MORA - SAN MIGUEL ELECTRIC COOPERATIVE, INC.
POLICY DEVELOPMENT - EMPLOYEES
BOARD POLICY NO 200
New Policy

SUBJECT: Relationship Between Cooperative and Employees.

OBJECTIVE: To establish accountability, interpretation, and
communication giving recognition of the agreement
between the Cooperative and the Union.

POLICY:

1. FLOW OF MANAGEMENT AUTHORITY AND ACCOUNTABILITY.

The Board of Trustees ("Board") has delegated executive and operating
authority to the Cooperative Manager to conduct the Board's plans, programs, and
policies. The flow of management authority and accountability will pass through the
Manager who will also serve as the communications link between all subordinate
Cooperative employees and the Board.

2. BASIC PRINCIPLES. The Cooperative and the Union have a common
and sympathetic interest in the utility industry. Therefore, a working system and
harmonious relations are necessary to improve the relationship between the
Cooperative, and the Union, and the public. Progress in industry demands a
mutuality of confidence between the Cooperative and the Union. All will benefit by
continuous peace and by adjusting any differences by rational, common sense
methods. To these ends, the Union contract is executed.

3. RECOGNITION. The union employees of each and all divisions of the
Cooperative in all departments are deemed by both the Union and the Cooperative as
an appropriate bargaining unit. The Cooperative recognizes the Union as the sole
bargaining agent for the employees in said unit.

The Board shall be responsible for the enforcement of this policy.

Approved: February 24, 1995
Effective: February 24, 1995

[Signature]
Board Secretary