

2022 Environmental Cost Account (ECA) Budget Forecast for the Former Kerr-McGee/Tronox Wood Treating Site in Indianapolis, Indiana

Greenfield Environmental Multistate Trust LLC,

Trustee of Multistate Environmental Response Trust (Multistate Trust)

Exhibit I

Date Submitted: 11/26/21

Date Approved: 12/30/21

Submittal to: Indiana Department of Environmental Management on November 26, 2021

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

Work Completed in 2021: Conducted additional Site characterization field work to evaluate the exposure potential for on- and off-Site human health risk associated with surface soil, soil gas/vapor and groundwater. Delineated environmental impacts along the Site property boundary. Performed annual groundwater compliance sampling activities and prepared the associated report. Conducted soil gas/vapor sampling activities, including finalization of a soil gas/ vapor sampling strategy with input and approval from Indiana Department of Environmental Management (IDEM), completion of a soil gas/vapor preferential pathway evaluation, submittal of a memorandum summarizing the soil gas/vapor sampling conducted in March 2021 and revised sampling approach for soil gas/vapor investigation activities at the Site. Constructed an investigation-derived waste (IDW) and hazardous waste storage area on the Plant Property. Began updating the Additional Site Characterization and Conceptual Site Model (CSM) Update Report with the findings from the 2021 Site investigation activities. Developed and submitted to IDEM a Sediment Management Plan to support the pending stormwater drainage ditch vegetation clearing and sediment removal activities.

Work Planned for 2022: Perform routine quarterly Site inspections, utilities and an annual groundwater sampling event with reporting. Maintain compliance with the hazardous waste laws and regulations, including maintenance of the IDW and hazardous waste storage area. The 2022 budget includes a placeholder allowance of \$10,000 for unplanned Site improvements or repairs. Finalize the evaluation of exposure potential for on- and off-Site human health risk associated with surface soil, soil gas/vapor and groundwater and the delineation of environmental impacts along Site property boundary. Finalize the soil gas/vapor sampling analytical data review and prepare the Soil Gas/Vapor Risk Evaluation Report. Prepare a Waste Management Plan for the Site and update the Additional Site Characterization and CSM Update Report with the findings from the 2021 Site investigation activities. The 2022 budget also includes a placeholder allowance of \$33,000 for the Multistate Trust's third-party contractor to perform environmental oversight of the stormwater drainage ditch vegetation clearing and sediment removal activities. This amount does not include costs to implement response actions in the event an unknown condition is encountered (e.g., identification of free product as creosote). If an unknown environmental condition is encountered, the Multistate Trust will contact IDEM to determine next steps and a budget amendment will be submitted if necessary. The Multistate Trust is in discussions with the adjacent property owners to develop a cost sharing agreement for the stormwater drainage ditch vegetation clearing and sediment removal activities, which would reduce the Multistate Trust's portion of the estimated costs. The Multistate Trust will schedule a meeting with IDEM after the Additional Site Characterization and CSM Update Report has been submitted to discuss next steps. A budget amendment may be submitted if further work in 2022 is contemplated or necessary.

Site Name: Former Kerr-McGee/Tronox Wood Treating Site in Indianapolis, Indiana (the Site)

Site Location: Indianapolis, Indiana

Multistate Trust Site Code: X

Cost Center	Cost Center Description	Total 2021 Approved Budget	Project Costs incurred in 2021 (as of 9/31/2021)	2022 Budget	2022 Scope of Work
X.A	Regulatory Compliance and Site Operations/Maintenance	\$103,800	\$55,861	\$118,000	Budget includes utilities, annual groundwater sampling event with reporting and routine semi-annual Site inspections. The budget also includes costs to maintain compliance with the hazardous waste laws and regulations, including maintenance of the investigation derived waste and hazardous waste storage area. In addition, the budget includes a placeholder allowance of \$10,000 for unplanned Site improvements or repairs. The Multistate Trust is also working to identify a local contractor to perform the routine compliance, sampling and operations and maintenance activities in an effort to reduce overall total costs.
X.C	New Environmental Actions	\$420,300	\$103,685	\$114,000	Budget includes (i) finalization of the evaluation of the exposure potential for on- and off-Site human health risk associated with surface soil, soil gas/vapor and groundwater and delineation of environmental impacts along Site property boundary; (ii) finalization of soil gas/vapor sampling analytical data review; (iii) preparation of the Soil Gas/Vapor Risk Evaluation Report summarizing the soil gas/vapor data collected in 2021; (iv) preparation of a Waste Management Plan for the Site; (v) updating the Additional Site Characterization and CSM Update Report with the findings from the 2021 Site investigation activities; and (vi) the budget includes a placeholder allowance of \$33,000 for the Multistate Trust's third-party contractor to perform environmental oversight of the stormwater drainage ditch vegetation clearing and sediment removal activities. This amount does not include costs to implement response actions in the event an unknown condition is encountered (e.g., identification of free product as creosote). If an unknown environmental condition is encountered, the Multistate Trust will contact IDEM to determine next steps and a budget amendment will be submitted if necessary. The Multistate Trust is in discussions with the adjacent property owners to develop a cost sharing agreement for the stormwater drainage ditch vegetation clearing and sediment removal activities, which would reduce the Multistate Trust's portion of the estimated costs. The Multistate Trust will schedule a meeting with IDEM after the Additional Site Characterization and CSM Update Report has been submitted to discuss next steps. A budget amendment may be submitted if further work in 2022 is contemplated or necessary.
X.D	Technical Team/Project Management	\$133,000	\$56,670	\$59,000	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 to continue work to remove the site from the "Critical Sites List" and for participating in discussions with the Lead Agency and United States. ¹
X.E	Project Fees & Expenses	\$10,000	\$243	\$5,000	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 to continue work to remove the site from the "Critical Sites List" and for participating in discussions with the Lead Agency and United States. ¹
X.F	Regulator Oversight Costs	\$10,000	\$0	\$10,000	Regulatory oversight costs for lead agency
X.G	Legal Fees and Accounting Fees	\$46,000	\$20,742	\$33,000	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 to continue work to remove the site from the "Critical Sites List" and for participating in discussions with the Lead Agency and United States. ¹
X.I	Lease & Property Use (Income & Costs)	\$0	\$0	\$0	Budget assumes no lease revenues in 2022
X	Total Site 2022 Budget	\$723,100	\$237,201	\$339,000	
	Total Former Kerr-McGee/Tronox Wood Treating Site in Indianapolis, Indiana Estimated Funding at Beginning of 2022 Budget Year*			\$973,000	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)			\$634,000	Initial Funding (2/14/11): \$366,782 Anadarko Settlement Funds (2015 and 2016): \$2,265,715 Waterfall Distribution from Sale of Property: \$12,267

*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:

¹Subject 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 OFSs.

Critical Sites need an infusion of funds sufficient to address the above criteria so that an OFSs 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.