



KANSAS NATURAL RESOURCE TRUSTEE COUNCIL

U.S. Department of the Interior
&
State of Kansas



Cherokee County Superfund Project
Cherokee County, Kansas

US Fish & Wildlife Service
RECEIVED

Trustee Council Resolution #2
April 6, 2010

APR 21 2010

Kansas
Field Office

The Trustees believe the investment strategy below meets our current plan for implementing restoration actions associated with the Cherokee County Superfund Site cases, while also allowing sufficient flexibility to quickly pursue unforeseen exceptional restoration opportunities.

Phelps-Dodge funds (Account #0538)

Leave the full amount of \$522,187.28 in the Phelps-Dodge account in 30-day Treasury Bills so that it is readily available to fund current restoration activities. All interest earned on this investment would remain associated with the Phelps-Dodge account, and would be re-invested into 30-day Treasury Bills along with the original principle.

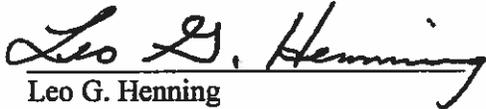
ASARCO funds (Account #0585)

Leave \$2,403,477.47 in the 30-day Treasury Bills so that it is readily available to fund current restoration activities. All interest earned on this investment would remain associated with the ASARCO account, and would be re-invested into 30-day Treasury Bills along with the original principle.

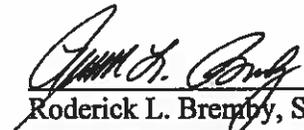
Move \$4,000,000 of the ASARCO account into four equivalent \$1,000,000 Marketable Notes maturing within six (6) months of January, 2015. The notes selected for this investment should not charge a premium for purchase and should return the most favorable interest rate available at the time of investment. All interest earned on these investments would be placed into 30-day Treasury Bills noted above and would remain associated with the ASARCO account.

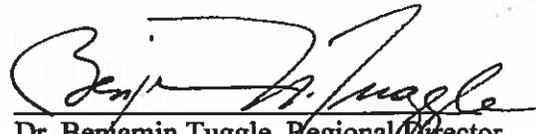
Move \$5,000,000 of the ASARCO account into Marketable Bonds maturing within six (6) months of February, 2036. The bond selected for this investment should not charge a premium for purchase and should return the most favorable interest rate available at the time of investment. All interest earned on the investment would be placed into 30-day Treasury Bills and would remain associated with the ASARCO account. Interest earned would be transferred to the Trustees to fund O&M activities, remain in 30-day Treasury Bills until needed, or placed into short-term investments as appropriate.

The Phelps-Dodge and ASARCO funds placed in the 30-day Treasury Bills would provide the Trustees with approximately \$2,900,000. The Trustees believe this is adequate funding to implement the restoration plan for the next 5 years. The \$4,000,000 from the ASARCO settlement that is placed in the 5-year notes will provide the Trustees with funding for similar restoration projects for a period after the funds in the 30-day Treasury Bills are exhausted. These funds could also be used in whole or in part to implement exceptional restoration opportunities that may become available in the interim. The Trustees anticipate using the \$5,000,000 from the ASARCO settlement that is placed in the 26-year Bond for long-term O&M activities for the restoration actions, in-stream surface water restoration actions that must wait for completion of the EPA remedial action, or can be used for compensating inflation. Placing the funds in the accounts described above will allow these funds to generate approximately \$315,000 in annual interest.


Leo G. Henning
State Trustee Program Manager


John Miesner
Federal Trustee Project Manager


Roderick L. Bremby, Secretary
Kansas Department of Health and Environment
State Natural Resource Trustee


Dr. Benjamin Tuggle, Regional Director
US Fish and Wildlife Service- Region 2
Authorized Official



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&
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June 22, 2010

The Trustees would like the following funds invested as described below:

ASARCO funds (Account #0585)

Invest \$4,000,000 of the ASARCO account into four equivalent \$1,000,000 Marketable Notes. Based on prices listed on FedInvest on June 22, 2010, we would like these funds deposited in Note # 912828KT6 which pays 2.375% interest and matures on 3/31/2016.

Invest \$5,000,000 of the ASARCO account into two equivalent \$2,500,000 Marketable Bonds. Based on prices listed on FedInvest on June 22, 2010 we would like these funds deposited in Bond # 912810QB7 which pays 4.250% interest and matures on 5/15/2039.

All interest earned on these investments need to be placed into 30-day Treasury Bills and will remain associated with the ASARCO account.

Cherryvale funds (Account #0522)

Invest the full amount of the Cherryvale fund (approximately \$460,000) into a Marketable Note. Based on prices listed on FedInvest on June 22, 2010, we would like these funds deposited in Note # 912828KT6 which pays 2.375% interest and matures on 3/31/2016.

All interest earned on these investments need to be placed into 30-day Treasury Bills and will remain associated with the Cherryvale account.

If there are any questions regarding these investments, please call Leo Henning at 785-296-5572.
Thank you.