

LMCSD CAPACITY CHARGE

July 23, 2013

Capacity – Maximum output or producing ability

5/8 Meters have a maximum capacity of approximately 15gpm Continuous Flow .

A Capacity charge is described by Government Code as a charge to pay for a public agency's facilities in existence at the time the charge is imposed or to pay for new facilities that will be constructed in the future that are of benefit to the person or property being charged (new development or upgrades to existing meter size).

Revenue collected from this capacity charge should be used to rehabilitate, upgrade, and expand the distribution system for the benefit of all customers.

The term "capacity charge" is not synonymous with the term "connection" fee or charge. Section 66013 of the Government Code defines a connection fee as for the physical facilities necessary to make a water connection, including, but not limited to, meters, meter boxes, and pipelines from the structure or project to a water distribution line, and that does not exceed the estimated reasonable cost of labor and materials from installation of those facilities.

1995 Net Project Cost (after grant payments)	\$2,811
Less, Cost of Connection Fee included in Construction Contract	\$415
Therefore, original Capacity Charge for 5/8 meter etc	\$2,396
<u>2013</u> Equivalent Value of original Capacity Charge using CPI	\$3,671

Capacity Charge based on Meter Size

<u>Meter Size</u>	<u>Max Cont Flow</u>	<u>Equivalent Meter Factor</u>	<u>Capacity Charge</u>
5/8" Meter	15 gpm	1	\$3,671
3/4" Meter	25 gpm	1.67	\$6,130
1" Meter	35 gpm	2.33	\$8,553
1 1/2" Meter	50 gpm	3.33	\$12,224
2" Meter	80 gpm	5.33	\$19,566