

CHAPTER 1:

Agency Overview

The Nebraska Department of Environment and Energy (NDEE) marked its 50th year as a state agency in 2021. The agency was originally created with the passage of the Environmental Protection Act in 1971. At that time, the agency was named the Nebraska Department of Environmental Control; it later became the Nebraska Department of Environmental Quality in 1992. With the 2019 merger of the Nebraska Energy Office, the agency became the Nebraska Department of Environment and Energy to better reflect its new focus.

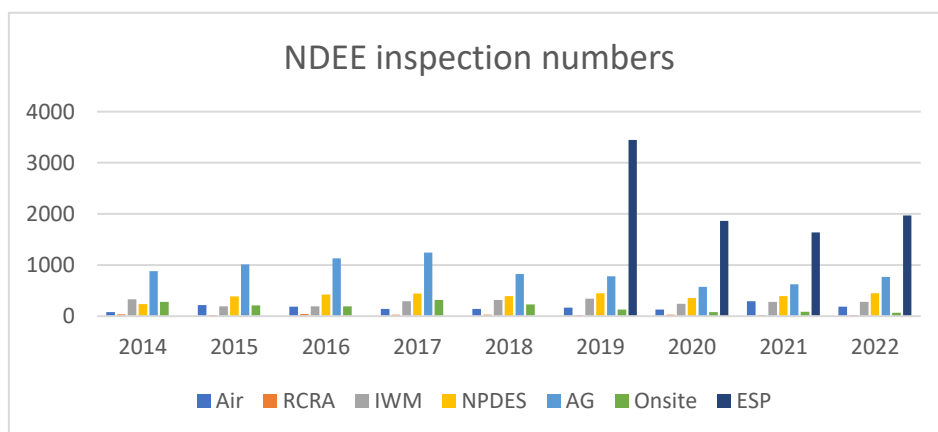
The 2021 Nebraska Legislature passed a bill transferring several EPA state-delegated environmental health programs from the Department of Health and Human Services (DHHS) to the Nebraska Department of Environment and Energy. On July 1, 2021, over 40 DHHS teammates officially became part of NDEE's team.

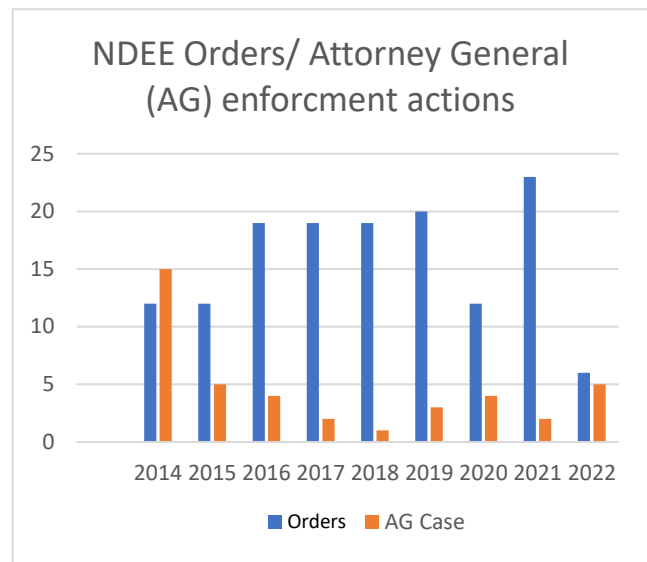
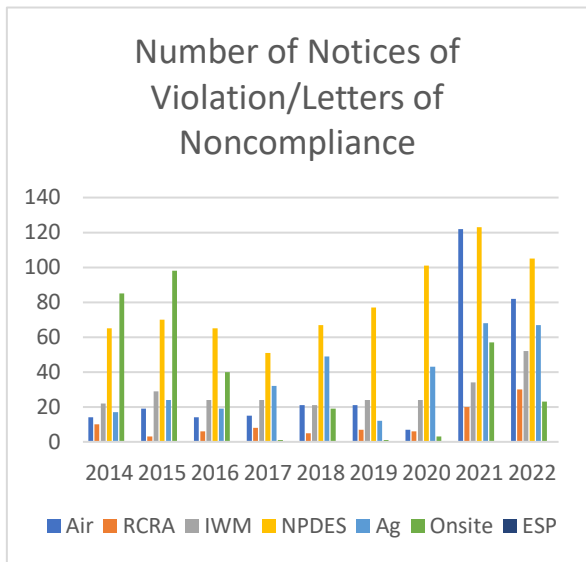
Compliance Accomplishments Since 2014

NDEE is tasked with protecting and improving human health, the environment, and energy resources. The Department is privileged to work with many Nebraskans who are consciences stewards of the land. Through this collaboration and the Department's regulatory oversight, NDEE strives to preserve air, land, water, and energy resources both now and for future generations.

With this approach, NDEE has maintained a 92-percent voluntary compliance rate among its inspected facilities since 2014. During that time, the department conducted more than 26,000 inspections and issued 2,046 letters of noncompliance. Of the facilities that received a letter of noncompliance, 91 percent voluntarily returned to compliance under NDEE's guidance.

The department prioritizes working alongside Nebraskans from a place of goodwill and trust to achieve compliance with rules and regulations that are protective of the environment, but NDEE does have the tools to pursue formal enforcement if necessary. The department has only needed to pursue formal enforcement 183 times since 2014; only 1 percent of all department inspections result in formal enforcement proceedings. The following graphs offer a depiction of the department's inspections performed, letters of noncompliance issued, and formal enforcement proceedings pursued.





RCRA = Resources Conservation Recovery Act; IWM = Integrated Waste Management; NPDES = National Pollutant Discharge Elimination System; Ag = Agriculture; Onsite = Onsite Waste Management; ESP = Environmental Safety Program

This report focuses on activities occurring in state fiscal year 2022 (July 1, 2021, to June 30, 2022). During FY2022 NDEE was authorized for a staffing level of 270 full-time employees.

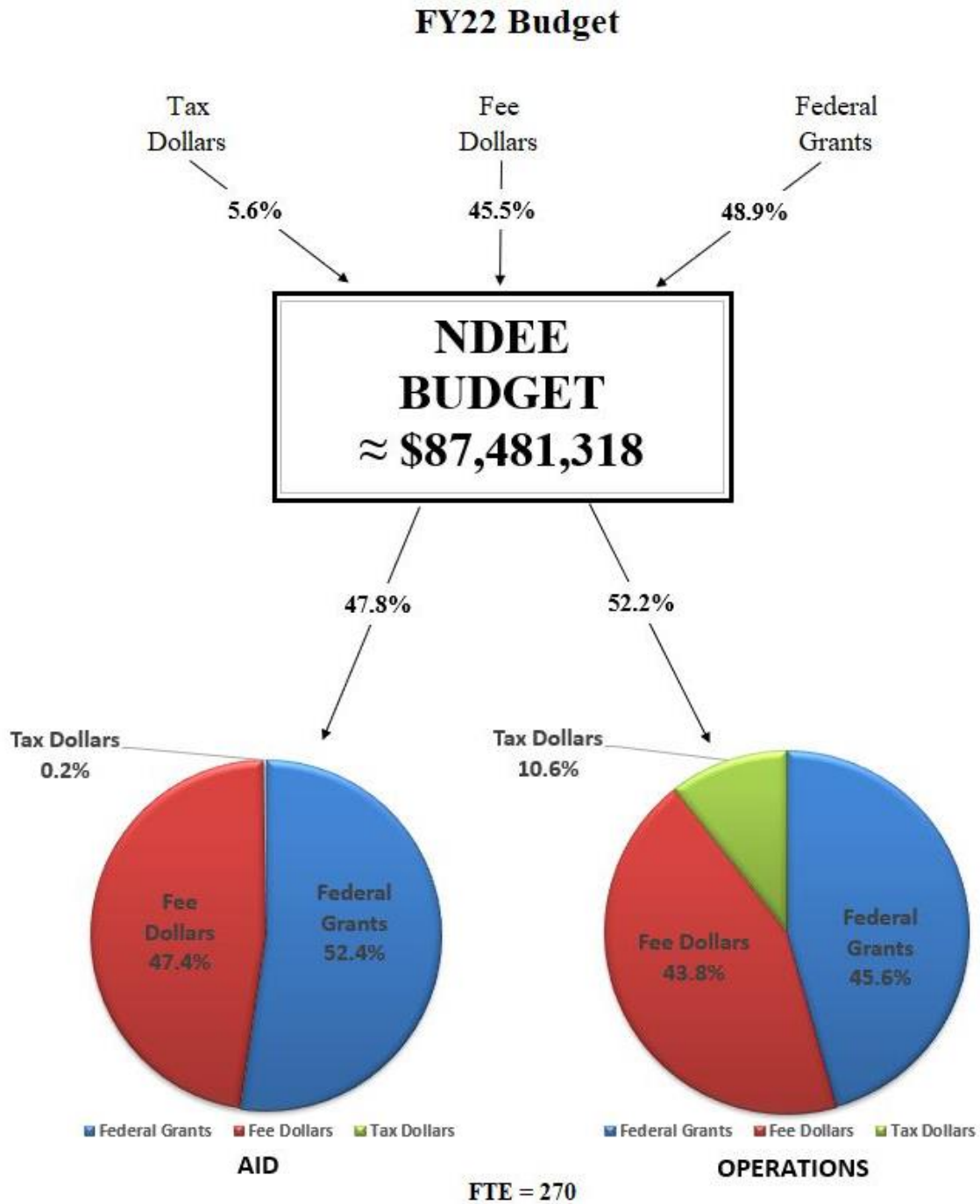
Department Budget

The NDEE has an FY2022 annual budget of approximately \$87 million. This includes money from federal grants, state taxes, and fees.

The table on below shows a breakdown of NDEE funds. The columns listed as aid represent the agency’s budget redistributed to other agencies, organizations, and individuals as grants and loans. The columns listed as operations represent amounts used for agency operation and contracts for such things as investigations and cleanups.

Funding Type	Operations: \$ Amount	Percent of Operations Budget	Aid: \$ Amount	Percent of Aid Budget
Federal Funds (Grants)	\$20.8 million	45.6%	\$21.9 million	52.4%
State General Funds (Tax \$)	\$4.8 million	10.6%	\$0.1 million	0.2%
Cash Funds (Fees)	\$20.0 million	43.8%	\$19.80 million	47.4%
Total	\$45.6 million		\$41.8 million	

The following graphic depicts NDEE’s FY2022 budget by funding source and percent expended by fund type and activity (aid or operations).

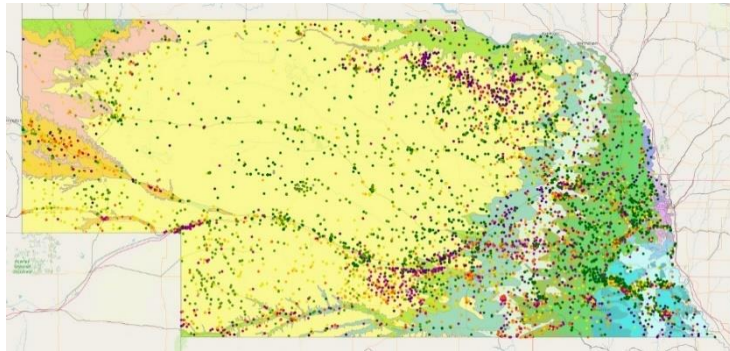


Significant Topics in 2022

The following are some of the significant topics, challenges, and accomplishments that NDEE addressed in FY2022:

Groundwater Clearinghouse

NDEE launched the groundwater clearinghouse in July 2021. With the launch of this website, groundwater information in the state is now easily accessible to the public. It serves as a valuable resource for Nebraska residents making decisions about well placement and water quality.



The website shows a map of Nebraska water wells and features various layers, including a map of the High Plains Aquifer and soil data.

The database has over 1.6 million sample results and is believed to be the largest collection of nitrate groundwater data in the nation with over 200,000 results from 34,000 wells.

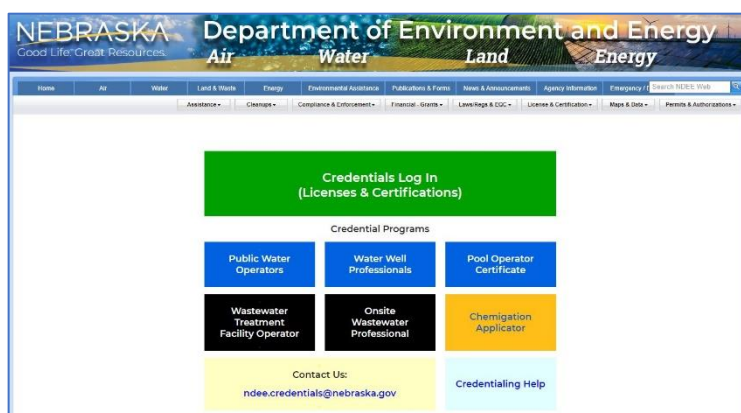
The clearinghouse is a diverse resource that allows users to view nitrate levels over time, see information about the well, and access well registration information on the Nebraska Department of Natural Resources website.

Most of the groundwater quality data used in the database comes from the state's 23 Natural Resources Districts (NRDs), who have been collecting data since the 1970s.

Work on the project started in 2017, with funding from U.S. Environmental Protection Agency grants. To create this application, NDEE worked with the Groundwater Protection Council (GWPC), a national nonprofit organization whose members are the state agencies that protect and regulate groundwater resources. The app uses open-source code that can be adopted by other organizations interested in sharing groundwater data.

Credentialing Portal

In June 2022, NDEE launched a new online credentialing portal for several professional licenses and certifications. This online service streamlines the application and certification process for water professionals throughout the state.



In Nebraska, public water operators, water well professionals, pool operators, wastewater treatment facility operators and onsite installers are required to have a license, obtain continuing education (CE) credits, and renew their license every two years.

The credentialing portal allows these water professionals to apply for and maintain their licenses online. Users can create an account to view exam dates and training course availability and sign up for training and exams. Users can also use a credit card to pay for their books, exams, license renewals and their credentials through the portal.

In addition, the portal makes tracking CE credits easier. Users can log in to review their current credits and add new ones. They can also update their personal information. These added credits and information changes are processed the same day thanks to the portal's automation.

Previously, the application and renewal processes were paper-driven. Licensed professionals had to submit exam applications, CE credits, payments, and personal information changes by mail. This paper process took 3-5 days to complete, and professionals needed to contact NDEE to review or manage their CE credits.

The credentialing portal provides live feedback regarding application review, and users may view and print their certificate from home. As the agency transitions to this new online process, the paper process will be phased out over the next few years.

The online portal saves NDEE-certified professionals several steps when maintaining their licenses, making it easier to access their information and know what is required of them so they can do their jobs protecting Nebraskans' health and water resources.

Passage of LB 1102

The Nebraska Department of Environment and Energy worked collaboratively with the 2022 Nebraska Legislature on the passage of LB 1102. LB 1102, introduced by Senator Bruce Bostelman, added new enforcement tools to improve protection of Nebraska's environment. LB 1102 created the Nebraska Environmental Response Act, which gives the NDEE director authority to issue orders to initiate cleanup at contaminated sites, to assess cleanup costs, and to pursue cost recovery for cleanup costs against a responsible party who fails or refuses to comply with the director's cleanup order. It also created an Environmental Response Cash Fund seeded by \$300 thousand dollars in General Funds to initiate cleanups in circumstances when responsible parties refuse to act. Additionally, the bill amended the Nebraska Environmental Protection Act to authorize the director to issue cease and desist orders to stop practices that violate the law and pose a substantial risk of harm to the environment.

In testimony at the hearing, NDEE Director Jim Macy commented that LB 1102 provides NDEE another tool to enforce cleanup initiatives that are protective of the environment. "We've always had authority to act, and we've always had great tools in the toolbox to act, but we're an agency that always looks for better ways to more effectively and efficiently provide more focused state government for the protection of the environment," Macy said of the bill.

Strategic planning

Agency leadership started strategic planning efforts in August 2019 to update NDEE's vision and mission statements and provide the agency a compass for the next one to five years. The idea germinated in 2015 after Director Jim Macy joined the agency as a more intentional way for NDEE to operate.

The department's vision and mission statement are as follows:

Vision: Everyone living, working, and enjoying a healthy Nebraska environment.

Mission: To protect and improve human health, the environment, and energy resources. We will accomplish this through assessing, assisting, inspecting, educating, enforcing, funding, monitoring, permitting, and restoring.

Core Values

- **Integrity:** Honest, accountable, consistent
- **Excellence:** Customer focused; commitment to quality
- **Teamwork:** Working together towards a common goal
- **Innovation:** Open to new ideas and continuous improvement
- **Communication:** Sharing information; respectful; active listening

Strategic Focuses

Focus 1: Personnel

Assess, develop, and implement personnel programs that support professional development, succession planning, training, and talent management.

Focus 2: Equipment

Identify new requirements and maintain current equipment to increase effectiveness, efficiencies, and utilization.

Focus 3: Funding

Identify and pursue the best funding options to ensure stability.

Focus 4: Innovation

Find creative and thoughtful approaches to fulfill our mission and support measurable improvements.

Focus 5: New Requirements

Develop and implement a consistent process to identify, assess, and prioritize new programs and requirements which supports our vision of a healthy environment.

Focus 6: Change

Improve individual and organizational resilience to change by developing enhanced methods of awareness, adaptiveness, and proactiveness.

Focus 7: Communication

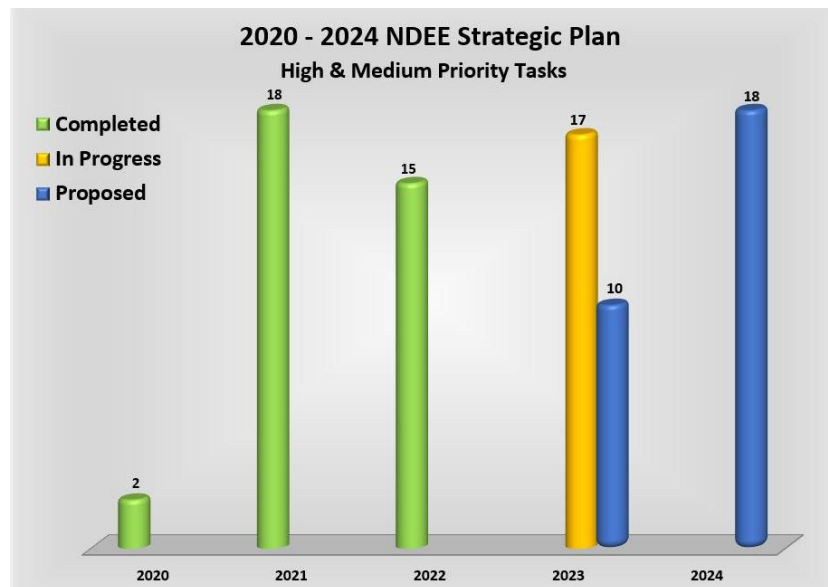
Establish a comprehensive internal and external communication plan which is intentional and proactive.

Strategic planning affects both internal and external components of NDEE functions. Internally, it addresses areas in need of improvement and helps teammates work more efficiently. It also allows teammates and team leaders to focus on the future and process improvement in addition to day-to-day tasks. On an external level, it enables NDEE to take a more proactive approach to serving Nebraskans' needs by planning and allocating resources as needed.

Highlights of 2021 and 2022 Strategic Plan accomplishments include:

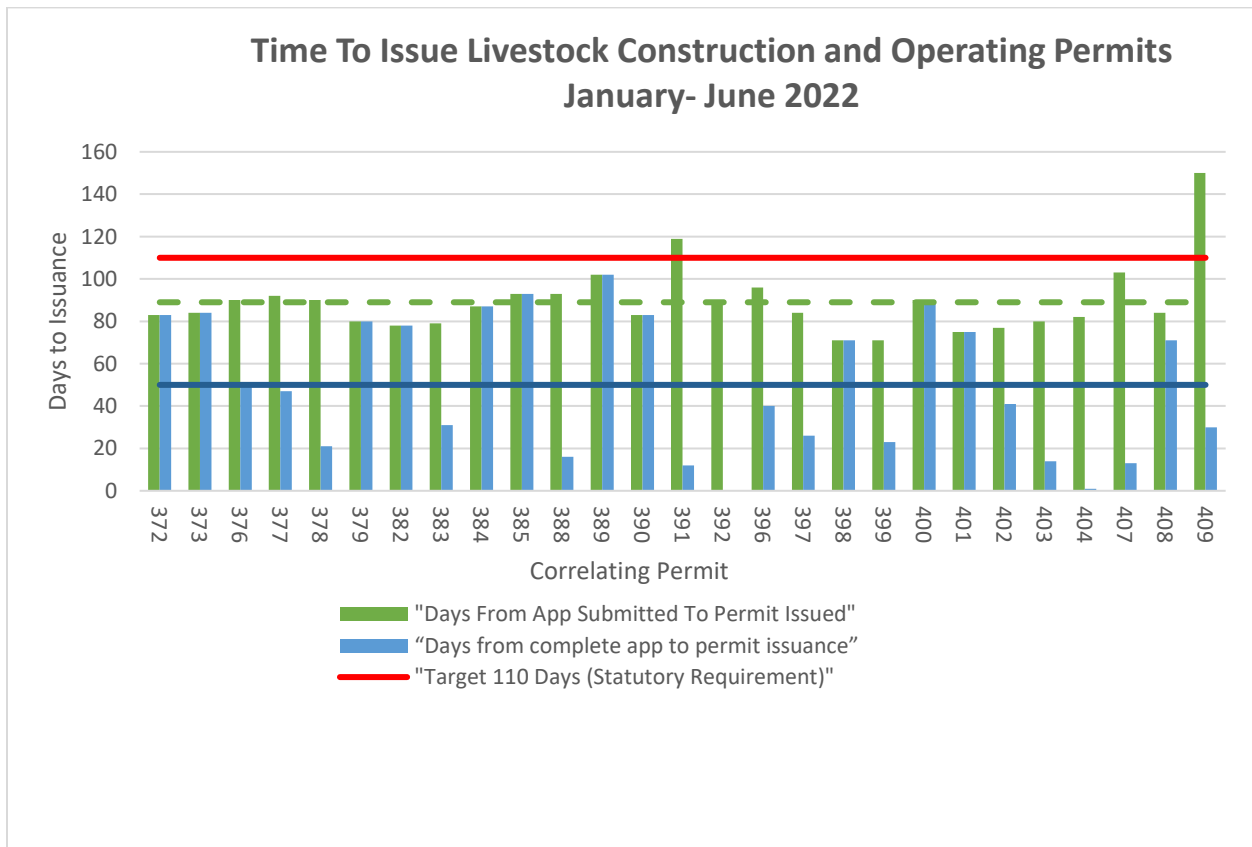
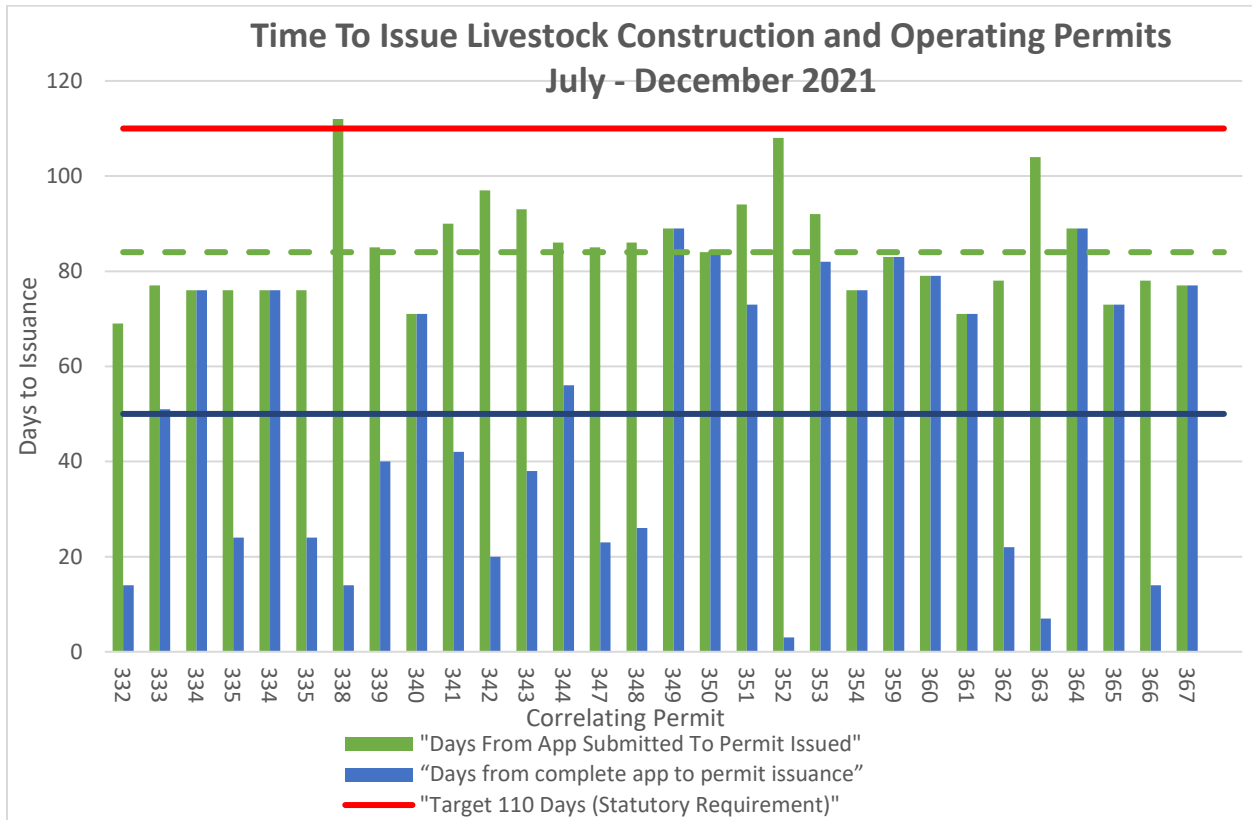
- Staff training and succession planning – Personnel expenses are the largest expenditure made by NDEE. The Department understands an effective leader can leverage the dollars spent on people into astounding results. This requires an investment into the leaders themselves. Last year 11 team members were enrolled in the DAS Leadership Cohort with the intent of developing the next level of the Department's leadership.
- Secure funding for the Clean Water Act 404 Program - LB809 passed which gave the EQC authority to establish fees sufficient to cover the direct and indirect costs of the program. The Department's leadership has calculated several fee scenarios and will provide this information to EQC at the appropriate time.

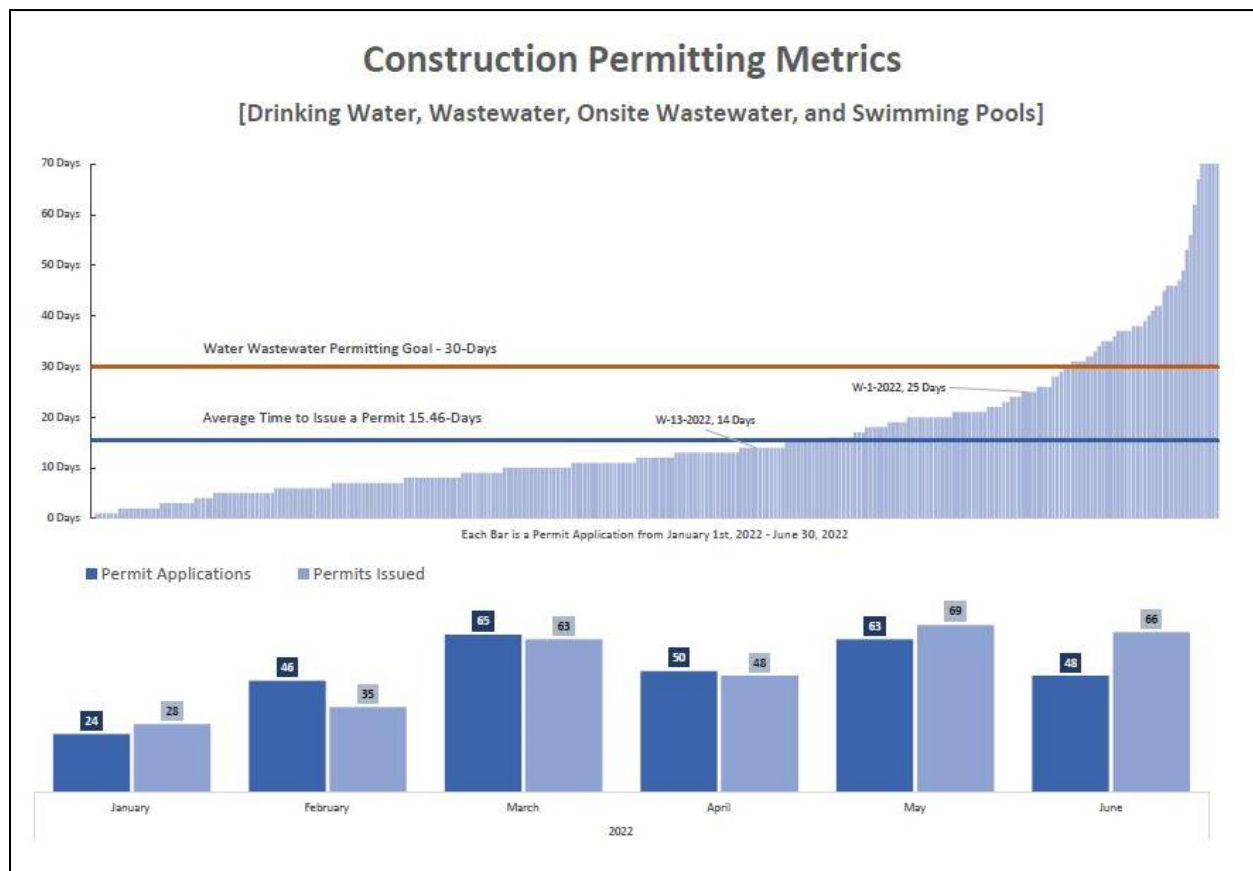
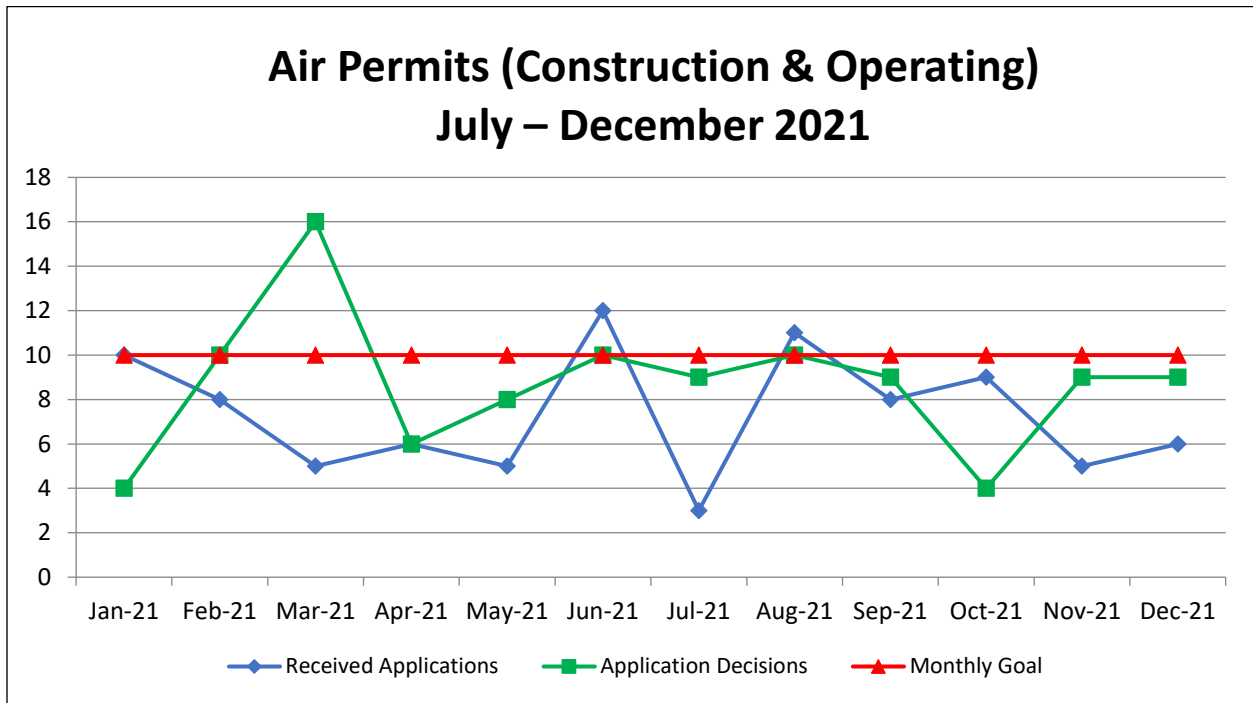
Following the strategic year 2020, the NDEE Executive team opted for a 5-year strategic plan instead of creating single year plans. The 5-year plan began on October 1, 2019 and will expire September 30, 2024. Progress is reviewed quarterly by the Executive team. A chart showing the progress of the plan is below.

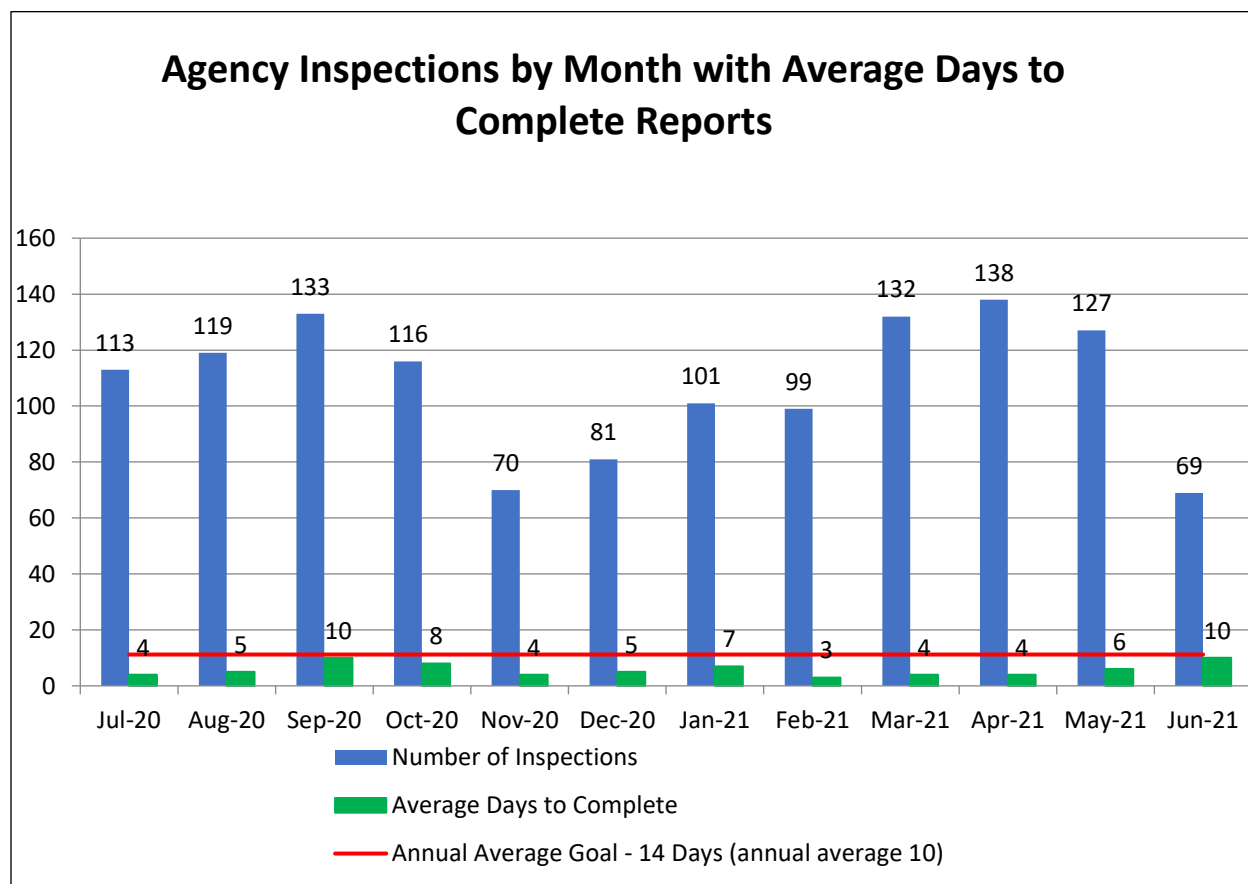


Agency Annual Statistics

The following charts show statistics from state fiscal year 2022 (July 1, 2021 to June 30, 2022) related to State Livestock Construction and Operating Permits, Air Construction and Operating Permits and Agency Inspections. This information is updated monthly and can be found on the agency website <http://dee.ne.gov> by selecting the [Monthly Metrics](#) link.







2022 Legislative Summary

The Nebraska Legislature enacted three legislative bills in 2022 that had direct impact on NDEE.

LB 809: This legislation contains provisions of four bills. As introduced, LB 809 amended the Drinking Water State Revolving Fund to allow the fund to buy or refinance debt obligation if the debt was incurred and construction began after July 1, 1993; and give the department the authority to (1) provide grants, in addition to loan forgiveness for up to 75% of the eligible project cost; (2) enter into agreements to provide grants and loan forgiveness, for up to 75% of eligible project cost, concurrent with loans to public water systems for lead service line replacement projects in accordance with all federal regulatory and statutory provisions; and (3) provide loan forgiveness, in addition to grants to municipalities of 10,000 or less population and may authorize grants of up to 75% of eligible project cost. Provisions of LBs 924, 978 and 803 were also amended into the bill. LB 924 amended the Waste Reduction and Recycling Incentive Act to allow cities of the first class to be eligible to participate in grants for the deconstruction of abandoned buildings. LB 978 amended the Nebraska Environmental Protection Act to provide additional authorities and take the next steps for the State to administer the federal dredge and fill permit program (CWA Section 404 permit program). LB 803 redefines immediate family for purposes of obtaining limited permits for deer, antelope, wild turkey, or elk.

LB 1014e: This bill appropriated State of Nebraska funds received as a result of federal American Rescue Plan Act of 2021. Specifically, the Department was allocated funds to provide grants for three purposes: 1) \$4 million as aid for reverse osmosis treatment systems to remove nitrates from drinking water for small community water systems and property owners with private drinking water wells; 2) \$20 million for wastewater and drainage system updates at the Nebraska state fairgrounds; and 3) \$6 million to provide grant assistance for rural public water systems that supply drinking water to at least four communities that receive drinking water from a surface water source.

LB 1102: Creates the Nebraska Environmental Response Act and establishes a fund to clean up contaminated sites where a responsible party fails or refuses to act. The Legislature appropriated \$300 thousand in general funds to seed the Nebraska Environmental Response Cash Fund. The Act gives the director additional authority to issue orders to undertake a cleanup of a release, and to assess costs of cleanup and pursue cost recovery for cleanup costs and administrative penalties in situations where the state steps in to remediate. The bill establishes an environmental lien which may be placed on the property owned by a responsible party and subject to the cleanup to aid the state in recovering its remediation costs. LB 1102 also amends the Nebraska Environmental Protection Act to (1) authorize the director to issue cease and desist orders that take effect immediately to stop an act or practice that presents substantial harm to the environment or to take action to come into compliance with environmental laws; and 2) to better align the State's authority consistent with the federal government's authority under the Resource Conservation and Recovery Act (RCRA) 7003.