

**2023 Environmental Cost Account (ECA) Budget Forecast for the Kerr-McGee Chemical Corp. Superfund Site in Navassa, North Carolina**

**Date Submitted: 11/23/22**

Greenfield Environmental Multistate Trust LLC,

Trustee of Multistate Environmental Response Trust (Multistate Trust)

**Exhibit I**

Submittal to: US Environmental Protection Agency (Region 4) on November 23, 2022; Revised December 21, 2022; Corrected January 9, 2023

**Date Approved: 01/09/23**

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

**Work Completed in 2022:** (1) Overall: Performed Project Management activities, Updated site CSM and strategy; (2) Implemented Community Engagement and Environmental Justice program activities, including costs associated with training and redevelopment planning activities; (3) OU2: Finalized and secured beneficiary approval of feasibility study and remedial action work plan, supported EPA in development of OU2 Proposed Plan and ROD activities; developed RFP and other contracting documents for remedial action; conducted contractor bid evaluation; (4) OU3 (Southern Marsh) Completed PDS technical memorandum and sampling workplan and submitted for Beneficiary review and approval; conducted porewater/sediment sampling and marsh reconnaissance; (5) OU4 (Pond and Process Area): Finalized the Supplemental RI DQOs and Phase I SRI Work Plan; Conducted Supplemental Remedial Investigation to better define extent of contamination and extent of NAPL, Drafted and submitted the BERA for Beneficiary review, drafted the HHRA; (6) OU5 (Groundwater): Conduct semi-annual groundwater monitoring well sampling program.

**Work Planned for 2023:** (1) OU2: Finalize remedial action work plan (RAWP) for new selected remedy (Alternative 3), complete contracting activities for remedial action (RA) and, complete soil excavation and stockpile; and soil removal, prepare RA Completion Report; (2) OU3: (Southern Marsh) complete and secure Beneficiary approval of DQOs BERA Addendum, perform PDS sampling and reporting, develop initial draft of Focused Feasibility Study, conduct Pilot Study for Southern Marsh Area; (3) OU4 (Pond and Process Area): Design, implement, conduct and report on OU4 Supplemental Remedial Investigation to better define extent of contamination and extent of NAPL, draft and finalize OU4 North workplan and conduct field investigation for data collection, complete and secure beneficiary approval of OU4 North HHRA Addendum, OU4 North Feasibility Study and OU4 North RAWP [the decision to remediate OU4 North separate from the entire OU4 has not been finalized and is subject to change], finalize OU4 BERA for Beneficiary review and approval, draft initial outline of OU4 Feasibility Study. (4) OU5 (Groundwater): Conduct semi-annual groundwater monitoring well sampling program, conduct Pilot Study for groundwater remediation; (5) Community Engagement and Environmental Justice program implementation, including costs associated with potential training and redevelopment planning activities; (6) Overall: Project Management, Update CSM and site strategy.

**Site Name:** Kerr-McGee Chemical Corp. Superfund Site in Navassa, North Carolina (the Site)

**Site Location:** Navassa, North Carolina

**Multistate Trust Site Code:** XX

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
XX.A	Regulatory Compliance and Site Operations/Maintenance	\$198,000	\$63,364	\$210,000	Budget includes caretaker functions, access needs, site security, site maintenance, etc.
XX.C	New Environmental Actions	\$9,606,500	\$1,133,292	\$7,911,000	Work to be performed in 2023 includes: (1) OU2: Finalize remedial action work plan (RAWP) for new selected remedy (Alternative 3), complete contracting activities for remedial action (RA), Complete soil excavation, soil stockpile, and prepare RA Completion Report; (2) OU3: (Southern Marsh) Complete and secure Beneficiary approval of DQOs BERA Addendum, perform PDS sampling and reporting, Develop initial draft of Focused Feasibility Study, conduct Pilot Study for Southern Marsh Area; (3) OU4 (Pond and Process Area): Design, implement, conduct and report on OU4 Supplemental Remedial Investigation to better define extent of contamination and extent of NAPL, Draft and finalize OU4 North workplan and conduct field investigation for data collection, Complete and secure beneficiary approval of OU4 North HHRA Addendum, OU4 North Feasibility Study and OU4 North RAWP [the decision to remediate OU4 North separate from the entire OU4 has not been finalized and is subject to change], finalize OU4 BERA for Beneficiary review and approval, draft initial outline of OU4 Feasibility Study. (4) OU5 (Groundwater): Conduct semi-annual groundwater monitoring well sampling program, conduct Pilot Study for groundwater remediation; (5) Community Engagement and Environmental Justice program implementation, including costs associated with potential training and redevelopment planning activities; (6) Overall: Project Management, Update CSM and site strategy.
XX.D	Technical Team/Project Management	\$1,015,000	\$577,429	\$1,023,000	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, site-specific environmental justice program development and implementation, quality assurance/quality control, and contract management. Budget also includes fees for preparation of Multistate Trust Annual Progress Report.
XX.E	Project Fees & Expenses	\$163,000	\$67,883	\$175,000	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; and preparation of Multistate Trust Annual Progress Report.
XX.F	Regulator Oversight Costs	\$700,000	\$53,314	\$800,000	Placeholder budget for EPA and NCDEQ oversight costs.
XX.G	Legal Fees and Accounting Fees	\$250,000	\$41,441	\$155,000	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. In addition, the 2023 budget includes outside legal support for the development of institutional controls (if needed), review of documents related to property recombination/subdivision, and construction contract development support for OU2. Budget includes costs for financial services, including accounting, bookkeeping, financial reporting, invoice processing, budget preparation, and budget tracking. Budget also includes costs for legal and financial affairs support in preparation of Multistate Trust Annual Progress Report.
XX.I	Lease & Property Use (Income & Costs)	\$0	\$0	\$0	Budget assumes no lease revenues in 2023.
XX	Total Site ECA Account 2023 Budget	\$11,932,500	\$1,936,723	\$10,274,000	

**Total Kerr-McGee Chemical Corp. Superfund Site in Navassa, North Carolina Estimated ECA Account Funding at Beginning of 2023 Budget Year\***      \$26,649,000

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: The Multistate Trust has not received or accrued oversight costs from the United States for the calendar years 2018 through 2022. These unrecorded costs will result in a reduction in the presented Estimated ECA Account Funding at Beginning of 2023 Budget Year balance when received.

**Estimated ECA Account Remaining Funds (Post-2023)**      \$16,375,000

Initial ECA Funding (2/14/11): \$618,060  
 Initial SA Funding (2/14/11): \$3,590,495  
 Anadarko Settlement Funds (2015 and 2016) Received in Anadarko Account (AA): \$90,628,602  
 Fund transfer from AA to ECA on 8/11/2015: \$45,100,021

Pro-Rata Portion of Waterfall Distributions from Sales of Other Sites Properties: \$490,678  
 (Note: Funds are not from sales of Navassa Site properties.)

<b>Estimated Balance Segregated Amount Subaccount (SA)</b>	\$3,785,076	The Trust does not plan to use funds from the SA in 2023.
<b>Estimated Balance Anadarko Amount Subaccount (AA)</b>	\$48,255,325	The Trust does not plan to use funds from the AA in 2023.
<b>Estimated Balance TOTAL (Post-2023)</b>	\$68,415,401	Total all accounts (ECA, SA, and AA)

\*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.