Henderson-Nina Water System, Inc. SUBSTANCE ABUSE POLICY

It is the policy of Henderson-Nina Water System, Inc. that the Board of Directors shall take necessary measures to assure that the use of alcohol or unauthorized substances by employees does not endanger the health, safety, and security of our employees, operations, customers, or community.

Introduction

The unlawful manufacture, distribution, possession, concealment, transportation, sale, or use of unauthorized substances on Henderson-Nina Water System premises, in Water System vehicles, or while conducting Water System business off Water System premises is absolutely prohibited. The presence of an unauthorized substance(s) in an employee's system while on Water System premises, in a Water System vehicle, or while conducting Water System business off Water System premises is also strictly prohibited. Unauthorized substances include illegal drugs, unauthorized drugs, and drug paraphernalia. The abuse or misuse of alcohol, prescription drugs, or over-the-counter drugs, which have been legally obtained, is also strictly prohibited on Water System premises, in Water System vehicles, or while conducting Water System business off Water System premises. The unauthorized possession or use of alcohol on or in any Water System property or in Water System vehicles is also prohibited. Violation of this policy may lead to disciplinary action up to and including termination of employment.

Pre-Employment Screening

Henderson-Nina Water System will require pre-employment substance screening of all applicants to whom Henderson-Nina Water System offers employment. Henderson-Nina Water System will advise each applicant of the intent to test for substances and require the applicant to permit the results of the test to be made available to management. If an applicant does not wish to have screening tests performed the pre-employment interview process or examination will be terminated. If the applicant refuses the screening test or if the test confirms the use of an unauthorized substance, the applicant will be disqualified from further employment advancements or considerations for a minimum of twelve months.

Employee Testing

If there is reasonable suspicion of substance use or misuse, Henderson-Nina Water System may require testing of current employees. Confirmed positive tests of urine, blood, or expired air, or refusal to submit to testing or refusal of permission to release substance-testing information to appropriate management, may be the basis of disciplinary action up to and including termination of employment.

Random Testing

To assure that the use of alcohol or unauthorized substances by employees does not endanger the health, safety, and security of our employees, operations, customers, or community random substance testing of all employees may be requested by the Board of Directors.

Inspections and Searches

The Henderson-Nina Water System has the right to require employees, while on duty or on Henderson-Nina Water System premises including parking lots, to agree to inspections of their clothing, vehicles, and/or their personal property, as well as the offices, desks, and lockers assigned to them. If an employee withholds consent to such an inspection, the Henderson-Nina Water System may discipline the employee, up to and including termination of employment.

Sign & date below once the above policy is read and understood.

Sign

Date

***Approved by the Board of Directors June 7, 2001