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Proposed 2023 Budget for Multistate Trust Administrative Account (AA) (Cost Code # 1)
Greenfield Environmental Multistate Trust LLC
Trustee of Multistate Environmental Response Trust (Multistate Trust)
Submittal to United States--12/29/2022

Exhibit I

CC #	CC Description	2023 Proposed Budget	Costs thru 9/30/22	2022 Approved Budget	2023 Scope of Work	Basis for 2023 Budget
A	Financial Affairs	\$1,161,500	\$687,619	\$1,187,620	Budget covers costs for internal and third-party financial services, including: (1) implementing and managing Multistate financial procedures and protocols, including a) processing receipts, b) reviewing and tracking contractor invoices, c) reconciling monthly bank and general ledger statements for ±29 segregated accounts, d) preparing/filing annual tax returns, and e) documenting, implementing and monitoring internal controls; (2) third-party CPA a) processing and disbursing payments, b) organizing, scanning and distributing incoming mail, c) assisting with preparation of quarterly financial statements, and d) processing, tracking and handling real estate taxes; (3) treasury and investment functions, including a) reviewing and reconciling monthly investment reports for ±110 accounts, b) preparing reports and participating in periodic treasury meetings and follow-up, c) performing annual evaluations of treasury consultant and investment manager performance and strategy, d) communicating with treasury team, and e) researching and following up on Multistate Trust investment policy; (4) completing a two-year (2021 to 2022) audit of the Multistate Trust financial statements, including fees and expenses of outside auditor; (5) financial tasks required to implement the Transparency Plan, including uploading financial data to Multistate Trust website and supporting preparation of Multistate Trust annual progress report; and (6) other financial tasks and reporting requirements (quarterly financial statements, Administrative Account budgets, long-term financial forecasts for Administrative Account, etc.) [Notes: (i) Direct fees and costs associated with bank custodial fees and asset management fees are netted against investment income for each segregated account and are therefore not included in this not Cost Center. (ii) Financial tasks directly attributable to ECA activities are budgeted for and paid from the specific ECA budgets.]	Budget based on expected level of effort for 2023.
B	Taxes	\$595,300	\$153,419	\$603,300	Budget covers property taxes for Multistate Trust Owned Sites, assuming 5% increase in taxes from 2022 to 2023. [Note: The majority of property taxes are paid in December of each year.]	Budget based on estimated 2022 and actual 2021 taxes paid plus 5%.
C	Site Security & Property Management	\$610,600	\$177,980	\$640,700	Budget includes: (1) third-party costs for caretaking, site security, property management and maintenance that are unrelated to Environmental Actions, including a) repair of vandalized property (doors, gates, etc.), b) installation and repair of fencing, and c) mowing, snow removal and compliance with local ordinances and codes; (2) management and oversight of ±100 Multistate Trust property maintenance and caretaker professionals; (3) communicating and coordinating with municipal inspection departments and local compliance officers; and (4) administering, tracking and authorizing payment of property taxes for Multistate Trust properties. The 2023 budget also includes \$360,000 for Owned Funded Site security measures, including: (1) a placeholder estimate of \$123,000 for third-party costs to plan and perform an inventory of all mine openings (site visit, photographs and aerial imagery) and coordinate the data findings/information with the Nevada Division of Minerals database for the Bristol and Casleton mining sites; (2) a placeholder estimate of \$75,000 for 50% of the costs to install fencing at the Casleton OFS to prevent trespassing, vandalism and exposure to contaminated soil; (3) a placeholder estimate of \$62,000 to address previously identified mine openings that must be closed in Pioche; and (4) a third-party contractor estimate of \$100,000 to remove fence line trees/vegetation and repair damaged fencing at the Indianapolis Site. [Note: Items 1 and 2 were included in the 2022 budget, but were not performed in 2022.]	Budget level funded from 2022 expected costs; plus cost estimates received for specific identified scopes of work to be performed in 2023.
D	Insurance	\$266,100	\$212,596	\$277,000	Budget covers annual insurance premiums for the Multistate Trust's general commercial liability, excess liability, commercial property and crime bond insurance policies (including taxes and fees).	Assumes no change in coverage and a 10-30% increase in premiums over 2022 actuals.
E	Administrative Fees/Expenses	\$482,200	\$260,231	\$526,600	Budget includes ongoing and recurring costs of \$341,600 for Greenfield management, program, project and support personnel to: perform routine administrative tasks and activities, including Beneficiary communications; oversee Multistate Trust financial, investment, budget and financial control activities; develop, implement and maintain program and portfolio management controls and protocols and perform other portfolio-wide activities; portfolio-wide health and safety program; and perform other administrative tasks and address legal matters that are not Environmental Actions. One-time non-recurring budgeted costs of \$90,600 is included for preparing and presenting a update to portfolio-wide funding analysis update; supporting the process for securing approval for the Third Amendment to Settlement Agreement; following up on Unfunded Critical Need evaluations; and perform other administrative tasks and address legal matters that are not Environmental Actions The budget also includes third-party costs for: outsourced Multistate Trust administrative support (\$5,000); Multistate Trust direct costs (\$12,000); permits, licenses and filing fees (\$6,000); direct costs for portfolio management meetings (\$12,000); and costs associated with other Multistate Trust meetings and activities (\$15,000).	2023 budget assumes expected level of effort by Managing Principal to oversee the Multistate Trust portfolio and perform routine, recurring trust administration tasks.
F	Legal Affairs	\$700,500	\$363,765	\$693,460	Budget includes costs for legal services, including: (1) negotiation, management and monitoring of more than 50 third-party contracts and agreements; (2) insurance and risk management issues; (3) Settlement and Multistate Trust Agreement compliance; (4) Trustee compliance with State laws and regulations governing Multistate Trust activities in individual states (including analysis and follow-up on state filing requirements); (5) site-specific and portfolio-wide legal issues not related to Environmental Actions; (6) Beneficiary communications and consultation on administrative matters; (7) legal support for special projects (such as supporting third amendment to Settlement Agreement, unfunded critical needs, local contracting, and the annual progress report) and other legal service requirements; and (8) outside counsel fees and expenses associated with Trustee obligations under Settlement and Multistate Trust Agreements and responding to third-party contract legal affairs. [Note: Property disposition costs are included in Cost Center I.L.]	Budget based on 2022 actual costs incurred that have been adjusted to expected level of effort in 2023.
G	Overall Trust IT & Records Document Management	\$87,000	\$55,556	\$107,000	Budget includes costs for third-party service providers and vendors, including: maintenance of Multistate Trust electronic, on-line document management system (Alfresco); technical support for Alfresco configuration and permissions; general IT support; hardware and software upgrades; costs associated with conference calls and online communications; and costs to relocate historical Tronox documents from Utah to Massachusetts.	Level funded from 2022 budget, with the exception of an expected decrease in Alfresco system costs and the costs for the relocation of documents.
K	Other Site Fund Administration	\$5,000	\$871	\$15,600	Budget covers costs for Greenfield staff to administer the Other Sites program.	Budget estimate is based on expected level of effort required in 2023.
L	Property Disposition: Internal Costs	\$571,900	\$318,836	\$740,100	Budget covers costs for Greenfield staff to effect the disposition of Multistate Trust properties (including OFSs, OSSs, and Other Sites Owned). Multistate Trust costs of sale that have been reimbursed to the Administrative Account between 2011 and 2022 total ±\$1,274,000.	Budget estimate based on expected level of effort in 2023.
M	Property Disposition: External Costs	\$336,000	\$46,398	\$150,000	Budget covers fees and expenses for outside counsel and other third-parties (including appraisers, surveyors, market specialists, and development planners) and other costs (including broker fees, closing costs and other costs) related to property disposition. [Note: Third party costs of sale are reimbursed to the Administrative Account post-closing.]	Budget estimate based on expected level of effort in 2023.
N	Owned and Non-Owned Service Stations: Administration	\$58,800	\$35,711	\$66,100	Budget includes costs for Greenfield staff to administer the Owned Service Stations (OSSs) and Non-Owned Service Stations (NOSSs) portfolio.	Budget estimate based on expected level of effort in 2023.
O	Environmental Justice Programs	\$163,600	\$72,806	\$168,800	Budget covers costs to implement requirements and framework set forth in the United States' February 13, 2021 reappointment letter related to Environmental Justice, including: (1) communication, coordination and operation of the Environmental Justice Advisory Board (EJAB) (including stipends for EJAB members and direct costs for one in-person meeting of the EJAB in 2023); (2) development of guidance for local contracting, community engagement, local business outreach and databases related to Owned Funded Sites; and (3) Environmental Justices communications, including updates to and maintenance of the EJAB webpage.	Budget estimate based on expected level of effort in 2023.
Total Multistate Trust Administrative Account Proposed 2023 Budget		\$5,038,500	\$2,385,788	\$5,176,280		
Estimated Funds Remaining at Beginning of 2023 Budget Year*		\$34,950,000	Total funds allocated to the Administrative Account per Consent Decree and Environmental Settlement Agreement; less 2011 thru 2021 actual and 2022 estimated costs; plus 2011 thru 2021 actual and 2022 estimated investment activity and other receipts, including property sale reimbursement funds. *This is a projection based on actuals and estimates and is subject to change once final costs have been received. Actual balances are presented in the quarterly distributed financial statements.			
Estimated Remaining Funds (Post-2023)		\$29,911,500	Initial Funding (2/14/11): \$16,936,352 Anadarko Settlement Funds (2015 and 2016): \$52,338,018 Waterfall Distribution from Sale of Other Sites Properties: \$619,082			