
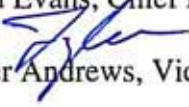


**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**January 6, 2009**

**TO:** Board of Directors

**THRU:** Brad Evans, Chief Executive Officer 

**FROM:** Tyler Andrews, Vice President, Human Resources 

**SUBJECT:** *Chugach Drug and Alcohol Testing for 2008*

Chugach conducts two drug and alcohol testing programs. Department of Transportation (DOT) testing has been in place for more than 10 years in accordance with the Federal Motor Carrier Safety Regulations (FMCSR). Company-wide testing began in November of 2007 under Chugach Board Policy 131.

DOT testing applies to those employees required to have a commercial drivers license (CDL) under the FMCSR or State regulations. Any operator of a commercial motor vehicle (or combination of vehicles) with a gross vehicle weight rating of greater than 26,000 pounds must have a CDL in the State of Alaska.

In accordance with these regulations, 50% of the CDL holders are tested annually for illicit drugs and 10% are tested for alcohol. Employees are randomly selected using a computer-based number generator through Chugach's drug testing provider and are sent to the provider's facility for sample collection. At the end of 2008 there were 42 CDL holders in the test pool.

Chugach implemented a company-wide drug and alcohol policy in August of 2007 and testing began in November. Non-CDL holders are not required by regulation to be randomly tested for drugs and alcohol, but the state of Alaska has requirements in Alaska Statute 23.10.600 for employers who voluntarily test. Chugach's policy was developed to meet those requirements.

Chugach annually tests 50% of employees for drugs and 25% for alcohol. Sample collection is performed on-site at Chugach. At the end of 2008 there were 291 employees in the company-wide test pool (all employees minus CDL holders).

The total cost for drug and alcohol testing (random and pre-hire) in 2008 was \$12,589. Of that, \$4,159 was for CDL holders and \$8,430 was for Non-CDL holders.

**Management Recommendations/Actions**

Having completed one full year of testing, Management now has experience and data relevant to a company-wide random drug and alcohol-testing program. Based on this experience the following is recommended:

- Maintain overall scope of Board Policy 131.
- Review the percentage and frequency of company-wide drug and alcohol testing.
- Review procedures to ensure all possible scenarios are addressed regarding the sampling and testing process. Key points to consider are defining refusal to test for on-site testing, defining dilute specimens, defining cancelled tests and clarifying when it is necessary to see a substance abuse professional.