

# CHAPTER 1:

## Agency Overview

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The Nebraska Department of Environment and Energy (NDEE) marked its 50<sup>th</sup> 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.

This report focuses on activities occurring in state fiscal year 2023 (July 1, 2022 to June 30, 2023). During FY2023 NDEE was authorized for a staffing level of 273 full-time employees.

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.

The NDEE has an FY2022-23 annual budget of approximately \$135 million. This includes money from federal grants, state taxes, and fees.

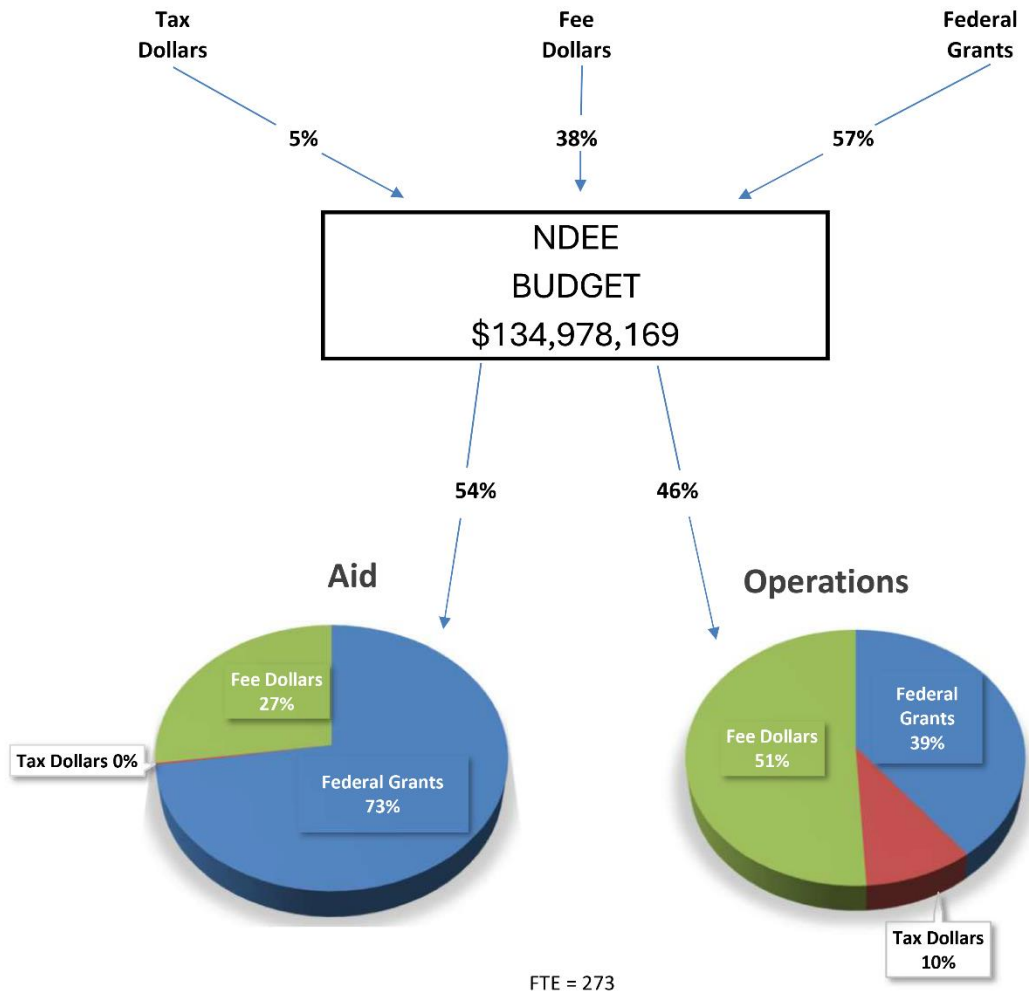
The table below shows a breakdown of NDEE funds. The columns listed as aid represent the agency’s budget redistributed to other agencies, organizations, and individuals as grants and loans. The columns listed as operations represent amounts used for agency operation and contracts for such things as investigations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

<b>Funding Type</b>	<b>Operations: \$ Amount</b>	<b>Percent of Operations Budget</b>	<b>Aid: \$ Amount</b>	<b>Percent of Aid Budget</b>
<b>Federal Funds (Grants)</b>	\$24.4 million	39.4%	\$53.1 million	72.6%
<b>State General Funds (Tax \$)</b>	\$5.9 million	9.7%	\$0.2 million	0.2%
<b>Cash Funds (Fees)</b>	\$31.5 million	50.9%	\$19.8 million	27.2%
<b>Total</b>	\$61.8 million		\$73.1 million	

The following graphic depicts NDEE's FY2022-23 budget by funding source and percent expended by fund type and activity (aid or operations).



**FY 22-23 Budget**



## Significant Topics in 2023

The following are some of the significant topics, challenges, and accomplishments that NDEE addressed in FY2023:

### State Revolving Fund Programs Cross \$1 Billion Threshold

In September of 2022, NDEE crossed the \$1 billion threshold for funds administered through the Clean Water and Drinking Water State Revolving Loan Fund programs, commonly referred to as the SRF programs.

NDEE's SRF programs provide below market interest loans, grants, and loan forgiveness to eligible Nebraska communities to help support the development of critical drinking water and wastewater infrastructure. The Clean Water SRF became active in 1988, while the Drinking Water SRF began in 1997.

"The SRF programs are a tremendously valuable and versatile tool for communities in our state to address critical infrastructure needs," NDEE Director Jim Macy said of the milestone. "NDEE is proud to administer these programs that can help provide Nebraska communities an avenue to develop facilities that ensure reliable access to safe drinking water or initiate water or wastewater projects that spur growth and create new development."

Eligible projects under the SRF programs can include water towers and wells, lift stations and lagoons, infrastructure expansions, and upgrades and improvements to both wastewater and drinking water treatment facilities among many others. Successful SRF projects can be observed in communities all across the state; some communities, like the City of Kearney for example, have relied on the SRF programs to facilitate completion of unique, diverse projects that have spanned multiple decades.

### NDEE Launches RO Rebate Program

In January of 2023, NDEE began its administration of \$1.2 million in American Rescue Plan Act (ARPA) funds through rebates for private well reverse osmosis systems. This undertaking is part of a larger \$4 million ARPA initiative administered by NDEE as authorized under LB 1014e Section 51.

Private well reverse osmosis system rebates were made available to property owners of private wells with drinking water test levels above 10 parts per million (ppm) of nitrate. Applicants were eligible for up to \$4,000 in rebates per small treatment installation. Eligible rebate costs included testing costs, purchase price of the system, and installation costs.

Through the end of State Fiscal Year 2023, NDEE signed 45 private well reverse osmosis agreements, totaling \$125,329 in obligated funds. Obligated funds are only dispersed following successful installation and demonstration of effective removal of nitrate to a level below 10 ppm.

The application period was initially set to conclude on March 31, 2023 before NDEE extended it. NDEE will continue to pursue applicants throughout State Fiscal Year 2024, and applications will continue to be accepted and reviewed for consideration on a month-to-month basis as long as funding for the program remains available.

Participation in the rebate program requires pre-approval from NDEE; the installation of any reverse osmosis small water treatment system cannot begin until a rebate agreement is signed between the private well owner and NDEE.

### **NDEE Releases Report on Nitrate and Drinking Water**

NDEE released a 2023 mid-year report on nitrate and water quality which included nitrate data on private drinking water along with an update regarding the agency's continued effort to protect Nebraskans and the state's drinking water supply. NDEE Director Jim Macy says the findings show that Nebraska's drinking water quality remains high and that Nebraska has the necessary tools to continue improving drinking water quality.

The report highlighted some of the following points:

- *1.65 million Nebraskans (over 85% of Nebraska's population) get their water from public water systems that are protected from nitrate and other pollutants under the Safe Drinking Water Act (SDWA). The SDWA requires nitrate levels in public drinking water be at or below 10 mg/l or be properly treated; 98% of public water systems in Nebraska are in full compliance with nitrate requirements.*
- *Private wells service 300,000 Nebraskans and are not covered by the SDWA. These well owners can be at risk for nitrate, but updated data reveals that the vast majority of private wells that have been tested are at or below the recommended safe nitrate standard.*
- *The state of Nebraska has \$1.2 million in grant money available for qualifying private well owners to install a reverse osmosis system that will help protect them from nitrate exposure through their drinking water.*

A copy of the report can be found here: <https://deq-iis.ne.gov/zs/publications/>

### **NDEE Receives Climate Pollution Reduction Grant**

The Nebraska Department of Environment and Energy (NDEE) received a \$3 million planning grant through the U.S. Environmental Protection Agency's Climate Pollution Reduction Grants (CPRG) Program funded through the Inflation Reduction Act. This program is awarding funds to cooperating state and local governments to develop and implement climate action plans to reduce greenhouse gas (GHG) emissions.

Through this award, NDEE will develop a Priority Climate Action Plan (PCAP) due by March 1, 2024, followed by a Comprehensive Climate Action Plan (CCAP) due in late summer of 2025 (within two years of the award date). The PCAP will identify high-priority, readily implemented actions to reduce GHG emissions, focusing on voluntary actions and financial incentives. The following CCAP is required to explore short-term and long-term GHG emission reduction measures across all sectors of the economy. Both plans will include participation from low-income and underserved communities and include analyses of benefits accruing to those communities along with other required elements. After NDEE submits the PCAP, state and local governmental bodies in Nebraska will be eligible to apply for competitive implementation grants to carry out actions consistent with Nebraska's plan.

Over the next two years, the Department will undertake extensive outreach to stakeholder groups and the public for ideas and comments. NDEE expects to invite stakeholders to join one or more sector-based workgroups to discuss potential GHG emission reduction measures and propose priority measures. The proposed workgroup list could include participants from agriculture, energy production, transportation, building and housing, and energy-intensive industries.

### **NDEE Online Records Reaches Milestone**

NDEE's Records Management team hit a milestone in FY2023: more than 1 million records have been made available through the agency's public records portal.

The Records Management Section oversees the vital work of ensuring NDEE's records are properly retained, organized, and readily available for both the agency and the public. The section also responds to public records requests.

NDEE was one of the first state agencies in Nebraska to use an electronic content management (ECM) system. This system also makes NDEE's records available through the public portal: <https://ecmp.nebraska.gov/PublicAccess/index.html?&MyQueryID=340>. Facilities that have documents with the agency are assigned a facility ID number that stays with that site throughout ownership changes. Using this ID, anyone can conduct a search and see all public documents related to a facility.

The public records portal first launched in May 2011. The Records Management Section continues to scan new incoming documents, as well as older documents, into the ECM system. In Fiscal Year 2023, the team entered more than 144,800 records.

In addition to the public portal, NDEE also has an Interactive Map Server. Anyone can search for a facility, or for facilities with specific types of records, and pull up documents related to a facility they find on the map.

This work supports the agency's programs so they can focus on permitting and inspecting facilities, providing financial aid to Nebraskans, and monitoring the remediation of contaminated sites in the state. It also provides a transparent way to keep the public informed about how NDEE administers programs and makes decisions.

### **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**

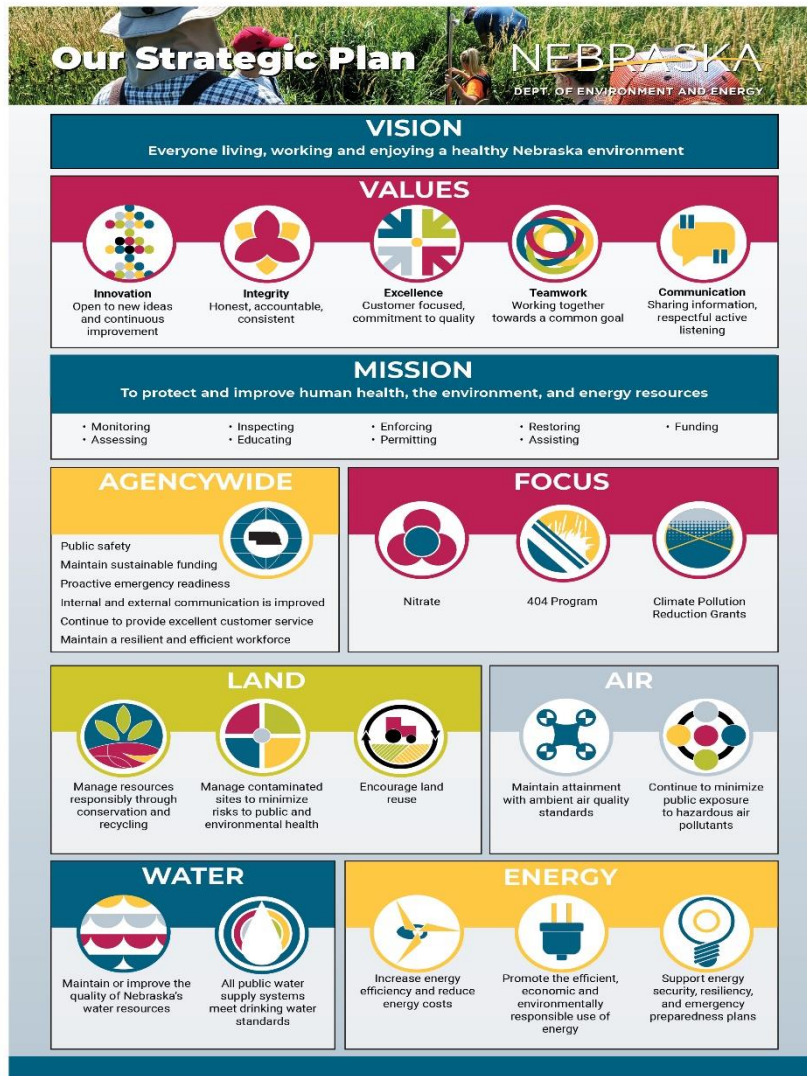
Establish a comprehensive internal and external communication plan which is intentional and proactive.

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.

Changes to the Strategic Plan:

In late 2022 efforts commenced to redesign the Strategic Plan into something agency teammates could more easily connect with to see how the meaningful work completed each day moves us towards a shared vision and reflects our mission and values. As a first step in the redesigning process Agency Leadership collaborated to clarify our Key Goals and Strategic Focus Areas the agency intends to work towards and focus efforts on.

To measure progress with the Key Goals and Focus Areas, a Systems Mapping approach has been initiated to assemble the agency’s current top processes and metrics we use to operate. The Systems Mapping approach is a Results-Driven approach to prioritize, connect, enable, and drive the execution of work in a way that ensures every resource is focused on the Key Goals and Focus Areas and has maximum authority to act. Systems Maps are in development for Agency-wide, each Division, and each section which identify the Primary/Core process areas and owner of each area; the Sub-Processes which work towards the Key Goals/Focus Areas; and the current metrics for each Sub-process.

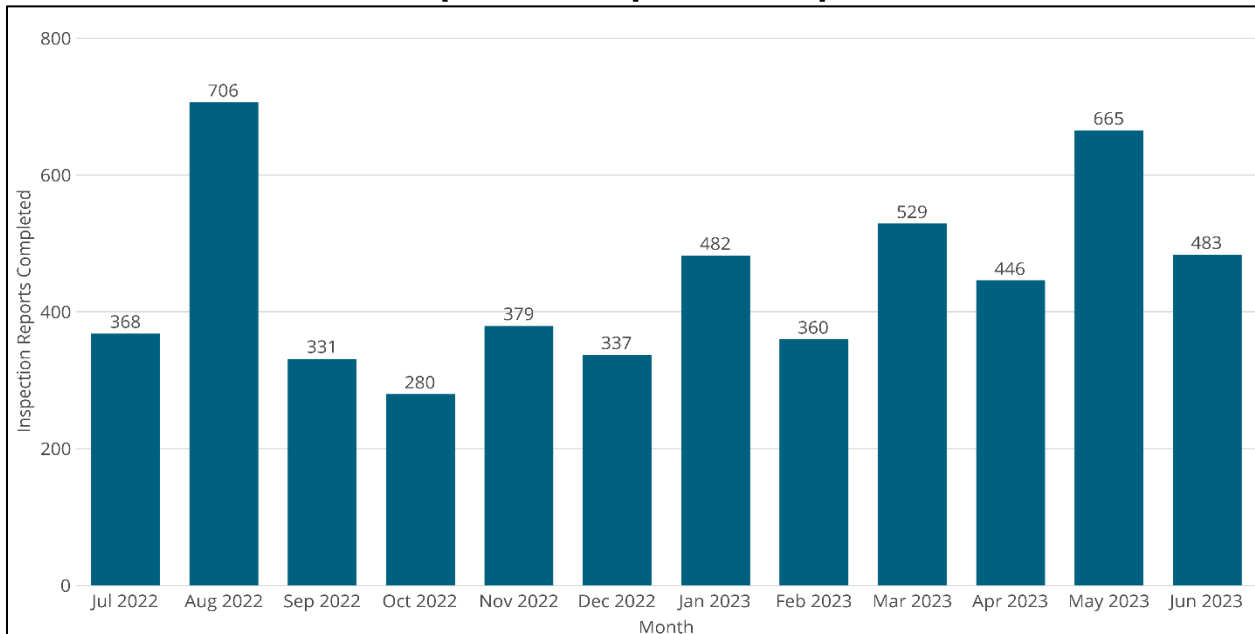


**Agency Annual Statistics**

The following charts show statistics from state fiscal year 2023 (July 1, 2022 to June 30, 2023) 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.

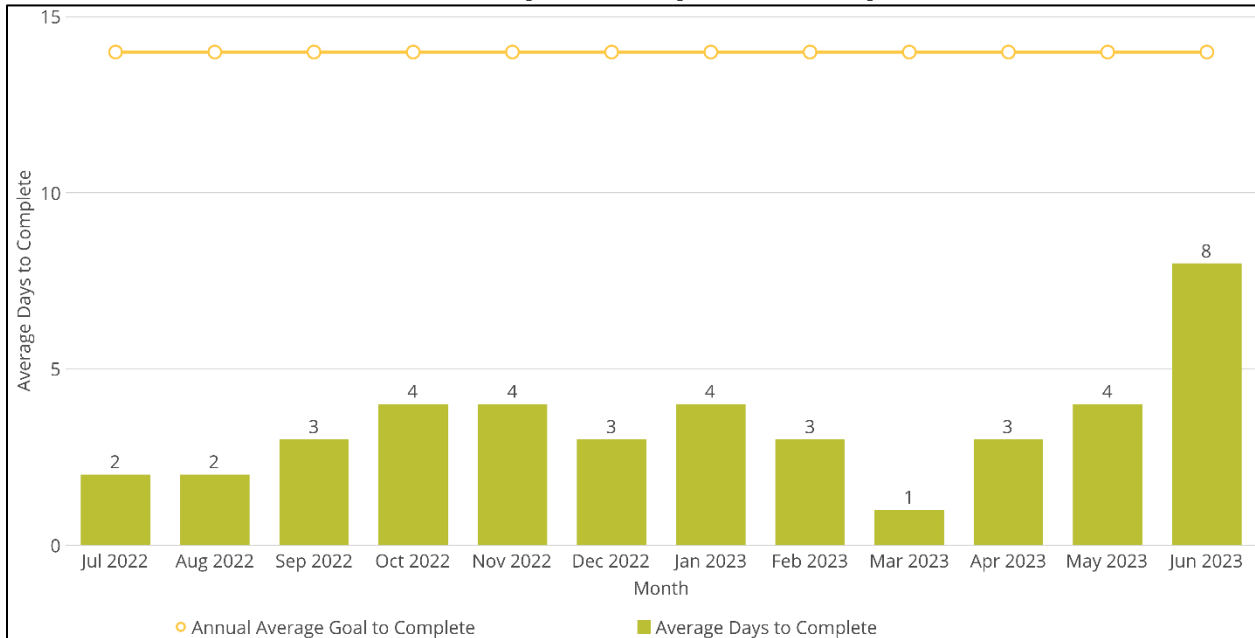


### Inspection Reports Completed



Inspectors completed all the fiscal year inspection goals set by EPA for delegated enforcement programs, while also undertaking additional inspections and complaint investigations. The jump in August inspections is primarily due to inspections of outdoor pools by our environmental health inspectors.

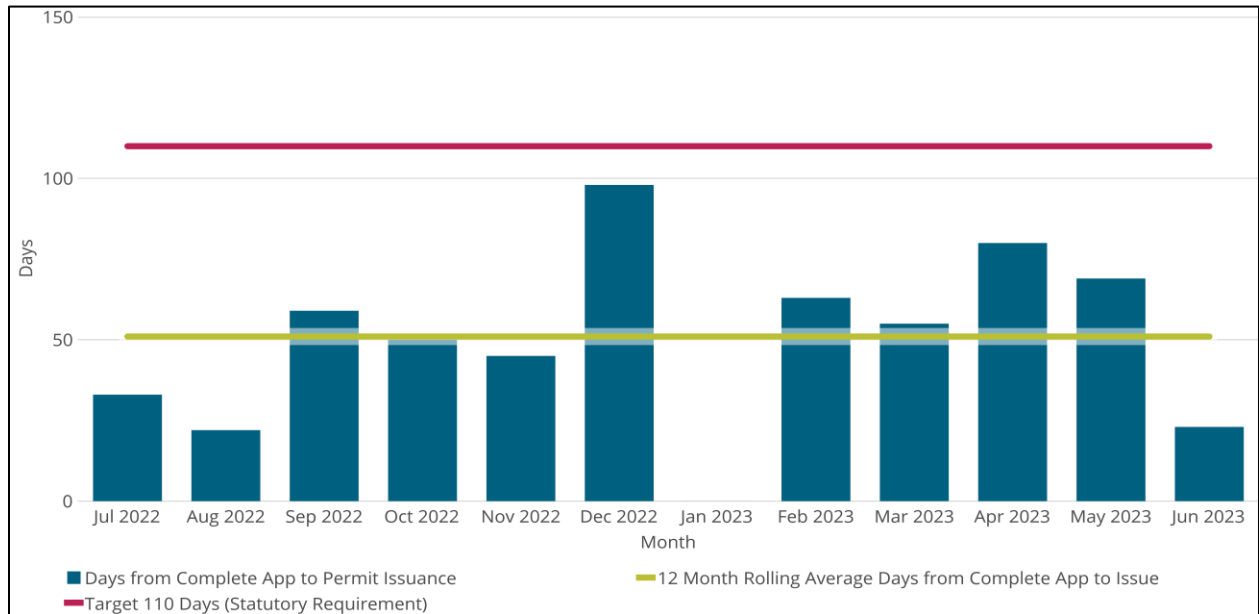
### Time to Complete Inspection Reports



NDEE has an internal goal of no more than 14 days to complete inspection reports; that goal was met this fiscal year as shown by the chart above/below. Some inspections take a few hours while some take a few days. For purposes of consistency and timeliness of inspections, 14 days is reasonable. This enables inspectors to complete inspection reports while the details from the inspection are still fresh and allows permit holders to correct deficiencies sooner.

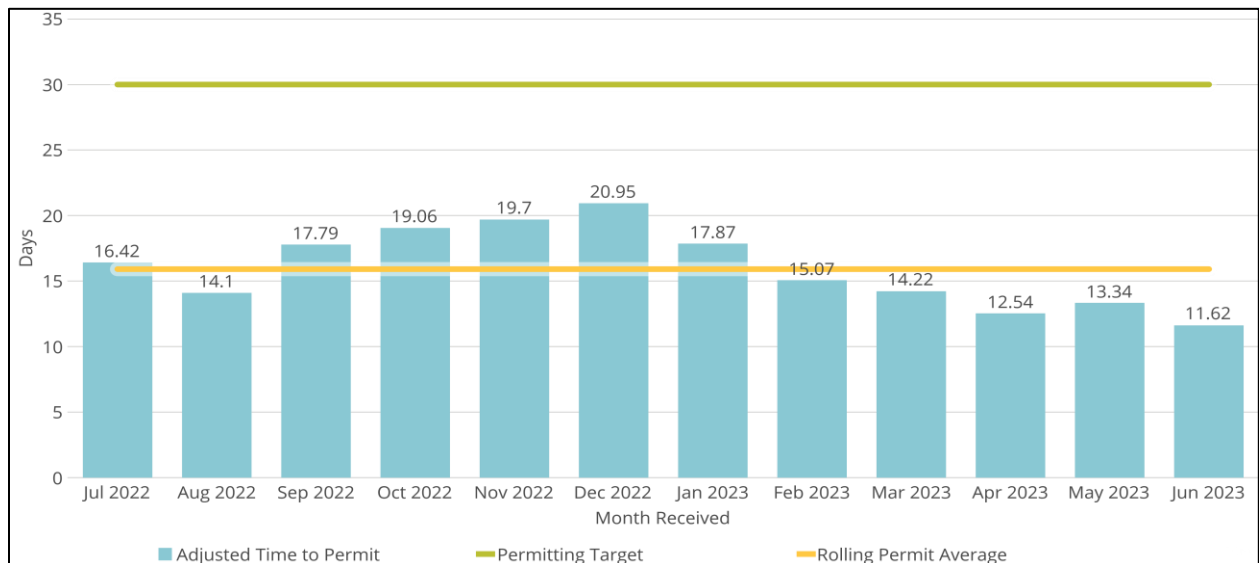


### Time to Issue Livestock Construction and Operating Permits



NDEE meets the Livestock Waste Management Act’s statutory requirement to process construction and operating permits within 110 days, and averages 50 days from a receiving a complete application to permit issuance. Throughout the 2023 fiscal year, the permitting section was challenged with staffing shortages. The December 2022 metric reflects one permit issued within 100 days and in January 2023 no permits were issued.

### Water Construction Permitting (Drinking Water, Wastewater, Onsite Wastewater, Swimming Pools)



For FY 2023 the adjusted time to process water construction permits is consistently below the department’s internal permitting target goal of 30 days. The variability of the monthly metrics reflects the types of projects received in the fall/winter versus spring/summer. The fall/winter months reflect applications received that are broader, more complex water/wastewater projects planned for the following construction season, and the spring/summer months numbers reflect review of less complicated projects.

## 2023 Legislative Summary

The Nebraska Legislature enacted three legislative bills in 2023 that had direct impact on NDEE.

**LB 531:** This legislation was an Urban Affairs Committee priority bill that contained provisions of twelve other pieces of legislation. Among the bills amended into LB 531 was LB 45 creating the new Revitalize Rural Nebraska Grant Program. Under this act, the governing body of a first-class city, second class city, or village can apply to the Department of Environment and Energy for approval of a dilapidated commercial property demolition grant. The Program begins in FY 2023-24. The bill describes the requirements of receiving an award, and that there are no limits on the amount that can be awarded to each applicant within the available funding. The department is to give preference to new applications. The Legislature appropriated \$1 million in General Funds to carry out the provisions of this new program.

**LB 814:** The Legislature adopted the Governor's recommendation to appropriate \$1 million dollars in General Funds for NDEE to conduct a water quality study. At the Appropriations Committee hearing, department director Jim Macy testified the \$1 million will be used to hire a third-party to collect data and develop a statewide plan to reduce nitrate in groundwater. NDEE plans to partner with sister agencies across the state to advise on this plan and provide data. The resulting report will provide guidance for the prioritization, and implementation of, solutions to provide safe drinking water and reduce point source discharges of nitrates.

**LB 818:** This piece of legislation created the Lead Service Line Cash Fund to be administered by the Nebraska Department of Environment and Energy. The Legislature appropriated \$10 million in General Funds through LB 814 to this new fund to be used for grants to utilities districts to expedite the replacement of homeowner-owned lead service lines. The genesis of these provisions was introduced in LB 613.