

2022 Environmental Cost Account (ECA) Budget Forecast for the Former Kerr-McGee Titanium Dioxide Beneficiation Plant Site in Mobile, Alabama

Greenfield Environmental Multistate Trust LLC,

Trustee of Multistate Environmental Response Trust (Multistate Trust)

Exhibit I

Date Submitted: 11/30/21

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Summary of Site Work Completed in 2021 and Planned for 2022:

Work Completed in 2021: fulfilling all regulatory compliance requirements (NPDES, LF Permit, and RML); operating and maintaining the WWTP (including continued WWTP repairs and upgrades); French drain system and other facility activities; management and repairs to address weather related impacts; routine groundwater monitoring, reporting, and compliance activities; completion of remedial design for in-place closure of the IOX impoundments (Parcel 2); permitting activities for impoundment closure; procurement and contracting for impoundment closure remedial construction; completion of site-wide investigations to characterize nature and extent of NARM and chemical impacts in the former facility area (Parcel 1) and other areas on the property; and maintenance and repair activities to address unanticipated maintenance needs.

Work Planned for 2022: fulfilling all regulatory compliance requirements (NPDES, LF Permit, and RML); operating and maintaining the WWTP (including continued WWTP repairs and upgrades); French drain/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; complete permitting activities for in-place landfill/impoundment closure; complete procurement and contracting for in-place impoundment/landfill closure and remedial construction; initiate remedial construction for in-place closure of the IOX landfill/impoundments (complete installation of cement-bentonite containment wall and initiate landfill capping and closure construction); completion of site-wide investigations reporting to characterize nature and extent of NARM and chemical impacts in the former facility area and other areas on the property; perform VCP (chemical) related site remediation and closure activities; perform NARM impacted material consolidation into the IOX impoundments; and perform Final Status Surveys and RML termination activities to sequentially close NARM areas. (Note: The landfill capping/closure construction costs and NARM consolidation/disposal costs are not included. A revised budget, as well as Lead Agency approval, to complete these activities will be requested as an amendment to the 2022 ECA Budget once contractor proposals are received and selected for implementation.)

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

Site Location: Mobile, Alabama

Multistate Trust Site Code: III

Cost Center	Cost Center Description	Pending 2021 Amended Budget	Project Costs incurred in 2021 (as of 9/30/2021)	2022 Budget	2022 Scope of Work
III.A	Regulatory Compliance and Site Operations/Maintenance	\$3,182,000	\$1,373,144	\$3,585,000	The 2022 budget for O&M covers ongoing and/or recurring activities including: WWTP operations and maintenance (labor, materials, supplies, equipment, utilities, chemicals, etc.); impoundment maintenance; erosion control measures; French drain capture system O&M; other Site O&M activities; utilities, materials/supplies, security/fencing and equipment maintenance, repair and replacement; and road maintenance. The O&M budget also includes funds for non-recurring activities including: implementation of ADEM-approved WWTP optimization upgrades (design and implementation); and large-scale maintenance and/or deferred maintenance projects (containment structure cleanup, clearing/grubbing areas of Site, etc.); 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 previous years are due to increased costs for WWTP chemicals (primarily caustic) and due to and anticipated increase in wastewater generation associated with landfill closure activities.)
III.C	New Environmental Actions	\$24,046,000	\$1,570,144	\$21,812,000	The 2022 budget for new environmental actions for the IOX impoundments includes: completion of permit applications necessary for construction (including a major and minor mod of the landfill permit), procurement for IOX impoundment closure remedial construction, completion of containment wall construction, and a place holder for contracts to perform landfill capping/closure activities. (Note: Landfill capping/closure construction costs are not included. A revised budget, as well as Lead Agency approval, to complete these activities will be requested as an amendment to the 2022 ECA Budget once contractor proposals are received and selected for implementation.) In addition, the 2022 budget for new environmental actions related to the former facility area includes: completion of site-wide investigation reporting to characterize nature and extent of NARM and chemical impacts and the development of remedial action plan(s) to address identified impacts. The 2022 budget also includes a costs to develop radiologic remediation plans and RSO activities to oversee, manage, and document remediation activities. (Note: Construction contractor costs to consolidate NARM impacted soils from the facility area to the impoundments for in-place closure and off-site disposal of NARM impacted waste are not included. A revised budget, as well as Lead Agency approval, to complete these activities will be requested as an amendment to the 2022 ECA Budget once contractor proposals are received and selected for implementation.)
III.D	Technical Team/Project Management	\$1,232,000	\$469,064	\$1,301,000	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, and contract management.
III.E	Project Fees & Expenses	\$122,000	\$16,836	\$53,000	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.
III.F	Regulator Oversight Costs	\$150,000	\$19,100	\$75,000	Placeholder estimate to reimburse ADEM for oversight costs.
III.G	Legal Fees and Accounting Fees	\$326,000	\$76,901	\$305,000	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. The budget also includes costs for financial services, including accounting, bookkeeping, financial reporting, invoice processing, budget preparation, and budget tracking.
III.I	Lease & Property Use (Income & Costs)	\$0	\$0	\$0	Budget assumes no lease revenues in 2022.
III	Total Site 2022 Budget	\$29,058,000	\$3,525,189	\$27,131,000	
Total Former Kerr-McGee Titanium Dioxide Beneficiation Plant Site in Mobile, Alabama Estimated Funding at Beginning of 2022 Budget Year*				\$272,616,000	Total funds allocated to the Site per Consent Decree and Environmental Settlement Agreement; less 2011 - 2020 actual and 2021 estimated costs; plus 2011 - 2020 actual and 2021 estimated investment activity and other receipts.
Estimated Remaining Funds (Post-2022)				\$245,485,000	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

*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.