

2022 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: 11/30/21

Date Approved: 12/22/21

Submittal to: Texas Commission on Environmental Quality on November 30, 2021

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

Work Completed in 2021: Prepared, submitted, and achieved Texas Commission on Environmental Quality (TCEQ) approval of the Brakes Bayou Operable Unit (BBOU) Feasibility Study (FS) Addendum and Land Based Operable Unit (LBOU) Dense Non-aqueous Phase Liquid (DNAPL) Recovery Pilot Test Report. Performed Groundwater Data Gap field investigation to address TCEQ comments on Draft LBOU Response Action Effectiveness Report (RAER); prepared and submitted Groundwater Data Gaps Investigation (DGI) Technical Memorandum and Final LBOU RAER. Performed LBOU Soil Cap data gap investigation to assess geotechnical properties of interim soil cap; prepared and submitted LBOU Soil Cap DGI Technical Memorandum. Prepared Industrial Wastewater Permit Renewal Application. Performed routine site operations, maintenance and regulatory compliance activities, including Site caretaking, bi-weekly BBOU sheen inspections, monthly Site inspections & reporting, and annual long-term monitoring (LTM) sampling & reporting. Conducted emergency Site visits/inspections before and after hurricanes as needed.

Work Planned for 2022: Achieve TCEQ approval of the Final LBOU RAER. Support TCEQ in the remedy selection for the LBOU and BBOU, including the preparing/completing the Proposed Remedial Action Document (PRAD), public meeting, and Administrative Orders for both operable units (OUs). The 2022 Environmental Cost Account (ECA) budget includes \$107k to complete 50% and 90% LBOU soil cap remedial design and \$140k to complete the 30% BBOU remedial design (anticipated design start Q3 or Q4); however, remedial design for the LBOU and BBOU will only begin upon approval from TCEQ - based upon sufficient progress towards formalizing remedy selection and completing administrative orders for each OU. Includes routine site operations, maintenance and regulatory compliance activities, including Site caretaking, bi-weekly BBOU sheen inspections, monthly Site inspections & reporting, and annual LTM sampling & reporting. Conduct emergency Site visits/inspections before and after hurricanes as needed. Assumes the groundwater and creosote recovery and treatment plant (GWTP) remains off-line. Budget does not include costs for GWTP decommissioning in 2022; if activities are performed to return the GWTP to operation or begin decommissioning of the GWTP, a budget amendment will be requested.

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 2021 Approved Budget	Project Costs incurred in 2021 (as of 9/30/2021)	2022 Budget	2022 Scope of Work
XXVIII.A	Regulatory Compliance and Site Operations/Maintenance	\$174,050	\$90,331	\$161,000	Perform biweekly inspections for sheen in Brakes Bayou, monthly LBOU monitoring and inspections, including gauging all Site wells for depth to water and depth to DNAPL. The 2022 ECA budget assumes that the GWTP remains off-line in 2022. 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 \$3k allowance for 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. The 2022 ECA budget is reduced compared to the 2021 ECA budget to more closely reflect actual O&M costs incurred/projected in 2021. If activities are performed to return the GWTP to operation or decommission the GWTP, a budget amendment will be requested.
XXVIII.C	New Environmental Actions	\$585,000	\$249,429	\$752,000	Complete and achieve TCEQ approval of the LBOU RAER, LBOU Soil Cap DGI Technical Memo, and LBOU Groundwater DGI Technical Memo. Abandon six deep groundwater monitoring wells installed in 2021. Prepare a BBOU DGI Work Plan and implement the field work 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 or upon TCEQ approval to begin preliminary design. Provide decision document support to TCEQ RE: LBOU Administrative Order amendment or replacement and BBOU PRAD, public meetings, and Administrative Order. The budget includes costs to begin LBOU and BBOU design activities; however, remedial design for the LBOU and/or BBOU will only begin with approval from TCEQ (based upon sufficient progress towards formalizing remedy selection and completing administrative orders). The budget 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 2022 ECA budget is higher than the 2021 ECA budget because of the anticipated cost of the BBOU Pre-Design Investigation (\$308k), the 50% and 90% LBOU Cap Design (\$107k), and the 30% BBOU design (\$140k).
XXVIII.D	Technical Team/Project Management	\$216,000	\$94,695	\$204,000	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.
XXVIII.E	Project Fees & Expenses	\$22,000	\$807	\$20,000	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; and (vii) redevelopment planning activities.
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	\$80,000	\$17,895	\$76,000	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. The budget also includes costs for financial services, including accounting, bookkeeping, financial reporting, invoice processing, budget preparation, and budget tracking.
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 2022 Budget	\$1,077,050	\$449,156	\$1,213,000	
	Total Former Kerr-McGee/Tronox Site in Beaumont, Texas Estimated Funding at Beginning of 2022 Budget Year*			\$21,715,000	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)			\$20,502,000	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.