

MINUTES OF MEETING
OF THE INDUSTRIAL COMMISSION OF ARIZONA
Held at 800 West Washington Street
Phoenix, Arizona 85007
Thursday, June 11, 2026 – 1:00 p.m.

Present:	Dennis P. Kavanaugh	Chairman
	Joseph M. Hennelly, Jr.	Vice Chair
	D. Alan Everett	Commissioner
	Orion J. Godfrey	Commissioner
	Gaetano J. Testini	Director
	Afshan Peimani	Chief Legal Counsel
	Lisa Padgett	Deputy Director (Telephonic)
	Brandt Smith	Deputy Director (Telephonic)
	Charles Carpenter	Legislative Affairs Chief/Public Information Officer
	Charles Conner	COOP Program Manager
	Melissa Spurgeon	Labor Director
	Ernesto Espino	Labor Investigator
	Julia Romo	Labor Investigator
	Christina Lasater	Labor Supervisor
	Brian Hudson	ADOSH Director
	Phil Murphy	ADOSH Deputy Director
	Cecilia Herrera	ADOSH Deputy Director
	Catherine Santini	ADOSH Administrative Assistant II
	Jonathon Wright	ADOSH Safety Compliance
	Bethany Votta	ADOSH Admin
	Kara Dimas	Safety Program Manager
	Daniel Brooks	MIS Administrator
	Yvonne Borunds	Legal
	Anniemarie Tisi	Commission Secretary

Chairman Kavanaugh convened the meeting at 1:00 p.m. In attendance, confirmed by roll call were Regina Cobian (Snell and Wilmer); and Lindsey Wheeler (Premier Risk Management); Lisa Bednar (Arizona Food Marketing Alliance); Sarah Thornton, and Elsie Darcy (US Department of Labor - Wage and Hour Division)

Public Hearing to accept comments and other information regarding the assessment under A.R.S. § 23-1065(F). During this hearing, the Commission may also discuss the assessment and information relevant to the levying of the assessment.

Ms. Simpson presented for the Assessment Hearing. Under Arizona Revised Statute 23-1065(F), the Commission is authorized to assess a one-half percent assessment if the total annual reserved liabilities of the Special Fund for apportionment under ARS 23-1065 (B) and (C) exceed six million dollars. The apportionment rate has not been assessed since 2015 because the Special Fund has maintained an actuarial surplus. As of the most recent actuarial study dated June 30, 2025, the Special Fund liability for apportionment totaled \$78.7 million at a confidence level of 80%. This liability greatly exceeds the \$6 million minimum that is statutorily required to assess the one-half percent assessment. As such, there is justification and authority to assess the one-half percent assessment under ARS 23-1065(F) for calendar year 2027. The decision to set the apportionment

assessment rate will be discussed at a future Commission meeting and will be based on the current and projected financial condition and operating needs of the Special Fund. As of the most recent financial audit, June 30, 2025, the fund was operating with more than a \$220 million surplus.

There was no public comment for this item.

Chairman Kavanaugh concluded the public hearing and comment period for this matter.

Approval of Minutes of June 4, 2026, Regular Meeting Minutes.

Commissioner Everett moved to approve the Minutes of June 4, 2026, regular session meeting and Commissioner Godfrey seconded the motion. Chairman Kavanaugh, Vice Chair Hennelly, Commissioner Everett, 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.

Chairman Kavanaugh pulled Item 4B. 1. Desert Rose of Mesa, Inc. dba Culver's - YL-2526-0036 from today's Consent Agenda for further discussion.

- a. Approval of Arizona Division of Occupational Safety and Health Proposed Citations and Penalties Less Than \$15,000.
 1. Arizona Product Destruction, Inc. - CP-2026-JW184-0222
 2. Novae LLC - PP-2026-VM508-0082
- b. Approval of Proposed Youth Employment Penalty.
 1. Desert Rose of Mesa, Inc dba Culver's – YL-2526-0036

Vice Chair Hennelly moved to approve the two items Arizona Product Destruction, Inc. - CP-2026-JW184-0222 and Novae LLC - PP-2026-VM508-0082 on the Consent Agenda. Commissioner Godfrey seconded the motion. Chairman Kavanaugh, Vice Chair Hennelly, Commissioner Everett, and Commissioner Godfrey voted in favor of the motion. The motion passed.

Discussion and Action of Youth Employment Penalty.

1. Desert Rose of Mesa, Inc. dba Culver's - YL-2526-0036

The Commission considered the Labor Department's recommendation to assess a \$700 civil penalty against Desert Rose of Mesa, Inc. dba Culver's for violations of Arizona youth labor laws. The Labor Department reported that a youth labor investigation was initiated following an injury referral involving a 15-year-old employee. The investigation found no violations involving prohibited occupations or equipment and determined that the reported injury was unrelated to any youth labor law

violation. However, the Department identified 236 incidents involving permissible-hours violations affecting 20 employees under the age of 16, including exceeding allowable daily and weekly work-hour limits and working beyond permitted evening hours. Based on the violations of A.R.S. § 23-233(A)(2)-(4) and (E), the Department recommended a \$700 civil penalty.

During discussion, Chairman Kavanaugh noted that, despite the number of violations identified, the applicable statute permits only a single civil penalty with a maximum penalty of \$1,000. He commented that the case demonstrated the importance of the work being conducted by the Youth Labor Task Force. Chairman Kavanaugh stated that the Task Force includes representatives from the U.S. Department of Labor and other stakeholders and is reviewing youth labor laws and enforcement practices to improve clarity and consistency for employers and employees. He further noted that the current statutory penalty structure may not serve as a sufficient deterrent given the number of violations that can occur under a single civil penalty.

Vice Chair Hennelly moved to approve the Labor Department's recommendation. Commissioner Everett seconded the motion. Chairman Kavanaugh, Vice Chair Hennelly, Commissioner Everett, and Commissioner Godfrey voted in favor of the motion. The motion passed.

Discussion and Action regarding Proposed Retaliation Penalty.

1. T & A LLC dba Tom's Family Car Wash TA - RT-2526-0177

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 \$12,450.00 for violation of A.R.S. § 23-364, and addition a \$250.00 civil penalty pursuant to A.R.S. § 23-364(F).

Chairman Kavanaugh asked if the Commissioners had any questions.

Commissioner Godfrey moved to approve issuance of a Penalty for Retaliation in the amount of \$12,450.00 to T & A LLC dba Tom's Family Car Wash TA, Commissioner Everett seconded the motion. Chairman Kavanaugh, Vice Chair Hennelly, Commissioner Everett, 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.

Gowan Milling Company, L.L.C.	Fatality/Catastrophe	
12300 East County 8th Street	Years in Business:	32
Yuma, AZ 85365	Empl. Covered by Inspection:	4
Site Location:	12300 East County 8th Street	
	Yuma, AZ 85365	
Inspection No:	FC-2026-JW 184-0203	
Inspection Date:	January 12, 2026	

SERIOUS – Citation 1 - Item 1 –

- a) Unit #16: Two employees entered ribbon blade blender which was a permit required confined space that was approximately 12 feet long, four feet six inches wide, and four feet six inches deep, and the confined space program did not include procedures for summoning rescue and emergency services. 29 CFR 1910.146(d)(9)

Div. Proposal - \$11,823.00

Formula Amt. - \$11,823.00

SERIOUS – Citation 1 - Item 2 –

- a) Unit #16: Two employees entered an industrial ribbon blade blender #2 to clean it which was a permit required confined space that was approximately 12 feet long, four feet six inches wide, and four feet six inches deep and the attendant did not summon rescue as soon as they determined the entrant needed assistance. 29 CFR 191 O. 146(i)(7)

Div. Proposal - \$11,823.00

Formula Amt. - \$11,823.00

SERIOUS – Citation 1 - Item 3 –

- a) 12300 E County 8th St, Yuma: Two employees entered a permit required confined space that was approximately 12 feet long, four feet six inches wide, and four feet six inches deep, to clean it out and the entry supervisor did not verify that rescue services were available. 29 CFR 1910.1460(4)

Div. Proposal - \$11,823.00

Formula Amt. - \$11,823.00

SERIOUS – Citation 1 - Item 4 –

- a) Unit #16 packaging room: Two employees used a Cousins Packaging Inc pallet wrapper model# and serial# unknown with a rotating base plate that did not have a guard in place. 29 CFR 1910.212(a)(1)

Div. Proposal - \$9,457.00

Formula Amt. - \$9,457.00

TOTAL PENALTY - \$44,926.00

TOTAL FORMULA AMT. - \$44,926.00

Mr. Hudson discussed ADOSH's inspection, summarized the citation and proposed penalty. Mr. Hudson reviewed the violations identified during the inspection, including deficiencies in the employer's permit-required confined space program, emergency response procedures, and rescue planning requirements. ADOSH staff presented the proposed citations and penalties and provided an overview of the investigation findings.

Chairman Kavanaugh checked if the Commissioners had any question and noted that Commissioner Godfrey had a question.

Commissioner Godfrey requested clarification regarding Citation 1, Item 2, and discussed whether the cited violation related to the actions of the attendant or the employer's responsibility to provide adequate training and procedures. ADOSH staff explained that the violation was based on the employer's failure to ensure employees assigned confined space entry roles were properly trained to carry out their responsibilities, including emergency notification requirements. Additional discussion occurred regarding the timing of the emergency response, employee responsibilities under the confined space standard, and the employer's training obligations. Following discussion, ADOSH staff agreed to

- c) Unit #162: Two employees dug out a trench and installed a pipe inside a trench while an approximately one foot section of a concrete floor was undermined and not supported. 29 CFR 1926.651(i)(3)
Div. Proposal - \$11,823.00 Formula Amt. - \$2,839.00

SERIOUS – Citation 1 - Item 5 –

- a) Unit #160: Two employees dug out an approximately six foot deep, four foot wide, nine feet seven inches long trench with shovels while the soil pile was approximately less than one foot away from the edge of the trench. 29 CFR 1926.651(j)(2)
b) Unit #162: Two employees dug out an approximately six foot deep, four foot wide, nine feet seven inches long trench with shovels while the soil pile was approximately one foot six inches away from the edge of the trench. 29 CFR 1926.651(j)(2)
Div. Proposal - \$11,823.00 Formula Amt. - \$2,838.00

SERIOUS – Citation 1 - Item 6 –

- a) Unit #158: Two employees installed a pipe inside an approximately six foot deep, four foot wide, nine feet seven inches long trench, and the competent person did not conduct soil tests to determine the soil type. 29 CFR 1926.651(k)(1):
b) Unit #159: Three employees dug out an approximately six foot deep, four foot wide, nine feet seven inches long trench with shovels, and the competent person did not conduct soil tests to determine the soil type. 29 CFR 1926.651(k)(1):
c) Unit #160: Two employees installed a pipe inside an approximately six foot deep, four foot wide, nine feet seven inches long trench, and the competent person did not conduct soil tests to determine the soil type. 29 CFR 1926.651(k)(1):
d) Unit #161: Two employees installed a pipe inside an approximately six foot deep, four foot wide, nine feet seven inches long trench, and the competent person did not conduct soil tests to determine the soil type. 29 CFR 1926.651(k)(1):
e) Unit #162: Two employees installed a pipe inside an approximately six foot deep, four foot wide, nine feet seven inches long trench, and the competent person did not conduct soil tests to determine the soil type. 29 CFR 1926.651(k)(1):
Div. Proposal - \$11,823.00 Formula Amt. - \$2,838.00

SERIOUS – Citation 1 - Item 7 –

- a) Unit #159: Three employees entered an approximately six foot deep, four foot wide, nine feet seven inches long trench from an unprotected section. 29 CFR 1926.652(a)(1)
b) Unit #160: Two employees dug out and installed a pipe inside an approximately six foot deep, four foot wide, nine feet seven inches long trench that did not have a cave-in protection system in place. 29 CFR 1926.652(a)(1)
c) Unit #161: Two employees dug out and installed a pipe inside an approximately six foot deep, four foot wide, nine feet seven inches long trench that did not have a cave-in protection system in place. 29 CFR 1926.652(a)(1)
d) Unit #162: Two employees dug out and installed a pipe inside an approximately six foot deep, four foot wide, nine feet seven inches long trench that did not have a cave-in protection system in place. 29 CFR 1926.652(a)(1)
Div. Proposal - \$11,823.00 Formula Amt. - \$2,838.00

SERIOUS – Citation 1 - Item 8 –

Mr. Carpenter provided a legislative update, reporting that Senate Bill 1254 had been signed by the Governor and will become effective 90 days after signing. He advised that Senate Bills 1135 and 1136, relating to burial benefits and the removal of the remarriage provision for first responders, had been transmitted to the Governor's Office and were expected to be signed. He further reported that Senate Bill 1215 was scheduled for consideration on the Senate floor and discussed additional legislation being monitored by the agency.

Mr. Carpenter confirmed that approximately \$6.7 million from the Industrial Commission's Special Fund Administration Fund is included in the proposed state budget sweep. Discussion followed regarding the impact of the proposed sweep on the agency's budget.

No action was taken.

Public Comment.

There was no public comment.

The meeting was adjourned at 2:10 p.m.

THE INDUSTRIAL COMMISSION OF ARIZONA

By _____

Gaetano J. Testini, Director

ATTEST:

Anniemarie Tisi, Commission Secretary