

357A.20 Alternate operation by nonprofit corporation.

A nonprofit corporation incorporated under chapter 504 for the specific purpose of operating a rural water system may petition the supervisors for incorporation of a district, in the manner provided by section 357A.2. The signatures of the corporation's officers on the petition and a resolution adopted by the corporation's board of directors approving the petition shall suffice in lieu of signatures of owners of thirty percent of the real property in the proposed district, if the corporation presents evidence satisfactory to the supervisors that a sufficient number of members of the proposed district will subscribe to benefit units to make its operation feasible. The procedure for hearing and determination of disposition of the petition shall be as provided by this chapter.

In any district incorporated upon the petition of a nonprofit corporation, the following procedures shall apply:

1. After final approval of the petition by a board of supervisors, the secretary of the corporation shall file a notice with the secretary of state dissolving the nonprofit corporation in accordance with chapter 504.
2. Upon filing of the notice, the nonprofit corporation shall cease to exist as a chapter 504 entity and all assets and liabilities of the nonprofit corporation become the assets and liabilities of the newly organized district without a need for any further meetings, voting, notice to creditors, or other actions by the members or board.
3. The officers and board of directors of the corporation shall be the officers and board of the district.
4. The applicable laws of the state and the articles of incorporation and bylaws of the corporation shall control the initial size and initial term of office of such officers and board, in lieu of sections 357A.7, 357A.9, and 357A.10.
5. The district shall bring its operation and structure in compliance with sections 357A.7 to 357A.10 at the first annual meeting of the participating members and board of directors.

[C71, 73, 75, 77, 79, 81, § 357A.20]

91 Acts, ch 134, §17; 95 Acts, ch 77, §5; 2004 Acts, ch 1049, §191; 2004 Acts, ch 1175, §393