

1 SB90  
2 115894-1  
3 By Senator Bedford  
4 RFD: Finance and Taxation General Fund  
5 First Read: 12-JAN-10  
6 PFD: 01/11/2010

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8 SYNOPSIS: This bill would increase the level of board  
9 member compensation for members and the chairs of  
10 water, sewer, and fire protection authorities and  
11 boards of directors of municipal corporations  
12 providing water and sewer services and would  
13 increase the compensation for members and chairs of  
14 county and municipal boards of directors of water,  
15 sewer, and fire protection authorities.

16  
17 A BILL  
18 TO BE ENTITLED  
19 AN ACT  
20

21 To amend Sections 11-50-15 and 11-50-313, Code of  
22 Alabama 1975, relating to boards of directors of municipal  
23 corporations providing water and sewer services, and to amend  
24 Section 11-88-6, Code of Alabama 1975, relating to boards of  
25 directors of municipal and county water, sewer, and fire  
26 protection authorities, to provide further for the

1 compensation of members and chairs of such boards, with  
2 certain exceptions.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. Sections 11-50-15, 11-50-313, and  
5 11-88-6, Code of Alabama 1975, are amended to read as follows:

6 "§11-50-15.

7 "In any instance where a public corporation  
8 heretofore or hereafter organized pursuant to the provisions  
9 of Sections 11-50-231 through 11-50-238, 11-50-240 and  
10 11-50-241, or under the provisions of Sections 11-50-310  
11 through 11-50-318 and 11-50-320 through 11-50-324 owns and  
12 operates one or more utility systems, the board of directors  
13 of such corporation may at its election authorize the payment  
14 by such corporation of the following directors' fees to the  
15 members of the board of directors in lieu of the directors'  
16 fees authorized in the statute under which such corporation  
17 was organized. No fee shall be paid to any director for  
18 services rendered with respect to a sanitary sewer system. In  
19 any instance when the system or systems owned and operated by  
20 the corporation are any one or more of a water system, a gas  
21 system, and an electric system, the chair of the board of  
22 directors may be paid a directors' fee in an amount not  
23 exceeding ~~three hundred dollars (\$300)~~ six hundred dollars  
24 (\$600) per meeting attended, not to exceed ~~three thousand six~~  
25 ~~hundred dollars (\$3,600)~~ seven thousand two hundred dollars  
26 (\$7,200) per year, for one system and twenty-five dollars  
27 (\$25) each meeting for each additional system, and each member

1 of the board of directors other than the chair may be paid a  
2 director's fee in an amount not exceeding ~~two hundred dollars~~  
3 ~~(\$200)~~ four hundred dollars (\$400) per meeting attended, not  
4 to exceed ~~two thousand four hundred dollars (\$2,400)~~ four  
5 thousand eight hundred dollars (\$4,800) per year, for each  
6 system and twenty dollars (\$20) each meeting attended, not to  
7 exceed ~~two thousand four hundred dollars (\$2,400)~~ four  
8 thousand eight hundred dollars (\$4,800) per year, for each  
9 additional system.

10 "Upon the adoption of a resolution by the board of  
11 directors of such corporation electing to come within the  
12 provisions of this section and fixing the amount of the  
13 directors' fees to be paid within the limitations set forth in  
14 this section, the corporation shall thereafter be authorized  
15 to pay the fees so fixed.

16 "Nothing in Act 2007-458 and nothing in this act  
17 shall apply to the City of Montgomery or to the City of  
18 Cullman.

19 "The amendatory provisions of this section as  
20 provided in this act and in Act 2007-458 shall not affect the  
21 current board director and member fees in the City of  
22 Birmingham.

23 "§11-50-313.

24 "(a) Each corporation formed or the certificate of  
25 incorporation of which is amended under this article shall  
26 have a board of directors which shall constitute the governing  
27 body of the corporation, which board shall consist of at least

1 three members. In any Class 4 municipality which has adopted a  
2 mayor-council form of government pursuant to Chapter 43B  
3 (commencing with Section 11-43B-1) of this title, any  
4 corporation formed pursuant to this chapter may have a  
5 governing body which shall consist of seven members. Any  
6 corporation, located in any Class 5 municipality, which is  
7 governed by a local law enacted in the 1995 Regular Session  
8 may have a governing body which shall consist of seven  
9 members.

10 "No fee shall be paid to any director for services  
11 rendered with respect to a sanitary sewer system. In any  
12 instance where the system or systems owned and operated by the  
13 corporation are any one or more of a water system, a gas  
14 system, and an electric system, the chair of the board of  
15 directors may, at the discretion of the governing body of the  
16 municipality with respect to which the corporation was  
17 primarily organized, be paid a director's fee in an amount to  
18 be set and established by the governing body in an amount not  
19 exceeding ~~three hundred dollars (\$300)~~ six hundred dollars  
20 (\$600) per meeting attended, not to exceed ~~three thousand six~~  
21 ~~hundred dollars (\$3,600)~~ seven thousand two hundred dollars  
22 (\$7,200) per year, for one system and ten dollars (\$10) each  
23 meeting for each additional system. Each member of the board  
24 of directors, other than the chair, may be paid a director's  
25 fee in an amount to be set and established by the governing  
26 body in an amount not exceeding ~~two hundred dollars (\$200)~~  
27 four hundred dollars (\$400) per meeting attended, not to

1 exceed ~~two thousand four hundred dollars (\$2,400)~~ four  
2 thousand eight hundred dollars (\$4,800) per year for the  
3 system. Notwithstanding the foregoing, where the municipality  
4 with respect to which the corporation was primarily organized  
5 has less than 5,000 inhabitants according to the most recent  
6 official census, the maximum total amount of director's fees  
7 which may be paid to the chair of its board of directors shall  
8 not exceed ~~three hundred dollars (\$300)~~ six hundred dollars  
9 (\$600) per meeting attended, not to exceed ~~three thousand six~~  
10 ~~hundred dollars (\$3,600)~~ seven thousand two hundred dollars  
11 (\$7,200) per year, and the maximum total amount of director's  
12 fees which may be paid to any other member of the board of  
13 directors shall not exceed ~~two hundred dollars (\$200)~~ four  
14 hundred dollars (\$400) per meeting attended, not to exceed ~~two~~  
15 ~~thousand four hundred dollars (\$2,400)~~ four thousand eight  
16 hundred dollars (\$4,800) per year. In all cities having  
17 populations of not less than 6,500 nor more than 8,500  
18 according to the most recent federal decennial census, the  
19 members of the board of directors, including the chair, may  
20 each be paid a director's fee. The chair of the board shall be  
21 compensated in an amount not to exceed ~~three hundred dollars~~  
22 ~~(\$300)~~ six hundred dollars (\$600) per meeting attended, not to  
23 exceed ~~three thousand six hundred dollars (\$3,600)~~ seven  
24 thousand two hundred dollars (\$7,200) per year. Each director,  
25 other than the chair, shall be compensated in an amount not to  
26 exceed ~~two hundred dollars (\$200)~~ four hundred dollars (\$400)  
27 per meeting attended, not to exceed ~~two thousand four hundred~~

1        ~~dollars (\$2,400)~~ four thousand eight hundred dollars (\$4,800)  
2        per year. In all cities having populations of not less than  
3        12,500 nor more than 13,500 according to the most recent  
4        federal decennial census, the chair of the board of directors,  
5        at the discretion of the board, may be paid a director's fee  
6        in an amount not exceeding ~~three hundred dollars (\$300)~~ six  
7        hundred dollars (\$600) per meeting attended, not to exceed  
8        ~~three thousand six hundred dollars (\$3,600)~~ seven thousand two  
9        hundred dollars (\$7,200) per year, and each member of the  
10       board other than the chair may be paid a director's fee in an  
11       amount not exceeding ~~two hundred dollars (\$200)~~ four hundred  
12       dollars (\$400) per meeting attended, not to exceed ~~two~~  
13       ~~thousand four hundred dollars (\$2,400)~~ four thousand eight  
14       hundred dollars (\$4,800) per year. In all cities having  
15       populations of not less than 23,000 nor more than 27,000  
16       according to the most recent federal decennial census, the  
17       chair of the board of directors, at the discretion of the  
18       board, may be paid a director's fee in an amount not exceeding  
19       ~~three hundred dollars (\$300)~~ six hundred dollars (\$600) per  
20       meeting attended, not to exceed ~~three thousand six hundred~~  
21       ~~dollars (\$3,600)~~ seven thousand two hundred dollars (\$7,200)  
22       per year, and each member of the board other than the chair  
23       may be paid a director's fee in an amount not exceeding ~~two~~  
24       ~~hundred dollars (\$200)~~ four hundred dollars (\$400) per meeting  
25       attended, but not to exceed ~~two thousand four hundred dollars~~  
26       ~~(\$2,400)~~ four thousand eight hundred dollars (\$4,800) per  
27       year. In all cities located in Jefferson County, Alabama, the

1 chair of the board of directors, at the discretion of the  
2 board, may be paid a director's fee in an amount not exceeding  
3 four hundred fifty dollars (\$450) each month for one system  
4 and fifty dollars (\$50) per month for each additional system;  
5 and each member of the board other than the chair may be paid  
6 a director's fee in an amount not exceeding four hundred  
7 dollars (\$400) each month for one system and forty dollars  
8 (\$40) per month for each additional system. In all the cities  
9 in Franklin County, including all Franklin County water or  
10 sewer board or utility system or boards, or both, located  
11 therein, the director's fee shall not exceed six hundred  
12 dollars (\$600) each month for each system. The board in the  
13 cities of Franklin County may also establish a chair's fee in  
14 a higher amount by a vote of such body not to exceed seven  
15 hundred fifty dollars (\$750) per meeting. All members of the  
16 board of directors of any corporation organized pursuant to  
17 this article shall be reimbursed for actual expenses incurred  
18 in and about the performance of their duties pursuant to this  
19 article.

20 "Except as provided herein, any officer of the  
21 municipality shall be eligible for appointment and may serve  
22 as a member of the board of directors for the term for which  
23 he or she is appointed or during his or her tenure as a  
24 municipal officer, whichever expires first, and may receive a  
25 fee for his or her services, provided it is first approved by  
26 the board of directors. At no time shall the board consist of  
27 more than two officers of the municipality. The directors of



1 the corporation shall be elected by the governing body of the  
2 municipality, and they shall be elected to hold office for  
3 staggered terms. The first term of office of one director  
4 shall be two years, of another director shall be four years,  
5 and of a third director shall be six years, as shall be  
6 designated at the time of their election, and thereafter the  
7 term of office of each director shall be six years. The  
8 governing body of any municipality which has heretofore or  
9 hereafter authorized the creation of a corporation as provided  
10 in this article may increase the board of directors from three  
11 to five members to serve according to all the conditions and  
12 terms set forth in this article. In the event the governing  
13 body elects to increase the board of directors from three to  
14 five members, one member added to the board shall be appointed  
15 for a term of four years and the remaining member for a term  
16 of six years, and thereafter the term of each director shall  
17 be six years. At no time shall the board consist of more than  
18 three officers of the municipality. Any officer of the  
19 municipality appointed to serve as a member of the board of  
20 directors shall serve for the term for which he or she is  
21 appointed or during his or her tenure as a municipal officer,  
22 whichever expires first. Notwithstanding the foregoing, the  
23 certificate of incorporation or an amendment to the  
24 certificate heretofore or hereafter adopted may restrict or  
25 prohibit service on the board of directors by officers of the  
26 municipality.

1                   "Nothing in Act 2007-458 and nothing in this  
2 subsection (b) of this section as amended by this act shall  
3 apply to the City of Montgomery.

4                   "The amendatory provisions of subsection (a) of this  
5 section as provided in this act and the provisions of Act  
6 2007-458 shall not affect the current board director and  
7 member fees in the City of Birmingham.

8                   "(b) The governing body of any municipality which  
9 has a population of less than 5,000 according to the most  
10 recent federal census and which has heretofore or hereafter  
11 authorized the creation of a corporation as provided in this  
12 division may increase the board of directors from five to  
13 seven members to serve according to all the conditions and  
14 terms set forth in this division. In the event the governing  
15 body elects to increase the board of directors from five to  
16 seven members, one member added to the board shall be  
17 appointed for a term of four years and the remaining member  
18 for a term of six years, and thereafter the term of each  
19 director shall be six years. At no time shall the board  
20 consist of more than three officers of the municipality. Any  
21 officer of the municipality appointed to serve as a member of  
22 the board of directors shall serve for the term for which he  
23 or she is appointed or during his or her tenure as a municipal  
24 officer, whichever expires first.

25                   "§11-88-6.

1           "(a) Each authority shall be governed by a board of  
2 directors. All powers of the authority shall be exercised by  
3 the board or pursuant to its authorization.

4           "(b) The board shall consist initially of three  
5 directors, elected, as soon as may be practicable after the  
6 organization of the authority, by the governing body of the  
7 determining county for staggered terms as follows: The first  
8 term of one director shall begin immediately upon his election  
9 and shall end at noon on March 1 of the next succeeding  
10 odd-numbered calendar year following his election; the first  
11 term of another director shall begin immediately upon his  
12 election and shall end at noon on March 1 of the second  
13 succeeding odd-numbered calendar year following his election;  
14 and the first term of the remaining director shall begin  
15 immediately upon his election and shall end at noon on March 1  
16 of the third succeeding odd-numbered calendar year following  
17 his election. Thereafter, the term of office of each director  
18 shall be six years.

19           "(c) If any amendment to the certificate of  
20 incorporation of the authority, effected pursuant to the  
21 provisions of Section 11-88-5, shall increase the membership  
22 of the board, the board shall thereafter consist of such  
23 number of directors, elected by such governing bodies, as may  
24 be specified in the said amendment. The terms of office of any  
25 new directors added by any such amendment shall be so arranged  
26 that, taking into consideration the terms of office of the  
27 original three directors, the terms of office of approximately

1 one-third of all directors (or as nearly one-third thereof as  
2 may be practicable) will end at noon on March 1 in each  
3 odd-numbered year following the effective date of the said  
4 amendment. The term of office of each new director, added by  
5 amendment as aforesaid, shall following the initial term of  
6 such new director be for a period of six years. If at any time  
7 there should be a vacancy on the board, a successor director  
8 to serve for the unexpired term applicable to such vacancy  
9 shall be elected by that governing body which elected the  
10 director whose unexpired term he is to fill. Each election of  
11 a director, whether for a full six-year term or to complete an  
12 unexpired term, shall be made not earlier than 30 days prior  
13 to the date on which such director is to take office as such.  
14 No officer of the state or of any county or municipality  
15 shall, during his tenure as such officer, be eligible to serve  
16 as a director.

17 "(d) Each director elected by a county governing  
18 body shall be a duly qualified elector of that county and  
19 shall be a resident of and the owner of real property in that  
20 part of the service area of the authority which lies within  
21 that county. Directors shall be eligible for reelection. Each  
22 director shall be reimbursed for expenses actually incurred by  
23 him in and about the performance of his duties. If the  
24 certificate of incorporation so provides, each director except  
25 the chairman of the board shall be compensated in an  
26 additional amount not to exceed ~~two hundred dollars (\$200)~~  
27 four hundred dollars (\$400) per meeting attended but not to

1 exceed ~~two thousand four hundred dollars (\$2,400)~~ four  
2 thousand eight hundred dollars (\$4,800) per year. The chairman  
3 shall, if the certificate so provides, be compensated in an  
4 additional amount not to exceed ~~three hundred dollars (\$300)~~  
5 six hundred dollars (\$600) per meeting attended but not to  
6 exceed ~~three thousand six hundred dollars (\$3,600)~~ seven  
7 thousand two hundred dollars (\$7,200) per year.

8 "(e) Any director of the authority may be impeached  
9 and removed from office in the same manner and on the same  
10 grounds provided by Section 175 of the Constitution of Alabama  
11 and the general laws of the state for impeachment and removal  
12 of the officers mentioned in said Section 175.

13 "(f) If the service area, or the greater part  
14 thereof, in which an authority is authorized by its  
15 certificate of incorporation or any amendment thereto to  
16 render water service, fire protection service, sewer service,  
17 or any one or more thereof, includes a resort area pursuant to  
18 Article 2 of this chapter and the service area is incorporated  
19 or annexed into a municipality subsequent to the creation of  
20 an authority, and if the municipality has assumed and taken  
21 over the fire protection responsibility and the sewer service  
22 originally placed upon the authority, the board of directors  
23 of the authority shall be increased in membership by a  
24 sufficient number of new members to increase membership on the  
25 board of directors to a maximum of seven members. Each of the  
26 new members to the board of directors shall be appointed by  
27 the governing body of the municipality by ordinance duly

1        adopted. The first term of each new member so appointed shall  
2        be staggered for terms of one, two, three, and four years, as  
3        needed. Thereafter, the term of the new members added pursuant  
4        to this subsection shall be six years. The governing body of  
5        the determining county shall continue to make appointments and  
6        fill vacancies as heretofore authorized. After May 18, 1993,  
7        the governing body of the municipality shall make appointments  
8        and fill vacancies as provided in this subsection. All members  
9        of the board of directors of the authority shall have all the  
10       authority, privileges, immunities, and qualifications as  
11       provided in this article."

12                    Section 2. This act shall become effective  
13       immediately following its passage and approval by the  
14       Governor, or its otherwise becoming law.