# MINUTES OF MEETING OF THE INDUSTRIAL COMMISSION OF ARIZONA

Held at 800 West Washington Street Phoenix, Arizona 85007 Thursday, July 11, 2024 - 1:00 p.m.

Present: Dennis P. Kavanaugh

Chairman

Joseph M. Hennelly, Jr.

Vice Chair (Telephonic)

D. Alan Everett

Commissioner

Maria Cecilia Valdez

Commissioner

Orion J. Godfrey

Commissioner

Gaetano J. Testini

Director

Afshan Peimani

Chief Legal Counsel

Lisa Padgett

Deputy Director

Charles Carpenter

Legislative Affairs Chief/Public Information Officer Chief Financial Officer

Sylvia Simpson

Labor Director

Melissa Spurgeon Christina Sanchez

Labor Supervisor

Brian Hudson Anna Maria Stonerock **ADOSH Director ADOSH Admin** 

Yvonne Borunda

**Acting Commission Secretary** 

Kara Dimas

Commission Secretary (Telephonic)

Chairman Kavanaugh convened the meeting at 1:01 p.m. In attendance, confirmed by roll call were Anne Ryman (ABC15); Geneva Haber (Snell and Wilmer); Arturo Garcia and Kurt Ceballes (Creative Environments); Lindsey Wheeler (Premier Risk Management). attendance on the telephone, confirmed by roll call were Whitney Douglas (Keiwit); Hollie Mercurio (AMRRP) and Steve Huy (Marriott).

## Approval of Minutes of June 27, 2024 Regular Meeting Minutes.

Commissioner Valdez moved to approve the Minutes of the June 27, 2024 regular session meeting and Commissioner Godfrey seconded the motion. Chairman Kavanaugh, Vice Chair Hennelly, Commissioner Everett, Commissioner Valdez and Commissioner Godfrey voted in favor of the motion. The motion passed.

#### Consent Agenda:

All items following under this agenda item are consent matters and will be considered by a single motion with no discussion unless a Commissioner asks to remove an item on the consent agenda to be discussed and voted on separately. The Commission may move into Executive Session under A.R.S. § 38-431.03(A)(2) to discuss records exempt by law from public inspection. Legal action involving a final vote or decision shall not be taken in Executive Session. If such action is required, then it will be taken in General Session.

- a. Approval of Proposed Civil Penalties Against Uninsured Employers.
  - Pinnacle Peak Cleaning Services, LLC \$1,000 1. 2CNP2324-2699

- b. Approval of Requests for Renewal of Self-Insurance Authority.
  - 1. Arizona Municipal Risk Retention Pool
  - 2. Kiewit Corporation
  - 3. Marriott International, Inc.
  - 4. Prudential Overall Supply, Inc.
  - 5. Purcell Tire & Rubber Company
  - 6. Southwest Gas Corporation
- c. Approval of Arizona Division of Occupational Safety and Health Proposed Citations and Penalties Less Than \$15,000.
  - 1. CP-2024-AM866-0003 George Thomas McBride Sr dba McBride Paint and Wall Covering
  - 2. CP-2024-EG419-0040 Yuma Regional Medical Center

Commissioner Everett moved to approve the items on the Consent Agenda and Commissioner Godfrey seconded the motion. Chairman Kavanaugh, Vice Chair Hennelly, Commissioner Everett, Commissioner Valdez and Commissioner Godfrey voted in favor of the motion. The motion passed.

Discussion and Action regarding Proposed Sick Time Subsequent Civil Penalty.

1. ST-2324-0319 V.I.P. Auto Body and Paint, Inc.

Ms. Spurgeon summarized the Labor Department's investigation into a violation of A.R.S. § 23-375(a), A.R.S. § 23-373(b) and A.R.S. § 23-375(c) for a prior Earned Paid Sick Time (EPST) Retaliation claim. Ms. Spurgeon noted on October 14, 2023 the Labor Department assessed a civil penalty in the amount of \$250.00 for violating the same statutes, which was not paid by the employer and is currently in collections. On May 2, 2024 the Labor Department received another complaint against the employer for violation of A.R.S. § 23-372(b), A.R.S. § 23-364(d) and A.R.S. § 23-375(c). The employer is still not in compliance with the statutes. The Department recommended issuance of subsequent Civil Penalty of \$1,000.00 for violation of A.R.S. § 23-372(b), A.R.S. § 23-375(c).

Commissioner Valdez moved to approve the issuance of a Subsequent Civil Penalty in the amount of \$1,000.00 to V.I.P. Auto Body and Paint, Inc. Commissioner Everett seconded the motion. Chairman Kavanaugh, Vice Chair Hennelly, Commissioner Everett, Commissioner Valdez and Commissioner Godfrey voted in favor of the motion. The motion passed.

Discussion and Action of Arizona Division of Occupational Safety and Health Proposed Citations and Penalties.

Chairman Kavanaugh discussed the purpose of and process for the Commission's consideration of ADOSH citations and proposed penalties.

Creative Environments Design & Landscape, Inc. 8920 South Hardy Drive

V

Years in Business:

Referral

50

Tempe, AZ 85284

Empl. Covered by Inspection:

4

Site Location:

6821 E Cactus Wren Rd

Paradise Valley, AZ 85253

Inspection No:

RF-2024-AM866-0002

Inspection Date:

January 16, 2024

#### SERIOUS – Citation 1 - Item 1 –

a) Azure Lot 19 Roof: Two employees were installing top caps (sheet of aluminum) on a residential rooftop at a height approximately 11 feet from the ground without a fall protection system installed. 29 CFR 1926.501(b)(1)

Div. Proposal - \$14,063.00

Formula Amt. - \$14,063.00

### SERIOUS – Citation 1 - Item 2 –

a) Azure Lot 19 - Roof: two employees were working on a Residential house, low slope roof that was 11 feet above the ground and the employees had not been trained on fall protection. 29 CFR 1926.503(a)(1)

Div. Proposal - \$14,063.00

Formula Amt. - \$14,063.00

TOTAL PENALTY - \$28,126.00

TOTAL FORMULA AMT. - \$28,126.00

Mr. Hudson discussed ADOSH's inspection, summarized the citation and proposed penalty.

Chairman Kavanaugh noted that Mr. Garcia requested to speak.

Mr. Garcia, the Safety Manager for Creative Environments Design & Landscape, thanked the Commission for the opportunity to speak. The company has since implemented a fall protection plan throughout all of Creative Environments to avoid a similar incident in the future. Their fall protection plan and training informs the employees how to recognize fall hazards on job sites and what the safest procedure to follow to prevent falls. In addition, they are required to do a 16-hour fall protection training. Since his arrival at Creative Environments they have made huge progress in formalizing safety from onboarding training, documenting manuals, tests and quizzes, and constantly adding to the safety content. They are very remorseful that this incident happened and took someone getting injured to address not having a fall protection plan. They are fully committed and confident that an incident like this will not happen again, they do have some questions with the investigation and will reserve those for the formal or informal process, and intend to be fully compliant with ADOSH and the Commission.

Commissioner Valdez asked Mr. Garcia if all of the employees have been trained after the incident. Mr. Garcia confirmed.

Mr. Hudson noted there was a correction to the inspection date and should be February 2, 2024 in the report.

Commissioner Godfrey discussed with Mr. Hudson abatement and the comments from Mr. Garcia, he was not sure if they received photographs and documentation and would have to check the file.

Commissioner Godfrey noted with extenuating circumstances have been arrived at with the assumed abatement and training and implementation and sounds like a one-off scenario and not typically done and reacted appropriately. Commissioner Valdez agreed.

Commissioner Godfrey moved to amend the citation and proposed penalties. Because of the prompt attention to safety and correcting the protocol he suggested a 15% Quick Fix Discount for a total of \$23,907.00. Commissioner Valdez seconded the motion. Commissioner Kavanaugh commented that depending on the results of the informal conference, the division may have the desire to make a further adjustment. Chairman Kavanaugh, Vice Chair Hennelly, Commissioner Everett, Commissioner Valdez and Commissioner Godfrey voted in favor of the motion. The motion passed.

Fleming Trailers, Inc.

Complaint

17033 N 63rd Ave Glendale, AZ 85308 Years in Business:

Empl. Covered by Inspection:

51 10

Site Location:

17033 N 63rd Ave

Glendale, AZ 85308

Inspection No:

CP-2024-AD245-0035

Inspection Date:

January 30, 2024

#### SERIOUS – Citation 1 - Item 1 –

a) Welding Bay #3: One employee was exposed to an electric shock hazard while metal inert gas (MIG) welding trailers with a Lincoln Electric Idealarc machine, model# CV-250 IM505 and serial # U1960602591, that had damaged cable insulation that was not replaced.

b) Welding Bay #3: One employee was exposed to an electric shock hazard while metal inert gas (MIG) welding trailers with a Miller Electric machine, model# XMT 350 CC.CV Auto-Line and serial # NA124157U, that had damaged cable insulation that was not replaced.

- c) Welding Bay #5: One employee was exposed to an electric shock hazard while metal inert gas (MIG) welding trailers with a Lincoln Electric Idealarc machine, model# CV-300 IM500 and serial # U1960712552, that had damaged cable insulation that was not replaced.
- d) Cutting Area: One employee was exposed to an electric shock hazard while metal inert gas (MIG) welding trailers with a Millermatic 251 machine, serial # unknown, that had damaged cable insulation that was not replaced.
- e) Cutting Area: One employee was exposed to an electric shock hazard while metal inert gas (MIG) welding trailers with a Millermatic 251 machine, serial # LC690773, that had damaged cable insulation that was not replaced.
- f) Cutting Area: One employee was exposed to an electric shock hazard while metal inert gas (MIG) welding trailers with a Miller Electric machine, model# XMT 350 CC.CV Auto-Line and serial # NB304044U, that had damaged cable insulation that was not replaced.
- g) Welding Bay #6: One employee was exposed to an electric shock hazard while metal inert gas (MIG) welding trailers with a Lincoln Electric Idealarc machine, model# CV-250 IM505 and serial # U1971016676, that had damaged cable insulation that was not replaced. 29 CFR 1910.254(d)(9)(iii)

Div. Proposal - \$6,250.00

Formula Amt. - \$6,250.00

TOTAL PENALTY - \$6,250.00

TOTAL FORMULA AMT. - \$6,250.00

Mr. Hudson discussed ADOSH's inspection, summarized the citation and proposed penalty.

Chairman Kavanaugh did not have a request to speak.

Commissioner Everett moved to approve the citation and proposed penalties as presented and Commissioner Godfrey seconded the motion. Chairman Kavanaugh, Vice Chair Hennelly, Commissioner Everett, Commissioner Valdez and Commissioner Godfrey voted in favor of the motion. The motion passed.

Fleming Trailers, Inc.

Complaint

17033 N 63rd Ave

Years in Business:

51

Glendale, AZ 85308

17033 N 63rd Ave

Empl. Covered by Inspection: 10

Site Location:

01 11 A7 0520

Glendale, AZ 85308

Inspection No:

CP-2024-TN976-0035

Inspection Date:

January 30, 2024

#### SERIOUS – Citation 1 - Item 1a –

a) Spray Booth: One employee was required to wear a 3M tight fitting half mask respirator while using Sun/Steel #1412 GM White, without a Written Respiratory Protection Program having been implemented in the workplace. 29 CFR 1910.134(c)(1)

Div. Proposal - \$2,678.00

Formula Amt. - \$2,678.00

### <u>SERIOUS</u> – Citation 1 - Item 1b –

a) Spray Booth: One employee was required to wear a 3M tight fitting half mask respirator while using Sun/Steel #1412 GM White, without receiving a medical evaluation. 29 CFR 1910.134(c)(1)(ii)

Div. Proposal - \$0.00

Formula Amt. - \$2,678.00

# <u>SERIOUS</u> – Citation 1 - Item 1c –

a) Spray Booth: One employee was required to wear a 3M tight fitting half mask respirator while using Sun/Steel #1412 GM White, without receiving a fit test. 29 CFR 1910.134(c)(1)(iii)

Div. Proposal - \$0.00

Formula Amt. - \$2,678.00

# SERIOUS – Citation 1 - Item 1d –

 a) Spray Booth: One employee was required to wear a 3M tight fitting half mask respirator while using Sun/Steel #1412 GM White, without received respiratory training. 29 CFR 1910.134(k)

Div. Proposal - \$0.00

Formula Amt. - \$2,678.00

#### <u>SERIOUS</u> – Citation 1 - Item 2 –

a) Outside Bay 4: One employee was required to use oxygen and compressed gas cylinders that were stored together. 29 CFR 1910.253(b)(4)(iii)

Div. Proposal - \$3,572.00

Formula Amt. - \$3,572.00

## SERIOUS – Citation 1 - Item 3a –

a) Spray Booth: Two employees were required to work with Sun/Steel #1412 GM White, Sun/Steel #1490 Gloss Black, and Lacquer Thinner SW, without a written Hazard Communication program have been implemented in the workplace. 29 CFR 1910.1200(e) Div. Proposal - \$2,678.00 Formula Amt. - \$2,678.00

## <u>SERIOUS</u> – Citation 1 - Item 3b –

a) Spray Booth: Two employees were required to work with Sun/Steel #1412 GM White, Sun/Steel #1490 Gloss Black, and Lacquer Thinner SW, without being provided with Hazard Communication Training. 29 CFR 1910.1200(h)(1)

Div. Proposal - \$0.00

Formula Amt. - \$2,678.00

TOTAL PENALTY - \$8,928.00

TOTAL FORMULA AMT. - \$19,640.00

Mr. Hudson discussed ADOSH's inspection, summarized the citation and proposed penalty.

Commissioner Godfrey and Mr. Hudson discussed the two different citations for the same employer and why they were separated. Both were written the same day, but the first case was specifically for the safety violations completed by a safety compliance officer not the health violations. The second case was conducted by an industrial hygienist on the same day and was a separate inspection in reference to the health side.

Chairman Kavanaugh did not have a request to speak.

Commissioner Godfrey moved to approve the citation and proposed penalties as presented and Commissioner Valdez seconded the motion. Chairman Kavanaugh, Vice Chair Hennelly, Commissioner Everett, Commissioner Valdez and Commissioner Godfrey voted in favor of the motion. The motion passed.

Discussion and/or Action pursuant to A.R.S. §23-1041(E) to Adopt the Maximum Average Monthly Wage under A.R.S. §23-1041(D)(8) for Calendar Year 2025.

Ms. Peimani explained that A.R.S. § 23-1041(E) requires the Commission to annually adopt a maximum average monthly wage. Ms. Peimani provided background and explained how the maximum average monthly wage is used in the workers' compensation system, and discussed the process used for the calculation of the maximum average monthly wage. The Bureau of Labor and Statistics showed an increase of 5.1% in the "All Workers" category, which exceeds the statutory 5% maximum, so the 5% maximum is used. The 2024 maximum average monthly wage was \$5,663.04. Ms. Peimani recommended the increase of \$243.51 setting the maximum average monthly wage at \$5,906.55 for calendar year 2025.

Commissioner Valdez moved to set the maximum average monthly wage at \$5,906.55 for calendar year 2025 and Commissioner Everett seconded the motion. Chairman Kavanaugh, Vice Chair Hennelly, Commissioner Everett, Commissioner Valdez and Commissioner Godfrey voted in favor of the motion. The motion passed.

Announcements, Scheduling of Future Meetings and Retirement Resolutions.

Nothing at this time.

Public Comment.

There was no public comment.

The meeting was adjourned at 1:40 p.m.

THE INDUSTRIAL COMMISSION OF ARIZONA

Ву

Gaetano J. Testini, Executive Deputy Director

ATTEST:

Kara Dimas, Commission Secretary