

Figure: 30 TAC §37.371

LOCAL GOVERNMENT FINANCIAL TEST
LETTER FROM CHIEF FINANCIAL OFFICER

(Address to TCEQ Executive Director)

I am the chief financial officer of (name and address of local government). This letter is in support of this local government's use of the financial test to demonstrate financial assurance, as specified in 30 Texas Administrative Code (TAC) Chapter 37 (relating to Financial Assurance).

(Fill out the following paragraphs regarding facilities and associated cost estimates. If your local government has no facilities that belong in a particular paragraph, write "None" in the space indicated. For each facility, include its permit number, name, physical and mailing addresses, and current closure, post closure, or corrective action cost estimates.)

1. This local government is the owner or operator of the following facilities for which financial assurance for closure, post closure, or corrective action is demonstrated through the financial test specified in 30 TAC §37.271 (relating to Local Government Financial Test). The current cost estimates covered by the test are shown for each facility: _____.
2. This local government guarantees, through the guarantee specified in 30 TAC §37.281 (relating to Local Government Guarantee), the current closure, post closure, or corrective action cost estimates of the following facilities owned or operated by (insert owner's name or operator's name). The current cost estimates so guaranteed are shown for each facility: _____.

The fiscal year of this local government ends on (month, day, year). The figures for the following items marked with an asterisk are derived from this local government's independently audited, year-end financial statements for the latest completed fiscal year, ended (date).

(Fill in the Ratio Indicators of Financial Strength if the criteria of 30 TAC §37.271(1)(A) are used. Fill in Bond Rating Indicator of Financial Strength if the criteria of 30 TAC §37.271(1)(B) are used.)

RATIO INDICATORS OF FINANCIAL STRENGTH

1. Sum of current cost estimates
(total of all cost estimates shown in the paragraphs above) \$ _____
 - *2. Sum of cash and marketable securities \$ _____
 - *3. Total expenditures \$ _____
 - *4. Annual debt service \$ _____
 5. Environmental obligations assured by a financial test to demonstrate financial assurance in the following amounts under commission regulations and the Code of Federal Regulations (CFR) or state equivalent rules:
 - (a) Municipal solid waste under 30 TAC Chapter 330 (relating to Municipal Solid Waste) and 40 CFR Part 258 \$ _____
 - (b) Hazardous waste treatment, storage and disposal facilities under 30 TAC Chapter 335 (relating to Industrial Solid Waste and Municipal Hazardous Waste) and 40 CFR Parts 264 and 265 \$ _____
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(c) Petroleum underground storage tanks under 30 TAC Chapter 334 (relating to Underground and Aboveground Storage Tanks) and 40 CFR Part 280 \$ _____

(d) Underground Injection Control System facilities under 30 TAC Chapter 331 (relating to Underground Injection Control) and 40 CFR Part 144 \$ _____

(e) Polychlorinated biphenyl (PCB) commercial storage facilities under 40 CFR Part 761 \$ _____

(f) Additional environmental obligations not shown above \$ _____

Total (a) - (f) \$ _____

*6. Total Annual Revenue \$ _____

Indicate either "yes" or "no" to the following questions.

7. Is line 2 divided by line 3 greater than or equal to 0.05? (yes/no)

8. Is line 4 divided by line 3 less than or equal to 0.20? (yes/no)

9. Is line 5 divided by line 6 less than or equal to 0.43? (yes/no)

BOND RATING INDICATOR OF FINANCIAL STRENGTH

1. Sum of current cost estimates (total of all cost estimates shown in the paragraphs above) \$ _____

2. List the following information on all the outstanding, rated, unsecured general obligation bonds, revenue bonds, or certificates of obligation issued to the local government: Current bond rating of most recent issuance and name of rating service _____

Date of issuance of bond _____

Date of maturity of bond _____

3. Environmental obligations assured by a financial test to demonstrate financial assurance in the following amounts under commission regulations and the CFR or state equivalent rules:

(a) Municipal solid waste under 30 TAC Chapter 330 and 40 CFR Part 258 \$ _____

(b) Hazardous waste treatment, storage and disposal facilities under 30 TAC Chapter 335 and 40 CFR Parts 264 and 265 \$ _____

(c) Petroleum underground storage tanks under 30 TAC Chapter 334 and 40 CFR Part 280 \$ _____

(d) Underground Injection Control System facilities under 30 TAC Chapter 331 and 40 CFR Part 144 \$ _____

(e) PCB commercial storage facilities under 40 CFR Part 761 \$ _____

(f) Additional environmental obligations not shown above \$ _____

Total (a) - (f) \$ _____

*4. Total Annual Revenue \$ _____

Indicate either "yes" or "no" to the following question.

5. Is line 3 divided by line 4 less than or equal to 0.43? (yes/no)

I hereby certify that the wording of this letter is identical to the wording specified in 30 TAC §37.371 as such regulations were constituted on the date shown immediately below. I further certify the following: that the local government's financial statements are prepared in conformity with Generally Accepted Accounting Principles for governments, including conformance with General Accounting Standards Board Statement 18, and its financial statements have been audited by an independent Certified Public Accountant (CPA); that the local government has not operated at a deficit equal to 5.0% or more of total annual revenue in each of the past two fiscal years; that the

local government is not in default on any outstanding general obligations bonds; that the local government does not have outstanding general obligations rated lower than Baa as issued by Moody's or BBB as issued by Standard and Poor's; and that the local government has not received an adverse opinion, disclaimer of opinion, or other qualified opinion from the independent CPA.

(Signature) _____

(Name) _____

(Title) _____

(Date) _____