



Policy No: 5.07  
Title: Association Legal Counsel  
Date Approved: November 20, 1991

**SUBJECT: ASSOCIATION LEGAL COUNSEL**

I. OBJECTIVE: To establish general guidelines covering SMPA's relationship with its attorney.

II. POLICY:

A. Selection and Retention of Attorney as General Counsel:

The General Manager shall be responsible for recommending to the Board the attorney to be hired by SMPA as General Counsel, who shall be hired upon approval of the Board of Directors. The attorney, whose performance shall be evaluated at least annually, shall serve at the pleasure of the Board. When considered appropriate, the General Manager may recommend to the Board that the attorney be terminated as General Counsel.

B. Special Counsel:

Subject to the limitations established by the annual budget and on recommendation of the General Counsel, the General Manager may retain special legal counsel for SMPA to perform specialized legal services which require particular expertise and which are not normally performed by the General Counsel.

C. General Counsel Duties and Responsibilities:

1. The General Counsel shall serve as SMPA's chief legal advisor. The duties and responsibilities of the General Counsel shall encompass all legal matters related to the business and corporate affairs of SMPA. The General Counsel may delegate certain duties to appropriately qualified members of his or her law firm, but shall remain responsible to the SMPA for all legal services performed by said persons.
2. The General Counsel represents SMPA as an independent legal entity and owes his professional allegiance to that entity. The General Counsel shall deal with SMPA through its duly authorized constituents in the following manner the Board of Directors shall have the ultimate decision making authority for all legal matters. In the ordinary course of affairs, however, the General Counsel shall deal with, and be responsible to, the General Manager and such other employees as may be designated by the General Manager from time to time, with such relationship being subject to review and modification by the Board. The General Counsel

shall not perform legal services or render legal advice at the request or demand of a member or group of members unless authorized to do so by the General Manager or the Board. The General Counsel shall advise the Board and the General Manager if he or she believes there is a possibility of conflict between the Association and any of its constituents, such as officers, directors, employees or members.

3. The General Counsel shall be expected to attend all regular and special meetings of members and of the Board. He or she shall also attend seminars and other meetings authorized or requested from time to time by the Board or General Manager.
4. With due regard to the fact that the General Counsel has other professional commitments, he or she, to the extent practicable, should give SMPA priority in his or her work schedule and be available for routine telephone and office consultation with the General Manager and other employees designated by the General Manager concerning matters of legal interest to SMPA.
5. Unless requested to do otherwise, the General Counsel shall refrain from expressing opinions related to management or policy matters except in those instances where potential legal problems may be involved.

D. Payment for Legal Services:

The schedule of fees for services of the General Counsel and expenses shall be as follows:

1. Retainer: The General Counsel shall be paid a monthly retainer in an amount agreed upon from time to time by the Board and the attorney, which retainer shall constitute payment in full for attendance at one Board meeting per month.
2. Education Fees: When attending meetings or seminars designed primarily for education in rural electric matter, the General Counsel shall be paid an amount equal to one-half of his regular established hourly rate for the meetings and travel time.
3. Other Fees: The General Counsel shall be paid at his or her regular established hourly rate for all professional services rendered for SMPA in excess of those specifically covered by the preceding paragraphs on "Retainer" and "Educational Fees". Any changes in the hourly rate shall be agreed upon by the Board and the General Counsel.
4. Special Counsel Fees: Any special legal counsel retained by SMPA for a particular purpose shall be paid at his regular established hourly rate for professional services unless the General Manager, with the approval of the Board, agrees to some other compensation arrangement.
5. Expenses: The General Counsel shall be reimbursed for travel, lodging, meals and other out-of-pocket expenses incurred while performing his duties for SMPA.

E. Insurance:

If permitted pursuant to the terms of the applicable policy, the General Counsel may participate in SMPA-related insurance programs, but all cost thereof, with the exception of business-related insurance programs, but all cost thereof, with the exception of business-related accidental death insurance, shall be the sole responsibility of the General Counsel, and he shall reimburse SMPA for any costs expended by it in connection therewith.

III. RESPONSIBILITY: It shall be the responsibility of the Board of Directors and General Manager to implement the terms of this Policy.