

# Multistate Environmental Response Trust



## Environmental Justice Advisory Board Meeting November 9, 2023



# **Overview of the Multistate Environmental Response Trust**



**Cynthia Brooks**

**Environmental Justice Advisory Board Meeting  
November 9, 2023**



# What is an Environmental Response Trust?

- ✓ Unable to pay for cleanups, some companies (debtors) seek bankruptcy protection
- ✓ Court-approved bankruptcy settlement agreement creates environmental response trust to assume debtor's cleanup responsibilities
- ✓ State and federal governments are trust beneficiaries because governments are senior creditors and cleanups are required under governments' environmental laws
- ✓ Trustee often takes title to debtor's contaminated sites and receives finite funds (provided by company responsible for contamination) to clean up sites
- ✓ Trustee is independent fiduciary with governments as beneficiaries



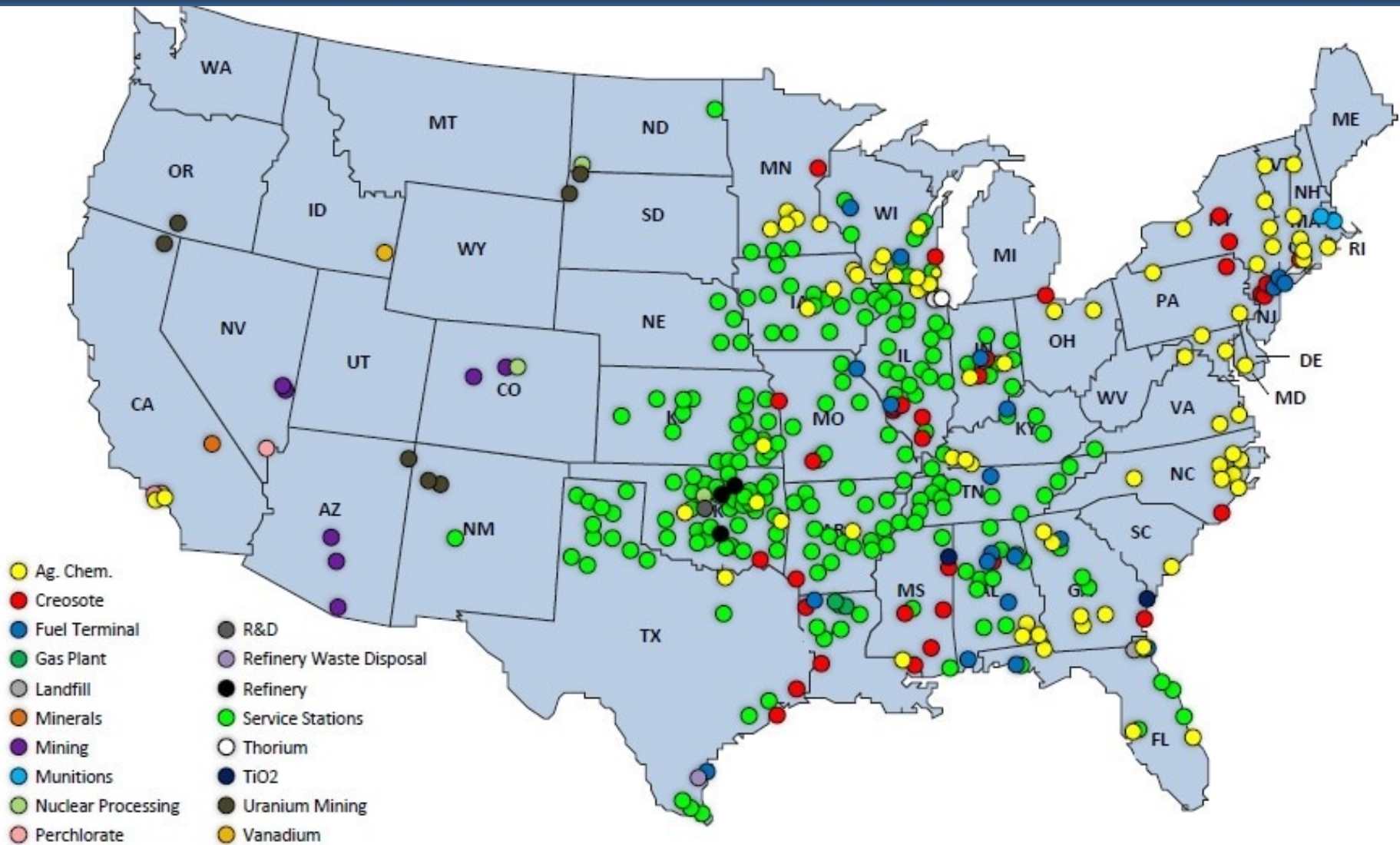
# History of Kerr-McGee and Tronox

1929	Kerr-McGee incorporated in Oklahoma City and thereafter commenced oil, gas, chemical, uranium mining, forest products/wood treating, plutonium, and other industrial operations
Early 2000's	Residents that lived near Kerr-McGee wood treater sites in Columbus, MS, Avoca, PA and Bossier City, LA sued Kerr-McGee for adverse health and property impacts
2005 to 2006	Kerr-McGee created "shell" (Tronox) and transferred hundreds of contaminated sites into Tronox without adequate cleanup funds
2006	Kerr-McGee sold its most valuable oil and gas assets to Anadarko Petroleum
2009	Unable to fund cleanup of Kerr-McGee sites, Tronox filed for bankruptcy
2011	Court approved Tronox bankruptcy settlement with <u>very limited funding</u> for 5 environmental response trusts, Anadarko Litigation Trust, and Tronox Tort Trust
2014	After finding Anadarko liable for fraud, Bankruptcy Court approved \$5.15 billion Anadarko litigation settlement which provided additional funds to clean up Kerr-McGee sites
2015 to 2016	Trusts received additional funds from Anadarko settlement to carry out responsibilities



# April 5, 2014 *Washington Post* Article “A frightening map of where Kerr-McGee polluted”

## Kerr-McGee Environmental Sites



Source: Plaintiff's Rule 1006 Summary; GPX0001 at 1

# Overview of Multistate Environmental Response Trust

- ✓ Created as part of 2011 Tronox bankruptcy settlement
  - Took title to more than 300 Kerr-McGee/Tronox sites in 31 states
  - Most contaminated sites include: 13 wood treaters, 6 petroleum processing terminals, 2 chemical and pesticide plants, 2 specialty manufacturing centers and 2 abandoned mines
  - Also responsible for 2,000+ sites in 48 states that are owned by others
  
- ✓ Cleanup Funds
  - 2011: received funds totaling ±\$81 million to clean up hundreds of sites
  - 2015/2016: received ±\$1.1 billion from Anadarko litigation
  
- ✓ Cleanup Challenges
  - Underfunded for first five years
  - Only 2 of 25 most contaminated sites were fully characterized
  - 11 operating (inefficient and expensive) wastewater treatment plants
  - Kerr-McGee historically dumped and buried wastes
  - Many sites are in communities disproportionately harmed by contamination



# Key Attributes of Multistate Trust

- ✓ Responsible for owning, managing, remediating, and effecting safe disposition of hundreds of sites
- ✓ Private trust with public purpose of protecting public health and environment
- ✓ Independent trust with fiduciary duty to beneficiaries who are solely governmental entities
- ✓ Cleanup Funds:
  - Finite funds must be conserved/protected (not dissipated)
  - Can only be used for Environmental Actions (not other projects)
  - Not public or taxpayer funds (i.e., came from entities responsible for contamination--Tronox and Kerr-McGee/Anadarko)
- ✓ Greenfield prioritizes community engagement, local contracting, and facilitating future uses supported by communities most impacted by contamination



# Environmental Justice Program



**Claire Woods**

**Environmental Justice Advisory Board**  
**November 9, 2023**

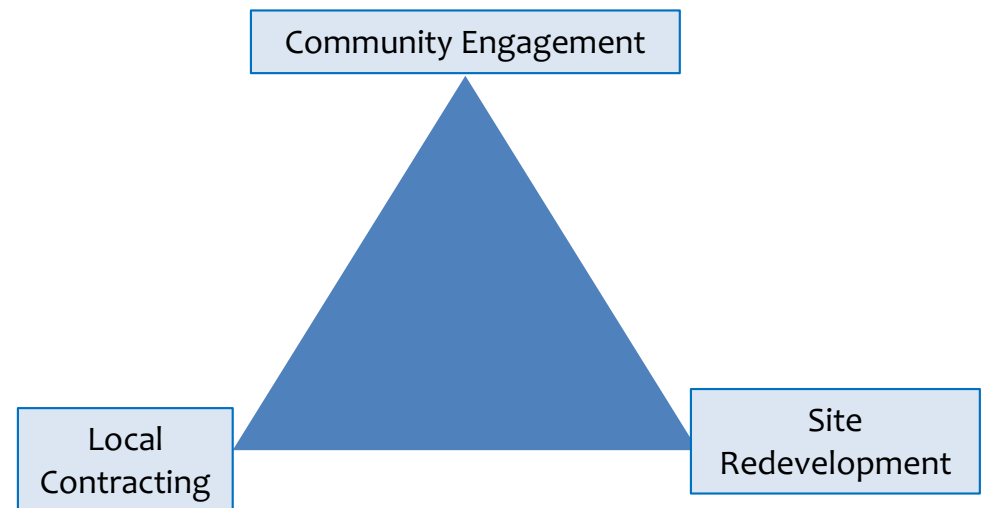


Greenfield Environmental Multistate Trust LLC  
Trustee of the Multistate Environmental Response Trust



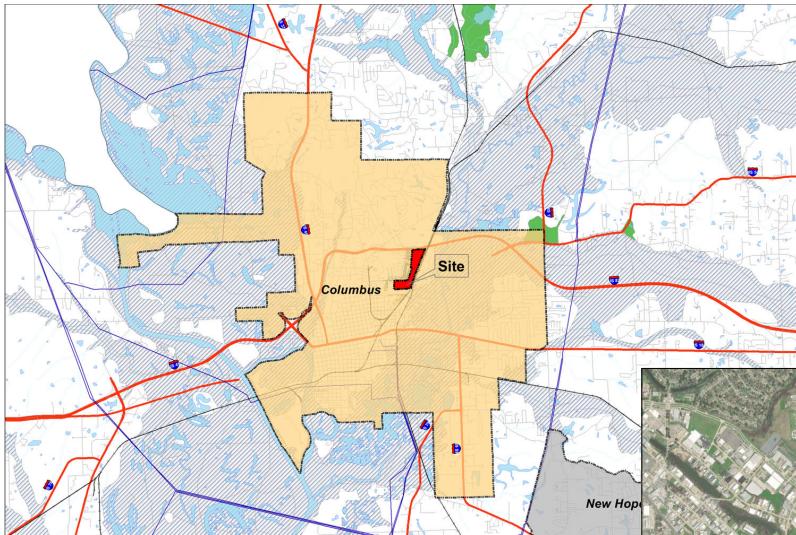
# Environmental Justice Program Pillars

- ✓ We work to engage community members, clean up legacy contamination, and facilitate reuse with transparency, to support environmental cleanup and economic growth
- ✓ Our environmental justice goals:
  - Share information with and seek input from community members
  - Fulfill vendor and contracting needs by contracting locally, where possible
  - Support community's vision for safe Site redevelopment, where possible

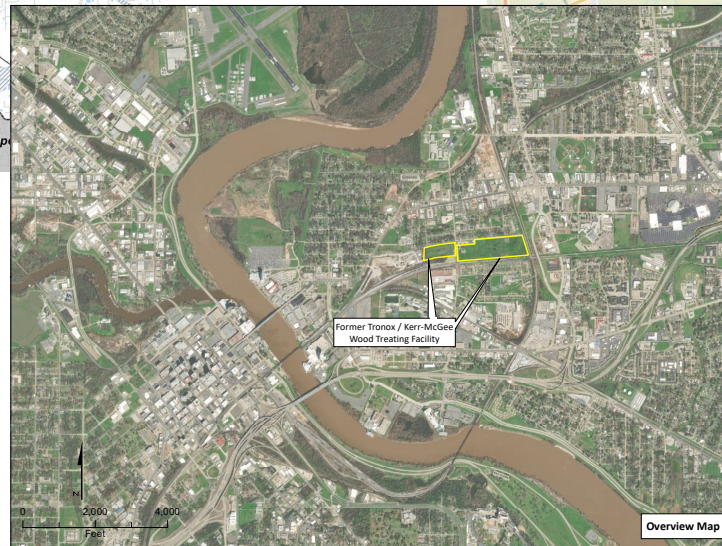


# Multistate Trust Environmental Justice Program

Kerr-McGee Superfund Site  
Columbus, Mississippi



Kerr-McGee Superfund Site  
Navassa, North Carolina

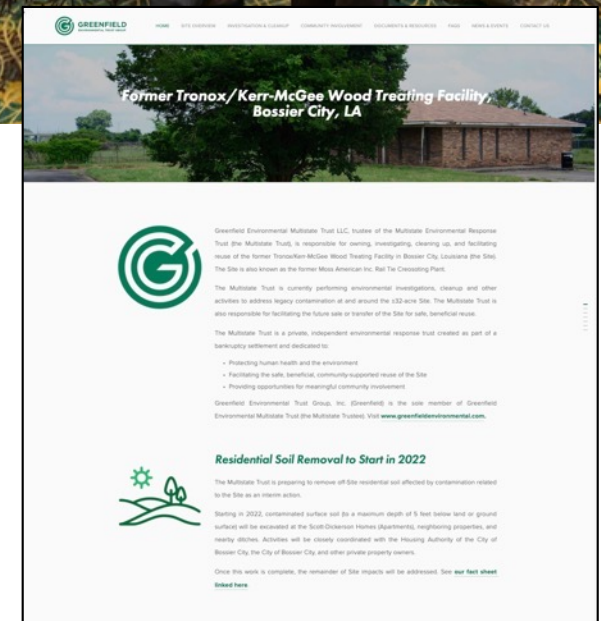


Former Tronox/Kerr-McGee Wood Treating Facility  
Bossier City, Louisiana



# Community Engagement – Bossier City

- ✓ Hold 3-4 community meetings per year
- ✓ Initiate redevelopment working group
- ✓ Prepare flyers, factsheets, FAQs, doorhangers, newspaper advertisements
- ✓ Hire community liaison
- ✓ Issue community survey
- ✓ Maintain site-specific website
- ✓ Attend city council meetings
- ✓ Outreach to churches, local leaders, officials
- ✓ Coordinate with Bossier City/Parrish NAACP
- ✓ Provide support for community initiatives





# Local Contracting – Navassa

- ✓ Identify and communicate contracting needs and qualifications
- ✓ Outreach to assess interest, qualifications, and capacity of local prime and subcontractors
- ✓ Invite pre-qualified contractors to submit bids, provide equal opportunity for all interested
- ✓ Evaluate contractor capabilities based on publicly available factors
- ✓ Offer flexibility in contracting terms for smaller, local contractors
- ✓ Incentivize prime contractors to retain local subcontractors
- ✓ Offer mentorship and training opportunities



Contractor Bid Process - 2022



Contractor Outreach Event- 2023



# Redevelopment Planning - Columbus

- ✓ Vision: A storm shelter and multi-use indoor/outdoor recreation center
- ✓ Location: The ±10-acre portion off the Pine Yard that is available for reuse and/or portion of Main Plaint Area
- ✓ Ownership: Owned by the City of Columbus, funded through FEMA funds, other grants, or potentially private investors
- ✓ Development elements:
  - Storm Shelter
  - Indoor Basketball/Soccer
  - Community Meeting and Event Space
  - Outdoor Recreation/Walking Trails/Memorial
  - Concessions and vendors
  - Parking
- ✓ Potential benefits:
  - Achieves a community-supported reuse and creates a community asset
  - Allows for revenue generation for City
  - Potential for local employment and business opportunities



# Board Mission

“The Environmental Justice Advisory Board’s mission is to consider and advise the Multistate Trust on environmental justice issues at Multistate Trust sites and, where it deems appropriate, to recommend, for the Multistate Trust’s consideration, strategies or measures to advance environmental justice at Trust sites.”

- Charter, Paragraph II



# The Board Members



Top row: Lanessa Owens-Chaplin (New York Civil Liberties Union), Stacey Halliday (Beveridge & Diamond PC), Dr. Beverly Wright (Deep South Center for Environmental Justice), Perry Charley (Diné College, Shiprock Campus)

Bottom Row: Jeremy Orr (Earthjustice), Patricia Timmons Goodson (Ret. Justice, Supreme Court of North Carolina), Gerald Torres (Yale Law School)



Greenfield Environmental Multistate Trust LLC  
Trustee of the Multistate Environmental Response Trust



# Board Meeting Objectives

- ✓ Seek advice from Board members about how to improve Environmental Justice Program
- ✓ Receive guidance and recommendations from experienced environmental justice leaders and strengthen partnerships with community members and stakeholders
- ✓ Facilitate connections and relationships between Board members and community leaders who will be in attendance

