cc: Ms. Carol Stein, EPA Region 2
Mr. Donald G. Frankel, USDOJ
Ms. Carol Jacobs, VIDOJ
Ms. Amy Chester, EPA Region 2 (Chester.Amy@epa.gov)
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Ms. Kathlyn Worrell-George, DPNR (Kathlyn.Worrell-George@dpnr.vi.gov)
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GOVERNMENT OF THE UNITED STATES VIRGIN ISLANDS
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March 1. 2019

Robert Puga, P.G.
Principal of Project Navigator Ltd.
Solely in its Capacity as Trustee for the HOVENSA Environmental Response Trust
1 Estate Hope
Christiansted, USVI 00820-5652

RE: Proposed 2019 Budget
Bankruptcy Case No. 1: 15-bk-10003-MFW; EPA ID No.: VID980536080

Dear Mr. Puga:

I am writing in response to your letter of December 20, 2018, regarding the proposed 2019 budget for the HOVENSA Environmental Response Trust (ERT). The Virgin Islands Department of Planning and Natural Resources (DPNR), Division of Environmental Protection has reviewed the proposed budget that HOVENSA ERT submitted by letter dated December 20, 2018, to Ms. Carol Stein, US Environmental Protection Agency (EPA) Region 2; Ms. Dawn Henry, then Commissioner of DPNR; Mr. Donald Frankel, US Department of Justice; and Mr. Claude Walker, then Attorney General of the Virgin Islands. Specific budget items and expenditures were set forth in a Table 1 which was an enclosure to the letter.

Your letter and the enclosed table noted that section 7.13 of the ERT Agreement requires DPNR approval for line items 7 (TPDES), 11 (Air Permitting/Title 5), and 25 (Potable Water/SDWA), and for the water impact study (which has no line item), each of which is projected to have no expenditures in 2019. DPNR hereby approves these line items for the 2019 budget.

If you have any questions, please do not hesitate to contact Ms. Kathlyn Worrell-George, the Director of DPNR's Division of Environmental Protection, at 340-774-3320, ext. 5215.

Sincerely,

Jean-Pierre L. Oriol
Commissioner Nominee