

2023 Environmental Cost Account (ECA) Budget Forecast for the Former Kerr-McGee/Tronox Wood Treating Facility in Texarkana, Texas

Greenfield Environmental Multistate Trust LLC,

Date Submitted: 11/21/22

Trustee of Multistate Environmental Response Trust (Multistate Trust)

Exhibit I

Date Approved: 12/09/22

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: Achieved Texas Commission on Environmental Quality (TCEQ) conditional approval of the Response Action Plan. Prepared RCRA Hazardous Waste Permit Renewal/Modification application for Permit No. 50076 (to be submitted in December). Performed soil to outdoor air sampling/reporting, and obtained TCEQ approval to proceed with soil cap design without vapor barriers. Completed pre-excavation soil delineation sampling as inputs to soil capping and soil excavation designs. Completed 60% remedial designs for Days Creek re-route, Waggoner Creek lining, and soil capping (all expected by December 2022). Performed soil excavation procurement, with field implementation scheduled to commence in December 2022. Initiated cultural resources survey and U.S. Army Corps of Engineers (USACE) permit applications for Days and Waggoner Creek remedial construction (expected complete in early 2023). Prepared Draft on-Site deed restrictions and off-Site restrictive covenants, and coordinated review with TCEQ and off-Site land owners. Prepared a Communication and Coordination Plan for, and held meetings with TCEQ and the City of Texarkana to coordinate Multistate Trust and City construction projects located in close proximity to each other. Performed routine Site O&M and 5-year tank inspections. Completed well abandonment of approximately 70 monitoring wells. Performed all compliance activities, monitoring, and reporting, to meet the requirements of the TWU wastewater discharge permit, post-closure care requirements for the on-Site hazardous waste management unit, and other long-term monitoring requirements for the Site. Supported preparation of Chapter 3.Z (specific to the Site) of the Multistate Trust 2021 Annual Progress Report.

Work Planned for 2023: Complete the renewal/modification of RCRA Hazardous Waste Permit No. 50076. Complete/submit permit application to USACE for Days and Waggoner Creek remedial construction, including completing a 'No Rise' flood plain surface water model if required by Bowie County (Costs for Days Creek re-route construction are not included in 2023 budget; anticipated in 2024/2025). Complete soil excavation remedial action (scheduled to begin in December 2022), including soil excavation Remedial Action Completion Report (RACR). Achieve TCEQ approval of soil capping design and Waggoner Creek liner design; refine soil capping and creek liner construction costs by initiating competitive procurement (Costs for soil capping and Waggoner Creek liner construction are not included in 2023 budget; if construction desired in 2023 a budget amendment will be submitted). Implement on-Site deed restrictions and off-Site restrictive covenants. Perform routine Site O&M. Perform all compliance activities, monitoring, and reporting, to meet the requirements of the TWU wastewater discharge permit, post-closure care requirements for the on-Site hazardous waste management unit, and other long-term monitoring requirements for the Site. Support preparation of the Multistate Trust 2022 Annual Progress Report (portion specific to the Site).

Site Name: Former Kerr-McGee/Tronox Wood Treating Facility in Texarkana, Texas (the Site)

Site Location: Texarkana, Texas

Multistate Trust Site Code: XXX

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
XXX.A	Regulatory Compliance and Site Operations/Maintenance	\$672,050	\$327,445	\$640,050	Continue operations and maintenance (O&M) of groundwater and creosote recovery and treatment system, including well field, collection trenches, treatment building, process tanks, and other system infrastructure. Perform TCEQ-required annual groundwater monitoring and reporting, and TWU-required discharge permit compliance quarterly monitoring and reporting. Perform routine Site maintenance, including mowing and maintaining security. Budget includes utilities and meter calibrations. Includes a \$50k allowance for unplanned events or emergency response, and \$25k for system infrastructure/equipment modification and/or repair. Transportation and off-Site disposal of recovered dense nonaqueous phase liquid (DNAPL) as creosote is not budgeted or expected in 2023 based on large DNAPL recovery tank capacity and low DNAPL recovery rate. Decreased budget as compared to 2022 due primarily to \$25k allowance for Days Creek bank stabilization not included in 2023, because it was not used in 2022 and Unplanned Events funding would be used to bank stabilization, if necessary. 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.
XXX.C	New Environmental Actions	\$1,272,000	\$163,341	\$803,000	Achieve TCEQ approval of Permit Renewal/Modification Application for Hazardous Waste Permit 50076, including support of public outreach or public meetings, as necessary. Complete cultural resources survey in work area of Days Creek re-route. Complete/submit USACE permit application for Days Creek re-route and Waggoner Creek liner projects, including 60% design documents and performing 'No Rise' flood plain surface water model and certification if required by Bowie County. Complete soil excavation of approximately 600 cubic yards of soil (scheduled to begin in December 2022), confirmation sampling, and complete soil excavation RACR. Achieve TCEQ approval of soil capping design and initiate soil cap procurement phase to refine cost estimate for soil cap construction (Soil cap construction costs not included in 2023 budget. If soil cap construction desired in 2023, a budget amendment will be requested). Complete deed restriction for on-Site land use restrictions and obtain restrictive covenants for off-Site land use restrictions. Includes budget to perform a property survey of the Site, if required as part of filing deed notice(s) for Site. Includes \$40k placeholder allowance for Site reuse/redevelopment activities to coordinate remedial design, current/future hazardous waste permit obligations, and Site reuse interests and opportunities to facilitate reuse of property. 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. Decreased budget in 2023 compared to 2022 due to soil excavation and multiple design tasks started in 2022 but being completed in 2023, and due to constructions costs for soil capping, creek lining, and creek re-route note included in 2023 budget (if construction of any of these remedial elements is desired in 2023 based on progress predecessor tasks, a budget amendment will be requested. Fees for non-owned property restrictive covenants, if required, are not included in the 2023 budget.
XXX.D	Technical Team/Project Management	\$219,000	\$104,520	\$217,000	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 for preparation of Multistate Trust 2022 Annual Progress Report.
XXX.E	Project Fees & Expenses	\$23,000	\$3,701	\$22,000	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; redevelopment planning activities; and preparation of Multistate Trust 2022 Annual Progress Report.
XXX.F	Regulator Oversight Costs	\$0	\$0	\$0	Regulatory oversight costs for lead agency.
XXX.G	Legal Fees and Accounting Fees	\$108,000	\$29,859	\$111,000	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, construction procurement support, and other legal affairs. In addition, the 2023 legal budget includes a \$25k allowance for outside counsel to support a real estate transaction for the Site and support establishment of restrictive covenants as off-Site institutional controls. 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.
XXX.I	Lease & Property Use (Income & Costs)	\$0	\$0	\$0	Budget assumes no lease revenues in 2023.
XXX	Total Site 2023 Budget	\$2,294,050	\$628,867	\$1,793,050	
Total Former Kerr-McGee/Tronox Wood Treating Facility in Texarkana, Texas Estimated Funding at Beginning of 2023 Budget Year*				\$18,487,000	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)				\$16,693,950	Initial Funding (2/14/11): \$2,537,176 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.