

2022 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: 11/29/21

Date Approved: 01/05/22

Submittal to: US Environmental Protection Agency (Region 4) on November 29, 2021

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

Work Completed in 2021: Performed routine operations and maintenance. Completed soil, sediment and ISS portions of the OU1 remedial design (100%). Addressed EPA comments and utilized Fate & Transport Model to support the final remedial design scenario. Completed permitting and mitigation for the Site Preparation construction. Completed Site Preparation construction (construction entrance, CSX soil removal and consolidation, foundation removal, erosion control and sedimentation pond, TENORM confirmation sampling) which included engineering oversight and construction management, as well as construction air monitoring. Participated in technical working group and various stakeholder meetings. Coordinated end user development with remedy. Completed and addressed comments for RI Work Plan for Deer Creek/OU2. Initiated fieldwork and planning for Deer Creek/OU2, including site access, clearing, and thermal study.

Work Planned for 2022: Perform routine operations and maintenance. Complete and submit final OU1 remedial design package for cap, bulkhead, dredging, ISS, P&T (100%). Utilize Fate & Transport Model to support the revised final remedial design scenario. Complete permitting (USACE, FDEP ERP, JEA IUDDP) and stormwater mitigation for the final design. Procurement and construction contract for the OU1 remedy including: low permeability cap, ISS, construction of environmental bulkhead, sediment dredging, P&T system. A budget amendment will be requested for construction components after a refined cost estimate is received through the procurement and competitive bidding process. Obtain institutional controls for OU1 remedy. Participate in technical working group and various stakeholder meetings. Hold public meetings for review of 100% designs and construction. Coordinate end user development with remedy. Initiate Remedial Investigation for Deer Creek/OU2 including site access, tidal study, 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.

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 2021 Approved Budget	Project Costs incurred in 2021 (as of 9/30/2021)	2022 Budget	2022 Scope of Work
IV.A	Regulatory Compliance and Site Operations/Maintenance	\$50,000	\$11,370	\$50,000	Budget includes costs for maintenance, mowing and caretaking. Mowing will occur until construction grade work at the site begins.
IV.C	New Environmental Actions	\$8,863,000	\$3,114,889	\$5,224,000	Budget includes completion of the final remedial design, final flow and transport groundwater modeling design support 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, stormwater mitigation, 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. In addition, procurement 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 will be requested after a refined cost estimate is received through the procurement and competitive bidding process. The 2022 budget includes costs for Site maintenance including background air monitoring in between construction events, stormwater erosion control inspections, site trailers, facilities, and utilities.
IV.D	Technical Team/Project Management	\$1,166,000	\$532,070	\$988,000	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.
IV.E	Project Fees & Expenses	\$100,000	\$60,163	\$86,000	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; PRP communications; oversight of budgets/amendments; stakeholder communications; implementation of property sale activities; and travel expenses (assuming 2 trips to/from Atlanta/Jacksonville/Tallahassee).
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	\$721,000	\$229,126	\$563,000	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 with the PRP; Settlement Agreement compliance; access agreements and matters related to OU2. Budget also covers costs for all financial affairs (bookkeeping, budgets, invoice processing, financial reconciliation, etc.).
IV.I	Lease & Property Use (Income & Costs)	\$0	\$1,590,447	\$0	The 2022 budget excludes reimbursements from the PRP (potentially responsible party); these receipts will be recorded when received. No other receipts anticipated in 2022.
IV	Total Site 2022 Budget	\$11,400,000	\$2,357,171	\$7,411,000	
	Total Kerr-McGee Chemical Corp. Superfund Site in Jacksonville, Florida Estimated ECA Funding at Beginning of 2022 Budget Year*			\$73,120,000	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. 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 2021. These unrecorded costs will result in a reduction in the presented Net Trust Assets balance when received.
	Estimated Remaining ECA Funds (Post-2022)			\$65,709,000	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 Reimbursement received from PRP (2011-2020): \$6,702,421
	Estimated Balance Segregated Amount Subaccount (SA)			\$13,840,097	The Trust does not plan to use funds from the SA in 2022. NOTE: In March 2020, \$10M was transferred from AA to the SA.
	Estimated Balance TOTAL (Post-2022)			\$79,549,097	Total all accounts (ECA and SA)

NOTE: The estimated remaining funds balances (Post 2022) does not include the potential receipts (revenue), such as: the 40% cost recovery from the PRP 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.