

2024 Environmental Cost Account (ECA) Budget Forecast for the Former Kerr-McGee Synthetic Rutile Beneficiation Plant Site in Mobile, Alabama

Greenfield Environmental Multistate Trust LLC,

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Trustee of Multistate Environmental Response Trust (collectively, the Multistate Trust)

Exhibit I

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Summary of Site Work Completed in 2023 and Planned for 2024:

Work completed in 2023: fulfilling all regulatory compliance requirements (NPDES, LF Permit, NWP 38 and RML) including renewal applications for both the Site NPDES permit and RML, as well as successful modification of the ADEM-approved 100% design for IOX impoundment closure completion and incorporation of the modified design into the Modified LF Permit; semi-annual LF permit compliance evaluation inspections with no findings of non-compliance; operation and maintenance of the Waste Water Treatment Plant (WWTP), including continued WWTP repair and finalization of a basis of design, specifications, and formal bid solicitation for WWTP optimizations; operation and maintenance of the French drain, interceptor trench, and extraction well system and upkeep of groundwater monitoring infrastructure; management and repairs of fencing, automated gates, roads, and other infrastructure to provide security and safe Site conditions and address erosion control and weather-related impacts; routine groundwater monitoring, reporting, and compliance activities; design, construction, and oversight of an approximate 400 linear foot extension to the existing 2,250-linear foot interceptor trench structure to provide supplemental hydraulic control and maintain inward gradient behind the newly installed containment wall; installation of nine replacement monitoring wells incorporated into the Site groundwater monitoring program and the Site NPDES permit; final contracting for impoundment closure remedial construction (capping) and mobilization of the Prime construction contractor, Engineer of Record (EOR) and Owner's Representative (OR); initiation of Phase 1 of remedial construction for the Project, including Prime contractor assumption of operational responsibility for the extraction and observation well system, E&SCs, and other systems installed as part of construction of the containment wall (Phase 0); bench sale testing to determine the appropriate ISS mix; construction of 2 ISS batch plants, as well as laydown, staging, and office areas; improving perimeter drainage systems and clearing and grubbing berms around the IOX impoundments; installation of the 10-acre abutment; field-verification of impoundment access and the 27-acre impoundment closure approach; installation of ISS columns and bucket-mixed cells at the perimeter of the 27-acre impoundment; cutting and filling the 19-acre impoundment, closure and capping of the 19-acre impoundment, and improving the Parcel 1 ditch system; completion of excavation of NARM and chemical impacts in the former facility area (Parcel 1) from consolidation into the impoundments as part of the ADPH-approved Remediation Plan for Parcel 1 (RPP1) and ADEM-approved voluntary cleanup plan; completion of a uniform environmental covenant (UEC) with soil management plan (SMP) as institutional controls for chemical impacts to the Site under the ADEM Voluntary Cleanup Program (VCP); implementation of NARM-impacted material consolidation in the IOX impoundments; completion of FSSs and RML termination activities to sequentially close NARM areas and release RMAs from licensing under the RML, including facilitation of ADPH approval of the FSSR for the 20.92-acre Survey Group A area (Area A), which released Area A from all licensing controls, restrictions, and requirements; routine lead agency and stakeholder communication including monthly written reports of Site activity, quarterly beneficiary reviews of Site activity and planned environmental actions, contractor retention requests and financial reporting, annual ECA budget preparation and routine financial submittals, and preparation of the Multistate Trust Annual Progress Report.

Work Planned for 2024: fulfilling all regulatory compliance requirements (NPDES, LF Permit, NWP 38, and RML); operating and maintaining the WWTP including final WWTP repairs and upgrades to the existing system required to fulfill end-of-life projections and that are transferable to the newly designed WWTS; French drain, interceptor trench, extraction well system operation and other facility activities; management and repairs to address weather related impacts or unanticipated maintenance needs; routine groundwater monitoring, reporting, and compliance activities; completion of design and of the long-term leachate treatment system for construction; treatability testing to refine the treatment processes, chemical options, and dosing requirements, and to develop the accurate basis of design; incorporation of the design plans of the treatment system into the construction schedule and ECA budgeted allowance for construction by the Prime during the IOX Impoundment Closure Project; continuation and completion of Phase I and commencement of Phase II of construction as part of the multi-year (34-month remaining) in-place impoundment/landfill closure and remedial construction; continuation of NARM impacted material consolidation into the IOX impoundments; and conducting final status surveys and RML termination activities to sequentially close remaining NARM areas for release from license control. All of the 2024 construction-related remedial implementation and landfill capping/closure activities described herein have been competitively bid through extensive RFP and procurement processes conducted in 2022 and 2023.

Site Name: Former Kerr-McGee Synthetic Rutile Beneficiation Plant Site in Mobile, Alabama (the Site)

Site Location: Mobile, Alabama

Multistate Trust Site Code: III

Cost Center	Cost Center Description	Total 2023 Approved Budget	Project Costs incurred in 2023 (as of 9/30/2023)	2024 Budget	2024 Scope of Work
III.A	Regulatory Compliance and Site Operations/Maintenance	\$4,128,000	\$2,153,836	\$3,530,000	The budget for O&M includes ongoing and/or recurring activities including: WWTP operations and maintenance (labor, materials, supplies, equipment, utilities, chemicals, etc.); impoundment maintenance; erosion control measures; French drain and interceptor trench capture system O&M; other Site O&M activities; utilities, materials/supplies, infrastructure safety improvements, security/fencing and equipment maintenance, repair and replacement; and road maintenance. The O&M budget also includes funds for non-recurring activities including: Voluntary Cleanup Program fees for review and recording of Uniform Environmental Covenant (UEC) with Soil Management Plan, implementation of ADEM-approved WWTP optimization upgrades (design and implementation); and other O&M labor and associated direct expenses. Regulatory compliance activities include: NPDES/Landfill compliance groundwater monitoring; NPDES reporting; NARM license compliance (including Radiation Safety Officer); and Landfill permit compliance. Note: Increased O&M costs relative to historical years are due to an increase in costs for utilities, WWTP chemicals and an anticipated increase in wastewater generation associated with landfill closure activities.
III.C	New Environmental Actions	\$144,880,000	\$24,273,579	\$107,511,000	The budget for new environmental actions for the IOX impoundments includes completion of multi-year (remaining 34 months) of IOX impoundment capping/closure activities as well as associated Engineer of Record (EOR) and Owner's Representative (OR) costs for construction project management and QA/QC. In addition, the 2024 budget for new environmental actions related to the former facility area includes: redesign of the existing WWTP to a down-sized, long-term leachate collection treatment system designed to treat post closure flows, continued completion of site-wide remediation of NARM and chemical impacts in accordance with the ADPH-approved Remedial Plan for Parcel 1 (RPP1), which includes costs for RSO and consultant team activities to oversee, manage, and document remediation activities, and remaining reporting obligations under the ADEM-approved VCP cleanup plan. All of the 2024 construction-related remedial implementation and landfill capping/closure activities described herein have been competitively bid through an extensive RFP and procurement processes conducted in 2022 and 2023. Ongoing portions of the 2024 construction-related remedial implementation and landfill capping/closure activities described above will continue to be competitively bid in 2024 and during the remainder of the multi-year landfill capping/closure activities as opportunities for value engineering and other cost optimizations occur.
III.D	Technical Team/Project Management	\$1,252,000	\$795,585	\$1,180,000	Budget includes fees and expenses for providing project direction and oversight of technical elements of on-going and new Environmental Actions including Site strategy, technical oversight of environmental contractors, project controls, project communications, financial management, beneficiary communications, community involvement, quality assurance/quality control, contract management and preparation of Multistate Trust Annual Progress Report.
III.E	Project Fees & Expenses	\$190,000	\$62,843	\$148,000	Budget includes Managing Principal time and expenses for: oversight and approval of technical strategy and Environmental Actions; beneficiary communications; support for beneficiary community involvement; key stakeholder communications; Settlement Agreement matters; budget submittals; redevelopment planning activities; and preparation of Multistate Trust Annual Progress Report.
III.A	Regulatory Oversight Costs	\$50,000	\$0	\$50,000	Placeholder estimate to reimburse ADEM for oversight costs based on historical costs incurred.
III.G	Legal Fees and Accounting Fees	\$363,000	\$211,197	\$363,000	Budget includes fees and expenses for in-house legal services required to support Environmental Actions, including the preparation and execution of contracts, SOWs, access agreements, work associated with deed restrictions and Site closure and other legal affairs. Budget includes costs for financial services, including accounting, bookkeeping, financial reporting, invoice processing, budget preparation, and budget tracking. Budget also includes costs for legal and financial affairs support in preparation of Multistate Trust Annual Progress Report.
III.I	Lease & Property Use (Income & Costs)	\$0	\$0	\$0	Budget assumes no lease revenues in 2024.
III	Total Site 2024 Budget	\$150,863,000	\$27,497,040	\$112,782,000	
Total Former Kerr-McGee Synthetic Rutile Beneficiation Plant Site in Mobile, Alabama Estimated Funding at Beginning of 2024 Budget Year*				\$215,263,000	Total funds allocated to the Site per Consent Decree and Environmental Settlement Agreement; less 2011 - 2022 actual and 2023 estimated costs; plus 2011 - 2022 actual and 2023 estimated investment activity and other receipts.
Estimated Remaining Funds (Post-2024)				\$102,481,000	Initial Funding (2/14/11): \$21,587,129 Anadarko Settlement Funds (2015 and 2016): \$271,885,808 Waterfall Distribution from Sale of Property: \$1,472,033 Other Property Sales: \$15,025

*This is a projection based on estimates and is subject to change once final costs have been received. Actual balances are presented in the quarterly distributed financial statements.