

CHAPTER 1:

Agency Overview

The Nebraska Department of Environmental Quality (NDEQ) was originally created with the passage of the Environmental Protection Act in 1971. At that time, the agency was called the Nebraska Department of Environmental Control, and became NDEQ in 1992.

With the enactment of LB 302 on July 1, 2019, NDEQ and the Nebraska Energy Office merged into the Nebraska Department of Environment and Energy. Our mission is to protect and improve human health, the environment and energy resources. Our vision is everyone living, working and enjoying a healthy Nebraska environment. Because this report primarily focuses on activities that occurred in state fiscal year 2019 (July 1, 2018 to June 30, 2019), we will refer to the department as NDEQ through most of the report.

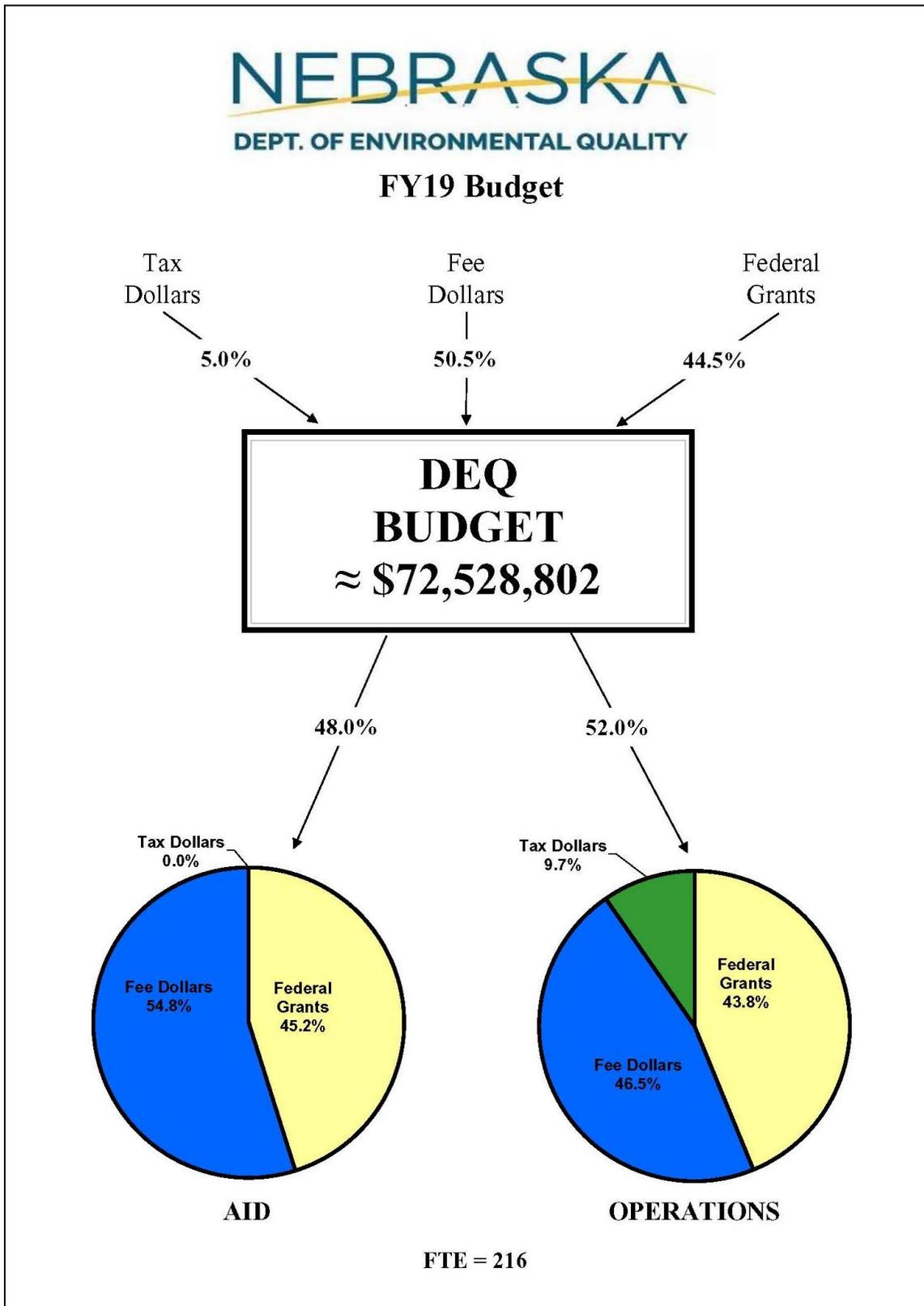
During FY2019, NDEQ was authorized for a staffing level of 216 full-time employees. Sixteen additional full-time positions were added to the agency following the merger of NDEQ and the Nebraska Energy Office. Through a memorandum of agreement with the Nebraska Department of Health and Human Services to improve coordination and Safe Drinking Water Act and Clean Water Act programs, NDEQ also has 43 DHHS employees co-located in the agency.

The NDEQ has a FY19 annual budget of approximately \$72.5 million. This includes money from federal grants, state taxes and fees. Of that amount, \$34.7 million is redistributed to other agencies, organizations and individuals in the form of aid (grants and loans).

The table below shows a breakdown of NDEQ funds. The columns listed as aid represent the agency's budget redistributed to other entities 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)	\$16.5 million	43.81%	\$15.7 million	45.15%
State General Funds (Tax \$)	\$3.7 million	9.68%	\$0 million	0.00%
Cash Funds (Fees)	\$17.6 million	46.51%	\$19.0 million	54.85%
Total	\$37.8 million		\$34.7 million	

The following graphic depicts NDEQ's FY19 budget by funding source and percent anticipated to be expended by fund type and activity (aid or operations).

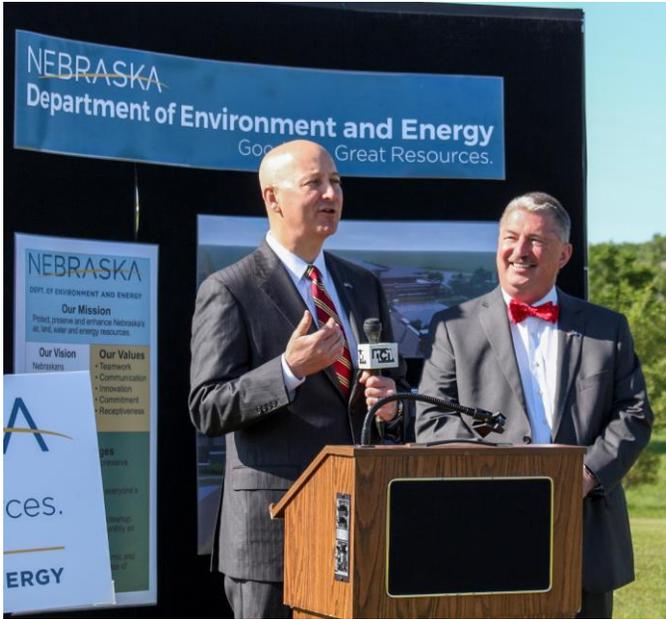


Significant Topics in 2019

The following are some of the significant topics, challenges and accomplishments that NDEE addressed in 2019:

NDEQ and NEO Merge into Nebraska Department of Environment and Energy

With the enactment of LB 302 on July 1, 2019, the Nebraska Department of Environmental Quality and the Nebraska Energy Office merged into the Nebraska Department of Environment and Energy.



Gov. Pete Ricketts and NDEE Director Jim Macy

In late June, Gov. Pete Ricketts met with NDEE officials and the media in a field in Fallbrook, next to the site where the agency's new offices will be located, to celebrate the merger of the two agencies.

“This merger will make state government services more efficient, effective, and customer-focused,” Gov. Ricketts said. “The two agencies have a number of related functions and similar goals, and their services to Nebraskans will be enhanced by combining their efforts. The newly consolidated agency will be able to take a longer-term, more strategic approach to helping grow Nebraska as we work to be a good steward of our natural resources and promote energy efficiency.”

NDEE Director Jim Macy explained the positive effects that will come from this merger.

“The two agencies have many common purposes, and we expect to see many positive benefits by combining and unifying our efforts,” Macy said. “Merging the two agencies will create greater depth in staffing and minimize duplication of jobs. It also improves the delivery of environmental and energy programs and policies statewide.”

The functions and programs of former Nebraska Energy Office are now carried out by NDEE's Energy and Assistance Division (EAD). The primary energy-related activities include conduct of the overall State Energy Program, administration of the Dollar and Energy Saving Loan Program, and administration of the federally-funded state Weatherization program. A comprehensive annual report on energy activities is required by statute and will be included in a separate report submitted to the Governor and the Clerk of the Legislature by February 15, 2020. The Nebraska Energy Office annual report for 2018 may be found at <http://neo.ne.gov/info/pubs/ar/pdf/NEOAnnualReport.pdf>.



Sketch of the front of the new building, to be located in the Fallbrook area of Lincoln

Construction of New Building Under Way

Work is progressing to move the department to a new location in the Fallbrook area of Lincoln. The new site will house all Lincoln employees in one location and will also have room for future expansion.

Currently, Lincoln staff and equipment are located in four buildings. The move will result in operational cost savings.

Although the date of the actual move is still to be determined, work is progressing well. The photo below from Oct. 12, 2019 shows how the work has progressed since the groundbreaking occurred.



NDEQ Flood Response

Soon after the flooding began in mid-March, NDEQ team members reported to the State Emergency Operation Center (SEOC) to staff Essential Support Function (ESF) 10. The Nebraska Energy Office also had team members working at ESF-12. Many staff from across the agency also volunteered to staff the public help line at the SEOC.



Back at the NDEQ offices, agency leadership organized an internal Incident Command System (ICS) to strategically respond to Nebraskans' needs. The department's focus areas were drinking water, wastewater, air and debris management. NDEQ also collaborated with Nebraska Energy Office staff to provide assistance regarding energy.

The Drinking Water Division partnered with the EPA to provide private well testing in eight communities. In all, 770 samples were received, with 203 testing positive for coliform and 68 testing positive for E. coli.

A total of 19 community and non-community public drinking water systems were forced offline because of the flood event. In response, the State Revolving Loan Fund (SRF) implemented new financing options for communities impacted by the flood. Language was drafted for the State Fiscal Year 2020 Intended Use Plan (IUP) that would allow the SRF to provide 0% interest bridge financing to communities awaiting to receive funding from the Federal Emergency Management Agency (FEMA) or Nebraska Emergency Management Agency (NEMA) for their wastewater and drinking water systems affected by flooding. The Environmental Quality Council (EQC) approved the IUP proposal and additional financing options and allowed the SRF to provide the bridge financing to communities starting July 1, 2019.

NDEQ provided technical assistance to communities whose drinking water systems were offline. The department also provided assistance to wastewater treatment facilities and livestock facilities that were damaged and/or discharging.



The Air Division worked with the State Fire Marshall's office, local fire departments and local emergency managers to modify burn permits for debris that could not be disposed of otherwise.

Waste/debris management, led by the Land Management Division, took place soon after the flood and continues months later. The most immediate need was animal carcass removal. NDEQ worked with the United States Department of Agriculture's Animal and Plant Health Inspection

Service (USDA-APHIS), to remove these carcasses when they were washed onto other residents' property. In all, more than 1,200 carcasses were collected.

NDEQ also worked with the EPA to identify, collect and dispose of orphaned containers of hazardous substances that had been washed away by flood waters. More than 2,000 containers were collected.



Through the ICS, Land Management

Division team members contacted each of the 84 affected by the flooding and met in person with emergency managers from 70 counties to see what was needed and how we could help. Because floodwaters have yet to completely recede, approximately 15 counties may find more debris in the future.

Along with providing disposal guidance for items damaged by the flood such as household appliances, construction/demolition waste, household hazardous waste, treated wood, damaged grain or hay and more, the agency also created guidance for those dealing with other forms of debris that are specific to flood disasters.

Floodwaters deposited large amounts of sand onto Nebraskans' properties and presented unique challenges. NDEQ found several potential options for landowners to remove this sand, including working it into soil or taking it to a landfill. Reuse options included erosion repair, landscaping, bedding at dairy operations, road repair and more. NDEQ also provided guidelines on how to apply to the U.S. Army Corps of Engineers to push the sand back into waterways.

Petroleum Remediation Completed in Lincoln's Haymarket

An important milestone has been reached in the cleanup and monitoring of the Lincoln Haymarket area, as the petroleum cleanup aspects at the site have now been completed.

The Haymarket area of downtown Lincoln has been a center of commerce since the 1870s. Several railroads have used that area since that time.

Light non-aqueous phase liquid (free product) was first discovered in 1986 in the West Haymarket area during subsurface exploration for a sanitary sewer line. The source of the release could have been from both underground and above ground tanks at the BNSF facility on the west edge of downtown Lincoln. NDEQ required remediation began in 1988 with recovery of free product from trench systems. Free product remediation continued through system expansion and modification until 2010 when over 11,000 gallons of diesel fuel had been recovered. At this point, the City of Lincoln voluntarily took over the remediation work to expedite property development.



Excavation using sheet piling to protect active rail line in background.

In 2011, as part of the West Haymarket Arena development, additional remediation of the site was completed through soil excavation. Over 15,000 cubic yards of contaminated soil were removed, and a large amount of free product was recovered within the soils excavated during this effort. Also as part of the arena project, additional investigation and remedial work (non-petroleum related) has been completed or is ongoing in this and adjacent areas.

Free product has occurred intermittently within and near the area where historical free product remediation was performed. After years of monitoring and product recovery with a vacuum truck, the spill file is now being closed.

The former railyard area now contains an arena, hotels, restaurants, shops, parking garages, and several other business facilities that have all been built in the last few years. The \$180 million arena has hosted numerous top name performers and other major events in addition to being the home for University of Nebraska basketball.



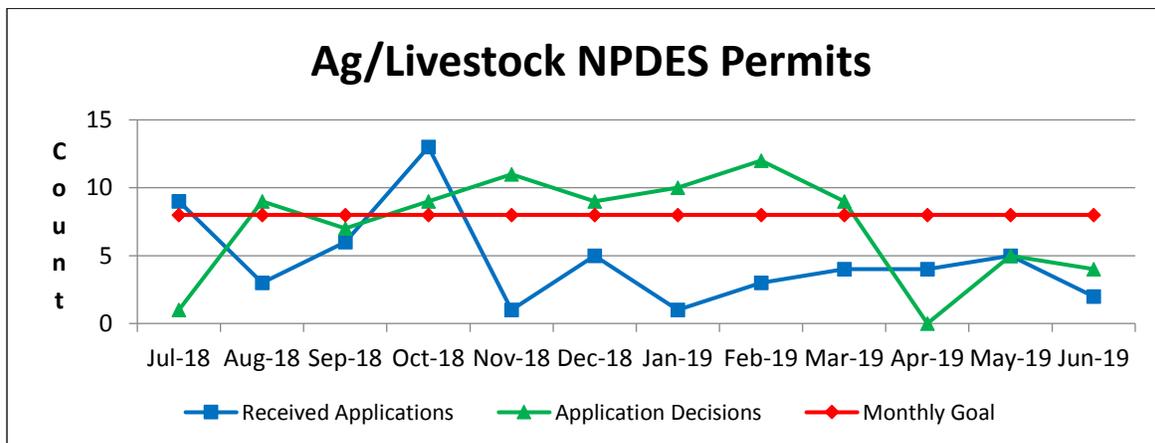
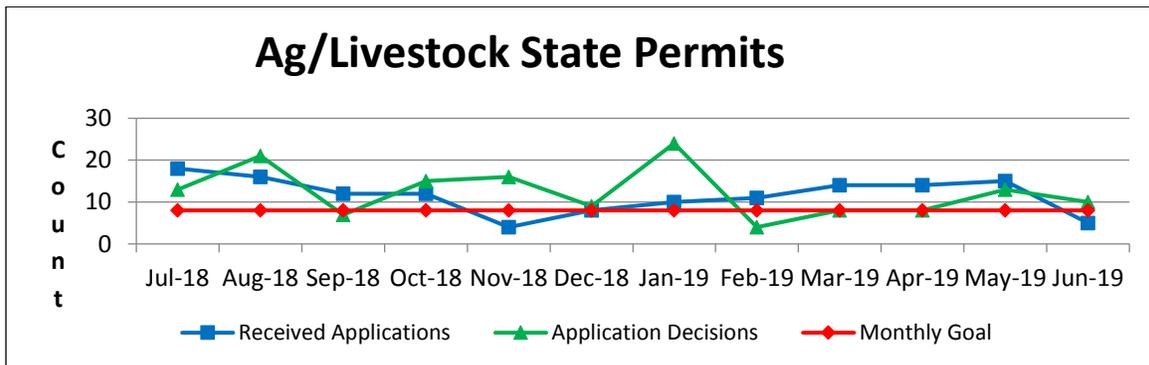
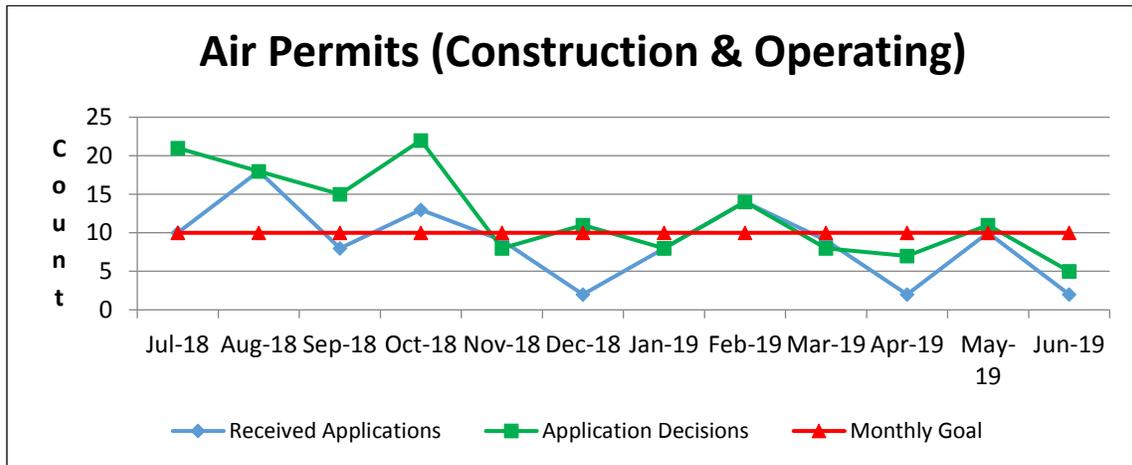
Pinnacle Bank Arena, September 2013

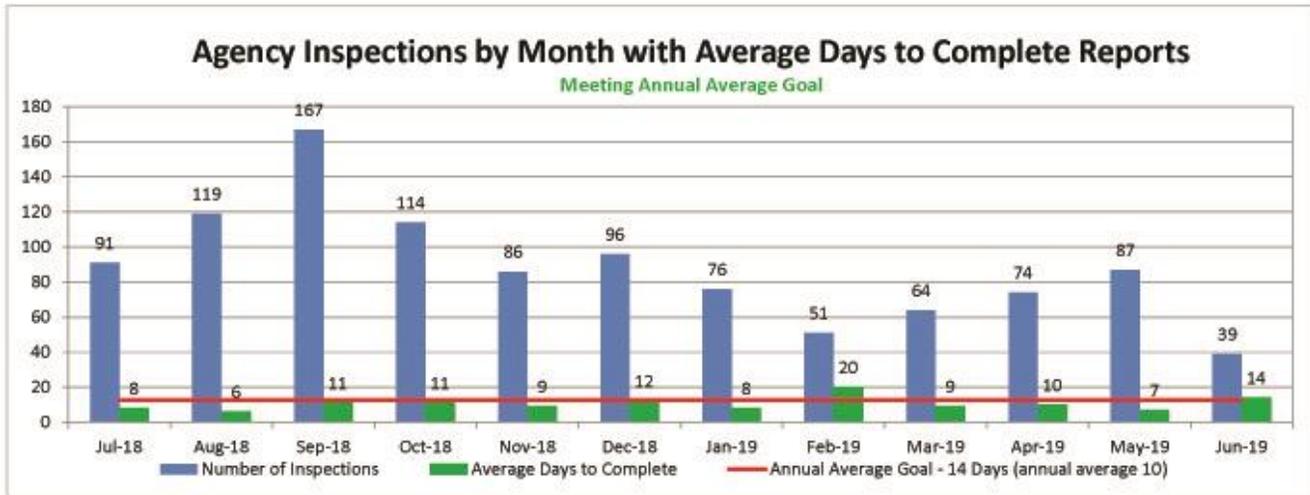


Arena and other development in Haymarket

Agency Annual Statistics

The following charts show statistics from state fiscal year 2019 (July 1, 2018 to June 30, 2019) related to Air Construction and Operating Permits, Ag/Livestock State 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.





2019 Legislative Summary

LB 302 – With the enactment of LB 302, on July 1, 2019, the Nebraska Department of Environmental Quality and the Nebraska Energy Office merged into the Nebraska Department of Environment and Energy. LB 302 transferred all statutory powers and duties, responsibilities and obligations, employees and assets of the State Energy Office to the combined department. The director of NDEQ becomes the director of the combined agency. The bill renamed respective cash funds but kept them segregated for their specific statutorily designated purposes.

The bill also authorizes the Department of Environment and Energy to develop a program, in accordance with rules and regulations, that may be adopted by the Environmental Quality Council to issue permits relating to the discharge of dredged or fill material into waters of the United States consistent with Section 404 of the federal Clean Water Act. The Section 404 program currently is administered jointly at the federal level by the U.S. Army Corps of Engineers and U.S. Environmental Protection Agency and may be delegated to states that have adopted approved programs.

Finally, the bill deleted the requirement for the Environmental Quality Council to adopt regulations to carry out the Plastic Container Coding Act.

LB 307 – This legislation authorized the director of the Department of Environment and Energy to transfer money between the Drinking Water Facilities Loan Fund and the Wastewater Treatment Facilities Construction Loan Fund. Proposed transfers between the funds are to be identified in the Intended Use Plan presented the Environmental Quality Council for annual review and adoption. LB 307 also changed the upper limits of loan terms under the Drinking Water State Revolving Fund Act to 40 years for systems serving disadvantaged communities and 30 years for all other communities. The final change updated a reference to the federal Safe Drinking Water Act as it existed, from May 22, 2001 to October 23, 2018.