

Board of directors.

(a) Each corporation formed or the certificate of incorporation of which is amended under this article shall have a board of directors which shall constitute the governing body of the corporation, which board shall consist of at least three members. In any Class 4 municipality which has adopted a mayor-council form of government pursuant to Chapter 43B (commencing with Section 11-43B-1) of this title, any corporation formed pursuant to this chapter may have a governing body which shall consist of seven members. Any corporation, located in any Class 5 municipality, which is governed by a local law enacted in the 1995 Regular Session may have a governing body which shall consist of seven members.

No fee shall be paid to any director for services rendered with respect to a sanitary sewer system. In any instance where the system or systems owned and operated by the corporation are any one or more of a water system, a gas system, and an electric system, the chair of the board of directors may, at the discretion of the governing body of the municipality with respect to which the corporation was primarily organized, be paid a director's fee in an amount to be set and established by the governing body in an amount not exceeding six hundred dollars (\$600) per meeting attended, not to exceed seven thousand two hundred dollars (\$7,200) per year, for one system and ten dollars (\$10) each meeting for each additional system. Each member of the board of directors, other than the chair, may be paid a director's fee in an amount to be set and established by the governing body in an amount not exceeding four hundred dollars (\$400) per meeting attended, not to exceed four thousand eight hundred dollars (\$4,800) per year for the system. Notwithstanding the foregoing, where the municipality with respect to which the corporation was primarily organized has less than 5,000 inhabitants according to the most recent official census, the maximum total amount of director's fees which may be paid to the chair of its board of directors shall not exceed six hundred dollars (\$600) per meeting attended, not to exceed seven thousand two hundred dollars (\$7,200) per year, and the maximum total amount of director's fees which may be paid to any other member of the board of directors shall not exceed four hundred dollars (\$400) per meeting attended, not to exceed four thousand eight hundred dollars (\$4,800) per year. In all cities having populations of not less than 6,500 nor more than 8,500 according to the most recent federal decennial census, the members of the board of directors, including the chair, may each be paid a director's fee. The chair of the board shall be compensated in an amount not to exceed six hundred dollars (\$600) per meeting attended, not to exceed seven thousand two hundred dollars (\$7,200) per year. Each director, other than the chair, shall be compensated in an amount not to exceed four hundred dollars (\$400) per meeting attended, not to exceed four thousand eight hundred dollars (\$4,800) per year. In all cities having populations of not less than 12,500 nor more than 13,500 according to the most recent federal decennial census, the chair of the board of directors, at the discretion of the board, may be paid a director's fee in an amount not exceeding six hundred dollars (\$600) per meeting attended, not to exceed seven thousand two hundred dollars (\$7,200) per year, and each member of the board other than the chair may be paid a director's fee in an amount not exceeding four hundred dollars (\$400) per meeting attended, not to exceed four thousand eight hundred dollars (\$4,800) per year. In all cities having populations of not less than 23,000 nor more than 27,000 according to the most recent federal decennial census, the chair of the board of directors, at the discretion of the board, may be paid a director's fee in an amount not exceeding six hundred dollars (\$600) per meeting attended, not to exceed seven thousand two hundred dollars (\$7,200) per year, and each member of the board other than the chair may be paid a director's fee in an amount not exceeding four hundred dollars (\$400) per meeting attended, but not to exceed four thousand eight hundred dollars (\$4,800) per year. In all cities located in Jefferson County, Alabama, the chair of the board of directors, at the discretion of the board, may be paid a director's fee in an amount not exceeding four hundred fifty dollars (\$450) each month for one system and fifty dollars (\$50) per month for each additional system; and each member of the board other than the chair may be paid a director's fee in an

amount not exceeding four hundred dollars (\$400) each month for one system and forty dollars (\$40) per month for each additional system. In all the cities in Franklin County, including all Franklin County water or sewer board or utility system or boards, or both, located therein, the director's fee shall not exceed six hundred dollars (\$600) each month for each system. The board in the cities of Franklin County may also establish a chair's fee in a higher amount by a vote of such body not to exceed seven hundred fifty dollars (\$750) per meeting. All members of the board of directors of any corporation organized pursuant to this article shall be reimbursed for actual expenses incurred in and about the performance of their duties pursuant to this article.

Except as provided herein, any officer of the municipality shall be eligible for appointment and may serve as a member of the board of directors for the term for which he or she is appointed or during his or her tenure as a municipal officer, whichever expires first, and may receive a fee for his or her services, provided it is first approved by the board of directors. At no time shall the board consist of more than two officers of the municipality. The directors of the corporation shall be elected by the governing body of the municipality, and they shall be elected to hold office for staggered terms. The first term of office of one director shall be two years, of another director shall be four years, and of a third director shall be six years, as shall be designated at the time of their election, and thereafter the term of office of each director shall be six years. *The governing body of any municipality which has heretofore or hereafter authorized the creation of a corporation as provided in this article may increase the board of directors from three to five members to serve according to all the conditions and terms set forth in this article.* In the event the governing body elects to increase the board of directors from three to five members, one member added to the board shall be appointed for a term of four years and the remaining member for a term of six years, and thereafter the term of each director shall be six years. *At no time shall the board consist of more than three officers of the municipality. Any officer of the municipality appointed to serve as a member of the board of directors shall serve for the term for which he or she is appointed or during his or her tenure as a municipal officer, whichever expires first. Notwithstanding the foregoing, the certificate of incorporation or an amendment to the certificate heretofore or hereafter adopted may restrict or prohibit service on the board of directors by officers of the municipality.*

Nothing in Act 2007-458 and nothing in subsection (b) as amended by Act 2010-580 shall apply to the City of Montgomery or the City of Prichard Water and Sewer Board.

The amendatory provisions of this subsection as provided in Act 2010-580 and the provisions of Act 2007-458 shall not affect the current board director and member fees in the City of Birmingham.

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

(Acts 1951, No. 175, p. 416, §3; Acts 1956, 2nd Ex. Sess., No. 116, p. 444; Acts 1957, No. 622, p. 892; Acts 1961, No. 701, p. 993; Acts 1969, No. 255, p. 587; Acts 1971, No. 716, p. 1430; Acts 1979, No. 79-483, p. 891; Acts 1979, No. 79-768, p. 1370; Acts 1981, No. 81-603, p. 1015; Acts 1985, 2nd Ex. Sess., No. 85-999, p. 376, §1; Acts 1986, No. 86-481, p. 915, §1; Acts 1994, No. 94-133, p. 172, §2; Acts 1995, No. 95-569, p. 1191, §1; Act 2001-1094, 4th Sp. Sess., p. 1137, §1; Act 2007-458, p. 946, §§1-3; Act 2010-580, p. 1291, §1.)