

HB160 INTRODUCED



1 HB160
2 NINR8T8-1
3 By Representatives Lee, Sells, Fidler, Holk-Jones, Warren
4 RFD: State Government
5 First Read: 04-Feb-25



SYNOPSIS:

The Alabama Municipal Electric Authority is a public corporation that provides or makes available alternative sources of bulk electric power and energy for municipalities that own and operate electric distribution systems. The authority is governed by a board of directors. Members of the board of directors may be compensated, upon the unanimous vote of all board members, at a rate not to exceed \$600.

This bill would provide that, in lieu of compensation, board members may be paid a monthly fee not to exceed \$1,750 and the chair may be paid a monthly fee not to exceed \$2,000.

A BILL
TO BE ENTITLED
AN ACT

Relating to the Alabama Municipal Electric Authority; to amend Section 11-50A-6 of the Code of Alabama 1975, to increase the amount of the director's fees authorized to be paid, at the discretion of the board, to the members of the board of directors and the chairman for each meeting of the board.



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BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 11-50A-6 of the Code of Alabama 1975, is amended to read as follows:

"§11-50A-6

(a) The board of directors of the authority shall be elected by the duly designated representatives of the municipalities ~~which~~ that are authorized and directed to designate a member of the election committee as ~~hereinafter~~ provided in this section. Until the first meeting of the board of directors following the meeting in 2015 of the election committee hereinafter provided for, the board of directors shall consist of nine members; ~~thereafter,~~ Thereafter, the board shall consist of the number of members equal to the number of municipalities contracting with the authority for the purchase of electric power and energy pursuant to Section 11-50A-17, which are authorized and directed to designate a member of the election committee. Members of the board of directors shall be eligible to succeed themselves. The business, affairs, and property of the authority shall be managed by its board of directors.

(b) (1) On or before the ninetieth day following May 18, 1981, the governing body of each municipality ~~which shall have~~ that has, prior to that ninetieth day, by proper resolution declared its intention to contract with the authority for the purchase of electric power and energy pursuant to Section 11-50A-17, provided there shall be as many as five such municipalities, shall designate one individual who shall be a duly qualified elector of that municipality as its



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representative on the Alabama Municipal Electric Authority membership election committee which is herein designated as the election committee. The resolution of the governing body of each municipality may at any time be repealed in the manner provided by law for repeal of resolutions by the governing body; provided, that repeal of a resolution after the date of incorporation of the authority shall not affect the existence of the authority or the validity or enforceability of any contract entered into by the municipality with the authority. Each resolution declaring the intention of the municipality to contract with the authority shall state the amount of electric power and energy purchased from all sources by the municipality during the immediately preceding calendar year and shall be presented to the election committee at its first meeting which shall be held at the State Capitol located in the City of Montgomery, Alabama, at 11 o'clock ~~A.M.~~ a.m., Montgomery time, on the first Monday following the ninetieth day following May 18, 1981. At that meeting, which shall not precede the issuance of the authority's certificate of incorporation by the Secretary of State as provided in Section 11-50A-5, the election committee shall organize and elect a ~~chairman~~ chair and any other officers which may be desirable in the determination of the election committee. The election committee shall then determine the sufficiency of the resolutions presented to it, the accuracy of the factual representations made therein, and the number of votes, including fractions thereof, which each member of the election committee shall be entitled to cast in accordance



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with ~~the provisions of subsection (b)~~ subdivision (2) ~~of this section; the~~. The determinations of the election committee shall be final. Nominations for membership on the board shall then be received by the election committee prior to adjournment of its first meeting. The election committee shall ~~then~~ meet for the second time one week later at the same time and place to receive any other nominations for membership on the board that may be made and shall at that time elect nine members of the board. The nine nominees to membership on the board receiving the largest number of votes cast by a quorum of the election committee shall be declared to be elected as the first nine members of the board. Each member shall be a duly qualified elector of one of the municipalities represented on the election committee, but, insofar as is mathematically possible, no more than one member shall be a duly qualified elector of any one of those municipalities. The election committee shall meet on a date not more than 30 days prior to each annual meeting of the authority to elect members to fill the terms which will begin at the conclusion of the annual meeting of the board.

(2) In elections held by the election committee to elect members to the board, beginning with the first election of members, each municipality entitled to representation on the election committee shall have, and shall be entitled to have its representative on the election committee cast, one whole vote, plus an additional vote or votes, including ~~fractions thereof~~, to be determined as follows:

a. Before any project of the authority is placed in



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commercial operation by the authority, as determined by the authority, and electric power and energy is being supplied by the authority to all municipalities contracting with the authority pursuant to Section 11-50A-17, the percentage which is arrived at by dividing the number of kilowatt hours of electric power and energy purchased from all sources by each represented municipality during the immediately preceding calendar year by the total number of kilowatt hours of electric power and energy purchased from all sources by all represented municipalities during the immediately preceding calendar year shall be determined; ~~each~~. Each percentage so determined shall then be applied to a total number of votes equal to the total number of municipalities entitled to representation on the election committee. The resulting figure, calculated to the nearest one thousandth, shall be the additional vote or votes, including fractions thereof, to which each respective municipality is entitled.

b. After any project of the authority is placed in commercial operation by the authority, as determined by the authority, and electric power and energy is being supplied by the authority to all municipalities contracting with the authority pursuant to Section 11-50A-17, the percentage which is arrived at by dividing the number of kilowatt hours of electric power and energy purchased from the authority by each represented municipality during the immediately preceding calendar year by the total number of kilowatt hours of electric power and energy purchased from the authority by all represented municipalities during the immediately preceding



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calendar year shall be determined~~;~~~~each~~. Each percentage so determined shall then be applied to a total number of votes equal to the total number of municipalities entitled to representation on the election committee. The resulting figure, calculated to the nearest one thousandth, shall be the additional vote or votes, including fractions thereof, to which each represented municipality is entitled. At the meeting of the election committee in the calendar year immediately following the calendar year in which any project of the authority is first placed in commercial operation by the authority, as determined by the authority, and electric power and energy is being supplied by the authority to all municipalities contracting with the authority pursuant to Section 11-50A-17, if the project has been in commercial operation, as determined by the authority, and if electric power and energy has been supplied for at least six months in the immediately preceding calendar year, then the period of time upon which the determination shall be made of the additional vote or votes, including fractions thereof, to which the members of the election committee shall be entitled at such meeting shall be that portion of the calendar year in which electric power and energy was first supplied to the municipalities; otherwise, such additional vote or votes, including fractions thereof, shall be determined on the basis of the number of kilowatt hours of electric power and energy purchased from all sources in accordance with the provisions of ~~subsection (b) (2)~~ paragraph a. ~~of this section.~~

c. The presence at any meeting of the election



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committee of representatives entitled to cast two-thirds of the total votes to which the election committee shall be entitled shall constitute a quorum of the election committee.

(c) The governing body of each municipality declaring its intent to contract with the authority for the purchase of electric power and energy pursuant to Section 11-50A-17, after the ninetieth day following May 18, 1981, but before the election of the first nine members of the board, shall designate one individual who shall be a duly qualified elector of that municipality as an additional member of the election committee. The term of each additional member of the election committee so designated shall begin with the first meeting of the election committee following the meeting held for the purpose of electing the first nine members of the board. After the election of the first nine members of the board, each municipality that is not otherwise entitled to representation on the election committee and that contracts with the authority pursuant to Section 11-50A-17 shall designate one individual who shall be a duly qualified elector of that municipality as an additional member of the election committee. The term of each additional member of the election committee so designated shall begin with the next meeting of the election committee following his or her designation as a member. Each member of the election committee shall serve at the pleasure of the governing body of the municipality by which he or she was appointed.

(d) (1) The initial membership of the board shall be elected as follows: Three members of the board shall be



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197 elected for terms of one year, three for two years, and three
198 for three years. Each election thereafter, except elections to
199 fill unexpired terms or to reflect a contemporaneous increase
200 in the membership of the board, shall be for a term of three
201 years. In the case of an increase in the membership of the
202 board, the board members elected to reflect the increase shall
203 be elected for initial terms that result in an approximately
204 equal number of members of the board having terms expiring in
205 the same years, as the election committee shall determine. All
206 terms, however, shall extend through the annual meeting of the
207 board held at the expiration of the number of years for which
208 the member was elected and until his or her successor ~~shall be~~
209 is elected.

210 (2) ~~Nevertheless, all~~ All members of the board shall
211 serve at the pleasure of the election committee.

212 (3) ~~In the event~~ If it should be mathematically
213 necessary in the election of the members of the board for more
214 than one member of the board to be a duly qualified elector of
215 the same municipality, then and in that event, one of the two
216 members who are duly qualified electors of the same
217 municipality shall be elected for an initial term of one year ~~+~~
218 ~~and, in the event.~~ If there ~~should be~~ are four municipalities
219 from which two duly qualified electors must be elected, one of
220 the duly qualified electors of one of those four
221 municipalities shall be elected for an initial term of two
222 years; provided, however, that insofar as may be consistent
223 with the foregoing provisions of this subsection, in the
224 election of the first nine members of the board, the three



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nominees receiving the highest number of votes shall be elected to terms of three years, the three nominees receiving the next highest number of votes shall be elected to terms of two years, and the three nominees receiving the next highest number of votes shall be elected to terms of one year. Any tie votes shall be resolved by lot in a manner prescribed by the election committee.

(4) Members of the election committee shall not be eligible for membership on the board.

(5) The membership of the board shall be inclusive and reflect the racial, gender, geographical, ~~urban/rural~~ urban, rural, and economic diversity of the state.

(e) The first meeting of the board shall be held at the same place and hour, on the first Thursday following the second meeting of the election committee described in ~~subsection~~ subdivision (b) (1) ~~of this section~~, to elect officers, decide upon a date, time, and place for its next meeting or meetings, and to proceed with the transaction of any business that may come before the board.

(f) The first annual meeting of the board, which may be held without notice, shall be held on the anniversary date of the first meeting of the board. If the date set for the annual meeting of the board is a legal holiday, the annual meeting shall be held on the next secular day following. The date of subsequent annual meetings of the board may be changed by resolution of the board, and no notice, other than notice of the adoption of the resolution to any member of the board who was absent when it was adopted, shall be required for any



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annual meeting. Notice of the adoption of a resolution changing the date of the annual meeting of the board shall be given to any member of the board who was absent when the resolution was adopted by mailing a copy of the resolution to each absent member of the board 10 days prior to the date set for the annual meeting.

(g) Regular meetings of the board may be established by resolution of the board, and no notice, other than notice of the adoption of the resolution to any member of the board who was absent when it was adopted, shall be required for any regular meeting. Notice of the adoption of a resolution establishing regular meetings of the board shall be given to any member of the board who was absent when the resolution was adopted by mailing a copy of the resolution to each absent member of the board 10 days prior to the date of the regular meeting.

(h) Special meetings of the board may be called by resolution of the board or by the ~~chairman~~ chair or ~~vice-chairman~~ vice chair or upon the written request of at least three members of the board.

(i) Written notice of special meetings shall be mailed to each municipality contracting with the authority pursuant to Section 11-50A-17 and to each member of the board not less than three days prior to the date of any special meeting. Neither the business to be transacted at nor the purpose of a special meeting of the board need be specified in the notice of the meeting. Notice of a special meeting need only state the time and place of the meeting.



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(j) Notice of a meeting of the board need not be given to any member who signs a waiver of notice either before or after the meeting. Attendance of a member at a meeting shall constitute a waiver of notice of the meeting and a waiver of any ~~and all objections~~ objection to the time or place of the meeting or to the manner in which it has been called or convened, except when a member states at the beginning of the meeting any objection or objections to the transaction of business. Neither the business to be transacted at nor the purpose of any regular or special meeting of the board need be specified in the waiver of notice of those meetings.

(k) Any vacancy in the membership of the board due to the death, resignation, change of residence, or disability of a member shall be filled by a new member to be elected by the remaining members of the board to serve until the next meeting of the election committee. At the first meeting of the election committee following the filling of any vacancy, the election committee shall elect a member to fill the remainder, if any, of the unexpired term for which the vacancy was filled. Upon this election by the election committee, the membership on the board of the member elected to fill any vacancy by the remaining members of the board shall terminate. If any member of the board who is employed in any capacity in the management or operation of the electric distribution system of any municipality ceases to be so employed, the board member shall be deemed to have resigned membership on the board within the meaning of this subsection.

(l) The board shall elect as officers of the authority



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a ~~chairman~~ chair, a ~~vice-chairman~~ vice chair, a secretary-treasurer, and any other officers which the board from time to time may deem necessary. The ~~chairman~~ chair and ~~vice-chairman~~ vice chair shall be elected from the membership of the board. All officers shall serve for terms of one year terminating at the next annual meeting of the board or until their successors are elected and qualified.

(m) At all meetings of the board, the presence in person of a majority of the members in office shall be necessary for the transaction of business, and the affirmative vote of a majority of the members present and voting at a meeting where a quorum is present shall be necessary for any action of the board. No vacancy in the membership of the board shall impair the right of the majority to exercise all the rights and perform all duties of the board. If at any meeting there is less than a majority present, a majority of those present may adjourn the meeting to a fixed time and place, and notice of that time and place shall be given in accordance with ~~the provisions of~~ subsection (i) ~~of this section~~.

(n) ~~(1) Unless the board by an unanimous vote of all of the members thereof then serving shall so determine, the members of the board shall not be entitled to compensation for their services as directors or officers. If the board determines to provide for compensation, the authority may compensate its directors in the manner and amounts as shall be determined from time to time by the board not to exceed six hundred dollars (\$600) per meeting of the board actually attended. Members of the board may be reimbursed by the~~



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~~authority for their actual expenses properly incurred in the performance of their duties.~~ Members of the board of directors shall serve without compensation, except that they shall be reimbursed for actual expenses incurred in the performance of their duties under this article, and, at the discretion of the board of directors, they may be paid a monthly director's fee not to exceed one thousand seven hundred fifty dollars (\$1,750).

(2) Notwithstanding subdivision (1), the chair of the board shall serve without compensation, except that he or she shall be reimbursed for actual expenses incurred in the performance of his or her duties under this article, and, at the discretion of the board, he or she may be paid a monthly director's fee not to exceed two thousand dollars (\$2,000).

(o) The authority shall keep suitable books and records of all its obligations, contracts, transactions, and undertakings, and of all its revenues and receipts of every nature and all expenditures of every kind.

(p) The authority, together with all funds established in connection with its debt, shall be audited no less frequently than annually by an independent auditing and accounting firm to be selected and compensated by the authority. Copies of any audit shall be available upon request to interested parties, including, specifically but without limitation, the holders of bonds and all parties contracting with the authority."

Section 2. This act shall become effective on January 1, 2026.