

MINUTES OF MEETING
OF THE INDUSTRIAL COMMISSION OF ARIZONA
Held at 800 West Washington Street
Phoenix, Arizona 85007
Thursday, January 15, 2026 – 1:00 p.m.

Present:	Dennis P. Kavanaugh	Chairman
	Joseph M. Hennelly, Jr.	Vice Chair
	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
	Brandt Smith	Deputy Director
	Charles Carpenter	Legislative Affairs Chief/Public Information Officer
	Charles Conner	COOP Program Manager
	Renee Pastor	Self-Insurance (Telephonic)
	Melissa Spurgeon	Labor Director
	Christina Lasater	Labor Supervisor
	Vincent Argana	Labor Investigator
	Jason Polasko	Labor Investigator
	Brian Hudson	ADOSH Director
	Cecilia Herrera	Deputy ADOSH Director
	Bethany Votta	ADOSH Admin
	Debbie Rol	ADOSH Admin
	Tanya Austin	ADOSH Admin
	Yvonne Borunda	Legal
	Valerie Ruiz	MRO Manager
	Keta Coker	MRO Assistant
	Kara Dimas	Commission Secretary

Chairman Kavanaugh convened the meeting at 1:01 p.m. In attendance, confirmed by roll call were Mike Jones (Snell and Wilmer). Also in attendance on the telephone, confirmed by roll call Alan McVay (Dignity Health).

Approval of Minutes of December 18, 2025 Regular Meeting Minutes.

Commissioner Valdez moved to approve the Minutes of the December 18, 2025 regular session meeting and Vice Chair Hennelly 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.

1. 2CNP24/25-3990 La Roxxy Tire Shop LLC

b. Approval of Requests for Renewal of Self-Insurance Authority.

1. Concrete Reinforcements Inc.
2. Dignity Health

c. Approval of Arizona Division of Occupational Safety and Health Proposed Citations and Penalties Less Than \$15,000.

1. CP-2026-MG193-0022 Albertson's LLC
2. UR-2025-JL680-0050 Steve Seidel Plumbing, Inc.
3. PP-2025-MG193-0011 The Reinalt-Thomas Corporation dba Discount Tire Co #AZT-07

Commissioner Godfrey moved to approve the items on the Consent Agenda 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.

Discussion and Action regarding Establishment of Discount Rate for Calculating Lump Sum Commutations under A.A.C. R20-5-121(B).

Ms. Pastor presented on a memo regarding updating the discount rate used in calculating the present value of an award under A.A.C. R20-5-121 and R20-5-122. She explained that new rules have been drafted to update the way the calculations are done and is waiting for approval for rulemaking. Staff recommended setting the discount rate at 3.47% for calculating fixed period and permanent lump sum commutations, effective immediately replacing the 2.78%.

Vice Chair Hennelly moved to approve the staff recommendation to use a 3.47% discount rate in the calculation for lump sum commutations under A.A.C. R20-5-121 and R20-5-122, effective immediately. 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 Action regarding Proposed Retaliation Penalty.

1. RT-2425-0164 Harbor Freight Tools USA, Inc.

Ms. Spurgeon summarized the Labor Department's investigation into the Earned Paid Sick Time (EPST) Retaliation claim. Ms. Spurgeon recommended that the Commission approve issuance of a Penalty in the amount of \$36,600.00 for violation of A.R.S. § 23-364 and termination violation.

- a) Bat Cave: One employee spray painting bats was required to use a 3m Half-face respirator model unknown serial # without receiving a medical evaluation. 29 CFR 1910.134(e)(1)
Div. Proposal - 0.00 Formula Amt. - \$8,276.00

SERIOUS – Citation 1 - Item 1c –

- a) Bat Cave: One employee spray painting bats was required to use a 3m Half-face respirator model unknown serial # unknown without receiving a fit test. 29 CFR 1910.134(f)(1)
Div. Proposal - 0.00 Formula Amt. - \$8,276.00

SERIOUS – Citation 1 - Item 1d –

- a) Bat Cave: One employee spray painting bats was required to use a 3m Half-face respirator model unknown serial # unknown without receiving respirator training. 29 CFR 1910.134(k)
Div. Proposal - 0.00 Formula Amt. - \$8,276.00

SERIOUS – Citation 1 - Item 2a –

- a) 4602 East Thomas Road, Phoenix: One employee spray painting bats and mixing paint used chemicals such as Klean Strip Lacquer Thinner and Rust-oleum Painter's Touch 2x Ultra Cover spray paint while no written hazard communication program was in place. 29 CFR 1910.1200(e)(1)
Div. Proposal - \$8,276.00 Formula Amt. - \$8,276.00

SERIOUS – Citation 1 - Item 2b –

- a) 4602 East Thomas Road, Bat Cave: One employee spray painting bats and mixing paint used chemicals such as Klean Strip Lacquer Thinner and Rust-oleum Painter's Touch 2x Ultra Cover spray paint while Safety Data sheets were not maintained. 29 CFR 1910.1200(g)(8)
Div. Proposal - 0.00 Formula Amt. - \$8,276.00

SERIOUS – Citation 1 - Item 2c –

- a) 4602 East Thomas Road, Bat Cave: One employee spray painting bats and mixing paint used chemicals such as Klean Strip Lacquer Thinner and Rust-oleum Painter's Touch 2x Ultra Cover spray paint without receiving hazard communication training. 29 CFR 1910.1200(h)(1)
Div. Proposal - 0.00 Formula Amt. - \$8,276.00

TOTAL PENALTY - \$16,552.00 TOTAL FORMULA AMT. - \$57,932.00

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

Commissioner Everett noted his concerns in that he did not think the leather company would be using spray paint and seems like we are citing them for two different things. Mr. Hudson noted the bat designer falls under the Nokona Leather Goods leadership, the controlling company, the Director for the Leather Goods was in the Bat Cave with the employee doing the spraying That Director made the employee wear the inappropriate equipment. The employer knowledge being a Director and the Bat company being associated with them and working through them and having

- c) Bay three: Three employees performed automotive maintenance tasks around an approximately 26" deep service pit without fall protection system in place are alternative measures as outlined in 1910.28(b)(8)(i)-(iii).

Div. Proposal - \$9,457.00

Formula Amt. - \$9,457.00

TOTAL PENALTY - \$18,914.00

TOTAL FORMULA AMT. - \$28,371.00

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

Chairman Kavanaugh and Mr. Hudson discussed the complaint about heat stress due to lack of air conditioning but no citations. ADOSH inspects based on what the complaint items are and present what they find.

Commissioner Everett and Mr. Hudson discussed the two-foot pit and how they would change the oil.

Chairman Kavanaugh checked if the Commissioners had any questions and noted he 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.

Presentation and discussion regarding the operations of the Industrial Commission of Arizona's Medical Resource Office Division.

Ms. Ruiz presented the MRO Division.

Chairman Kavanaugh asked about adding dental services to the Fee Schedule. Ms. Ruiz noted this year's Fee Schedule proposal will have a dental schedule and should be published at the end of January.

Chairman Kavanaugh complimented Ms. Ruiz and her work, very efficient compared to other states.

Chairman Kavanaugh and Ms. Ruiz discussed her team of two working on the peer reviews and dispute billing.

Announcements, Scheduling of Future Meetings and Retirement Resolutions.

Mr. Carpenter noted there are multiple bills running to address presumptions with the firefighter statute and several are addressing the comma issue. The agency is running a bill this year to clean up some language in the statutes.

Ms. Dimas announced the retirement of Janet Artis, Special Fund Manager in the Special Fund Division who is retiring after 10 years of service.

Ms. Dimas confirmed Commission meeting dates through February 2026.

Mr. Testini noted the Commission is looking to go to Douglas at the end March.

Public Comment.

There was no public comment.

The meeting was adjourned at 2:16 p.m.

THE INDUSTRIAL COMMISSION OF ARIZONA

By



Gaetano J. Testini, Director

ATTEST:



Kara Dimas, Commission Secretary