

1 HB180
2 115894-1
3 By Representatives Thigpen, Harper and Beasley
4 RFD: County and Municipal Government
5 First Read: 12-JAN-10

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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.