

2023 Environmental Cost Account (ECA) Budget Forecast for the Kerr-McGee Chemical Corp. Superfund Site in Jacksonville, Florida

Greenfield Environmental Multistate Trust LLC,

Trustee of Multistate Environmental Response Trust (Multistate Trust)

Exhibit I

Date Submitted: 11/23/22

Date Approved: 12/15/22

Submittal to: US Environmental Protection Agency (Region 4) on November 23, 2022

Summary of Site Work Completed in 2022 and Planned for 2023:

Work Completed in 2022: Performed routine maintenance. Completed the draft final OU1 remedial design package for cap, bulkhead, dredging, ISS, P&T (100%) which is pending comment. Utilized Fate & Transport Model to support the revised final remedial design scenarios and long term monitoring. Modified permit applications or continued permitting process (USACE, FDEP ERP, JEA IUDDP) based on the final design. Procurement and construction contract for the OU1 remedy Construction Management. Continued work on development of institutional controls for OU1 remedy. Participated in monthly technical working group discussions and various stakeholder meetings. Held public meetings and engagement for review of 100% design and pending construction. Coordinate end user property improvements with remedy. Initiated Remedial Investigation for Deer Creek/OU2 including, thermal study, and request for proposals for Remedial Investigations.

Work Planned for 2023: Perform routine maintenance. Finalize OU1 remedial design package for cap, bulkhead, dredging, ISS, P&T (100%) based on EPA and FDEP comments and pre construction reviews. Complete permitting (USACE, FDEP ERP, JEA IUDDP) and respond to request for additional information. Preconstruction services and procurement for the OU-1 remedy. Contract for and install OU1 remedy including: low permeability cap, ISS, construction of environmental bulkhead, sediment dredging, P&T system. The construction budgets have been estimated to account for potential rate adjustments due to inflation. The Multistate Trust will monitor actual costs incurred and impacts to the 2023 ECA budget and if necessary, submit a budget amendment. Current construction budget is based on the engineer's estimate, a budget amendment may be requested for construction components after a construction proposal is received through the procurement and competitive bidding process of subcontractors. Obtain institutional controls for OU1 remedy. Continue technical working group and various stakeholder meetings. Hold public meetings for construction and OU2 Investigation as necessary. Coordinate end user property improvements with remedy. Continue Remedial Investigation for Deer Creek/OU2 including site access, tidal study, land survey, bathymetric survey, sediment porewater and surface water sampling, sample analysis and validation, data evaluation, regulatory meetings, Remedial Investigation report, and OU2 HHRA and BERA.

Site Name: Kerr-McGee Chemical Corp. Superfund Site in Jacksonville, Florida (the Site)

Site Location: Jacksonville, Florida

Multistate Trust Site Code: IV

Cost Center	Cost Center Description	Total 2022 Approved Budget	Project Costs incurred in 2022 (as of 9/30/2022)	2023 Budget	2023 Scope of Work
IV.A	Regulatory Compliance and Site Operations/Maintenance	\$50,000	\$26,871	\$52,000	Budget includes costs for maintenance, mowing and caretaking. Mowing will occur until construction grade work at the site begins.
IV.C	New Environmental Actions	\$5,224,000	\$1,555,302	\$69,061,000	Budget includes completion of the final remedial design, final groundwater modeling design support for potential P&T design revisions, final permitting (USACE, FDEP, JEA) of the OU1 remedy, participation in technical working group meetings, remedial design meetings, technical subject matter expert support (including but not limited to remedial design, marine engineer, and technical oversight). Budget also includes costs to implement the OU2 RI Work Plan for Deer Creek, including site access, clearing, tidal study and thermal study, land survey, bathymetric survey, sediment porewater and surface water sampling, sample analysis and validation, data evaluation, regulatory meetings, Remedial Investigation report, and OU2 HHRA and BERA. Budget includes an estimate of construction activities for the OU1 remedy (OU1 remedy includes: environmental bulkhead, sediment dredging, ISS, low permeability cap, stormwater facilities, and hydraulic containment system). A budget amendment for construction costs may be requested after proposals are received through the procurement and competitive bidding process. The 2023 budget includes costs for an Owner's Representative to support procurement, oversee construction activities including background air monitoring, stormwater erosion control inspections, and to provide Site trailers, facilities, and utilities until construction. The 2023 budget includes costs for an Engineer of Record (EOR) to be available to the project for oversight, submittal review and responses to requests for additional information, the EOR budget includes full time engineering oversight of the open cell bulkhead during the 2023 calendar year.
IV.D	Technical Team/Project Management	\$988,000	\$535,147	\$1,019,000	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. Budget also includes fees for preparation of Multistate Trust Annual Progress Report.
IV.E	Project Fees & Expenses	\$86,000	\$30,476	\$92,000	Budget includes Managing Principal fees and expenses for: technical strategy development and approval; beneficiary communications; preparation for and participation in beneficiary meetings; oversight of Environmental Actions; reimbursement communications; oversight of budgets/amendments; stakeholder communications; implementation of property sale activities; travel expenses (assuming 2 trips to/from Atlanta/Jacksonville/Tallahassee); and preparation of Multistate Trust Annual Progress Report.
IV.F	Regulator Oversight Costs	\$500,000	\$0	\$500,000	Placeholder budget assumes \$250,000 for EPA and \$250,000 for FDEP oversight.
IV.G	Legal Fees and Accounting Fees	\$563,000	\$265,361	\$529,000	Budget covers costs for legal affairs and activities (in-house and outside counsel), including: legal support to obtain institutional controls including a Restrictive Covenant and application of alternate forms of institutional controls adjacent to the Multistate Trust property; permitting support to finalize permits to implement the OU1 remedy and compliance support during construction; legal support for contractor procurement; follow-up regarding reimbursements; Settlement Agreement compliance; access agreements and matters related to OU2. Budget covers costs for all financial affairs (bookkeeping, budgets, invoice processing, financial reconciliation, etc.). Budget also includes costs for legal and financial affairs support in preparation of Multistate Trust Annual Progress Report.
IV.I	Lease & Property Use (Income & Costs)	\$0	\$949,515	\$0	The 2023 budget excludes reimbursements; these reimbursements will be recorded upon receipt.
IV	Total Site ECA Account 2023 Budget	\$7,411,000	\$1,463,642	\$71,253,000	
Total Kerr-McGee Chemical Corp. Superfund Site in Jacksonville, Florida Estimated ECA Account Funding at Beginning of 2023 Budget Year*			\$71,851,000		Total funds allocated to the Site per Consent Decree and Environmental Settlement Agreement; less 2011 - 2021 actual and 2022 estimated costs; plus 2011 - 2021 actual and 2022 estimated investment activity and other receipts. NOTE: At the time of this budget submittal, the Multistate Trust has not received or accrued oversight costs from the United States for the calendar years 2014 through 2022. These unrecorded costs will result in a reduction in the presented Estimated ECA Account Funding at Beginning of 2023 balance when received.
Estimated ECA Account Remaining Funds (Post-2023)			\$598,000		Initial ECA Funding (2/14/11): \$630,486 Initial SA Funding (2/14/11): \$3,590,495 Anadarko Settlement Funds (2015/2016) Received in Anadarko Account (AA): \$90,628,603 Fund transfer from AA to ECA (2015-2020): \$85,183,058 Fund transfer from AA to SA (2020): \$10,000,000 Waterfall Distribution from Sale of Property: \$490,678 Sale of Property (deposit on 8/3/2020): \$125,000 Reimbursements received (2011-2021): \$8,492,794 **Estimated remaining funds at YE 2023 excludes any potential reimbursements.**
Estimated Balance Segregated Amount Subaccount (SA)			\$13,641,332		The Trust does not plan to use funds from the SA in 2023. NOTE: In March 2020, \$10M was transferred from AA to the SA.
Estimated Balance TOTAL (Post-2023)			\$14,239,332		Total all accounts (ECA and SA)

NOTE: The estimated remaining funds balance (Post-2023) does not include the potential receipts (revenue), such as: reimbursements or property sales proceeds.

*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.

This Single Page Document Constitutes the Annual Budget Submitted to the Lead Agency under Section 3.2.4 of the Multistate Environmental Response Trust Agreement. Supplemental Worksheets, if any, Do Not Comprise a Portion of the Annual Budget.