

2023 Environmental Cost Account (ECA) Budget Forecast for the Former Kerr-McGee/Tronox Site in Beaumont, Texas:

Greenfield Environmental Multistate Trust LLC,

Trustee of Multistate Environmental Response Trust (Multistate Trust)

Exhibit I

Date Submitted: 11/21/22

Date Approved: 12/22/22

Submittal to: Texas Commission on Environmental Quality on November 21, 2022

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

Work Completed in 2022: Updated and achieved Texas Commission on Environmental Quality (TCEQ) approval of the Final Land Based Operable Unit (LBOU) Remedial Action Effectiveness Report (RAER). Prepared, submitted and achieved TCEQ approval of the Brakes Bayou Operable Unit (BBOU) Data Gaps Investigation (DGI) Work Plan, and began BBOU DGI field investigation activities (will extend into 2023). Obtained TCEQ approval of the LBOU Groundwater DGI Technical Memorandum, and subsequently abandoned six deep monitoring wells, located on- and off-Site. Performed routine Site operations, maintenance and regulatory compliance activities, including Site caretaking, bi-weekly BBOU sheen inspections, monthly Site inspections and reporting, annual long-term monitoring (LTM) sampling and reporting, and permit compliance reporting to the City of Beaumont. Conducted emergency Site visits/inspections before and after hurricanes as needed. Supported preparation of Chapter 3.X (specific to the Site) of the Multistate Trust 2021 Annual Progress Report.

Work Planned for 2023: Complete BBOU DGI field investigation and prepare BBOU Geotechnical Memorandum. Provide decision document support to TCEQ regarding preparation and finalization of the Proposed Remedial Action Documents (PRADs) and Administrative Orders for both the LBOU and BBOU, including preparations, attendance, and public outreach for associated public meeting(s). Perform routine Site operations, maintenance and regulatory compliance activities, including Site caretaking, bi-weekly BBOU sheen inspections, monthly Site inspections and reporting, and annual LTM sampling and reporting. Conduct emergency Site visits/inspections before and after hurricanes as needed. The ECA budget does not include costs to begin the LBOU or BBOU remedial design in 2023. Based on discussions with TCEQ, the Administrative Orders for both the LBOU and BBOU won't be signed until early 2024; thus, the LBOU and BBOU remedial design are not anticipated to start until 2024. If remedial design tasks are desired in 2023, a budget amendment will be requested. The budget assumes that the groundwater and creosote recovery and treatment plant (GWTP) will remain off-line in 2023. If the GWTP requires operation or decommissioning, a budget amendment will be requested. Support preparation of the Multistate Trust 2022 Annual Progress Report (portion specific to the Site).

Site Name: Former Kerr-McGee/Tronox Site in Beaumont, Texas (the Site)

Site Location: Beaumont, Texas

Multistate Trust Site Code: XXVIII

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
XXVIII.A	Regulatory Compliance and Site Operations/Maintenance	\$161,000	\$58,108	\$164,000	Perform biweekly inspections for sheen in the Brakes Bayou, monthly LBOU monitoring and inspections, including gauging all Site wells for depth to water and depth to dense nonaqueous phase liquid (DNAPL). The 2023 ECA budget assumes that the GWTP will remain off-line in 2023. The budget also includes (i) permit-required reporting to the City of Beaumont (City), and communications with the City (e.g., inspections, industrial wastewater survey, etc.); (ii) routine Site maintenance, including mowing and maintaining security, annual groundwater monitoring and reporting to TCEQ, and monthly status reporting to TCEQ; (iii) utilities and meter calibrations; (iv) a \$4k allowance for investigation derived waste (IDW) disposal costs for future IDW generation; (v) annual lease fee to the Texas General Land Office (GLO) for bayou, alarm and permit fees; and (vi) a \$20k allowance for unplanned events, maintenance, or emergency response. If the GWTP requires operation or decommissioning, a budget amendment will be requested. Utilities, laboratory charges and other routine O&M 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.
XXVIII.C	New Environmental Actions	\$752,000	\$28,153	\$444,000	For both the LBOU and BBOU, provide decision document support to TCEQ RE: preparation and finalization of the Proposed Remedial Action Documents (PRADs) and Administrative Orders for both the LBOU and BBOU, including preparations, attendance, and public outreach for associated public meetings. Complete the BBOU DGI field investigation to collect hydraulic and geotechnical data and other information to allow for BBOU Remedial Design to promptly begin following completion of the BBOU Administrative Order. Complete a property survey to establish a Plume Management Zone on the LBOU. The budget does not include costs to begin the LBOU or BBOU remedial design in 2023. Based on discussions with TCEQ, the Administrative Orders for both the LBOU and BBOU won't be signed until early 2024; thus, the LBOU and BBOU remedial design are not anticipated to start until 2024. If remedial design tasks are desired in 2023, a budget amendment will be requested. The budget also includes costs for Dr. Rob Hinchee to provide subject matter expertise, including review and comment on work planning, data evaluation, report conclusions/recommendations, remedial selection, and other remediation issues for the Site. The 2023 ECA budget is lower than the 2022 ECA budget because no design costs are included in the 2023 budget, while some design costs were included (to be used only if authorized by TCEQ) in the 2022 ECA budget.
XXVIII.D	Technical Team/Project Management	\$204,000	\$61,930	\$170,000	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 and support for participation in one public meeting, quality assurance/quality control, and contract management. Budget also includes fees for preparation of Multistate Trust 2022 Annual Progress Report.
XXVIII.E	Project Fees & Expenses	\$20,000	\$1,733	\$18,000	Budget includes Managing Principal time and expenses for: (i) oversight and approval of technical strategy and Environmental Actions; (ii) beneficiary communications; (iii) support for beneficiary community involvement; (iv) key stakeholder communications; (v) Settlement Agreement matters; (vi) budget submittals; (vii) redevelopment planning activities; and (viii) preparation of Multistate 2022 Trust Annual Progress Report.
XXVIII.F	Regulator Oversight Costs	\$0	\$0	\$0	Budget assumes TCEQ will not request reimbursement of oversight costs.
XXVIII.G	Legal Fees and Accounting Fees	\$76,000	\$15,330	\$62,000	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. Includes legal review and participation in the preparation of Administrative Orders for the LBOU and BBOU. 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 2022 Annual Progress Report.
XXVIII.I	Lease & Property Use (Income & Costs)	\$0	\$4,000	\$0	Projected revenue from the existing lease agreement is not a material source of projected site revenue and, as a result, is not included in this line item.
XXVIII	Total Site 2023 Budget	\$1,213,000	\$161,254	\$858,000	
Total Former Kerr-McGee/Tronox Site in Beaumont, Texas Estimated Funding at Beginning of 2023 Budget Year*				\$21,448,000	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.
Estimated Remaining Funds (Post-2023)				\$20,590,000	Initial Funding (2/14/11): \$1,651,132 Anadarko Settlement Funds (2015 and 2016): \$22,657,151 Waterfall Distribution from Sale of Property: \$122,669

*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.