



STATE OF IDAHO DEPARTMENT OF ENVIRONMENTAL QUALITY

DRINKING WATER PLANNING GRANT INCORPORATED NON-PROFIT APPLICANTS APPLICATION CHECKLIST

To fully demonstrate financial and management capability, an incorporated nonprofit applicant must show by its Articles of Incorporation and/or Bylaws that:

a.	The corporation is nonprofit and incorporated according to Title 30, Chapter 3, Idaho Code.	
b.	Membership in the corporation is limited to property owners only, with one vote per lot or parcel.	
c.	Voting rights are restricted to corporation members with improved property, except that a developer will have voting rights until the corporation becomes self-sustaining.	
d.	Corporation membership is not eliminated by cancellation of voting rights.	
e.	The purpose of the corporation is clearly defined.	
f.	Funds generated to operate one function of a multipurpose corporation, i.e., one providing both water and sewer services, will be used for that designated purpose and not transferred or commingled for another function.	
g.	The corporation owns the system it intends to maintain.	
h.	Mutually agreeable access to a system owned by the corporation is provided by the property owners.	
i.	Membership and share, if any, in the corporation is tied to land ownership such that successive owners must acquire the preceding owner's membership or voting share(s), if any.	
j.	New members in the corporation are provided copies of the articles of incorporation, bylaws, covenants, and contracts of the corporation.	
k.	No provision(s) restrict(s) ownership of improved property.	
l.	The corporation is capable of raising revenue by fixing and collecting user charges.	
m.	The Board of Directors for the corporation has authority to raise revenue for emergency operation and maintenance without a majority vote of membership.	

n.	The corporation is capable of suing and of being sued, and will maintain the capability to impose liens on the real property of those members (shareholders) who become delinquent in user charges and further has the capability to suspend services, providing such suspension will not jeopardize use by other members.
o.	Operation and maintenance functions of the corporation are identified in a manual for that purpose which is or will be approved by the Department. No changes can be made to the manual without consent by the Department.
p.	The conditions for dissolution of the corporation are specified in the Declaration of Covenants. Dissolution is limited to connection to municipal facilities or merger with another approved nonprofit entity having financial and management capability for the merged system.
q.	The corporation cannot discontinue operation or dispose of the sewage treatment plant without prior Department approval.
r.	A third entity is identified to execute the specified operation and maintenance function(s) in the event the operating corporation is incapable of performance.
s.	The corporation is able to plan and control how and at what time additional service functions will be extended or added.
t.	If the articles of incorporation and/or bylaws provide for proxy voting, such proxies will not be binding on a new purchaser of the property.
u.	Developers will contribute to the operation and maintenance functions until such time as the nonprofit corporation is self-sustaining. Consider either a specified period or when a specified number of lots or parcels have been sold.
v.	The corporation has defined service area boundaries.

The following documents are required to be submitted by incorporated nonprofits along with the application form:

- *Articles of Incorporation* for an incorporated nonprofit corporation
- *Certificate of Incorporation* for an incorporated nonprofit corporation
- *By-Laws* for an incorporated nonprofit corporation