

SB95 INTRODUCED



1 SB95
2 KXE15UA-1
3 By Senator Chesteen
4 RFD: Fiscal Responsibility and Economic Development
5 First Read: 05-Feb-25



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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.



SB95 INTRODUCED

29 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

30 Section 1. Section 11-50A-6 of the Code of Alabama
31 1975, is amended to read as follows:

32 "§11-50A-6

33 (a) The board of directors of the authority shall be
34 elected by the duly designated representatives of the
35 municipalities ~~which~~ that are authorized and directed to
36 designate a member of the election committee as ~~hereinafter~~
37 provided in this section. Until the first meeting of the board
38 of directors following the meeting in 2015 of the election
39 committee hereinafter provided for, the board of directors
40 shall consist of nine members; ~~thereafter,~~ Thereafter, the
41 board shall consist of the number of members equal to the
42 number of municipalities contracting with the authority for
43 the purchase of electric power and energy pursuant to Section
44 11-50A-17, which are authorized and directed to designate a
45 member of the election committee. Members of the board of
46 directors shall be eligible to succeed themselves. The
47 business, affairs, and property of the authority shall be
48 managed by its board of directors.

49 (b) (1) On or before the ninetieth day following May 18,
50 1981, the governing body of each municipality ~~which shall have~~
51 that has, prior to that ninetieth day, by proper resolution
52 declared its intention to contract with the authority for the
53 purchase of electric power and energy pursuant to Section
54 11-50A-17, provided there shall be as many as five such
55 municipalities, shall designate one individual who shall be a
56 duly qualified elector of that municipality as its



SB95 INTRODUCED

57 representative on the Alabama Municipal Electric Authority
58 membership election committee which is herein designated as
59 the election committee. The resolution of the governing body
60 of each municipality may at any time be repealed in the manner
61 provided by law for repeal of resolutions by the governing
62 body; provided, that repeal of a resolution after the date of
63 incorporation of the authority shall not affect the existence
64 of the authority or the validity or enforceability of any
65 contract entered into by the municipality with the authority.
66 Each resolution declaring the intention of the municipality to
67 contract with the authority shall state the amount of electric
68 power and energy purchased from all sources by the
69 municipality during the immediately preceding calendar year
70 and shall be presented to the election committee at its first
71 meeting which shall be held at the State Capitol located in
72 the City of Montgomery, Alabama, at 11 o'clock ~~A.M.~~ a.m.,
73 Montgomery time, on the first Monday following the ninetieth
74 day following May 18, 1981. At that meeting, which shall not
75 precede the issuance of the authority's certificate of
76 incorporation by the Secretary of State as provided in Section
77 11-50A-5, the election committee shall organize and elect a
78 ~~chairman~~ chair and any other officers which may be desirable
79 in the determination of the election committee. The election
80 committee shall then determine the sufficiency of the
81 resolutions presented to it, the accuracy of the factual
82 representations made therein, and the number of votes, ,
83 ~~(including fractions thereof)~~ , which each member of the
84 election committee shall be entitled to cast in accordance



SB95 INTRODUCED

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

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

112 a. Before any project of the authority is placed in



SB95 INTRODUCED

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

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



SB95 INTRODUCED

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

168 c. The presence at any meeting of the election



SB95 INTRODUCED

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

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

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



SB95 INTRODUCED

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



SB95 INTRODUCED

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

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

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

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

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



SB95 INTRODUCED

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

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

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

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



SB95 INTRODUCED

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

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

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



SB95 INTRODUCED

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

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

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



SB95 INTRODUCED

337 ~~authority for their actual expenses properly incurred in the~~
338 ~~performance of their duties.~~ Members of the board of directors
339 shall serve without compensation, except that they shall be
340 reimbursed for actual expenses incurred in the performance of
341 their duties under this article, and, at the discretion of the
342 board of directors, they may be paid a monthly director's fee
343 not to exceed one thousand seven hundred fifty dollars
344 (\$1,750).

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

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

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

363 Section 2. This act shall become effective on January
364 1, 2026.