§ 44. Governing board; creation and membership. 1. Every cooperative investment agreement shall be administered by a governing board. The numerical membership of the board shall be not less than ten percent of the total number of participants in the agreement as of April first each year; provided, however, that in no event shall the numerical membership of the board be less than three, except in those instances where the cooperative investment agreement has only two participants, in which event the numerical membership of the board shall be two; and provided further that in no event shall the numerical membership of the board be more than fifteen. All board members shall be chief fiscal officers of participants or such other officers or employees of participants having knowledge and expertise in financial matters. Candidates for board membership shall be nominated by the participants they represent.

2. Of the initial governing board members, one-third shall serve one year terms, one-third shall serve two year terms, and one-third shall serve three year terms. In the event that the board has only two members, one member of the initial board shall serve a two year term and the other member shall serve a three year term. Thereafter, all board members shall serve three year terms. An annual election shall be held for those board members whose terms have expired. The first such election shall be held within ninety days of the date on which the participants enter into the cooperative investment agreement. Thereafter, the board shall establish an annual date for the election. All participants shall be given at least thirty days notice of an election and the opportunity to vote by mail or proxy.

3. If a member becomes ineligible for office because he or she is no longer the chief fiscal officer or other officer or employee of a participant or the municipal corporation he or she represents is no longer a participant in the agreement, or if for any other reason a member resigns or can no longer fulfill the obligations of membership, then the remaining members of the board may appoint an eligible chief fiscal officer to fill the vacancy until the next annual election at which time the unexpired term of the vacancy shall be filled in the same manner as all board member positions.

4. A quorum of the members must be present to transact any board business. Two-thirds of the membership shall constitute a quorum. To transact any business or exercise any power, the board shall act by a majority vote of the members present at any meeting at which a quorum is in attendance. A member of the board may designate a representative to attend meetings, vote or otherwise act on his or her behalf.

5. The board shall meet at least quarterly at dates and times to be established by the members of the board.

6. All members must have an appropriate bond or undertaking in an amount to be determined by the board. The cost of such bond or undertaking shall be deemed to be an expense incurred by the board in administering the investments made pursuant to the agreement.

7. The provisions of article eighteen of this chapter shall apply to the governing board as if the governing board were a municipality. No member of the governing board shall have an interest in a contract entered into by the governing board prohibited by section eight hundred one of this chapter. In addition, except as provided in section eight hundred two of this chapter, an officer or employee of a participant shall be prohibited from having an interest, as defined in subdivision three of section eight hundred of this chapter, in any contract entered into by the governing board of the cooperative investment agreement.

8. No member may receive compensation from the cooperative investment agreement for service as a board member, but may be reimbursed for actual and necessary expenses incurred in the performance of his or her official duties as a board member.