



COUNTY OF SANTA CRUZ

Personnel Department Risk Management

701 OCEAN STREET, SUITE 310
SANTA CRUZ, CA 95060

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September 10, 1998

BOARD OF SUPERVISORS

County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

ANNUAL CERTIFICATION OF FINANCIAL RESPONSIBILITY FOR UNDERGROUND STORAGE TANKS CONTAINING PETROLEUM

Dear Members of the Board:

Each year your Board must approve the submission of a Certification of Financial Responsibility for Petroleum Underground Storage Tanks as required by Federal Environmental Protection Agency (EPA) and State Water Resources Control Board (SWRCB) regulations. Under these regulations, within 120 days of the close of each financial reporting year, the County must demonstrate financial responsibility for its petroleum underground storage tanks (USTs). There is a variety of mechanisms that can be used, which are addressed in the regulations, one of which is a State Fund set up for this purpose.

In order to use the Fund, the County must certify financial responsibility for the first \$10,000 per occurrence and aggregate, exclusive of the Fund. This certification can be accomplished through any one of several means specified by the EPA and promulgated by the SWRCB. The mechanism known as the "worksheet test" has been used in prior years because it was the least restrictive option and clearly demonstrated financial responsibility compliance. We are recommending this method be used again to demonstrate financial responsibility for the current reporting period.

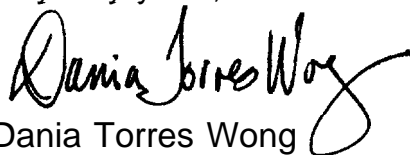
All of the formulas and calculations that comprise this test are specifically set forth in the EPA regulations. The worksheet test must be accompanied by a letter from the Chief Financial Officer in support of the use of the test. The Auditor-Controller has signed the attached letter based on the test results verified by his staff.

Letter to the Board of Supervisors
County of Santa Cruz
September 10, 1998
Agenda Date: September 22, 1998

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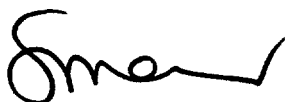
It is RECOMMENDED that your Board approve and authorize the County Administrative Officer to sign the attached Certification of Financial Responsibility for Petroleum Underground Storage Tanks.

Very truly yours,



Dania Torres Wong
Personnel Director

RECOMMENDED:



Susan A. Mauriello
County Administrative Officer

cc: Auditor-Controller
Health Services Agency - Environmental Health
Personnel Department

Attachments

DTW: JM:pb



State of California
State Water Resources Control Board

For Regulatory Agency Use Only

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CERTIFICATION OF FINANCIAL RESPONSIBILITY

FOR UNDERGROUND STORAGE TANKS CONTAINING PETROLEUM

A. I am required to demonstrate Financial Responsibility in the required amounts as specified in Section 2807, Chapter 18, Div. 3, Title 23, CCR:

500,000 dollars per occurrence
 1 million dollars per occurrence

or

AND

or

1 million dollars annual aggregate
 2 million dollars annual aggregate

3. The County of Santa Cruz hereby certifies that it is in compliance with the requirements of Section 2807, (Name of Tank Owner or Operator) Article 3, Chapter 18, Division 3, Title 23, California Code of Regulations. The mechanisms used to demonstrate financial responsibility as required by Section 2807 are as follows:

Mechanism Type	Name and Address of Issuer	Mechanism Number	Coverage Amount	Coverage Period	Corrective Action	Third Party Comp.
FUND WORKSHEET TEST		None None	\$990,000 10,000			

Note: If you are using the State fund as any part of your demonstration of financial responsibility, your execution and submission of this certification also certifies that you are in compliance with all conditions for participation in the Fund.

Facility Name	Facility Address
See attached list.	
Facility Name	Facility Address
Facility Name	Facility Address
Facility Name	Facility Address
Facility Name	Facility Address

Signature of Tank Owner or Operator	Date	Name and Title of Tank Owner or Operator Susan A. Mauriello, County Administrative Officer
Signature of Witness or Notary	Date	Name of Witness or Notary Susan M. Rosario, Clerk of the Board

INSTRUCTIONS

CERTIFICATION OF FINANCIAL RESPONSIBILITY FORM

Please type or print clearly all information on Certification of Financial Responsibility form. All UST facilities and/or sites owned or operated may be listed on one form; therefore a separate certificate is not required for each site.

DOCUMENT INFORMATION

- A. **Amount Required** - Check the appropriate boxes.
- B. **Name of Tank Owner** - Full name of either the tank owner or the operator.
or Operator
- C. **Mechanism Type** - Indicate which State approved mechanism(s) are being used to show financial responsibility either as contained in the federal regulations, 40 CFR, Part 280, Subpart H, Sections 280.90 through 280.103 (See Financial Responsibility Guide, for more information), or Section 2808.1, Chapter 18, Division 3, Title 23, CCR.

Name of Issuer - List all names and addresses of companies and/or individuals issuing coverage.
Mechanism Number - List identifying number for each mechanism used. Example: insurance policy number or file number as indicated on bond or document. (If using State Cleanup Fund (State Fund) leave blank.)

Coverage Amount - Indicate amount of coverage for each type of mechanism(s). If more than one mechanism is indicated, total must equal 100% of financial responsibility for each facility.

Coverage Period - Indicate the effective date(s) of all financial mechanism(s). (State Fund coverage would be continuous as long as you maintain compliance and remain eligible to continue participation in the Fund.)

Corrective Action - Indicate yes or no. Does the specified financial mechanism provide coverage for corrective action? (If using State Fund, indicate "yes".)

Third Party Compensation - Indicate yes or no. Does the specified financial mechanism provide coverage for third party compensation? (If using State Fund, indicate "yes".)
- D. **Facility Information** - Provide all facility and/or site names and addresses.
- E. **Signature Block** - Provide signature and date signed by tank owner or operator; printed or typed name and title of tank owner or operator; signature of witness or notary and date signed; and printed or typed name of witness or notary (if notary signs as witness, please place notary seal next to notary's signature).

Where to Mail Certification:

Please send original to your local agency (agency who issues your UST permits). Keep a copy of the certification at each facility or site listed on the form.

Questions:

If you have questions on financial responsibility requirements or on the Certification of Financial Responsibility Form, please contact the State UST Cleanup Fund at (916) 227-4307.

Note: Penalties for Failure to Comply with Financial Responsibility Requirements:

Failure to comply may result in: (1) jeopardizing claimant eligibility for the State UST Cleanup Fund, and (2) liability for civil penalties of up to \$10,000 dollars per day, per underground storage tank, for each day of violation as stated in Article 7, Section 25299.76(a) of the California Health and Safety Code.



COUNTY OF SANTA CRUZ

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AUDITOR - CONTROLLER'S OFFICE
GARY A. KNUTSON, AUDITOR - CONTROLLER

701 OCEAN STREET, ROOM 100
SANTA CRUZ, CA 95060

(408) 454-2500 FAX: (408) 454-2433

September 1, 1998

To Whom It May Concern:

I am the Chief Financial Officer of the County of Santa Cruz, 701 Ocean Street, Santa Cruz, California. This letter is in support of the use of the local government financial test to demonstrate financial responsibility for taking corrective action and compensating third parties for bodily injury and property damage caused by sudden accidental releases or nonsudden accidental releases in the amount of at least \$10,000 per occurrence and \$10,000 annual aggregate arising from operating underground storage tanks.

Underground storage tanks at the following facilities are assured by this financial test:

		<u>Number of Tanks</u>
Information Services	701 Ocean Street Santa Cruz, CA 95060	1
GSD Fleet Operations	691 Ocean Street Santa Cruz, CA 95060	1
DPW Maintenance Yard	201 Hihn Street Felton, CA 95018	2
DPW Maintenance Yard	2700 Brommer Street Santa Cruz, CA 95062	2

This owner or operator has not received an adverse opinion or a disclaimer of opinion from an independent auditor on its financial statements for the latest completed fiscal year. Any outstanding issues of general obligation or revenue bonds, if rated, have a Moody's rating of Aaa, Aa, A, or Baa or a Standard and Poor's rating of AAA, AA, A, or BBB; if rated by both firms, the bonds have a Moody's rating of Aaa, Aa, A or Baa and a Standard and Poor's rating of AAA, AA, A or BBB.


Gary A. Knutson
Auditor-Controller

GAK:JM/pb

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WORKSHEET FOR MUNICIPAL FINANCIAL TEST

PART I: BASIC INFORMATION

1.	Total Revenues	
a.	Revenues (dollars)	<u>354,532,223</u>
	Value of revenues excludes liquidation of investments and issuance of debt. Value includes all general fund operating and non-operating revenues, as well as all revenues from all other governmental funds including enterprise, debt service, capital projects, and special revenues, but excluding revenues to funds held in a trust or agency capacity.	
b.	Subtract interfund transfers (dollars)	<u>(58,937,473)</u>
c.	Total Revenues (dollars)	<u>295,594,750</u>
2.	Total Expenditures	
a.	Expenditures (dollars)	<u>369,519,695</u>
	Value consists of the sum of general fund operating and non-operating expenditures including interest payments on debt, payments for retirement of debt principal, and total expenditures from all other governmental funds including enterprise, debt service, capital projects, and special revenues.	
b.	Subtract interfund transfers (dollars)	<u>(58,923,383)</u>
c.	Total Expenditures (dollars)	<u>310,596,312</u>
3.	Local Revenues	
a.	Total Revenues (from 1c) (dollars)	<u>295,594,750</u>
b.	Subtract total intergovernmental transfers (dollars)	<u>(120,774,239)</u>
c.	Local Revenues (dollars)	<u>174,820,511</u>
3.	Debt Service	
a.	Interest and fiscal charges (dollars)	<u>4,034,360</u>
b.	Add debt retirement (dollars)	<u>11,072,290</u>
c.	Total Debt Service (dollars)	<u>15,106,650</u>

5.	Total Funds (Dollars)	<u>112,485,678</u>
	(Sum of amounts held as cash and investment securities from all funds, excluding amounts held for employee retirement funds, agency funds, and trust funds)	
6.	Population (Persons)	<u>246,000</u>

PART II: APPLICATIONS OF TEST

7.	Total Revenues to Population	
a.	Total Revenues (from 1c)	<u>295,594,750</u>
b.	Population (from 6)	<u>246,000</u>
c.	Divide 7a by 7b	<u>1,201.605</u>
d.	Subtract 417	<u>784.605</u>
e.	Divide by 5,212	<u>151</u>
f.	Multiply by 4.095	<u>.619</u>
8.	Total Expenses to Population	
a.	Total Expenses (from 2c)	<u>310,596,312</u>
b.	Population (from 6)	<u>246,000</u>
c.	Divide 8a by 8b	<u>1,262.587</u>
d.	Subtract 524	<u>738.587</u>
e.	Divide by 5,401	<u>.137</u>
f.	Multiply by 4.095	<u>.561</u>
9.	Local Revenues to Total Revenues	
a.	Local Revenues (from 3c)	<u>174,820,511</u>
b.	Total Revenues (from 1c)	<u>295,594,750</u>
c.	Divide 9a by 9b	<u>.592</u>
d.	Subtract .695	<u>(.103)</u>
e.	Divide by .205	<u>(.503)</u>
f.	Multiply by 2.840	<u>(1.429)</u>

10.	Debt Service to Population	
a.	Debt Service (from 4d)	<u>15,106,650</u>
b.	Population (from 6)	<u>246,000</u>
c.	Divide 10a by 1 Ob	<u>61.410</u>
d.	Subtract 51	<u>10.410</u>
e.	Divide by 1,038	<u>010</u>
f.	Multiply by - 1.866	<u>(.019)</u>
11.	Debt Service to Total Revenues	
a.	Debt Service (from 4d)	<u>15,106,650</u>
b.	Total Revenues (from 1c)	<u>295,594,750</u>
c.	Divide 11a by 1 lb	<u>.052</u>
d.	Subtract .068	<u>(.016)</u>
e.	Divide by .259	<u>(.062)</u>
f.	Multiply by - 3.533	<u>.219</u>
12.	Total Revenues to Total Expenses	
a.	Total Revenues (from 1c)	<u>295,594,750</u>
b.	Total Expenses (from 2c)	<u>310,596,312</u>
c.	Divide 12a by 12b	<u>.952</u>
d.	Subtract .910	<u>.042</u>
e.	Divide by .899	<u>.047</u>
f.	Multiply by 3.458	<u>163</u>
13.	Funds Balance to Total Revenues	
a.	Total Funds (from 5)	<u>112,485,678</u>
b.	Total Revenues (from 1c)	<u>295,594,750</u>
c.	Divide 13a by 13b	<u>381</u>
d.	Subtract .891	<u>(.510)</u>
e.	Divide by 9.156	<u>(.056)</u>
f.	Multiply by 3.270	<u>(.184)</u>

14.	Funds Balance to Total Expenses	
a.	Total Funds (from 5)	<u>112,485,678</u>
b.	Total Expenses (from 2c)	<u>310,596,317</u>
c.	Divide 14a by 14b	<u>.363</u>
d.	Subtract .866	<u>(.503)</u>
e.	Divide by 6.409	<u>(.079)</u>
f.	Multiply by 3.270	<u>(.259)</u>
15.	Total Funds to Population	
a.	Total Funds (from 5)	<u>112,485,678</u>
b.	Population (from 6)	<u>246,000</u>
c.	Divide 15a by 15b	<u>457.259</u>
d.	Subtract 270	<u>187.259</u>
e.	Divide by 4,548	<u>.042</u>
f.	Multiply by 1.866	<u>.079</u>
16.	Add 7f + 8f + 9f + 10f + 11f + 12f + 13f + 14f + 15f + 4.937	<u>4.687</u>

I hereby certify that the financial index shown on line 16 of the worksheet is greater than zero and that the wording of this letter is identical to the wording specified in 40 CFR Part 280.105(c) as such regulations were constituted on the date shown immediately below.

(Date) Sep 9, 1998
 (Signature) Suzanne Young