**Section 652.300 System Capacity**

All new public water supplies must demonstrate technical, financial, and managerial capacity to ensure compliance with the applicable federal and State drinking water standards of 35 Ill. Adm. Code: Subtitle F. The owner of the public water supply is responsible for demonstrating and maintaining capacity. Technical, financial, and managerial capacity shall be based on the following criteria:

a) "Technical capacity" means the physical and operational ability of a water system to achieve and maintain federal drinking water requirements and State drinking water requirements as described in the Act and 35 Ill. Adm. Code: Subtitle F. Technical capacity means the physical infrastructure of the water system and includes, but is not limited to, adequacy of source water and treatment, storage and distribution components, and the ability of system personnel to adequately operate and maintain the system.

b) "Managerial capacity" means the ability of a water system to conduct its business in a manner that enables the system to achieve and maintain compliance with federal drinking water requirements and State drinking water requirements as described in the Act and 35 Ill. Adm. Code: Subtitle F. Managerial capacity includes the system's institutional and administrative capabilities, and is assessed using data documenting ownership accountability, staffing and organization, and effective external linkages with customers, external resource agencies, and regulators.

c) "Financial capacity" means the ability of a water system to acquire and manage sufficient financial resources to enable the system to achieve and maintain compliance with federal drinking water requirements and State drinking water requirements as described in the Act and 35 Ill. Adm. Code: Subtitle F. Financial capacity includes revenue sufficiency, credit worthiness, and use of budgeting, accounting, and financial planning practices, as well as documentation of financial management through record keeping and revenue management.