

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 24, 2014

[LB844 CONFIRMATION]

The Committee on Natural Resources met at 1:30 p.m. on Friday, January 24, 2014, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB844 and gubernatorial appointments. Senators present: Tom Carlson, Chairperson; Lydia Brasch, Vice Chairperson; Annette Dubas; Ken Haar; Jerry Johnson; Rick Kolowski; Ken Schilz; and Jim Smith. Senators absent: None.

SENATOR CARLSON: Welcome to the Natural Resources Committee hearing. I'm Tom Carlson, Chair of the committee. And to my far left, other committee members, Senator Rick Kolowski from Omaha, District 31, far left. Next to him, Senator Ken Haar, from Malcolm, District 21; Senator Jim Smith from Papillion, District 14; Senator Ken Schilz from Ogallala, District 47. And then to my immediate left is Laurie Lage, our legal counsel for the Natural Resource Committee. To my far right is Barb Koehlmoos, our committee clerk. And then next to her, Senator Lydia Brasch from Bancroft, District 16, who is also the Vice Chair of the Natural Resources Committee. And then Senator Jerry Johnson from Wahoo, District 23; and then Senator Annette Dubas from Fullerton, District 34. And we're just...Steven, again today, is pages...all right. Steven Schubert from Lincoln, senior at UNL, is our page today. We have a couple of confirmation hearings, but before we get into those and we get to the other hearing, if...I'll go over the rules at that time. So with that, we'll start our confirmation hearing on Dr. Mohamed Dahab. Do you want to come forward and just sit down in the chair and relax and I'll tell you what you have to do.

MOHAMED DAHAB: Okay, sir. [CONFIRMATION]

SENATOR CARLSON: Now this...Dr. Dahab is a new appointee to the Environmental Quality Council. And we do have some information here. And our purpose today is just to find out some things about you and how you view this position with the Environmental Quality Council. So, Doctor, if you would like to tell us whatever you'd like about yourself and, perhaps, a little bit about your background and your interest in the Environmental Quality Council. [CONFIRMATION]

MOHAMED DAHAB: (Exhibit 1) Well, thank you, Senator Carlson. My name is Mohamed Dahab, first name is spelled M-o-h-a-m-e-d, last name, D-a-h-a-b. I live in Lincoln, Nebraska. I started my academic career at the University of Iowa where I obtained a Bachelor of Science degree in civil engineering, a few years ago I might add. And then I went to Iowa State University where I worked on my Master's of Science and later a Ph.D. degree in environmental engineering. I am a professional licensed engineer in the states of Iowa and Nebraska. And I had from...from...career-wise, I had two short stints working for the Iowa Department of Natural Resources or what is now known as the Iowa Natural Resources Council. It was previously known as the Iowa Department of Environmental Quality and then they have had other names along the

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 24, 2014

way. Since 1983, I was offered a position at the University of Nebraska in the Department of Civil Engineering as assistant professor of civil engineering and I have been at the University of Nebraska since then. I did have the pleasure to serve as chair of the Department of Civil Engineering from 1999 to 2009. And professionally I served as president of the Nebraska Water Environment Association which is the Nebraska affiliate of the Water Environment Federation. I also served as president of Water Environment Federation in 2006-2007. The Water Environment Federation is a professional organization, scientific and technical organization with a membership of about 40,000 people in the U.S. and throughout the world. I also served with several other organizations, including the International Water Association. I served as a member of the scientific committee of the Stockholm International Water Institute for six years. I am very pleased to be nominated to serve as a member of the Environmental Quality Council. I have always worked over the years with the staff at the department. Many of the engineers that work for the Nebraska Department of Environmental Quality were alumni of our program. And so always had a great working relationship with them. And so I look forward to the opportunity to serve the community. You asked me, Senator, about what I might be able to bring to the department. I think I can bring a good link between the department and the University of Nebraska, especially the water group at the University of Nebraska. And we have, by anybody's count, somewhere between 100 and 150 faculty members that work in the various fields of environmental and water resources. By virtue of my professional engagement, I think I could bring a pretty good bridge between the department and the professional environmental community. Personally, I've worked many years in the area of pollution prevention and we worked within the University of Nebraska and we worked with a lot of business industry throughout the state, mostly to engage these people in the idea of pollution prevention. And the concept is that if you prevent pollution, first of all, you are likely to save a lot of money by diverting resources that otherwise would go to waste. Secondly, there are no reasons for the regulatory community, no reason for the Department of Environmental Quality, as a regulatory agency, to be watching over you. And so I think this can be achieved, probably, with cooperation and the framework of working together. And I hope I would be able to bring some of the ideas to the department and maybe will be useful. Those are my comments, sir. [CONFIRMATION]

SENATOR CARLSON: Okay. All right. Thank you for sharing that. For Dr. Dahab now, do we have any questions of the committee? Senator Johnson. [CONFIRMATION]

SENATOR JOHNSON: Thank you, Chairman Carlson. Thank you, Doctor. I don't know if you know the makeup of the committee right now. Is there...do you feel there is a void in this area of water on the committee or do you have other people that you would be working with on the council? [CONFIRMATION]

MOHAMED DAHAB: The committee is the council that you're referring to, Senator? [CONFIRMATION]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 24, 2014

SENATOR JOHNSON: Right. [CONFIRMATION]

MOHAMED DAHAB: The Environmental Quality Council, obviously, represents a good mix of professionals from the various disciplines and interests within the state. I think that, you know, I believe that the representation is quite comprehensive and, you know, I look forward to working with all of them. [CONFIRMATION]

SENATOR JOHNSON: You've stated... [CONFIRMATION]

MOHAMED DAHAB: So I don't...I guess your question is, would there be somebody else that I could bring to this or should be brought to this? [CONFIRMATION]

SENATOR JOHNSON: Well, I'm assuming...what I'm asking for, I guess, do you feel that you'll be able to fill that void if there is one representing water, because water is an important issue for the state and for quality and things like that. And I'm not saying there's a void right now, but I think...it appears to me that you would fill that void if approved. [CONFIRMATION]

MOHAMED DAHAB: Oh, absolutely. I hope to do that. [CONFIRMATION]

SENATOR JOHNSON: Kind of a follow-up question, then I'll be done. You mentioned working with the...from the engineering side of it and working with the community or working with the citizens and not trying to overregulate; there was a bill introduced last year that dealt with the Nebraska DEQ, not with water, but with some questions about overregulating. And you appear to be one that, maybe, try and negotiate and try to work through without a lot of legislation? [CONFIRMATION]

MOHAMED DAHAB: I guess my perspective is really within the...all of us have to be mindful of the sustainability of our natural resources and energy. And sustaining our resources means creating less waste. And be it whatever, you know, whatever field that we're talking about, if we can reduce waste, we would be not only saving costs, avoiding regulations, but more importantly, contributing some fashion to the sustainability of our world. And so I guess I'm, maybe, taking it a little too far, but that's really my viewpoint. [CONFIRMATION]

SENATOR JOHNSON: Thank you. [CONFIRMATION]

SENATOR CARLSON: Okay, Senator Brasch. [CONFIRMATION]

SENATOR BRASCH: Thank you, Mr. Chairman. And I do want to thank you, Mr. Dahab, for your great interest and willingness to serve here in a very important capacity. And as I'm looking at your biographical sketch, it's very commendable and impressive

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 24, 2014

especially. [CONFIRMATION]

MOHAMED DAHAB: Thank you. Thank you so much. [CONFIRMATION]

SENATOR BRASCH: And what caught my eye is that you're a Fulbright Research Professor engaged internationally with university programs in Australia, (sic-Austria), Brazil, Egypt, Hungary, Korea, Libya, Mexico, Spain, among others. That's incredible. What I wonder is, is there a common, I guess, a common thread, a gap, is there something that we have that we learn from each other? Are we moving in different directions? How is water...is it global? When we think about water we think about Nebraska and agriculture. And we do need to consider the global potentials and global liabilities, I would guess. You would know. [CONFIRMATION]

MOHAMED DAHAB: Well, we are in Nebraska blessed with a tremendous resource in our water. Senator, I grew up in the Middle East; I grew in North Africa. And, basically, there isn't much water there. You travel throughout the world; water is one of the most pressing issues facing the globe. There are over 1 million people with no access to fresh drinking water. And there are by the same estimates something in the order of 2 billion people, good lord, that's 2 out of 7 billion people with no access to sanitation. So perhaps this really would best represent the importance of water and the importance of sustaining that resource for the future. And in my travels, most of my work was in the water area, mostly in the water quality. And I see the water to be, probably, the biggest issue of the future, perhaps far more than even energy. And I'm not...I don't really know if I'm answering your question, but... [CONFIRMATION]

SENATOR BRASCH: You are, absolutely. And so, that is a priority, not just in Nebraska, but globally and especially in some of the countries that you've spent time with other colleagues researching, correct? [CONFIRMATION]

MOHAMED DAHAB: Absolutely. Absolutely, you... [CONFIRMATION]

SENATOR BRASCH: Very good. And so I thank you for your willingness to serve here with your vast experience and scope and work. Thank you. [CONFIRMATION]

MOHAMED DAHAB: Thank you. [CONFIRMATION]

SENATOR BRASCH: I have no questions. [CONFIRMATION]

SENATOR CARLSON: Okay, thank you. Other questions? Senator Kolowski. [CONFIRMATION]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. Doctor, thank you, again, for applying for this and I had the good opportunity to attend the Water for Food

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 24, 2014

Conferences, two of the last three years, and would you tell us what your connections are with that process and what they're doing and what role you might play in that?
[CONFIRMATION]

MOHAMED DAHAB: I have been engaged with the program from the onset, worked somewhat...a little bit really tangentially, I must add, with President Milliken and the officials at the University of Nebraska-Lincoln in terms of facilitating the startup of this group, the Water for Food Institute. I think it's one of the visionary things that Nebraska is doing. And I'm excited that we have hired in the person of Dr. Roberto Lenton, a very dynamic individual. And I really look forward to a lot of achievements of this institute and I hope to be part of it. [CONFIRMATION]

SENATOR KOLOWSKI: Excellent. I couldn't agree with you more also on the primary need for water and understanding that need in our society and worldwide, not just here, but we're challenged by that in Nebraska. What we've worked on this past year with our Chair's leadership, it was a very enlightening experience to go through all the sessions that we went through and what we've learned about just Nebraska alone. Thank you.
[CONFIRMATION]

MOHAMED DAHAB: Thank you. [CONFIRMATION]

SENATOR CARLSON: Thank you. Other questions? When I look at your research and outreach projects, risk management for nitrate-contaminated groundwater supplies, what have you done in that area? [CONFIRMATION]

MOHAMED DAHAB: That was one of the first areas of research that I undertook when I joined the University of Nebraska, looking at methods to remove nitrates from drinking water supplies. We were specifically looking at the use of biological treatment, the use of safe bacteria, essentially, to consume nitrates from water and thus removing it. Also worked in other areas of reducing nitrates and looking at the...just really in a...perhaps not as deep as I would have liked to with the link between nitrates and potential health effects in humans. The biological treatment is being used in some locations including in Germany and Austria, but we haven't really done this in this country yet. So this may be an alternative that might one day come up for treating water. [CONFIRMATION]

SENATOR CARLSON: Now we have, at least in one place in the state, in our river, a uranium problem. Are you familiar with dealing with the uranium in that regard and water and its effect on water? [CONFIRMATION]

MOHAMED DAHAB: No, I can't... [CONFIRMATION]

SENATOR CARLSON: So you don't have the magic answer for us today on it.
[CONFIRMATION]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 24, 2014

MOHAMED DAHAB: No, no, not in the physic of radioactive materials, no, sir.
[CONFIRMATION]

SENATOR CARLSON: All right, thank you. And another thing, Senator Johnson referred to it, there are a number of us that...you mentioned the word--water sustainability, and I really think this entire group understands the importance of having a sustainable water supply. And with your experience in other countries and seeing what they don't have and what we do have, how do you view our natural resource in the Ogallala Aquifer in Nebraska in terms of value and importance? [CONFIRMATION]

MOHAMED DAHAB: The groundwater resources in the state of Nebraska are our most, in my opinion, I'm sure you agree, is the most valuable resource that we have. And we really need to be mindful of that; we need to use that resource judiciously and, you know, obviously not just for us, but for our children and grandchildren. So, I can't think of a more valuable resource for us than...like I said, we're quite fortunate to have that resource and it's our responsibility to make sure that it's used and used in a sustainable fashion. [CONFIRMATION]

SENATOR CARLSON: Now I'm going to ask you another question because I have a definition, but I'd be interested in what you think about this, in terms of...what would be your definition of water sustainability, a policy of water sustainability in the state of Nebraska? [CONFIRMATION]

MOHAMED DAHAB: Well, I guess that, Senator, that brings me to the definition of sustainability and we need to look at it in terms of the three-legged stool of, you know, one leg being the environmental protection; the other leg being society and what we need to do to maintain our social...or society; and the third leg is the economics and the economic feasibility in terms of what we do. So with that, you know, sustainability to me means using a resource in such a way that we do not infringe on the rights of future generations to use the same resource to the same extent as we have. So in that sense, I guess, we need to be looking at the generations ahead and using what we're using of these resources. [CONFIRMATION]

SENATOR CARLSON: Okay, thank you. I think you maybe read our final report off the Water Sustainability Task Force; appreciate that answer. One other thing and then I'll stop, there is a, I think, there's a fine...there's a balance, there's a fine balance between regulation and overregulation, I guess, common sense and complete removal of risk. And I don't think that we can completely remove risk even by regulation, but in terms of that balance, where do you fall? [CONFIRMATION]

MOHAMED DAHAB: You're absolutely right. I don't think risk can be completely removed. Nothing, really, that we do is, unfortunately, risk free. And really the...our

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 24, 2014

ability to do things right is to find that fine line between risk and no risk and see if we can balance that act. It's not always easy, but, you know, with open minds and open attitudes, I think that can be done. [CONFIRMATION]

SENATOR CARLSON: Okay. All right, thank you. Other questions of the committee? Well, thank you for your time here today, Dr. Dahab. And that concludes our interview with you and you'll be hearing from us shortly. [CONFIRMATION]

MOHAMED DAHAB: Thank you very much, sir; appreciate the consideration. [CONFIRMATION]

SENATOR CARLSON: Okay. Good. Thank you. [CONFIRMATION]

MOHAMED DAHAB: Have a good day. [CONFIRMATION]

SENATOR CARLSON: Okay, next. Welcome, and we'll ask you to proceed like we did with Dr. Dahab. [CONFIRMATION]

JOHN DILSAVER: (Exhibit 2) Absolutely. Good afternoon, Chairman Carlson and members of the Natural Resources Committee. My name is John Dilsaver, it is spelled J-o-h-n D-i-l-s-a-v-e-r. I look forward to my potential appointment and confirmation to serve on the Environmental Quality Council. The section that I've been nominated for would be the automotive petroleum section. My personal background is...I've lived my entire life in the state of Nebraska; I was born and raised in North Platte, Nebraska. My parent: my father worked for the state of Nebraska Department of Labor as an unemployment insurance auditor; my mother was a bookkeeper at the local television station in North Platte. I'm married to Diane; we have three grown boys and four grandchildren. I've lived in Omaha for the past 30 years. My high school and college summers were spent working on uncles' farms all the way from Kimball, Nebraska, where we summer fallowed wheat to Overton, Nebraska, where I irrigated corn out of the old-fashion ditch, no center pivot, no gated pipe. My grandparents ranched; my father's side had a ranch on the Rock County/Loup County line, the Calamus River runs through it. So I'm a little bit familiar with sort of the ranching the Sandhills, the Ogallala Aquifer, the groundwater flooding the meadows in the springtime and so on. Educational background: I went to school at...as I spoke, North Platte St. Pat's school system; attended UNL for two years, studying accounting; transferred and finished my BS/BA accounting degree at the University of Nebraska at Omaha. At the time that I moved to Omaha, I started working for Rite Way Oil and Gas as an intern at that time. Upon graduating from college at UNO, I went to get my CPA certificate so I went to work for Arthur Andersen and Company, got my public accounting experience over four years. And had since returned to work for Rite Way Oil and Gas since 1991 to current. I'm currently the chief financial officer and treasurer and have really dealt with the Underground Storage Tank Fund, petroleum really since 1991 in Rite Way Oil's

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 24, 2014

capacity. I'm currently the president of the Nebraska Petroleum and Convenience Association. I've worked in the past...also I've been a member of the Ozone Attainment committee that was sort of alive and well probably 18 months ago in Omaha as we're looking at the effects of some of the ground-level ozone problems that the EPA was looking at in metropolitan areas. And also have a small amount of experience, I've been on the board and currently serve as the clerk of a small wastewater treatment plant that's located at Interstate-80 at the Greenwood interchange. I also purchased in May of 2013, a very small underground line testing business that I just wanted to disclose; probably doesn't generate more than \$50,000 in revenue right now. It's really my son that is going to do it. But we do underground line testing in the petroleum business. I guess I just want to let you know that as the issues come up, I certainly would be fair and open-minded, listening to different issues that come before the council. And certainly understand that we need to achieve a balance between the environment, the business needs, and then also the citizens. So at that time, if that concludes my remarks, if there's any questions of the committee, I certainly would like to answer them. [CONFIRMATION]

SENATOR CARLSON: All right. Thank you for your testimony. Any questions of Mr. Dilsaver? Senator Smith. [CONFIRMATION]

SENATOR SMITH: Mr. Dilsaver,... [CONFIRMATION]

JOHN DILSAVER: Yes. [CONFIRMATION]

SENATOR SMITH: ...thanks for stepping out and being willing to serve on this board or commission or committee. Always like to recognize folks from my neck of the woods. I'm from Papillion/La Vista, but I used to live in Ralston and I see you're a Ralston resident. [CONFIRMATION]

JOHN DILSAVER: I'm a Ralston resident, yes. [CONFIRMATION]

SENATOR SMITH: And Ralston has great Independence Day activities, so a little bit of PR there for Ralston. [CONFIRMATION]

JOHN DILSAVER: You bet. [CONFIRMATION]

SENATOR SMITH: Thanks for stepping up to do this. Tell me a little bit about Rite Way Oil and Gas Company. [CONFIRMATION]

JOHN DILSAVER: Okay. Rite Way Oil and Gas is owned 100 percent by Rex Ekwall. A lot of people recognize Rex, played ball at the university in the late '50s. Rex says...we...we have 150 employees; we currently operate 17 convenience stores with our own employees. We've got over a hundred storage tanks that Rite Way owns and

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 24, 2014

manages. We also are the largest distributor of Shell gasoline in the state of Nebraska, so we also wholesale gasoline to individuals who own their stations. So we've got dealers from Norfolk to Auburn to Wymore, Beatrice, Kearney, got a dealer in Paxton, Nebraska, so we're certainly, sort of, spread out. We also operate five gasoline transports that transport the petroleum from the pipelines to approximately a little over 200 service stations, eastern Nebraska, western Iowa, but primarily eastern Nebraska. [CONFIRMATION]

SENATOR SMITH: Okay. Great, thanks. [CONFIRMATION]

SENATOR CARLSON: Senator Haar. [CONFIRMATION]

SENATOR HAAR: Thank you. Well, I'm a card-carrying Shell customer. (Laughter)
[CONFIRMATION]

JOHN DILSAVER: Thank you. [CONFIRMATION]

SENATOR HAAR: Just let you know that. Are there...do you see any tensions between, you know, the environment and the petroleum industry or...? [CONFIRMATION]

JOHN DILSAVER: Not really. The petroleum industry has been very proactive in the state in that we really have been funding our own issues. There's nine-tenths of a cent fee that is imposed upon us as the wholesaler that we remit to the state. So really the petroleum industry is really sort of funded our own...clean up our own problems that we've created. And it's really been a...I think for the state it's been a good thing. So there really isn't contention there. Certainly, there's a lot of new regulations, double-wall piping, double-wall tanks that have come out recently that really, you know, are making it much more safer and there is very few...I think a lot of the cleanup...if you go look at the Underground Tank Fund is all backlog stuff. There's very little new stuff going on there. But the petroleum industry has been proactive in funding our own, you know, cleaning up our own problems. [CONFIRMATION]

SENATOR HAAR: Good. And then I need to learn more...not everything right now, but what does the Environmental Quality Council do? [CONFIRMATION]

JOHN DILSAVER: Well, there's...you know, I'm going to learn a lot more about it also. You know, the... [CONFIRMATION]

SENATOR HAAR: Okay. We may be talking some more... [CONFIRMATION]

JOHN DILSAVER: I understand that, you know, air quality is one of the prongs; the petroleum, certainly, falls underneath the water management area of it. And so, you know, it's my understanding that there's...you know, we have two formal meetings a

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 24, 2014

year where the public is invited. There's some rules and regulations that are sort of brought forward to us. Certainly you guys are the legislative body, so...but we certainly hold public hearings on that and I, certainly, look forward to what I can bring as far as any of the petroleum-related questions that may come up. Certainly, any groundwater contamination related to that. Then just sort of an overall background knowing the state of Nebraska. I can almost...there isn't too many towns that I don't know where they're not at and where they're...in Kimball we were praying for rain and when I moved to Omaha we wish it would quit raining. [CONFIRMATION]

SENATOR HAAR: And then Senator Carlson asked for an answer to a question last time, sort of the magic answer, why is gasoline always cheaper in Omaha? No, and you don't even have to tackle that. (Laughter) Thank you very much. [CONFIRMATION]

JOHN DILSAVER: You bet, thank you. [CONFIRMATION]

SENATOR CARLSON: Okay. Senator Johnson. [CONFIRMATION]

SENATOR JOHNSON: Thank you, Chairman Carlson. Thank you, John, I believe you're a good fit for the situation and for the position. And I want to go back and talk a little bit about the one comment you made and your company and personally dealing with the underground leakage and the trust fund and the financial side of that. [CONFIRMATION]

JOHN DILSAVER: Sure. [CONFIRMATION]

SENATOR JOHNSON: I'm also not part of, but I'm on a board of an ethanol company. [CONFIRMATION]

JOHN DILSAVER: Okay. [CONFIRMATION]

SENATOR JOHNSON: And trying to market ethanol, and I'm not going to try and get into the pros and cons of ethanol and the good parts and the bad parts, but I hear there is, maybe, some move in order to try and market ethanol is to have more aboveground tank storage in order to make it a little bit cheaper to put in the blender pumps so they can go to the different blend. Myself, I see some pros and cons to aboveground which will be some gas in it...in some cases it will only be 15 percent. [CONFIRMATION]

JOHN DILSAVER: Sure. [CONFIRMATION]

SENATOR JOHNSON: Do you have any thoughts on having these fuel tanks aboveground? [CONFIRMATION]

JOHN DILSAVER: Well, you know, recently a lot of the petroleum companies, it's less

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 24, 2014

expensive to put them up ground. So if an individual has the land to do that, that's really the most cost-effective way. But, certainly, the regulations, as far as the berms and the diking and the containment are all the same, you know, where, certainly, a release is a release and that product, certainly, needs to be contained and so. The real...you know, I think the aboveground stuff that you're seeing, it's just a matter of economics. A lot of us, real estate is real estate and if you can have parking spots for people coming inside buying pop, you know, you put the tanks underground. [CONFIRMATION]

SENATOR JOHNSON: Yeah, I think what I've seen is where they...I mean, normally, when I was in the business and managed several stations, that was our storage units. Here would be off site a little bit ways from the convenience store, the gas station would be where you pull up and so it would be away from the station and a totally different system. Now I don't think there's any regulation out there yet for it to be diked or bermed. But just wondering if you see a need for some new regulation, maybe, to address with those...or the retail outlets. [CONFIRMATION]

JOHN DILSAVER: Sure. The biggest concern in our industry with the renewable fuel standards and the blend wall, which you're hearing a lot about, is that we're already saturated; we've hit the limit where 10 percent of everything being sold is already, you know...100 percent of everything being sold is typically blended 10 percent ethanol now. All of our equipment under ground, the piping, the tanks, the glues that were used are only UL certified to 10 percent. And so if E-15 is brought into the marketplace or is required, the concern in our industry is that our equipment is not UL rated and we will not have any...we expose ourselves to a lot of risk if our equipment fails because we've had to put in a higher blend of ethanol. So, there's...it's a serious issue in our industry that...stations that have been built within the last year may not even be able to certify themselves whether they can handle E-15 or not. [CONFIRMATION]

SENATOR JOHNSON: Thank you. [CONFIRMATION]

JOHN DILSAVER: You bet. [CONFIRMATION]

SENATOR CARLSON: Senator Brasch. [CONFIRMATION]

SENATOR BRASCH: Thank you, Mr. Chairman. And thank you, Mr. Dilsaver, for your willingness to serve in this capacity. And I'm curious if you foresee any changes in the future, near future in the industry itself? Do you see a direction coming and if so, what are your thoughts. [CONFIRMATION]

JOHN DILSAVER: Well, I think, certainly, petroleum-based fuels are here and they're going to be here for a long, long time. It's not going to be replaced with CNG or propane, even though there is some of that pushed. But it's, you know, the infrastructure of the entire industry has been in place for many, many, many years and it's really

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 24, 2014

the...still the most cost effective, the most BTUs are still...come from petroleum, you know, a barrel of crude oil. So, there isn't really any...you know, there's some hydrogen stations or propane or CNG, you're starting to see a lot of the buses running on propane and CNG. I think...probably what we will see is there is a real push to maybe get some of the long-haul truckers to compressed natural gas so that there is sort of a shift away from the petroleum. But I think you're going to see about what you've seen as far as a gasoline station for quite some time. [CONFIRMATION]

SENATOR BRASCH: Very good. I have no other questions. Thank you again for your willingness. [CONFIRMATION]

JOHN DILSAVER: Thank you. [CONFIRMATION]

SENATOR CARLSON: Okay, thank you. Any other questions of the committee? Well, I have a couple. You've talked about Rite Way and you say "we," so are you still involved with Rite Way? [CONFIRMATION]

JOHN DILSAVER: Yes, I am. [CONFIRMATION]

SENATOR CARLSON: Okay. [CONFIRMATION]

JOHN DILSAVER: Yes, I've...currently am employed and Rex Ekwall is 100 percent owner; I've worked for Rex for...it will be 30 years ago this August that I walked through his doors, but...I am not a principal at Rite Way Oil, I am an employee. [CONFIRMATION]

SENATOR CARLSON: Okay. Now this question doesn't have a whole lot to do with environmental quality, but I'm interested so I'll ask you; in a convenience store, what percent of the profit comes from selling fuel and what percent of the profit comes from what is sold inside the store? [CONFIRMATION]

JOHN DILSAVER: It sort of depends on your volume and what day it is, but...you would be surprised in our industry, it...we average in our retail stores around 10 cents a gallon profit is all on gasoline. It's very competitive. Any...we're the only industry, the only business that puts a sign out front of what your number one, biggest selling item is, and so it's very competitive, there's very small margins. So, typically a 10 percent margin...10 cent margin on gas, but it takes us 7 cents to take a VISA card. So, you know, there isn't much...it's...there's been a lot of pressure on tobacco in our industry. Sales of tobacco are down and margins are down on tobacco. As you notice, everybody walks around with a bottle of water, Gatorade, that category has exploded in our industry, the cooler, Monster drinks, Gatorades. [CONFIRMATION]

SENATOR CARLSON: Okay. Thank you. I got one other questions: was it an uncle you

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 24, 2014

helped irrigate around Overton? [CONFIRMATION]

JOHN DILSAVER: Yes. [CONFIRMATION]

SENATOR CARLSON: Now I grew up four miles south of Elm Creek, so same area. [CONFIRMATION]

JOHN DILSAVER: Okay. [CONFIRMATION]

SENATOR CARLSON: Sandy soil. You used tubes, siphon tubes. [CONFIRMATION]

JOHN DILSAVER: Siphon tubes, I think I could probably still siphon a ditch a get it flowing. [CONFIRMATION]

SENATOR CARLSON: What did you do when you had a breakout? [CONFIRMATION]

JOHN DILSAVER: No. Well, my uncle, you know, I...my uncle claimed he was the best ditch digger. You know, he had...you know, it was an angle thing and we had a barrel on it and filled it up and he pulled it; taught me how to dam it up and lay the...the one thing he did tell me is never drink the well water. He's the first one that got me drinking water...or coffee in the morning when I was a teenager, because he said if you drink the well water once, he said, I can't keep you out of it the rest of the day because it tastes too good and your body wants it so you have to drink coffee. (Laughter)
[CONFIRMATION]

SENATOR CARLSON: That's right. That's a far cry from how we irrigate today. [CONFIRMATION]

JOHN DILSAVER: It is. [CONFIRMATION]

SENATOR CARLSON: All right, any other questions? Okay, thank you for your testimony. [CONFIRMATION]

JOHN DILSAVER: Thank you. [CONFIRMATION]

SENATOR CARLSON: And you'll be hearing from us. Now, I...we're done with you for right now. Now I left out something with Dr. Dahab. Was there anyone here to testify as a proponent for Dr. Dahab? And you shouldn't get nervous back there when there isn't anybody because we normally don't have. But anyone testifying in opposition? Or anyone testifying in a neutral position? Seeing none, do we have anybody testify as a proponent for John Dilsaver? Or anyone in opposition? Or anyone in a neutral position? Okay, seeing none, then we'll close the confirmation hearings on Dr. Dahab and Mr. Dilsaver and thank you for coming. And we will move on to LB844. And welcome,

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 24, 2014

Senator Schilz. [CONFIRMATION]

SENATOR SCHILZ: Good afternoon. Good afternoon, Senator Carlson and members of the Natural Resources Committee. My name is Ken Schilz, spelled, K-e-n S-c-h-i-l-z, and I represent District 47. I'm here today to introduce LB844 which would extend the termination date of the Nebraska Litter Reduction and Recycling Act from 2015 to 2020. The Litter Reduction and Recycling Act was created in 1979 by LB120 to develop a comprehensive program to promote the protection of public health, safety, and well-being, and to maintain the economic productivity and environmental quality of the state and to conserve the state's natural resources. Department of Environmental Quality manages the fund by a grant program. Funding for the program is generated by an annual litter fee of \$175 per \$1 million of gross proceeds assessed on manufacturers, wholesalers and retailers. Funds are applied for and awarded to programs that reduce litter and provide education and promote recycling in Nebraska. Grants may be awarded to both public and private entities. According to the Department of Environmental Quality, approximately \$1.5 million is available annually. The sunset provision of this program was last extended in 2010. The groups who support this program and those who receive grants use this hearing as an opportunity to provide an update on how the program is working and how funds are being used to reduce litter and increase recycling in our state. Some of those individuals are here today to testify about the program and thank you. And I'd be happy to answer any questions you may have. And you may notice in the truest intent of the law, you look at the green copy, it really is only one page, so we've reduced litter already by this. (Laughter) So, I'd be happy to take any questions. [LB844]

SENATOR CARLSON: All right. Thank you, Senator Schilz. Any questions from the committee? All right, seeing none, thank you. [LB844]

SENATOR SCHILZ: Okay, thanks. [LB844]

SENATOR CARLSON: We're ready for proponents for LB844. Step right forward. How many proponents do we have? Okay. And you two, do you want to come up in the front row and be ready to go. And I didn't give the instructions, but you've got the green sheets filled out and hand those in to Barb. And then there's no need to move the microphone, in fact, as far back as I'm sitting, it still picks me up. So just relax, give us your name and then spell it and then proceed with your testimony. [LB844]

STEVE FORD: Will do. Good afternoon, members of the Natural Resources Committee. My name is Steve Ford, F-o-r-d, and I'm the president of the Nebraska Beverage Association. I'm here today to testify in support of LB844. As some additional background, in 1978 there was a bottle bill initiative. While the voters rejected this initiative, our industry and others recognized the need to provide assistance with litter reduction and recycling. We worked closely with environmental groups and developed

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 24, 2014

the Nebraska Litter Reduction and Recycling Act. As the senator explained, a fee is imposed on our products which then funds grant programs across the state. We believe we have a model that brings communities, environmental groups, and industry together to work on a common goal. In fact, Pepsi Cola of Lincoln has joined forces with the city of Lincoln and actually has a recycling center on their location in southeast Lincoln. Our industry strongly supports extending the termination date of this bill as we believe the program is working well. We look forward to hearing more about how these funds are being used and the positive impact that the program is having on the communities across Nebraska. If you have any questions, I'd be glad to answer them. Thank you for your time. [LB844]

SENATOR CARLSON: Okay. Thank you, Mr. Ford. Any questions? Senator Johnson. [LB844]

SENATOR JOHNSON: Thank you, Senator Carlson. Thank you for coming in. I support the extension so I don't have any questions there. Just a question, how many states would still use a deposit program and does that really help recycling and bringing stuff back if there's a deposit? [LB844]

STEVE FORD: I could be wrong, but I don't believe there's more than ten. Okay, Iowa is one of them. We have found that with good recycling programs, like the one we have here, that it does as well, if not better, than those types of programs. [LB844]

SENATOR JOHNSON: So you don't think we need that? [LB844]

STEVE FORD: I don't believe we do. [LB844]

SENATOR JOHNSON: Okay, thank you. [LB844]

SENATOR CARLSON: Thank you. Any other questions? Senator Kolowski. [LB844]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. I'll try this anyway. I was more curious than anything, but when the university puts out a bid for pop and they went with Pepsi instead of Coke, what kind of impact does that have that Pepsi in your region then has repercussions for them...what...and it helps with the recycling and other things, you said, that they've jumped on board with. What kind of impact is that...and secondly, how do they clean up Memorial Stadium so well, and what do they do with all those leftovers? [LB844]

STEVE FORD: Okay. Basically, if I understand your question, back to recycling; we actually have a recycling program on campus. We have...I've got...at this point I've got to speak for Pepsi, okay, from our perspective, so, not to the Nebraska Beverage Association. But we actually go around to the various recycling areas and pick up

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 24, 2014

bottles and cans; we take care of those. Now, that's not to say there's not entrepreneurs... [LB844]

SENATOR KOLOWSKI: Sure. [LB844]

STEVE FORD: ...in our city that go and pick up the aluminum and so forth on campus. So that happens. But we do have a program in place. I don't know that I can say how it's affected the recycling across the state. I know from a marketing perspective there are some things that we have done with the university, but it's not been specific to recycling. At Memorial Stadium, they actually have Boy Scout groups and others that come in and are hired to come in and clean that up. They've worked with a recycling company in town to assist with that. We've actually purchased for them the recycling containers and so forth that you see at the stadium. So we've tried pretty hard. And I don't know if you've noticed or not, but they now recycle everything. They, basically, say just put it in the recycling center and we'll take it from there; which has been great because originally we were just doing the bottles. Hopefully answered your question. [LB844]

SENATOR KOLOWSKI: No, that's fine. It's a big contract when you secure one of those, so I know from school histories. [LB844]

STEVE FORD: It was. [LB844]

SENATOR KOLOWSKI: Thank you. [LB844]

STEVE FORD: You bet. [LB844]

SENATOR CARLSON: Senator Brasch. [LB844]

SENATOR BRASCH: Thank you, Mr. Chairman. And I do want to thank you, Mr. Ford, for coming forwarding and supporting this initiative here and telling us about the Pepsi program and the efforts you make. And I also wanted to give a shout-out, last night I received an e-mail from a colleague in Wayne, Nebraska, that shared the Pepsi in Milligan commercial. [LB844]

STEVE FORD: Yes. Yes. [LB844]

SENATOR BRASCH: And immediately I had to share it with my son and daughter. And I think when we look at economic development and helping to repopulate our rural communities, keep the Pepsi or whatever coming our way. That's quite good marketing. [LB844]

STEVE FORD: We made sure we had the footage so that, you know, the economic development groups could have it if they wanted it. [LB844]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 24, 2014

SENATOR BRASCH: Well, that's excellent. And thank you on your continued efforts with recycling... [LB844]

STEVE FORD: Sure. [LB844]

SENATOR BRASCH: ...with helping to advertise rural Nebraska. Well done, thank you. [LB844]

STEVE FORD: Thank you very much. [LB844]

SENATOR CARLSON: Okay, thank you. Any other questions? Are you directly involved with what happens at the stadium for cleanup? [LB844]

STEVE FORD: Yes, yes. [LB844]

SENATOR CARLSON: Well, I think you have to pay kids extra to go up to that east side all the way to the top. (Laughter) [LB844]

STEVE FORD: Isn't that the truth. That's a long ways up there. Yeah, it is. [LB844]

SENATOR CARLSON: Oh, I'll bet. I don't like heights. [LB844]

STEVE FORD: Yeah, yeah. And on a windy day you don't want to be up there either. It's interesting. [LB844]

SENATOR CARLSON: No, no. All right. Any other questions? Okay, thank you for your testimony. [LB844]

STEVE FORD: Thank you, appreciate it. [LB844]

SENATOR CARLSON: Next proponent. Welcome. [LB844]

JANE POLSON: (Exhibit 3) Thank you. Senator Carlson and members of the committee, my name is Jane Polson, J-a-n-e P-o-l-s-o-n, and I am the president of Keep Nebraska Beautiful. Keep Nebraska Beautiful is a nonprofit organization, but we were actually started by then Governor Frank Morrison in 1964. So this is our 50th anniversary, by the way. And we received funds...I wasn't a part of that back then, but the organization received funds appropriated directly from the Legislature until this bill was passed in 1979 and created the grant fund with it. At that point, we no longer received a direct appropriation, but went through this fund for much of our operational funding. So it has been a tremendous blessing, not only to us, we're a statewide affiliate of Keep American Beautiful, and there are 21 local county-regional affiliates of Keep

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 24, 2014

America Beautiful all across the state. And this provides their base funding as well. Litter is a focal point of Keep American Beautiful. It really was started by...through the efforts of businesses who saw their products being littered along the new interstate highway system because they started in 1953. And so it has remained a focal point of their concerns. So it's also one of our focal points. And this is the only grant fund available in Nebraska to address litter, as well as waste reduction and recycling. Litter...there's a lot of research about litter that's been done, but it has a direct effect on crime and on economic development. In areas where it's highly littered, it's usually a very high crime rate. And in a place that is very little littered, the economic development is very high. So I think this is vitally important to all of our communities across our state because our efforts are really educational based. So we go into the schools, all of the local affiliates across the state go into the schools. We have something called a Behavior Change Process that was developed by Keep American Beautiful that...it's a way to change old habits. And littering used to be an old habit for many people. They didn't think about it. It still is for many people. But we go into the school and we use this five-step process to teach our kids how detrimental things like littering can be to not only their community and their school, but to the whole state. So we really have an education base. And then our other huge part of our programs are that we involve so many volunteers. There were over 275,000 volunteers in our programs during 2013. We do sponsor litter cleanups, obviously; but we really try to aim at prevention. But if kids go out and clean up litter, it really has an impact on whether they're going to litter next time or not; I will say that. But we also do a lot in the waste reduction-recycling area as well. But we have a lot of programs; we work with a lot of schools to make our state what it is now. I just want to say one little comment about bottle bill states, there are ten. And many of the Keep American Beautiful state affiliates, which is my contemporaries, are in those bottle bill states. And there are a lot of litter studies that have been done. Keep American Beautiful, actually, the last one they did was in 2009. And by the way, they found out that there's...and I have this in the report that you'll get, but there is...there were 51 billion pieces of litter on the roadways in the nation. They did pretty extensive research and it cost \$11.5 billion annually to clean it up. These bottle bill states have a better recycling rate for cans and bottles, but they have much more litter because they don't do the educational emphasis on litter prevention and waste reduction that we do because of these funds. So I think...and we measure litter for Keep American Beautiful, it's an annual requirement. And all of our measurements in this state are lower than most of those bottle bill states because we deal with the whole waste issue, not just bottles and cans. So just from my perspective, it seems like the Legislature back in 1979 had it right to pass this bill and then to continue its existence since then because I think we have one of the cleanest states in the nation. And I'm really proud of that and I hope all of you are too. But I think a large part of that is due to the funds that are available to not only Keep American Beautiful affiliates, but to communities across the state and organizations that help keep it that way. So, I really urge you to pass this extension of this sunset. I think it's done a great, tremendous amount of good work and will continue with your support. With that I'd entertain questions. [LB844]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 24, 2014

SENATOR CARLSON: Okay. All right. Thank you for your testimony. Any questions?
Senator Kolowski. [LB844]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. Ms. Polson, thank you for your work and Keep Nebraska Beautiful and having been involved with Keep Omaha Beautiful for years, I've been very active there in Omaha, about design and many other things that have helped our city from that perspective. I happen to love trees and hate litter and I especially hate plastic bags. [LB844]

JANE POLSON: Um-hum. [LB844]

SENATOR KOLOWSKI: Where are you on that topic? As I was walking in this morning, of course, another one was caught in a bush as I walked past the parking lot. I just can't leave them be. Nothing is uglier than plastic bags all torn to pieces and stuck in a tree and I just despise that and I think it's such a waste and ugliness on the landscape. [LB844]

JANE POLSON: Um-hum. [LB844]

SENATOR KOLOWSKI: It's not an art form at all. [LB844]

JANE POLSON: Exactly. [LB844]

SENATOR KOLOWSKI: So I don't love it at all. [LB844]

JANE POLSON: Kind of like graffiti. [LB844]

SENATOR KOLOWSKI: Where are we with that issue in the state? [LB844]

JANE POLSON: Well, we do a lot of education on bringing your own bags. I mean, I think that is the answer to help curb that problem. Another kind of unique problem that some of the affiliates have implemented is getting people to tie knots in those bags. Even if they're going to recycle them, if they tie the knot in them, they'll keep them from blowing like the ones that are open. [LB844]

SENATOR KOLOWSKI: Yes. [LB844]

JANE POLSON: So we try to do a lot of education for those who insist on using them. But at the same time encourage them to really think about...and we give out those canvass bags as a part of our membership program to get people to use more. And many do. It's easy, it's easy to take your own bag. It amazes me that more people don't, but, you know, as long as we don't have a law that says we can't use them, they'll

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 24, 2014

probably be used. We just have to do our best to educate people on not letting them blow and other alternatives. [LB844]

SENATOR KOLOWSKI: Thank you again. [LB844]

SENATOR CARLSON: Okay. Senator Haar. [LB844]

SENATOR HAAR: Thanks for being here. I'd like some more information on the behavior change process if you could send that to me, I'd appreciate that. [LB844]

JANE POLSON: I'd be happy to. [LB844]

SENATOR HAAR: And one of the things you talked about is waste reduction which, of course, saves on landfill and all those sorts of things. What about electronics recycling? Have you gotten into that or what's your stance on that? [LB844]

JANE POLSON: Yeah, as a matter of fact, this grant fund has...we haven't personally done electronics. And Deb Rost from the Nebraska State Recycling Association will address some of those issues too I'm sure. But a lot of our local Keep America Beautiful affiliates get money from this fund to run recycling drives in their communities. So they've been very involved in trying to get the old computers out of basements or storage or wherever...or trash. If you're an individual, it's still okay to throw them. And so we're trying to educate people about...and making it convenient for them to bring those electronics to a recycling collection day. [LB844]

SENATOR HAAR: Um-hum. I know there's also a tire recycling program. Is that under what you do or...? [LB844]

JANE POLSON: Um-hum. Yeah, many of our affiliates are very involved in that too. That has to be an application from a government entity, but many of our affiliates actually write those grants and then hand them over to the government entity that they're working with--cities or counties and help recruit the volunteers for those collection events. They do a lot of the education and public relations to get the word out. So they're very involved in...not...in household hazardous waste collection, electronic collection, pharmaceutical collections, tire collections, we're involved in all of them. And thanks to these grants. [LB844]

SENATOR HAAR: Well, I agree. I think kids are the...when kids start picking up after their parents, that really works. [LB844]

JANE POLSON: It does. [LB844]

SENATOR CARLSON: Senator Kolowski. [LB844]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 24, 2014

SENATOR KOLOWSKI: Thank you, Mr. Chairman. Also, the...in Omaha we have the Under the Sink location that has been extremely useful, dropping off all the toxic things you can think of that sit in your garage for ages and underneath your own sink. [LB844]

JANE POLSON: Um-hum. [LB844]

SENATOR KOLOWSKI: It really has been helpful to have that. And the NRD's work in that area has been very, very strong as well. And we've been...NRDs have really pushed on the tire issue throughout the five counties all the way up to South Sioux City and tens of thousands of tires have been collected over time. It's really been fantastic. [LB844]

JANE POLSON: Exactly. [LB844]

SENATOR KOLOWSKI: Thank you. [LB844]

JANE POLSON: And actually, Keep Nebraska Beautiful has a statewide household hazardous waste collection program and we've helped put permanent facilities in North Platte; Holdrege, which serves a four-county area; Kearney; Norfolk has one now. So we've been instrumental in helping establish some of those. And I agree, Under the Sink is a great, great facility. [LB844]

SENATOR KOLOWSKI: And you can't say enough about the pharmaceutical collection also, of all those things; get people not to flush things down the toilet. [LB844]

JANE POLSON: Absolutely. [LB844]

SENATOR KOLOWSKI: Of any leftover or old drugs or whatever they might find; it's terrible. [LB844]

JANE POLSON: And talking about toxics, I'll mention one other of our major programs and it's a school chemical cleanout campaign because during a household hazardous waste collection event, a school called and wanted to bring...wanted to know if they could bring a couple of vials of something they didn't know what it was. It ended up to be, both of them, radioactive material. And, really, they didn't have any idea what to do with them, how to go about trying to get rid of them. That's really what the impetus was for us starting this school chemical cleanout campaign. We have been very aggressive in working with schools to get them to do chemical inventories. Many had never done a chemical inventory. And believe it or not, even if you're a chemistry major, which most of our science teachers in our high schools are not chemistry majors, they're some other science and they have to teach chemistry as a part of their curriculum, but they had never had a proper chemical management program in their university studies. So we

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 24, 2014

established that with the help of a professor at the University of Nebraska-Kearney and it's now available for graduate studies or graduate work or undergraduate work. But we have now helped 79 percent of our high schools clean out chemicals. We even had to have the Highway Patrol bomb squad go to some because some chemicals were so volatile they couldn't move them without the potential of an explosion. So that's also been a part of this grant program is to help our schools get...be safer for our students and staff. [LB844]

SENATOR KOLOWSKI: As a high school principal, we used that and it was very valuable and I had my staff do that clean up every year because it really adds up. [LB844]

JANE POLSON: Wonderful. [LB844]

SENATOR KOLOWSKI: Thank you. [LB844]

SENATOR CARLSON: Senator Haar. [LB844]

SENATOR HAAR: Well, just one quick story, I taught at Tech...chemistry at Tech High School back in the early '70s, taught chemistry and I found a rusting five-pound can of potassium cyanide which I figured could have poisoned most of Omaha. [LB844]

JANE POLSON: Yeah. Kids really don't need guns in schools, if you want to know the truth. [LB844]

SENATOR HAAR: Go to the chem lab. [LB844]

SENATOR KOLOWSKI: Chem lab. [LB844]

JANE POLSON: There's enough explosion in many of our science labs to do the trick. That's terrible, but I mean, they've just sat for over 50 years since Sputnik... [LB844]

SENATOR KOLOWSKI: That's right. [LB844]

JANE POLSON: ...beat us into space and the U.S. government decided we needed to beef up our science and math programs in our schools and gave schools millions of dollars and they didn't know what to do with them so they bought a lot of chemicals and some of those chemicals are still unopened on shelves. [LB844]

SENATOR KOLOWSKI: Also your custodial staff need to be... [LB844]

JANE POLSON: Uh-huh. They use a lot of maintenance... [LB844]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 24, 2014

SENATOR KOLOWSKI: Don't just think of the chemistry room. [LB844]

JANE POLSON: Yeah, oh yeah. [LB844]

SENATOR KOLOWSKI: But all the things that get stored. [LB844]

JANE POLSON: Yeah, It's across all levels in high schools because there's art staffs, there's...you know, there's a lot of different...biology, obviously, a lot of different disciplines that use toxic chemicals though. Anyway... [LB844]

SENATOR KOLOWSKI: Absolutely. Thank you. [LB844]

SENATOR CARLSON: Okay. Any other questions? [LB844]

JANE POLSON: Thank you so much. [LB844]

SENATOR CARLSON: Thank you for your testimony. Next proponent. Welcome. [LB844]

DEB ROST: Thank you. I'm Deb Rost, that's D-e-b R-o-s-t, Deb Rost. I'm the executive director with Nebraska State Recycling Association in Omaha. We're a small nonprofit, been around since 1980. We're here in support of the extension of the date to 2020. The work that our organization has done over the years has always been in support of recycling and environmental concerns throughout the years. I've been involved there for...as director for about...going on five years. I get calls from all over the state about recycling concerns. It might be a big town, a small town, that is wondering--what do we do to get started in a recycling program or expand one and so on. And the grants coming out of the DEQ have been vital to starting or expanding programs all over the state. Just recently we finished a grant that was funded by DEQ and it was about a product called FilterPave...a way to introduce FilterPave to the state of Nebraska. FilterPave is porous...it's glass paving. It's made out of recycled bottles and jars and it's suitable for paving sidewalks, hike/bike trails, parts of parking lots and so on and it's bottles and jars. It's crushed, has a sticky resin binder that's put with it. So now think Rice Krispie bars. Okay. And then it's poured and spread out like you would concrete. As a base below it is crushed rock. So not only does it use a lot of glass, it also...because it's porous, it's 39 percent porous, rain goes through it, you pour a bucket of water on there, that goes through it. And so from the standpoint of controlling storm water, it's a great thing. And we wanted to work on this grant and do several sites in Nebraska as a way to introduce it to Nebraska. It's not brand new, but it's not known in Nebraska; didn't have any sites, maybe one small site that I don't know anything about at this point. But the three sites were a convent in Norfolk who installed 2,000 square feet on a path in their prayer garden; the Holmes Park golf course here in Lincoln that installed 3,600 square feet on the...in the cart corral, the golf cart corral. And the third

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 24, 2014

one was 11,500 square feet at the new Hy-Vee grocery store in Plattsmouth, so just south of Omaha and Bellevue. And all three of those really like the product; they like what it's doing. When I went down after the Holmes Park here in town was finished to look at it, it had been pouring rain for two days, it was still raining when I got there, there was no rain on that surface but water was pouring off the parking lot...off the conventional parking lot off to the sides, because that thing...if you've ever been there, sit up on a hill. So that was pretty interesting. Those three sites that totaled 17,100 square feet used 60 tons of glass...60 tons of bottles and jars. So by estimates...because glass in Nebraska is so hard to recycle, we wanted to work on this project as a way to bring something to the table, introduce something to the state that would allow us to get and keep more of that glass out of the landfill. Because there's about 60...by estimates about 63,000 tons of glass are going into the landfills around the state every year. So thank heaven we got recycling of the other products, but glass is problematic. And I get calls...lots of calls from...in the Omaha area, as well as around the state saying: what can we do with glass, what can we do with glass? And I'm saying, I'm sorry, I wish I had a good answer for you, but there is hope on the horizon. So the DEQ grant allowed that to happen and we hope that it will kick start...jump-start the use of viable paving product in the state. And, like I said, the storm water issues that it addresses because of the water being able to drain through the paving instead of off. And in jobs, as the thing...if it can get established, once they can get more...get some people trained to be able to install it in Nebraska, then the cost of something comes down. If you think back to how much computers cost when they first came out, cell phones when they first came out. I remember in 1985 when I saw somebody with the first portable...truly portable cell phone, a bag phone, cost \$2,500. I thought, well, who would buy one of those? Well, now they're a dollar or \$50 if you have to pay market value. So we hope that helping FilterPave get started will do something for the glass in Nebraska. Another project we're just starting, with the help of funding from DEQ, is a recycling study that will look statewide, that will survey the city clerks, the treasurers, and recyclers...that is, recycling operators, to say, okay, where do we have recycling; where don't we have recycling; where are they underserved? There are...you think, well, all the big towns have recycling. Okay, yes, they do. What about the small ones? Some of the small ones are doing an awesome job recycling. They have had support of grant programs to get...to put wheels under them and, sometimes, to expand what they're doing. Or they're underserved, and that's part of what the study will look at as well. I had a call just about a month ago from a small town who said, we have a recycling container, the kind they just bring and leave it, and we only have it one week out of the month though. What about the rest? Why can't we have more? And I said, they won't do it? They don't have any more containers. And they can't or won't buy any more. In their defense, the kind of rig they're talking about is a steel container that's about \$6,000, something like that, for those domed-top kind that they winch up on the back of a truck. In fact, I know of one that went to...you're from Ogallala, yes? Roscoe, just down the road, got one, that was about...from U.S. Recycling, Ogallala, about \$6,000 for that rig. Anyway, I said to this little town, I said, what if you got your own and asked them to haul

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 24, 2014

it? And they said...the city clerk said, we can do that? (Laughter) I said, I don't see why not. You don't ask, you don't get. So that kind of...it helps smaller towns feel like, wow, we could actually do that. We could have more than we've got now. And they get pretty excited about it. And every opportunity I have to point people to this grant program I do. And it...sometimes it's about tires; sometimes it's about recycling containers or some sort of a program or whatever it might be. I point people, because I get calls from all over the place, I point them to DEQ every chance that I get. And jobs, one of the towns that is about to start a grant program, start a recycling program, haven't had any recycling for years, is about to start and the owner said, I'm going to drive the recycling truck myself for the first couple of months, get everything going, find out where the kinks are, work those out, and then I'm going to hire a guy to do it for me. Job creation is a part of the recycling world too that...anywhere that you look, if you look nationally at studies, the studies show that recycling creates more jobs than trash creates. So what small town wouldn't be happy to have even one or two jobs added to a town as a result of recycling or something environment...environmental efforts. So, again, this program helps make that happen. [LB844]

SENATOR CARLSON: Okay. Thank you for your testimony. [LB844]

DEB ROST: Yes. [LB844]

SENATOR CARLSON: Any questions of the committee? Senator Johnson. [LB844]

SENATOR JOHNSON: Thank you. Thank you for coming in. Thank you for your program. In my former life I was mayor and we were trying to work on recycling, the community is Wahoo. And it seemed to me an attitude that if I don't get paid for this, I'm not going to recycle and it's not worth the effort. I think we got over most of that. But we did have Waste Connections, which is national, but has a lot of presence in Nebraska. And they have come out with a program where if you...if they pick up your trash that is not recyclable and they will place another container on your yard for you to put the recyclables in. It came to the council because it was going to be twice as much traffic because it was a different truck that came and picked up the recyclables. What they did with that unit was they would weigh your recyclables and give you a credit back on your next billing. [LB844]

DEB ROST: The points, you mean. The Recycle Bank points? Yes. [LB844]

SENATOR JOHNSON: Yeah. Yeah, but evidently, I mean, what I've seen...and I haven't seen any numbers since I'm not in that position anymore, but it just doesn't seem like that's been very successful. I don't see very many of the...I think it's pink colored or dark rose colored containers that have the recyclable. Do you have any history on how that program might be working? Or is there a better way for the individuals to recycle and have it picked up so they don't have to go to the \$6,000

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 24, 2014

container or to... [LB844]

DEB ROST: To a drop-off site? [LB844]

SENATOR JOHNSON: Yeah. [LB844]

DEB ROST: The program you're referring to, the Recycle Bank program, is in something like...something like 30 states now. And it's operating in Omaha, parts of Omaha, I should say, most...predominately outside the city limits of Omaha because inside city limits of Omaha you have recycling that's a part...it's rolled into your taxes. Everywhere else people contact the hauler they want at a price they want for the service they want, and typically those haulers offer recycling too. But as a way...the company that started that back east, felt like they wanted to try to incentivize people, if they could with this program where...what they did was, I mean, the idea was call on merchants and ask them to put some sort of a coupon in the program so that as the households earn points for the pounds they recycled, they...you know, if you can get \$5 off by going to the grocery store because you recycled, okay, great. Some people don't need that kind of incentive; other people do. Other people look at it as a way to kind of pay down the cost of what they were paying the hauler to provide the service. So here's the...here is what it cost me and here are the discounts that lower the net cost of that. So it's...in some places it's doing pretty well; in others, maybe not as well. And I really can't speak to it because I'm not close enough to that to know what's going on from one state to another. But it's in the Omaha and Lincoln area, it's been going on for five years. So...but when you said people don't want to pay for it, are you talking about towns? [LB844]

SENATOR JOHNSON: No, the individuals; it's not worth it to them. [LB844]

DEB ROST: Oh, citizens, okay. [LB844]

SENATOR JOHNSON: Yeah, yeah. I think, at least in the communities I've been involved with, with having the portable one and being able to take it to a larger town, I think most...they see some costs to it, but they see the value to it also. Now we in Wahoo have a good experience of Region V, people with disabilities,... [LB844]

DEB ROST: Right. [LB844]

SENATOR JOHNSON: ...that through their van they come around and pick that up, pick up paper and everything, and it's well supported because that's the way to support that agency. [LB844]

DEB ROST: Yeah, right. [LB844]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Natural Resources Committee
January 24, 2014

SENATOR JOHNSON: And so that's a good buy-in. So, thank you. [LB844]

DEB ROST: Yes, yes it is. [LB844]

SENATOR CARLSON: Okay. Any other questions? All right, seeing none, thank you for your testimony. [LB844]

DEB ROST: Thanks, appreciate it. [LB844]

SENATOR CARLSON: (Exhibits 4 and 5) Anyone else as a proponent? Anyone as an opponent? And we do have two letters of support: one from Kathy Siefken from the Nebraska Grocery Industry Association and one from Gary Krumland from the League of Nebraska Municipalities. Anybody in a neutral position? Okay, seeing none, Senator Schilz...waives closing. And so with that we close the hearing on LB844. You're excused to go and the committee will have a short executive session. [LB844]