota law provides that prior water right holders and domestic well owners are protected from adverse well interference to the extent that they have "adequate" wells. An adequate well is, under ARSD 74:02:04:20(6), a well constructed in a manner so as to allow the pump to be placed at least 20 feet into the aquifer or as near the bottom of the aquifer as possible. In this case, both the rural water system wells and the nearby irrigation well owned by Mr. Ihnen are adequate within the meaning of this rule.

10. The qualification requiring that South Lincoln Rural Water System control its withdrawals so as not to reduce needed water supplies in adequate domestic wells or in adequate wells having prior water rights, is not designed to require that South Lincoln insure or warrant the domestic wells or prior water right holders for inability to obtain water as a result of pump failure or other problems associated with defects, maintenance, or wear and tear on the domestic well systems or those having prior water

rights. Likewise, the qualification does not provide protection to water users from other aquifers or from impairment not directly attributable to pumping under this permit.

FINAL DECISION

Water Permit application No. 6435-3 is hereby granted subject to the following qualifications:

1. The wells approved under this Permit will be 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. Water Permit Nos. 6311-3 and 6435-3, combined, authorize a total annual diversion of 900 acre feet of water.

3. South Lincoln Rural Water System shall report to the Chief Engineer annually the amount of water withdrawn from the Upper Vermillion Missouri Aquifer.

Dated this _____ day of March, 2004.

BY THE SOUTH DAKOTA WATER
MANAGEMENT BOARD

Chairman

CERTIFICATE OF SERVICE

The undersigned hereby certifies that true and correct copies of Proposed Findings of Fact and Conclusions of Law In the Matter of Water Permit Application No. 6435-3, South Lincoln Rural Water System were served upon each of the following by enclosing the same in envelopes with first class postage, prepaid and affixed thereto, and depositing said envelopes in the United States mail, at Pierre, South Dakota, on this 4th day of February, 2004:

Charles Kuehl, Chairman
South Lincoln Rural Water System
P.O. Box 155
Canton, SD 57013

Bruce Jennings
Dewild Grant Reckert & Associates
P.O. Box 511
Rock Rapids, IA 51246

Roger Ihnen
ILC Enterprises, Inc.
Box 184
Lennox, SD 57039

Bernita Loucks
219 42nd Street
Rapid City, SD 57702-0240

Dwayne Rollag, Chairman
320 Lincoln Lane S.
Brookings, SD 57006-2741

Francis E. Brink
1214 South Wells Street
Aberdeen, SD 57401-7351

Rodney Freeman, Jr.
P.O. Box 176
Huron, SD 57350-0176

Marian Gunderson
811 West 3rd
Yankton, SD 57078-3702

Leo Holzbauer
RR 1, Box 170
Wagner, SD 57380-9681

and sent on the same date by interoffice mail to

Garland Erbele, Chief Engineer
Water Rights Program
Dept. of Environment
and Natural Resources
Foss Building
Pierre, SD 57501

and sent on the same date by interoffice mail to

John Guhin
Deputy Attorney General
500 East Capitol
Pierre, SD 57501-5070



Diane Best
Assistant Attorney General
500 East Capitol
Pierre, SD 57501-5070
Telephone: (605) 773-3215

pld.db COS on FOF on Water Permit Application No. 6435-3 (dp)



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

March 8, 2004

NOTICE

TO: John Sievers
South Lincoln Rural Water System
PO Box 155
Canton SD 57013

Roger Ihnen
ILC Enterprises, Inc.
Box 184
Lennox SD 57039

FROM: Garland Erbele, Chief Engineer
Water Rights Program

SUBJECT: Adoption of Findings of Fact, Conclusions of Law and Final Decision

This is to notify you that the Final Decision, including Findings of Fact and Conclusions of Law, were adopted March 3, 2004, by the Water Management Board approving Water Permit No. 6435-3. A copy of the signed Findings of Fact, Conclusions of Law and Final Decision is enclosed.

South Dakota statutes provide that decisions of the Board may be appealed to the Courts. Notice of appeal of the Board's decision must be filed within thirty days of this notice and be in accordance with procedures established in SDCL 1-26-31.

Enclosure

c: John Guhin, Deputy Attorney General
Diane Best, Assistant Attorney General

CERTIFICATION

I hereby certify that on March 8, 2004, I personally deposited with the United States mail at Pierre, South Dakota, first class postage, prepaid envelopes containing a Notice dated March 4, 2004, regarding adoption of findings of fact, conclusions of law and final decision in the matter of Water Permit No. 6435-3, South Lincoln Rural Water System, addressed as stated below.

John Sievers
South Lincoln Rural Water System
PO Box 155
Canton SD 57013

Roger Ihnen
ILC Enterprises, Inc.
Box 184
Lennox SD 57039

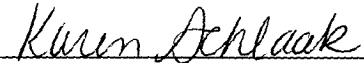
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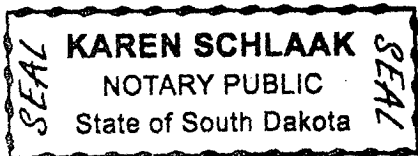
John Guhin, Deputy Attorney General
Diane Best, Assistant Attorney General


Eric Gronlund
Natural Resource Engineer
Water Rights Program

STATE OF SOUTH DAKOTA)
) SS
COUNTY OF HUGHES)

Sworn to, before me, this 9th day of March 8, 2004.


Karen Schlaak
Notary Public
My Commission expires April 1, 2007



STATE OF SOUTH DAKOTA

BEFORE THE WATER MANAGEMENT BOARD

IN THE MATTER OF WATER PERMIT)
APPLICATION NO. 6435-3, SOUTH)
LINCOLN RURAL WATER SYSTEM)

FINDINGS OF FACT
AND CONCLUSIONS OF LAW

FINDINGS OF FACT

1. Application No. 6435-3 proposes to increase the acre-foot limitation authorized by an existing water permit held by South Lincoln Rural Water System, Inc. (South Lincoln). The existing water permit is No. 6311-3, which authorizes water to be drawn from three wells at a rate of up to 4.0 cubic feet per second (cfs). At present, this water permit would authorize a total volume of 650 acre-feet annually from the three wells. The three wells are approximately 90 feet deep and are located in Sections 7 and 8, T98N, R52W, Turner County, South Dakota. The three water wells draw water from the Upper Vermillion Missouri aquifer. The existing permit has a priority date of March 14, 2002.

2. Application No. 6435-3 proposes to increase the acre feet limitation (volume) of water that may be drawn from the three wells. The proposal would increase the acre-feet limitation from 650 acre-feet to 900 acre-feet annually. The increased volume of water would be for rural water system use, including serving the Great Plains Ethanol Plant near Chancellor.

3. It is undisputed that the provision of water through a public water system for rural purposes, including service to an ethanol plant, is both in the public interest and is a beneficial use. More specifically, the proposed use under this application

is beneficial to the appropriator in terms of being able to provide additional water service to the Great Plains Ethanol Plant and is also beneficial to the public in that it maximizes the use of water from the Upper Vermillion Missouri aquifer. It is in the public interest to use water for the ethanol plant because such use supports the agricultural economy generally and Turner County.

The total dissolved solids (TDS) in water for ethanol plants must be sufficiently low to meet production needs for ethanol production. The Upper Vermillion Missouri aquifer meets those needs.

4. The Department of Environment and Natural Resources expert Jim Goodman testified that sufficient water is available from the Upper Vermillion Missouri aquifer to meet the increased volume sought in this application. There is 1.8 million acre-feet of water in this aquifer in Turner and Hutchinson counties. His testimony on general water availability was undisputed at the hearing. The Board finds that the Upper Vermillion Missouri aquifer is of sufficient capacity to support the withdrawal of this additional volume.

5. The disputed area in this case involves the question of whether the withdrawal of an increased volume of water would impact other existing water rights. There are three existing water rights with irrigation wells within 1500 feet of one of the three wells authorized by water Permit No. 6311-3. These wells are authorized by water rights No. 3901-3, 3158-3, and 3541-3. There are also domestic wells in this aquifer.

6. A Petition to Intervene was filed by irrigator Roger Ihnen. The Petitioner filed a prehearing letter indicating that his understanding of the proposal would be that South Lincoln Rural Water System would drill an additional fourth well from a deeper aquifer rather than to increase its volume from the three existing wells. At hearing, however, South Lincoln provided testimony that its current proposal is to obtain more volume from the three existing wells (although South Lincoln may later drill another well). Consequently, the impairment question is squarely before the Board in this application.

7. All three South Lincoln wells are high capacity wells. Production well testing by the rural water system indicates that Well No. 1 was capable of producing 449 gallons per minute (GPM) with 39.52 feet of drawdown. Well No. 2 was capable of producing 525 GPM with 24.01 feet of drawdown. Well No. 3 was capable of producing 580 GPM with 17.23 feet of drawdown. The well log for each of the three production wells shows they were drilled in sand and gravel (aquifer) beginning from 56 to 59 feet and extending to 83 to 92 feet below land surface.

8. The aquifer level does have seasonal fluctuations.

9. The Board credits the testimony of expert witness Goodman who stated that although there may be interference, such interference is not expected to be adverse and will not affect the availability of water from individual production wells.

10. Most of the year, the provision of water use to the ethanol plant will not cause interference in other wells in this

aquifer. During peak irrigation times, however, interference may occur.

11. The Board further finds that this appropriation will not impair existing rights if it is qualified so that South Lincoln Rural Water System controls withdrawals so as not to reduce needed water supplies in adequate wells in this aquifer having prior water rights (including the three irrigation wells discussed above) and does not reduce water supplies in adequate domestic wells in this aquifer.

CONCLUSIONS OF LAW

1. The Board has jurisdiction of this matter.

2. All notices required by the constitution and statutes have been given.

3. Because this Permit application seeks authorization for an additional volume of water beyond that already authorized under Permit No. 6311-3, this Board is considering the matter as an application for a new water permit under SDCL 46-2A-2. Accordingly, the requisite standard is whether (a) there is unappropriated water available, (b) existing rights will not be unlawfully impaired, (3) the water use is a beneficial use of water and (4) the water use is in the public interest.

4. The Board concludes that the proposed water use is a beneficial use within the meaning of SDCL 46-2A-2 and SDCL 46-1-6(3). The increased volume of water to be drawn under this Permit is reasonable and useful and beneficial to the appropriator in that it will allow the appropriator to provide water to the Great Plains Ethanol plant and for other rural water

system purposes. Secondly, the water use is beneficial in that it is consistent with the interests of the public in this state in the best utilization of water supplies. This water use will maximize use of water from the aquifer in question. Further, it is undisputed that the use involved here is a beneficial use within the meaning of South Dakota's water laws.

5. The proposed water use in this case is a public interest. It is undisputed that it is in the public interest for this rural water system to provide water to the ethanol plant and for distributing water to other rural water users.

6. Unappropriated water is available within the meaning of SDCL 46-2A-2 in that sufficient water is available from the aquifer to meet the increased volume that will be drawn under this Permit. Expert testimony at hearing demonstrated that the aquifer has sufficient water to meet the rural water systems need for withdrawing the additional volume of water.

7. The fourth criteria is whether the water use would unlawfully impair existing rights. This Board finds that the water use will not unlawfully impair existing rights because any impairment is not expected to be adverse. It will not decrease the ability of neighboring wells to produce adequate water, but may reduce the rate of production for short periods.

8. The Board is also imposing conditions to prohibit impairment directly attributable to South Lincoln's pumping. Under SDCL 46-2A-2, the chief engineer recommended qualifications necessary to protect existing permitted water users with adequate wells (including nearby irrigation wells) and to protect domestic

use. This condition requires that the well owner must control withdrawals so there is not a reduction of needed water supplies in adequate domestic wells or in adequate wells having prior water rights.

The qualification provides latitude as to whether South Lincoln would control the timing of withdrawals, or otherwise mitigate (provide water to the impaired user or even assist the irrigator with construction of an alternative water supply) if adverse impairment is caused by South Lincoln's use. The Board finds that this proposed qualification should be adopted.

9. South Dakota law provides that prior water right holders and domestic well owners are protected from adverse well interference to the extent that they have "adequate" wells. An adequate well is, under ARSD 74:02:04:20(6), a well constructed in a manner so as to allow the pump to be placed at least 20 feet into the aquifer or as near the bottom of the aquifer as possible. In this case, both the rural water system wells and the nearby irrigation well owned by Mr. Ihnen are adequate within the meaning of this rule.

10. The qualification requiring that South Lincoln Rural Water System control its withdrawals so as not to reduce needed water supplies in adequate domestic wells or in adequate wells having prior water rights, is not designed to require that South Lincoln insure or warrant the domestic wells or prior water right holders for inability to obtain water as a result of pump failure or other problems associated with defects, maintenance, or wear and tear on the domestic well systems or those having prior water

rights. Likewise, the qualification does not provide protection to water users from other aquifers or from impairment not directly attributable to pumping under this permit.

FINAL DECISION

Water Permit application No. 6435-3 is hereby granted subject to the following qualifications:

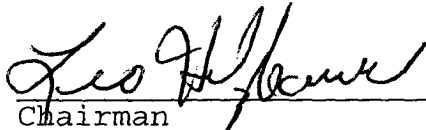
1. The wells approved under this Permit will be located near domestic wells and other wells which may obtain water from the same aquifer. The well owner under this Permit shall control his withdrawals so there is not a reduction of needed water supplies in adequate domestic wells or in adequate wells having prior water rights.

2. Water Permit Nos. 6311-3 and 6435-3, combined, authorize a total annual diversion of 900 acre feet of water.

3. South Lincoln Rural Water System shall report to the Chief Engineer annually the amount of water withdrawn from the Upper Vermillion Missouri Aquifer.

Dated this 3rd day of March, 2004.

BY THE SOUTH DAKOTA WATER
MANAGEMENT BOARD


Chairman



APR 22 2004

**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

South Lincoln Rural Water System
John Sievers
PO Box 155
Canton SD 57013

Dear Mr. Sievers:

Enclosed is Water Permit No. 6435-3 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,

Garland Erbele, Chief Engineer
Water Rights Program
(605) 773-3352

enclosures

File Nos. 5216-3, 5217-3, 5218-3, 5219-3, 6499-3,
1262A-3, 1262B-3, 1262C-3, 6743-3, 4401-3,
4982-3, 5647-3, 6490-3, 6311-3, 6300-3,
6435-3, 6456-3, 6727-3

Water Rights Program File Documentation

DATE: 04/02/2008

The table below represents the water use reported from the Dakota Formation from Lincoln County by the major water users (City of Canton, Town of Worthing, Town of Fairview and South Lincoln Rural Water Sytem).

	Canton	Worthing	Fairview	SLRWS
	Acre-feet per year*			
2006	406	110	10	863
2005	403	34	8	769
2004	411	37	5	904
2003	384	48	9.2	725
2002	352	NA	NA	786
2001	331	NA	NA	877
2000	370	NA	NA	843
1999	384	4	9.4	781
1998	395	33	12	693
1997	427	36	9	663
1996	394	34	13	689
1995	397	30	11	707
1994	383	25	13	766
1993	351	24	12	630
1992	345	26	8	680
1991	391	28	10	696
1990	401	26	9	669
1989	402	31	NA	650
1988	388	26	20	660
1987	430	32	14	453
1986	330	25	22	370
1985	334	27	22	370
1984	346	27	24	368
1983	330	27	NA	341

* Numbers shown in black originated from Non Irrigation Questioner Data Base

Numbers in blue originated from 4/2/2008 personal correspondence with John Sievers (SLRWS manager)

Numbers shown in red originated from Jim Goodman's report on Application Nos. 5155-3 and 5156-3 (with permit files)

NA= not available

Ken Buhler
Natural Resources Engineer

Permit Nos. 6311-3 & 6435-3**Vermillion River - Water District****Report of Examination of Works and/or Application of Water to Beneficial Use**

TO: Chief Engineer, Water Rights Program, DENR, Foss Bldg., Pierre, SD 57501

I have this day, September 14, 2010, made a thorough examination of the water use system constructed by South Lincoln Rural Water Systems, Inc. of PO Box 155, Canton SD 57013 holder of Permit Nos. 6311-3 & 6435-3, bearing the priority of March 14, 2002 authorizing the diversion of 4.0 cu. ft. per second (650 ac ft annually) and July 2, 2003 authorizing an increase in the acre feet limitation of 250 acre-feet for a total of 900 acre feet annually of the waters of Upper Vermillion Missouri Aquifer for rural water system use including serving the Great Plains ethanol plant near Chancellor in Lincoln, Union, Turner, Minnehaha Counties..

Inspection contact & relationship to permit holder, if applicable: **Layne Bergess, employee**

A. Works used to divert the water:

Well Information: Well Drilling Firm: <u>Thein Well Co, Inc.</u> Well: <u>#1</u> Depth(s) <u>82</u> feet Well log is available <u>yes</u> Comment: completed 5-21-09	Well Information: Well Drilling Firm: <u>LTP Enterprises, Inc.</u> Well: <u>#2</u> Depth(s) <u>97</u> feet Well log is available <u>yes</u> Comment: completed 5-2-2002	Well Information: Well Drilling Firm: <u>LTP Enterprises, Inc.</u> Well: <u>#3</u> Depth(s) <u>93</u> feet Well log is available <u>yes</u> Comment: completed 5-22-2002
Casing: Diameter <u>12</u> inches Length <u>62</u> feet Type: <u>pvc</u>	Casing: Diameter <u>12</u> inches Length <u>67</u> feet Type: <u>steel</u>	Casing: Diameter <u>12</u> inches Length <u>63</u> feet Type: <u>steel</u>
Screen: Type: <u>stainless steel</u> Length <u>20</u> feet Static water level <u>29.8</u> feet	Screen: Type: <u>stainless steel</u> Length <u>25</u> feet Static water level <u>15</u> feet	Screen: Type: <u>stainless steel</u> Length <u>20</u> feet Static water level <u>14.7</u> feet
Pump: Make: <u>pitless</u> Model Size Capacity <u>311</u> GPM	Pump: Make: <u>pitless</u> Model Size Capacity <u>431</u> GPM	Pump: Make: <u>pitless</u> Model Size Capacity <u>360</u> GPM
Motor: Make: <u>pitless</u> Model No. Horsepower rating <u>40</u> hp	Motor: Make: <u>pitless</u> Model No. Horsepower rating <u>40</u> hp	Motor: Make: <u>pitless</u> Model No. Horsepower rating <u>40</u> hp

Report of Examination of Works

Permit Nos. 6311-3 & 6435-3

B. Works used to transport water to place of use: Rural water system

C. Works used to apply water to beneficial use: Rural water system

D. Compliance with Permit Requirements:

- 1) Permit qualifications being abided by yes
- 2) Exceptions to compliance are: none

The system is in good condition with the point(s) of diversion located as follows: Well #1 is 1122' N and 118' W, well #2 is 59' N and 108' W of the SE corner Section 7, well #3 is 115' N and 965' E of the SW corner Section 8, all in T98N, R52W. The works are capable of diverting and conveying to the place of use 2.45 cu. ft. per second of water which is to be used for rural water system. Water has been put to beneficial use to the maximum extent as follows: rural water system serving Counties of Lincoln, Union, Turner, Minnehaha, and Cities of Worthing, Chancellor, Alcester, including serving the Great Plains ethanol plant near Chancellor

The license should be issued for 2.45 cfs as a part of the combined 900 acre-feet of volume. See comments below.

All structures, wells and lands on map yes

Comments or other permit(s) associated with the project:

Well #1 was replaced in 2009 at same location.

South Lincoln Rural Water Systems, Inc. holds Water Right Nos. 6435-3 & 6311-3 (900 ac ft), and 6727-3 (900 ac ft) for a total of 1800 ac ft; 5647-3, 6300-3, and 6490-3 for a total of 1048 ac ft.

Permit Nos. 6311-3 and 6435-3 should be incorporated and licensed.



Lynn Beck

Natural Resources Engineer Specialist
DENR, Water Rights Program

Date report completed: October 5, 2010



THEIN WELL

P.O. BOX 778, 11355 HWY. 71 NE (ACROSS FROM RINGO LAKE)
SPICER, MINNESOTA 56288 • (320) 796-2111
www.theinwell.com • E-mail: theinwell@tds.net

WELLS ~ PUMPS
SALES ~ SERVICE

Since 1893

City/Town: South Lincoln RWS, Inc.
County: Turner
Township: 98N
Range: 52W
Section: 7
Qtr. Section: SE/SE
Address: 459th Ave.
Nearest
Intersecting St.: .281st St.

Geological Material	Color	Hardness or Formation	From	To
Dirt	Black		0	2
Clay	Brown		2	10
Gravel			10	14
Clay	Grey		14	36
Rock			36	
Clay w/sand	Grey		36	45
Clay	Grey		45	57
Rock			57	
Clay	Grey		57	59
Sand			59	82
Clay	Grey		82	

Driller: _____

RECEIVED
JUN 18 2009
WATER RIGHTS
PROGRAM

CLARA CITY, MN 56222 (320) 847-3207 • MONTICELLO, MN 55362 (763) 271-4200 • ROCHESTER, MN 55906 (507) 288-5554

MEMBER
NGWA

CERTIFIED MASTER WATER WELL CONTRACTOR
Equal Opportunity Employer

MEMBER
AWWA

Date:

WATER RIGHT NOS. 6435-3 & 6311-3
SOUTH LINCOLN RURAL WATER SYSTEMS, INC.
October 4, 2010

R52W

T98N

7

8

Well #1
Lat: 43.31963551
Lon: -97.024741

Well #2
Lat: 43.31675227
Lon: -97.02489574

Well #3
Lat: 43.31681857
Lon: -97.02084997

SCALE

0 435 870 1,740 2,610 3,480 Feet

Lynn Beck

Lynn Beck
Natural Resources Engineer
DENR - Water Rights Program

South Dakota Department of
Environment and Natural Resources



Protecting South Dakota's Tomorrow ... Today

STATE OF SOUTH DAKOTA

WATER LICENSE NO. 6435-3

(1) South Lincoln Rural Water System, Inc., PO Box 155, Canton SD 57013 made Application No. 6435-3, July 21, 2003 for a water permit to divert an additional 250 acre-feet of water annually from groundwater (3 wells), Lincoln County, South Dakota for rural water system use purposes. Permit No. 6435-3, with a priority date of July 21, 2003 was approved March 3, 2004 and issued to the applicant for diversion of water with construction of the described water supply system to be completed on or before March 3, 2009 and for the application to beneficial use of water on or before March 3, 2013.

Water Permit No. 6311-3, with a priority date of March 14, 2002, authorizes 4.0 cubic feet of water per second (650 acre-feet of water annually) from three wells. Water Permit No. 6435-3 increased the acre-foot limitation from the three wells from 650 acre-feet to 900 acre-feet of water annually. The applicable portions of No. 6311-3 are incorporated into No. 6435-3.

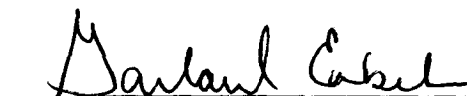
(2) The water supply system has been completed and water applied to beneficial use in accordance with South Dakota State Law. Pursuant to South Dakota Codified Law 46-5-30.1, the holder and/or owner of Incorporated Water Right No. 6435-3 is issued a license, bearing a priority date of March 14, 2002 (650 acre-feet) and July 21, 2003 (250 acre-feet) [900 acre-feet total] to appropriate 2.45 cubic feet of water per second from groundwater (three wells) for rural water system use serving Lincoln, Union, Turner, Minnehaha Counties and the Cities of Worthing, Chancellor, Alcester including the Great Plains ethanol plant near Chancellor.

The diversion points are located as follows:

- Well #1 – 1,122 feet north and 118 feet west of the southeast corner **Section 7-T98N-R52W (SE ¼ SE ¼)**
- Well #2 – 59 feet north and 108 feet west of the southeast corner **Section 7-T98N-R52W (SE ¼ SE ¼)**
- Well #3 – 115 feet north and 965 feet east of the southwest corner **Section 8-T98N-R52W (SW ¼ SW ¼)**

(3) This license is subject to South Dakota Water Law, any limitations or conditions listed in Incorporated Water Permit No. 6435-3 including the following now applicable qualifications:

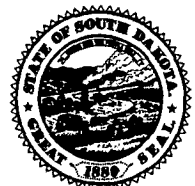
- The wells approved under this Permit will be located near domestic wells and other wells which may obtain water from the same aquifer. The well owner under this Permit shall control his withdrawals so there is not a reduction of needed water supplies in adequate domestic wells or in adequate wells having prior water rights.
- Water Right Nos. 6435-3 and 6727-3 combined, authorize a total annual diversion of 1800 acre feet of water.
- South Lincoln Rural Water System shall report to the Chief Engineer annually the amount of water withdrawn from the Upper Vermillion:Missouri Aquifer.



Garland Erbele, Chief Engineer
Water Rights Program
Department of Environment and Natural Resources

SEP 01 2011

date





DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

SEP 01 2011

6311-3

6435-3

6727-3

South Lincoln Rural Water Systems Inc
Tom Rausch – Manager
PO Box 155
Canton SD 57013

Dear Mr. Rausch:

Enclosed are Water License Nos. 6435-3 & 6727-3. These are the final water right documents completing your process of obtaining a Water Right. Also, included with the licenses are maps prepared by the staff engineer who conducted the investigation.

As long as you use the water beneficially, as stated in the Water Licenses, the State Water Laws provide that you have a continuing right to use the water. If you have any questions, please contact our office.

Sincerely,

Garland Erbele, Chief Engineer
Water Rights Program
(605) 773-3352

Note: The applicable portions of No. 6311-3 are incorporated into Water License No. 6435-3.

enclosures

6778A-3

4817-3
6300-3
6490-3

5647-3
6435-3
6727-3

Dewell, Amanda

From: Gronlund, Eric
Sent: Friday, March 15, 2024 3:45 PM
To: Dewell, Amanda
Subject: South Lincoln RWS

Follow Up Flag: Follow up
Flag Status: Flagged

When you have time:

Change the contact person for South Lincoln RWS's from Tom Rausch to John Stearns. John Stearns became the new manager of SLRWS on Jan. 29th with Mr. Rausch's retirement.