

**Waterscape International Group
102 Wilson Street (Building #58)
Albany, CA 94710
(510) 559-3143**

Exempt Organizations Section
Franchise Tax Board
PO Box 942857
Sacramento, CA 94257-4041

Re: Form FTB 3500

To Whom It May Concern:

Please find the enclosed documents to support Waterscape International Group's application for recognition of tax-exemption:

- Form FTB 3500
- \$25 Application Fee
- Articles of Incorporation (7A)
- Bylaws (7B)
- Financial Statement (7C)
- Statement of specific purposes (7D)
- Statement of programs and activities (7E)
- Statement of funding (7F)
 - Sample grant solicitation: *Improving Public Health Surveillance Through Geographic Information Systems: A Cooperative Project To Develop A System To Store, Analyze, And Disseminate Public Health And Environmental Data In Lithuania.*
- Statement of discontinued activities (7G)
- Statement regarding leases (7H)
- Samples of Literature (7I)
 - *The Design of Geographic Information Systems for the Storage and Analysis of Public Health and Environmental Data.*
 - *EpiInfo Tutorial (in Lithuanian with English Original)*
 - *Regulating Water Quality in Irrigated Agriculture: An Input-based Approach to Mitigating Nutrient Contamination From Nonpoint Sources.*

Please contact me at (510) 559-3143 or at randy@waterscape.org if you have any questions.

Sincerely,

Randolph B. Flay
Chief Executive Officer

Exemption Application

Every organization filing an application for exemption from California corporation franchise or income tax must furnish the information and data specified and pay the required \$25 application fee. If the organization fails to comply with these requirements, the application will be denied. California Revenue and Taxation Code (R&TC) Section 19565 provides that this application, together with any supporting documents, shall be open to public inspection if the exemption is granted. Upon the organization's request, public disclosure of such documents may be withheld if the disclosure would adversely affect the organization or national defense.

Name of organization as shown in your organization's articles or declaration of trust Waterscape International Group		Federal employer identification number (FEIN) 4 5 0 4 6 4 0 4 5	
Address (number and street) 102 Wilson Street (Bldg. #58)		PMB no.	Daytime telephone number (510) 559-3143
City, Town, or Post Office Albany		State CA	ZIP Code 9 4 7 1 0
Name of representative to be contacted regarding additional requirements or information Randolph B. Flay		Daytime telephone number (510) 559-3143	
Representative's mailing address (number and street) 102 Wilson Street (Bldg. #58)		PMB no.	
City, Town, or Post Office Albany		State CA	ZIP Code 9 4 7 1 0

ALL applicants must complete item 1 through item 7. Also furnish the information requested in item 8 through item 25 as applicable.

- 1 a** Enter the California R&TC Section under which exemption is claimed. See General Information C, Comparable State and Federal Code Sections
b Primary activity of organization: **23701d (Research and Education)**
- 2 a** What is the form of the organization? Incorporated Unincorporated association Trust
Date organized **11/15/2000**
b If incorporated, furnish the following information:
(1) Date incorporated **11/15/2000** **(3)** Date qualified in California **N/A**
(2) If incorporated in another state, identify the state **N/A** **(4)** California corporation number **2322359**
- 3 a** Has this organization or its predecessor(s) previously applied for exemption? Yes No
b If "yes," check the appropriate box(es) below and enter either "Granted" or "Denied." Also enter the date the exemption was "Granted" or "Denied" after the box(es) checked:
 California _____ Date _____ Federal _____ Date _____ Other State _____ Date _____
c Enter the R&TC Section number under which the organization previously filed with the Franchise Tax Board (FTB) _____
Furnish copies of any determination letters received.
- 4 a** Has the organization filed federal income tax returns? Yes No
b If "yes," state type of returns and years filed. _____
- 5** Annual accounting period (must end on last day of the month). **October 31**

Attach check or money order here.

- 6 a** Is this a new organization? If "no," attach a statement indicating the name of the predecessor(s), the period during which it was in existence, the reasons for its termination, and the R&TC Section number under which it previously filed with the FTB .
- b** Is this a membership organization? If "yes," attach a statement that fully explains the qualifications for members, the different classes of membership, the number of members in each class, and the voting rights and privileges accorded each class
- c** Has the organization made, or are there plans to make, any distribution of its property or surplus to officers or members? If "yes," attach a detailed statement
- d** Will any of the incorporators share any facilities with the organization? If "yes," attach a detailed explanation
- e** Will any property be rented, purchased, or transferred in any way from any of the incorporators? If "yes," attach a detailed explanation
- f** Will any promoter, incorporator, founder, or member be employed by the organization? If "yes," furnish complete details, including duties, responsibilities, qualifications, and compensation
- g** Will any member of the board of directors be compensated for services other than services performed as a board member, e.g., officer, and/or employee? If "yes," furnish the name(s) of the director(s), and the amount(s) of compensation for each. Also list the names of the other directors, indicating their blood or marriage relationship, if any, to the compensated director(s)

Yes	No
X	
	X
	X
	X
	X
	X
X	

Be sure to include the \$25 application fee. Make the check or money order payable to the Franchise Tax Board. Do not send cash. Allow 90 calendar days for processing.

Under penalties of perjury, I declare that I have examined this application, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.	
<u>2/10/2002</u> DATE	_____ SIGNATURE OF OFFICER OR REPRESENTATIVE
	_____ Chief Executive Officer TITLE

7 TO ENSURE THAT THE FTB WILL PROCESS YOUR EXEMPTION APPLICATION, ATTACH THE FOLLOWING INFORMATION TO YOUR APPLICATION.

- a** A copy of the creating document. The type of document to be submitted depends upon the way in which the organization was created. If the organization is:
- A California corporation, submit a copy of the endorsed articles of incorporation and all subsequent endorsed amendments.
 - A foreign corporation that is qualified through the SOS in California, submit a copy of the endorsed articles of incorporation and all subsequent endorsed amendments from the state or country in which incorporated.
 - An unincorporated association, submit either: a copy of the constitution, articles of association, bylaws, or other document that contains the language required as shown in the samples on page 6 AND which is signed by the board of directors or other governing body.
 - A trust, submit a copy of the trust document and any subsequent modifications to it.
- b** A copy of the bylaws, proposed bylaws, or other code of regulations.
- c** Financial documents. The documents to be provided depend upon whether the organization has been operating or has not yet started to operate. If the organization has:
1. Been operating, furnish complete statements of receipts and expenditures, assets and liabilities for each accounting period that it has been in existence and **for which exemption is requested**. See the Receipts and Expense Statement on Side 6. Do not send bank statements or monthly reports. However, bank statements or monthly reports should be retained as support for items on the income and expense statement.
 2. Not yet started to operate, furnish a proposed budget showing the sources of income and areas of expenditures for the first year of operation. The budget is required before the FTB will process the application and should be based upon the most reasonable expectations. Refer to the Receipts and Expense Statement on Side 6.
- d** A statement describing the specific purposes for which the organization was formed. A general nonprofit purpose statement will not be acceptable.
- e** A statement describing in detail the programs and activities that the organization presently conducts or will conduct and how it will accomplish its specific purposes.
- f** A statement describing in detail each type or source of funding, each fund-raising activity, and each business enterprise the organization has engaged in or plans to engage in either alone or with other parties (accompanied by copies of all agreements, if any, for the conduct of each fund-raising activity or business enterprise).
- g** A statement that fully explains any discontinued specific activities that the organization engaged in or sponsored. Give dates of commencement and termination and the reasons for discontinuance. (Omit if this is a new organization.)
- h** A copy of each lease, if any, in which the organization is the lessee or lessor of property (real, personal, gas, oil, or mineral), or in which an interest is owned under such lease, together with copies of all agreements with other parties for development of the property.
- i** Samples of any literature that the organization sells or distributes and samples of any organizational advertising.

Each item listed below refers to a separate California Revenue and Taxation Code (R&TC) Section. Select the appropriate section under which your organization claims exemption and provide the requested information.

8 R&TC Section 23701a –Labor, agricultural, or horticultural organization: Submit an explanation of any services to be performed for members. Cooperative organizations applying for exemption under R&TC Section 23701a must submit a copy of the federal exemption letter showing exemption under IRC Section 501(c)(5).

9 R&TC Section 23701b –Fraternal beneficiary societies, etc.:

- a** State whether the organization operates, or plans to operate, under the lodge system or for the exclusive benefit of the members of a lodge system. Operating under the lodge system means carrying on activities under a form of organization that comprises local branches (called lodges, chapters, or the like) that are largely self-governing and chartered by a parent organization.
- b** If the organization is a subordinate or local lodge, etc., attach a certificate signed by the secretary of the parent organization certifying that the subordinate lodge is a duly constituted body operating under the jurisdiction of the parent body.
- c** If the organization is a parent or grand lodge, attach a statement showing the number of subordinate lodges in active operation and whether periodic meetings are actually held.
- d** Attach a statement describing the types of benefits (life, sick, accident, or other benefits) paid, or to be paid, to members.

10 R&TC Section 23701c –Cemetery company or corporation chartered solely for burial purposes:

- a** Attach these statements and/or documents:
- (1) Complete copy of the sales contract or other document involved in the organization's acquisition of cemetery property.
 - (2) Complete copy of any contract designating an agent to sell the cemetery plots.
 - (3) Name(s) of officer(s) and director(s) of your organization from the date of incorporation to the present date, and the period for which each held office.
 - (4) Appraised value of cemetery property as of the date acquired (the appraisal should be obtained from sources other than the parties in interest).
- b** Does the organization have or plan to have a perpetual care fund? Yes No
- If "yes," furnish a copy of the federal exemption letter, a copy of the fund agreement, and a statement explaining the nature of such fund (cash, securities, unsold land, etc.). Also attach a statement that fully explains the manner in which the fund is or will be administered, the specific purposes for which the fund is to be used, and the name(s) of the person(s) administering the fund.
- c** Does the organization operate a crematorium? Yes No

11 R&TC Section 23701d –Religious, charitable, scientific, literary, or educational organization: Attach a statement explaining all "yes" answers in item 11a through item 11d.

- a Has the organization received, or does it expect to receive, 10% or more of its assets from any organization or group of affiliated organizations (affiliated through stockholding, common ownership, or otherwise), any individual, or members of a family group (brother or sister whether whole or half blood, spouse, ancestor, or lineal descendant)?
- b Is the organization now, has it ever been, or does it plan to be engaged in carrying on propaganda, or otherwise advocating or opposing pending or proposed legislation (this includes dissemination of such information to the general public while representing the organization)?
- c Has the organization participated in, or does it plan to participate or intervene in, any political campaign (including the publishing or distributing of statements) on behalf of, or in opposition to, any candidate for public office?
- d Does the organization hold, or plan to hold, 10% or more of any class of stock or 10% or more of the total combined voting power of stock in any corporation?
- e If claiming exemption as a church, **attach a statement including the information requested in item (1) through item (8) below:**
 - (1) Has a permanent place of worship been established? At what address? Who is the legal owner of this property? Describe the physical characteristics of your church buildings. Explain to what extent these buildings are used for purposes other than religious worship.
 - (2) Does the organization have a regular congregation or conduct religious services on a regular basis? How many usually attend the regular worship services? Attach samples of worship service programs and newspaper announcements of your activities. Where and how often are religious services held?
 - (3) Furnish information regarding the religious background and formal religious training of the religious leaders. Furnish a copy of each religious leader's certificate of ordination.
 - (4) What amount of the annual gross income will be received from incorporators, ministers, officers, directors, or their families?
 - (5) What amount of the organization's proposed expenditures will be used for the personal living expenses of the individuals mentioned in item (4) above?
 - (6) How many hours per week will the religious or spiritual leader(s) devote to organizational activities? Will this person(s) engage in employment unrelated to the activities of the organization? If so, indicate the number of hours per week and describe the employment activity.
 - (7) List all the officers, directors, trustees, etc., of the organization and describe their qualifications for such office. Are any of the officers or directors related by blood or marriage? If "yes," explain.
 - (8) Will any founder, member, or officer:
 - (a) Take a vow of poverty?
 - (b) Transfer personal assets to this organization, like a home, automobile, furnishings, business, or recreational assets, etc., that will be made available for the personal use of the donor(s)?
 - (c) Assign or donate to the organization income that will be used in part or whole to pay the donor(s) as salary, stipend, or living allowance (such as food, medical expenses, clothing, insurance, etc.)?

Yes	No
	X
	X
	X
	X

12 R&TC Section 23701e –Business league, chamber of commerce, etc.: Has the organization performed, or does it plan to perform, particular services for members, shareholders, or others, such as furnishing credit reports or collection accounts, inspecting products, conducting advertising, purchasing merchandise, or other similar undertakings? Yes No If "Yes," attach a detailed statement, including income realized and expenses incurred in such activities. If engaged in advertising, attach samples of material.

13 R&TC Section 23701f –Civic leagues, social welfare organizations, and local associations of employees:

- a If you are applying as a civic league or social welfare organization, you must attach a statement explaining how you will promote the common good or welfare of an entire community.
- b If you are applying as a local association of employees, attach a statement giving the names and addresses of employers that have employees who are eligible for membership in the association. If an employer has employees (who are eligible for membership) located in more than one plant or office, give the address of each plant or office.

14 R&TC Section 23701g –Social and recreation organization:

- a Has the organization solicited, or does it plan to solicit, public patronage of the facilities by advertisement or otherwise? If "yes," attach sample copies of such advertisements or other solicitations.
- b Are nonmembers, other than bona fide guests of members, permitted, or will they be permitted, to use the club facilities or participate in or attend any functions or activities conducted by the organization? If "yes," attach a statement describing the functions or activities in which nonmembers have participated or will participate, or to which they have been or will be admitted. If nonmembers have participated in or have been admitted to any functions or activities, state the amount received from nonmembers. Provide a schedule in the statement detailing the expenses attributable to such nonmembers, the expenses attributable to such functions, and the disposition made of net profits, if any, derived from the functions.
- c Has the organization rented or leased, or does it plan to rent or lease, any part of the club's property to others? If "yes," attach a statement indicating the reason for such action, or proposed action, and the amount received, or to be received. Also attach copies of the rental agreements or leases.
- d Has the organization derived or will it derive any income from nonmembers not explained above? If "yes," explain in detail.
- e Furnish a statement separating the member and nonmember income for the past three years and a proposed budget separating member and nonmember income for the next period of operation.
- f Enter the total number of club members: _____. If there are different classes of membership, attach a statement explaining the dues and privileges of each class.
- g Provide copies of:
 - (1) House rules;
 - (2) All other documents used in considering or granting memberships, including agreements or contracts, if any; and
 - (3) Copies of corporate resolutions demonstrating adoption of policy or change of policy regarding membership or use of facilities.

Yes	No

N/A

15 R&TC Section 23701h – Title holding corporation:

- a Attach a statement giving the complete names and addresses of organizations for which title to property is held, the number of shares of capital stock held and whether shares of stock have ever been held by persons other than such organizations. If stock was so held, include the years held and the total number of shares of each class of stock.

Note: Section 23701h requires turning over net income to a parent organization periodically. Organizations with members, incorporating as a nonprofit corporation under the California Corporations Code, are precluded from exempt status under Section 23701h. Section 5410 and Section 7411 of the California Corporations Code prohibit any distribution to members of nonprofit public benefit corporations or nonprofit mutual benefit corporations unless the organization dissolves.

Organizations seeking exemption under R&TC Section 23701h that have members must incorporate under the for profit provision of the California Corporations Code.

- b State whether the annual income (less expenses) is, or will be, turned over to the organization for which title to property is held. Explain what disposition will be made of income that will not be turned over to the organization.
- c Attach a copy of an exemption letter (federal or California) for each organization for which property will be held. If property will be held for organization(s) located in California, you must furnish a California exemption letter.

16 R&TC Section 23701i – Voluntary employees’ beneficiary organization: Furnish a copy of the federal determination letter showing exemption under IRC Section 501(c)(9).

17 R&TC Section 23701l - Fraternal society, etc.:

- a State whether the organization operates, or plans to operate, under the lodge system or for the exclusive benefit of the members of a lodge system. Operating under the lodge system means carrying on activities under a form of organization that comprises local branches (called lodges, chapters, or the like) that are largely self-governing and chartered by a parent organization.
- b If the organization is a subordinate or local lodge, etc., attach a certificate signed by the secretary of the parent organization certifying that the subordinate lodge is a duly constituted body operating under the jurisdiction of the parent body.
- c If the organization is a parent or grand lodge, attach a statement showing the number of subordinate lodges in active operation and whether periodic meetings are actually held.

18 R&TC Section 23701n – Supplemental unemployment compensation trust: Attach a copy of the supplemental unemployment benefit plan and pertinent agreements and a copy of the federal determination letter.

19 R&TC Section 23701t – Homeowners’ association:

- a Furnish a copy of the recorded Declaration of Covenants, Conditions, and Restrictions.
- b Will any of the individual units/lots owned by the organization or its members be occupied for other than personal residential purposes?
 Yes No If “Yes”, provide the following information:
 - (1) What percentage of the units/lots will be used for nonresidential purposes? _____
 - (2) If the organization claims exemption as a condominium management association, enter square footage of all units and square footage devoted to residential purposes. All units _____ Residential _____
 - (3) If the organization claims exemption as a residential real estate management association, enter the local real property zoning for lots within the association. Total number of lots _____ Number of lots zoned residential _____
 - (4) What percentage of the organization’s total gross income will be derived from dues, fees, or assessments from nonresidential members? _____
- c Will this organization own, maintain, or operate a mutual water company, well, electrical generating facility, or other utility? Yes No
If “yes,” describe in detail and answer these questions:
 - (1) Are the members/shareholders: the actual users of the utility or simply investors?
 - (2) Is this organization furnishing utilities to (check applicable box(es)): residential homes, commercial businesses (including agricultural enterprises)? If both, indicate what percent of this organization’s total income will be derived from sale of utilities for nonresidential usage _____
 - (3) How are members/shareholders assessed for utilities usage? Are they assessed equally or on the basis of square footage/acreage?
 - (4) Are meters utilized to determine charges to members/stockholders? Yes No
If “yes,” provide a detailed breakdown on how rates are determined.
- d Will any of the units/lots be rented by a person, or series of persons, for periods of less than 30 days that, when added together, equal more than half of the association’s taxable year? Yes No If “Yes,” what percentage of the units/lots are rented in this manner? _____
- e What date was the first unit sold, or when will the first unit be available for sale? _____
- f What date did the association become active? _____ Provide details of these activities.

- g When were (will) dues first collected? month _____ day _____ year _____

20 R&TC Section 23701u – Public facility financial corporation:

- a Attach samples of all certificates of participation or other securities to be issued.
- b Attach copies of all leases, contracts, trust agreements, or other agreements that have been, or will be, entered into by this corporation.

21 R&TC Section 23701v – Mobile home park acquisition association:

- a Are all members of the organization owners of manufactured homes or mobile home tenants of the mobile home park? Yes No
If “no,” explain the circumstances under which other individuals can become members of the organization.
- b Describe the mobile home park in which owner/tenant members reside.
- c Are all lots within the park rented or leased to mobile home or manufactured home owners? Yes No If “No,” explain.
- d Does the rent paid by each owner include rental for the lot occupied by the mobile home or manufactured home? Yes No If “No,” explain.
- e Will the organization carry on activities other than purchasing or preparing to purchase the mobile home park in which members reside? Yes No If “yes,” describe in detail the other activities and indicate the percentage of total operations represented by such activities.

22 R&TC Section 23701w –War veteran’s organization:

To be completed by a post or organization of past or present members of the Armed Forces of the United States.

- a What is the total membership of your post or organization? _____
- b How many of your members are present or former members of the Armed Forces of the United States? _____
- c How many members are cadets (include students in college, university, or armed services academies)? _____ How many are spouses, widows, or widowers of cadets, past, or present members of the Armed Forces of the United States? _____
- d Do you have a membership category other than the ones set out above? Yes No If “Yes,” please explain in detail and enter the number of members in this category.

To be completed by an auxiliary unit or society of a post or organization of past or present members of the Armed Forces of the United States.

- e Are you affiliated with and organized according to the bylaws, and regulations formulated by such an exempt post or organization? Yes No
- f How many members do you have? _____
- g How many members are past or present members of the Armed Forces of the United States, or have spouses or persons related to them within two degrees of blood relationship (grandparents, brothers, sisters, and grandchildren are the most distant relationships allowable) that are past or present members of the Armed Forces of the United States (enter total)? _____
- h Are all of the members themselves members of a post or organization, past or present members of the Armed Forces of the United States, or spouses of members of such a post or organization, or related to members of such a post or organization within two degrees of blood relationship? Yes No If “No,” explain in detail.

N/A

23 R&TC Section 23701x –Title holding organization

- a Attach a statement giving the complete names and addresses of organizations or trusts for which title to property is being held, and the number of shares of capital stock held by each entity.
- b State whether the annual income (less expenses) is, or will be, turned over to the organizations for which title to property is held. Explain what disposition will be made of the income that is not or, will not be, turned over to the organizations.
- c Furnish a copy of a federal determination letter for each organization or trust for which property is, or will be, held.
- d For those organizations of trust for which property is, or will be, held and which do not have a federal determination letter, provide detailed information to show that each shareholder is:
 - (1) A governmental plan described in IRC Section 414(d); or
 - (2) The United States, any state or political subdivision thereof, or any agency or instrumentality of the foregoing.
- e State the total number of stockholders or beneficiaries.
- f Describe in detail each class of stock or beneficial interest.

Note: R&TC Section 23701x requires turning over net income to specified parent organizations periodically. Organizations with members incorporating as a nonprofit corporation under the California Corporations Code are precluded from exempt status under that section. Section 5410 and Section 7411 of the California Corporations Code prohibit any distribution to members of nonprofit public benefit corporations or nonprofit mutual benefit corporations unless the organization dissolves.

Organizations seeking exemption under R&TC Section 23701x that have members must incorporate under the for profit provision of the California Corporations Code.

24 R&TC Section 23701y –Credit Unions:

- a Provide a copy of your license to operate a credit union.
- b What is the total number of members of your organization? _____

25 R&TC Section 23701z –Self-Insurance pools for charitable organizations:

- a Provide a list of names, California corporation numbers, and federal employer identification numbers (FEINs) for all participants in the pool.
- b Describe in detail the activities of each participating corporation.
- c Furnish a copy of the latest federal determination letter showing exemption under IRC Section 501 for each participating corporation.
- d Describe in detail all insurance services to be provided to members of the pool.

Receipts and Expense Statement

Complete information is required to adequately respond to Item 7c on Side 2. The statement below represents the basic financial details necessary to complete your request for exemption. You may substitute your own receipts and expenditure statement, or statements, but the details **must** be complete as indicated in this statement. Failure to provide complete financial information can result in denial of the exemption application.

- For each year exempt status is requested, provide the financial information represented in the statement below.
- If you have had financial activities for less than one year, provide a financial statement for the period of activities, and a projected budget for the entire first year.
- If you have had no financial activity, provide a proposed budget for the entire first year of operations. The proposed budget should be based on your most reasonable expectations.

Calendar or Fiscal Year Ending

<u>RECEIPTS</u>	Current year	3 preceding years for each year in existence			Total
	_____	_____	_____	_____	
Gifts					
Grants					
Contributions received					
Fund raising					
Membership income					
Nonmembership income (for R&TC Section 23701g)					
Membership dues and assessments (for R&TC Section 23701t) . . .					
Other business income					
Gross investment income					
Gross royalty income					
Gross rental income					
Gross receipts from admissions					
Gross receipts from commissions					
Gross receipts from sale of merchandise					
Gross receipts from services provided					
Gross receipts from furnishing of facilities					
Gain or loss from sale of capital assets					
Other income (attach sheet itemizing each type)					
TOTAL RECEIPTS					
<u>EXPENSES</u>					
Fund raising					
Contributions, gifts, grants, and similar amounts paid					
Disbursements to or for member benefit					
Compensation of officers					
Compensation of directors					
Compensation of trustees					
Rental income					
Other salaries and wages					
Occupancy (rents)					
Other (including all operational and administrative expenses –attach sheet)					
TOTAL RECEIPTS					
Excess of receipts over expenses					

Please see attached

Please see attached

Attachments to Form 3500

7d. A statement describing the specific purposes for which the organization was formed.

Waterscape International Group was formed for research (or scientific) and educational purposes. Specifically, these research activities serve the purpose of advancing the understanding, development, implementation, evaluation, administration, and management of public health and the environment. Specifically, these educational activities serve the purpose of increasing the ability of the public; agencies of federal, state, local, and foreign governments; students; and other groups to understand, research, and analyze public health and environmental issues.

7e. A statement describing in detail the programs and activities that the organization presently conducts or will conduct and how it accomplishes its specific purposes.

Waterscape International Group plans several activities in the following two areas: research and education. These activities have been very limited to date since the corporation was recently formed and our sources of financial support largely require recognition of tax-exempt status in advance. These activities do substantially overlap, but they have been broken down into several categories to facilitate organization.

Research (Scientific purposes). One of Waterscape International Group's activities, occupying about 50% of our organization's time, is to conduct primary research in the fields of public health and the environment with a special focus on water issues. As an example, research may take the form of monitoring or modeling environmental or public health phenomena; developing computer-related tools; examining the effects of regulatory policy; investigating the influence of environmental conditions on public health; or authoring reports on results of this research. Research activities may fall into the categories outlined below, example activities that we anticipate doing are provided for each.

1. **Monitoring (10%):** Monitoring activities, including the collection of primary data such as stream water quality, air quality, soil quality, and indicators of public health. A specific example would be coordinating citizen based environmental monitoring groups that periodically measure indicators of water quality, such as: nitrates, phosphates, benthic macroinvertebrates, temperature, fecal coliform, etc. Waterscape International Group also has interest in assisting state government through the monitoring of surface waters pursuant to section 303(d) of the Federal Clean Water Act, which seeks to involve tax-exempt organizations in surface water quality monitoring.

This activity has not yet begun and we do not anticipate that we will receive grants during FY2002 to substantially engage in this activity.

2. **Analysis (10%):** A second function is the analysis and interpretation of existing and recently collected data through computer modeling, statistical analysis, mapping, and other techniques. An example of such modeling would be the mapping of existing morbidity data in conjunction with indicators of environmental quality or socio-economic status to search

for epidemiological correlations. These techniques are helpful for identifying populations that might be at risk for certain diseases based on domestic or occupational exposure and coordinating public health activities (educational or other) to help reduce the risk of these diseases.

This activity has been initiated on a minimal scale through some voluntary work, beginning in the fall of 2001. Examples of this work include an analysis of public health data from Lithuania which can be viewed on Waterscape International Group's web site at <http://www.waterscape.org>. Contributions to this work came from Public Health Centers in Lithuania. Coordination was also provided on a volunteer basis by the Chief Executive Officer. Some published reports are available on the web site as well.

- 3. Tool Design (10%):** In addition to performing our own research and analysis, Waterscape International Group would like to foster information collection and analysis within other groups and the public. A major method of accomplishing this goal is to develop computer-related tools to assist in the collection, organization, and analysis of such data. For example, this could involve designing databases for data collection and analysis in EpiInfo, a program created by the Centers for Disease Control. These EpiInfo databases could meet a variety of needs to collect information about factors in teenage smoking, environmental exposure, or other areas and facilitate the analysis of these phenomena by other groups. All tools developed by Waterscape International Group will be made available to the public and other organizations.

This activity has not begun on a substantial basis, although Waterscape International Group's web site does provide some background educational and research materials on this subject. The sample solicitation, *Improving Public Health Surveillance Through Geographic Information Systems: A Cooperative Project To Develop A System To Store, Analyze, And Disseminate Public Health And Environmental Data In Lithuania*, would provide some funding to develop "tools" to facilitate analysis of public health data by governmental institutions and the public. The proposal has not been funded yet, but could provide support to make this a part of Waterscape International Group's activities in FY2002. Recognition of tax-exempt status is required prior to funding. Participants in this project could include governmental institutions in Lithuania, such as public health centers. Other support for the project might come from graduate students at the University of California at Berkeley. Waterscape International Group has contacts with qualified specialists that could help further the tax-exempt purposes of the organization if such as grant is awarded.

- 4. Policy Analysis (10%):** Another major research component is the examination and investigation of existing and proposed legal and regulatory policy that affects public health and the environment. An example is the effect of altering groundwater regulations in California to mitigate overdraft. Waterscape International Group might examine the effects of proposed or prospective regulations by modeling the response of groundwater consumption to varying land uses, taxes on groundwater extraction, limits on groundwater extraction, land use activities, the implementation of urban or agricultural land use best management practices in a program such as the Soil and Water Assessment Tool, developed by the Natural Resource Conservation Service at the U.S. Department of Agriculture.

This activity has not yet begun and Waterscape International Group does not have a proposal for FY2002 to fund these activities on a substantial basis. Perhaps this activity will be a minor part of the organization's activities in FY2002. Again, Waterscape International Group will rely on qualified individuals in the Berkeley area should funding for this activity be forthcoming. Contractual hiring for any compensated positions will occur on a competitive basis.

5. **Publication (10%):** A unifying goal about our research activities is the authoring and publication of our findings so that this information can be readily passed on to other groups. All significant research will be cataloged and made available to the public, scientific, and educational institutions. This area overlaps to some extent our educational activities, the goals of which are to take any information we have obtained and analyzed and make it accessible to the public.

As an effort to promote the organization and its educational and research purposes within the first year, Waterscape International Group has developed a web site at <http://www.waterscape.org> to facilitate the electronic publication of materials. This activity was initiated shortly after incorporation with support from the initial directors on a voluntary basis. This will be an ongoing activity of Waterscape International Group to help educate and disseminate materials on the environment and public health.

Education. Waterscape International Group's second major focus, occupying 50% of the organization's time, is to bring research results and knowledge in the fields of public health and environment to a wider audience through publications, training courses, seminars, and other information dissemination means (e.g. web sites, CD-ROMS).

1. **Authoring and Publication (20%):** Waterscape International Group will author publications, training and educational materials. Publications and educational materials can take a form of full-text reports, fact sheets, and procedural guidelines. Training materials may take the form of a variety of "How-to" materials on monitoring, analyzing, and interpreting public health and environmental data, an example being a guide on collecting water quality samples or working with EpiInfo for a particular purpose. These publications will be available through a variety of means, including printed and electronic forms via our web site or through direct contact with our organization.

Waterscape International Group began publishing documents on its web site in the fall of 2001. These documents range from tutorials on how to implement systems to store and analyze public health and environmental data to technical reports on aspects of water quality protection. Several voluntary sources have made the release of these documents possible at this early stage of activity. This will be an ongoing activity of Waterscape International Group and a vital part of its charitable activities.

2. **Training (10%):** Training Courses are very important to provide specific education to governments, organizations, or individuals. These may take the form of computer training to operate programs to analyze public health or environmental data, field data collection, or other forms. Training governmental officials and the public in environmental and public health issues is an important component of Waterscape International Group's charitable and exempt purposes. These activities provide an important public good.

Training has not yet been initiated, although it is a component of a grant solicitation Waterscape International Group will submit in FY2002. This grant solicitation is attached. Waterscape International Group has not yet identified individuals to carry out this activity but anticipates that graduate students from the University of California at Berkeley and associates from public health centers in Lithuania would provide the qualified expertise necessary to implement the training aspects of this proposed grant.

3. **Seminars and Conferences (5%):** Seminars provide more general information to a wider audience and conferences to exchange information will also be a viable means to fulfill Waterscape International Group's charitable and exempt purposes.

Seminars and conferences have not yet been initiated, although it is a potential component of a grant solicitation Waterscape International Group will submit in FY2002. This grant solicitation is attached. Waterscape International Group has not yet identified individuals to carry out this activity but anticipates that graduate students from the University of California at Berkeley and associates from public health centers in Lithuania would provide the qualified expertise necessary to implement the training aspects of this proposed grant.

4. **Other Educational Activities (15%):** Web Site, CD-ROM, personal communication, and other methods will be a continuous way of allowing the public and other institutions to access our information, helping others to share in what we have learned.

These activities were commenced on a limited basis with the voluntary assistance of corporate officers shortly after incorporation. Waterscape International Group's web site already represents a significant effort to educate the public and government on issues relevant to the protection of public health and the environment, in furtherance of the organization's charitable and tax-exempt purposes. These other educational activities will be ongoing.

7f. A statement describing each type or source of funding, each fundraising activity, and each business enterprise the organization has engaged in or plans to engage in either alone or with other parties (accompanied by copies of all agreements, if any, for the conduct of each fund-raising activity or business enterprise).

Waterscape International Group anticipates support mostly from governmental grants, with lesser portions stemming from foundational grants and public contributions. Waterscape International Group has prepared a sample grant solicitation to a governmental unit. This is representative of the types of grants Waterscape International Group hopes to receive. This solicitation has been included and is entitled: *Improving Public Health Surveillance Through Geographic Information Systems: A Cooperative Project To Develop A System To Store, Analyze, And Disseminate Public Health And Environmental Data In Lithuania*. This proposal is for approximately \$10,000. Waterscape International Group believes that it will receive approximately \$11,000 per year for the foreseeable future. Ten-thousand per year from governmental grants and approximately \$1000 from general contributions or foundational grants.

Waterscape International Group does not intend to engage in business enterprises alone or with other parties.

Fund-raising will be undertaken through our web site. Visitors will have the option of donating to Waterscape International Group via on-line connections.

7g. A statement that fully explains any discontinued specific activities that the organization engaged in or sponsored. Give dates of commencement and termination and the reasons for discontinuance. (Omit if this is a new organization.)

This question is not applicable to Waterscape International Group. Waterscape International Group is a new organization.

7h. A copy of each lease, if any, in which the organization is the lessee or lessor of property (real, personal, gas, oil, or mineral), or in which an interest is owned under such lease, together with copies of all agreements with other parties for development of the property.

This question is not applicable to Waterscape International Group. Waterscape International Group is not a party to any leases.

7i. Samples of any literature that the organization sells or distributes and samples of any organizational advertising.

Waterscape International Group has made several documents available on its web site in furtherance of tax-exempt purposes. We have included three documents to help demonstrate the activities in which Waterscape International Group will engage. These documents were released to Waterscape International Group to assist in dissemination. All of Waterscape International Group's materials will be publicly-accessible.

1) The Design of Geographic Information Systems for the Storage and Analysis of Public Health and Environmental Data.

The first document is a report outlining procedures for designing public health information systems. These systems assist local health officials and the public in creating, analyzing, and maintaining public health data. This was an educational project to assist local public health centers in Lithuania and elsewhere to begin building these sorts of information systems. These systems also help educate the public about public health through statistical data, fact sheets, legal information, and other resources.

2) EpiInfo Tutorial (in Lithuanian)

The second document is a tutorial to educate public health officials in the use of the epidemiological software EpiInfo 2000. This program is in the public domain and created by the Centers for Disease Control and Prevention. The program is designed to track and analyze public health data. Waterscape International Group is helping to disseminate this valuable translation in furtherance of our educational purposes.

3) Regulating Water Quality in Irrigated Agriculture: An Input-based Approach to Mitigating Nutrient Contamination From Nonpoint Sources.

A third document was a research project undertaken to help understand the impact of nutrients on watersheds and ways of mitigating such problems.