

STATE OF NEBRASKA

DEPARTMENT OF NATURAL RESOURCES

In the Matter of the Platte River)
Basin, the North Platte River)
Basin, the South Platte River)
Basin, the Republican River) ORDER DECLARING FORMAL MORATORIUMS
Basin, the White River Basin,)
and the Hat Creek River Basin.)

This matter came on for consideration before the Director of the Department of Natural Resources in part because of the provisions of Section 53, subsection (4) of LB962 (2004 Nebraska Legislature) and in part because of the need to formalize actions previously taken by the Department relative to the issuance of additional appropriations in several river basins in the state. The Director FINDS:

1. On February 27, 1979, by a memorandum to staff, the Director of the Department of Water Resources (now the Department of Natural Resources) ordered staff to deny all applications for natural flow for consumptive purposes in the Lodgepole Creek basin. The memorandum states the action was taken because the Director did not believe the public interest was served by continued issuance of permits for natural flow and that the moratorium would avoid the additional State costs from the added administration and cancellation of permits in the future. Documents in the Department's records indicate that storage and storage use appropriations could still be considered and approved. Such action was to take effect immediately and remain in effect until further notice. Lodgepole Creek is a tributary to the South Platte River.
2. On December 13, 1979, the same Director of the Department of Water Resources issued another memorandum to staff directing them to deny all applications for the direct use of natural flow from Pumpkinseed Creek and tributaries for irrigation purposes. The memorandum states that applications for storage and applications to use stored water for irrigation purposes could be processed. The reason given for this action was public interest and that it would avoid additional state costs from added administration and cancellation work in future years. Pumpkinseed Creek is a tributary to the North Platte River.
3. On November 30, 1990, the Department declared a formal moratorium on the Niobrara River from the Nebraska-Wyoming state line downstream to the headgate of the Mirage Flats Canal. The moratorium included all applications to use natural flow for irrigation, storage, and other beneficial uses. The Order states that the Department shall not approve any applications for permits for new water appropriations on this stream reach while the moratorium remains in effect, and any interested person may petition the Department to reconsider the moratorium designation.

4. Through actions taken since approximately 1993, the Department of Natural Resources has effectively maintained other informal moratoriums through its discussions with possible applicants and through its orders regarding applications filed. The actions taken and the Department's policy have been as follows:
 - a. North Platte River and tributaries above Lake McConaughy. The Department has denied applications on the basis of a preliminary determination that there is insufficient unappropriated water. Applicants were given an opportunity to request a hearing to prove that unappropriated water was available. The basis for this preliminary determination was that in most years Lake McConaughy has not filled. This determination resulted in additional restrictions in the Pumpkinseed Creek area.
 - b. South Platte River and tributaries, North Platte River and tributaries below Lake McConaughy and Platte River and tributaries above Cozad Canal. The Department has denied applications that would reduce natural flow during the irrigation season on the basis of a preliminary determination that there is insufficient unappropriated water during the irrigation season. Applicants were given an opportunity to request a hearing to prove that unappropriated water was available. The basis for the preliminary determination was the fact that in most years the Department has closed appropriations that were junior to a 1927 water right for Thirty Mile Canal, and in many years for a 1894 water right for Cozad Canal.
 - c. Platte River and tributaries above the mouth of the Loup River. The Department has denied applications that would reduce the natural flow for the instream water appropriations that have a 1993 water right on the preliminary determination that there is insufficient unappropriated water for these water rights that have 1990 or 1993 priority dates. Applicants were given an opportunity to request a hearing to prove that unappropriated water was available.
 - d. White River Basin and Hat Creek Basins. Again, the Department has denied applications that would reduce the natural flow of the stream. The Department's preliminary determination was based on the total lack of flow existing in most locations of these basins and the number of old water rights that do not receive the full allotment allowed under their appropriations. Applicants were given opportunity to request a hearing to prove that unappropriated water was available.
5. No applications for permanent water rights in the Republican River Basin have been filed or granted since 1994. In discussions with possible applicants since then, Department staff discussed the need for showing the availability of unappropriated water. On May 19, 2003, the United States Supreme Court approved a final settlement

stipulation with Kansas and Colorado regarding the Republican River Compact. While that settlement does not specifically require that the Republican River Basin be made subject to a formal moratorium on the issuance of such rights, such a moratorium is consistent with that settlement and with Nebraska's required compliance with that Compact.

It is therefore CONCLUDED that it is in the public interest to declare an official moratorium on the issuance of new surface water appropriations for all of those areas described above for which the Department previously has not formally declared such a moratorium, that is the areas described in paragraphs Nos. 1, 2, 4 and 5 above. The Nebraska Constitution, Article XV, Section 6 states, "The right to divert unappropriated waters of every natural stream for beneficial use shall never be denied except when such denial is demanded by the public interest." By declaring the official moratorium the public is well served by notice of such intentions and requirements. Further, the public would not be well served by the continuance of granting permits where sufficient water is not available. This action would result in "paper water rights" that would cause additional costs to the taxpayer because of the costs of processing such applications, the costs of administering such applications, and the costs of canceling such appropriations in the future. However, there may be certain situations where the public interest would be served by allowing new water rights, and because of the type of project and/or its operation, if an applicant can show that unappropriated water is available. A process for allowing such action should be authorized.

It is therefore ORDERED that:

1. A moratorium on all new surface water appropriations is hereby declared for the following basins or subbasins in Nebraska:
 - a. The Republican River Basin, including all subbasins
 - b. The North Platte River Basin including all subbasins
 - c. The South Platte River Basin including all subbasins
 - d. The Platte River Basin above the mouth of the Loup River including all subbasins
 - e. The White River Basin including all subbasins
 - f. The Hat Creek Basin including all subbasins
2. Interested persons may petition the Department to reconsider the moratorium designation as it relates to a specific project. The petition for reconsideration must clearly state the basis for such request. For sufficient cause shown, the Director may re-examine the action imposed by this Order at any time.

DEPARTMENT OF NATURAL RESOURCES

July 14, 2004

Roger K. Patterson, Director