

**2022 Environmental Cost Account (ECA) Budget Forecast for the Former Tronox/Kerr-McGee Chemical Facility in Madison, Illinois**

Greenfield Environmental Multistate Trust LLC,

Trustee of Multistate Environmental Response Trust (Multistate Trust)

**Exhibit I**

**Date Submitted: 12/02/21**

**Date Approved: 12/20/21**

**Submittal to: Illinois Environmental Protection Agency on December 2, 2021**

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

**Work Completed in 2021:** Performed all planning, groundwater sampling and reporting (i.e., 2H 2020 Groundwater Monitoring Report, Annual CAE Report and the 1H 2021 Groundwater Monitoring Report) in accordance with the Hazardous Waste Management RCRA Post Closure Permit. Performed compliance monitoring and reporting for the Wastewater Discharge Permit. Performed operations and maintenance (O&M) of the Groundwater Remediation System, mowing and site security, and performed the Post Closure Care (PCC) inspections for the hazardous waste management unit (HWMU). Began investigation of the former drip pad (SWMU-5) in accordance with the Illinois EPA-approved Revised Additional Investigation Work Plan for the Former Drip Pad (SWMU-5) (SWMU-5 Work Plan).

**Work Planned for 2022:** Perform all planning, groundwater sampling and reporting (i.e., 2H 2021 Groundwater Monitoring Report, Annual CAE Report and the 1H 2022 Groundwater Monitoring Report) in accordance with the Hazardous Waste Management RCRA Post Closure Permit. Perform compliance monitoring and reporting for the Wastewater Discharge Permit. Perform O&M of the GRS, mowing and site security, and perform the PCC inspections for the HWMU. Perform well survey in compliance with the Hazardous Waste Management RCRA Permit pursuant to Conditions IV.1.9 (i.e., site well elevations are to be surveyed at the top of the well casings, referenced to MSL, every 5 years). Complete the field investigations associated with the implementation of the SWMU-5 Work Plan and prepare the draft and final SWMU-5 investigation report to document the field activities and data evaluation. Evaluate the effectiveness of the GRS, including development of a groundwater model and other 3-D visual aids and perform preliminary evaluation of remedial alternatives. Complete a boundary survey to resolve the discrepancy as related to the total acres owned by the Multistate Trust and to determine whether the additional property should be incorporated into the Hazardous Waste Management RCRA Post Closure Permit. Identify the location of permanent compliance well location(s) at the point where Class I GQs are no longer exceeded and establish groundwater ordinances in the Villages of Madison and Venice. Respond to comments that the Illinois EPA may have on the Temporary and Permanent Groundwater Monitoring Well Installation, Sampling and Results Technical Memorandum. Update the Sampling and Analysis Plan as necessary and develop an environmental database to support remedial system optimization (RSO) efforts and modeling.

As noted, there has been minimal costs incurred in 2021 for Cost Center C. The Multistate Trust received Illinois EPA approval of the SWMU-5 Work Plan on August 25, 2021; thus, the costs associated with the implementation of the SWMU-5 Work Plan will be incurred in 4Q-2021 and 1Q-2022. The remedial alternative analysis (RAA) activities and RSO were put on hold until these same activities could be completed for the former Tronox/Kerr-McGee wood treating sites in Missouri. This was done to gain efficiencies and streamline the process at the Madison site, considering the limited ECA funding. Finally the COVID-19 pandemic has hindered the communications associated with the groundwater ordinances in 2021.

**Site Name: Former Tronox/Kerr-McGee Chemical Facility in Madison, Illinois (the Site)**

**Site Location: Madison, Illinois**

**Multistate Trust Site Code: VIII**

Cost Center	Cost Center Description	Total 2021 Approved Budget	Project Costs incurred in 2021 (as of 10/31/2021)	2022 Budget	2022 Scope of Work
VIII.A	Regulatory Compliance and Site Operations/Maintenance	\$475,800	\$209,306	\$540,000	<p>Budget includes costs to (i) perform all planning, groundwater sampling and reporting (i.e., 2H 2021 Groundwater Monitoring Report, Annual CAE Report and the 1H 2022 Groundwater Monitoring Report) in accordance with the Hazardous Waste Management RCRA Post Closure Permit; (ii) perform compliance monitoring and reporting for the Wastewater Discharge Permit; (iii) O&amp;M of the groundwater remediation system (GRS), mowing and site security, and perform the PCC inspections for the HWMU; (iv) completion of the well survey in compliance with the Hazardous Waste Management RCRA Permit pursuant to Conditions IV.1.9 (i.e., site well elevations are to be surveyed at the top of the well casings, referenced to MSL, every 5 years); (v) RPL insurance, flagging services, and required training to complete groundwater sampling; and (vi) an update to the Sampling and Analysis Plan as necessary to meet the requirement of the Hazardous Waste Management RCRA Post-Closure Permit. Budget includes a placeholder allowance of \$50,000 for unplanned or emergency events.</p> <p>The long-time Site operator is retiring in late-Q1 2022; thus the Multistate Trust is evaluating potential contractors and will seek Illinois EPA approval of a new O&amp;M contractor in the event that a new contractor is proposed. The existing Multistate Trust third-party contractor has indicated that their costs to operate the GRS will increase by about \$64,000 as a result of the operator transition. Additionally, the budget includes a \$10,000 placeholder allowance to account for potential transition costs associated with bringing on a new contractor.</p> <p>The overall increase in the 2022 ECA budget is due to increases in site utilities, the operator transition and 5-year well survey.</p>
VIII.C	New Environmental Actions	\$562,350	\$81	\$646,000	<p>Budget includes costs to: (i) develop the work planning elements to address recommendations from the Annual CAE Report and the 1H 2021 Groundwater Monitoring Report (subject to further discussion with the Illinois EPA); (ii) complete the field investigations associated with the implementation of the SWMU-5 Work Plan and prepare the draft and final SWMU-5 investigation report to document the field activities and data evaluation, (iii) identify the location of permanent compliance well location(s) at the point where Class I GQs are no longer exceeded and establish groundwater ordinances in the Villages of Madison and Venice; (iv) evaluate the effectiveness of the GRS, including development of a groundwater model and other 3-D visual aids; (v) perform preliminary evaluation of remedial alternatives; (vi) complete a boundary survey to resolve the discrepancy as related to the total acres owned by the Multistate Trust and to determine whether the additional property should be incorporated into the RCRA Post Closure Permit; (vii) respond to questions that Illinois EPA may have regarding the Hazardous Waste Management RCRA Post Closure Permit Renewal Application; (viii) respond to comments that Illinois EPA may have on the Temporary and Permanent Groundwater Monitoring Well Installation, Sampling and Results Technical Memorandum; (ix) update the Sampling and Analysis Plan as necessary; and (x) develop an environmental database to support remedial system optimization (RSO) efforts and modeling. The budget also includes a placeholder allowance of \$25,000 to install an additional nine (9) soil borings, one (1) additional piezometer, and collected 28 additional samples (27 soil / 1 groundwater) as part of the ongoing SWMU-5 investigation. A placeholder allowance of \$50,000 has been included to support CMS activities associated with the SWMU-5.</p> <p>As noted, there has been minimal costs incurred in 2021 for Cost Center C. The Multistate Trust received Illinois EPA approval of the SWMU-5 Work Plan on August 25, 2021; thus, the costs associated with the implementation of the SWMU-5 Work Plan will be incurred in 4Q-2021 and 1Q-2022. The remedial alternative analysis (RAA) activities and RSO were put on hold until these same activities could be completed for the former Tronox/Kerr-McGee wood treating sites in Missouri. This was done to gain efficiencies and streamline the process at the Madison site, considering the limited ECA funding. Finally the COVID-19 pandemic has hindered the communications associated with the groundwater ordinances in 2021.</p>
VIII.D	Technical Team/Project Management	\$142,000	\$23,669	\$142,000	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 and expenses for developing the strategy to remove the site from the "Critical Sites List" and for participating in discussions with the Lead Agency and United States. <sup>1</sup>
VIII.E	Project Fees & Expenses	\$19,000	\$236	\$15,000	Budget includes Managing Principal time and expenses for: oversight and approval of technical strategy and Environmental Actions; beneficiary communications; support for beneficiary and community involvement; key stakeholder communications; policy matters; Settlement and Trust Agreement matters; and redevelopment planning activities. Budget also includes fees and expenses for developing the strategy to remove the site from the "Critical Sites List" and for participating in discussions with the Lead Agency and United States. <sup>1</sup>
VIII.F	Regulator Oversight Costs	\$0	\$0	\$0	Regulatory Oversight Cost for Lead Agency
VIII.G	Legal Fees and Accounting Fees	\$39,000	\$19,276	\$39,000	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, and other legal affairs. The budget also includes costs for financial services, including accounting, bookkeeping, financial reporting, invoice processing, budget preparation, and budget tracking. Budget also includes fees and expenses for developing the strategy to remove the site from the "Critical Sites List" and for participating in discussions with the Lead Agency and United States. <sup>1</sup>
VIII.I	Lease & Property Use (Income & Costs)	\$0	\$0	\$0	None anticipated.
VIII	<b>Total Site 2022 Budget</b>	<b>\$1,238,150</b>	<b>\$252,568</b>	<b>\$1,382,000</b>	
	<b>Total Former Tronox/Kerr-McGee Chemical Facility in Madison, Illinois Estimated Funding at Beginning of 2022 Budget Year*</b>			<b>\$4,636,000</b>	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.
	<b>Estimated Remaining Funds (Post-2022)</b>			<b>\$3,254,000</b>	<b>Initial Funding (2/14/11): \$1,294,468</b> <b>Anadarko Settlement Funds (2015 and 2016): \$6,797,145</b> <b>Waterfall Distribution from Sale of Property: \$36,801</b>

\*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.

Notes:

<sup>1</sup>Subject to further consultation with its Lead Agencies and the United States, the Multistate Trust currently defines an Owned Funded Site (OFS) as a "Critical Site" if the OFS lacks sufficient Environmental Cost Account (ECA) funds to address one or more of the following criteria or conditions: (i) Known, uncontrolled, unacceptable or potentially unacceptable exposure of human and/or ecological receptors to OFS site contaminants; (ii) Uncontrolled migration of OFS contaminants off-site at concentrations that exceed applicable risk-based criteria; (iii) Unable to characterize the nature and extent of contamination to determine whether there is an unacceptable exposure of human health and the environment to OFS contamination, and to implement protective remedies; and (iv) Potential impacts to drinking water supplies, actual or likely direct human contact and sensitive socioeconomic impacts, including Environmental Justice communities and populations at risk, because the Multistate Trust endeavors to prioritize such OFS.

Critical Sites need an infusion of funds sufficient to address the above criteria so that an OFS is no longer classified as a Critical Site. Additional funds will likely be necessary to achieve regulatory closure. While many OFSs may lack sufficient funds to achieve final regulatory closure (including long-term stewardship), funding shortfalls in those cases can potentially be addressed by funding receipts from waterfalling funds under the Settlement Agreement and Multistate Trust Agreement, interest income, the sale of property and/or the transfer of such responsibility to a successor to the Multistate Trust.