

MINUTES OF MEETING  
OF THE INDUSTRIAL COMMISSION OF ARIZONA  
Held at 800 West Washington Street  
Conference Room 308  
Phoenix, Arizona 85007  
Thursday, July 13, 2017 – 1:00 p.m.

Present:	Dale L. Schultz	Chairman
	Joseph M. Hennelly, Jr.	Vice Chair
	Steven J. Krenzel	Commissioner (Telephonic)
	James Ashley	Director
	Jason M. Porter	Chief Legal Counsel
	Renee Pastor	Self-Insurance
	William Warren	ADOSH Director
	Phillip Murphy	ADOSH Assistant Director
	Billie Gingrass	Compliance Officer
	Brian Downen	Compliance Officer
	Kara Dimas	Commission Secretary

Chairman Schultz convened the meeting at 1:00 p.m. Also in attendance were Dave Howard with Premier Risk Management; Buddy Mitchell with M&P Venture Partners L.L.C.; and Jessica Aceves with Snell & Wilmer.

Approval of Minutes of June 29, 2017 Regular Meeting Minutes.

Commissioner Krenzel moved to approve the Minutes of the June 29, 2017 regular session meeting and Chairman Schultz seconded the motion. Chairman Schultz and Commissioner Krenzel voted in favor of the motion. Vice Chair Hennelly abstained. 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.

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- a. Approval of Proposed Civil Penalties Against Uninsured Employers.
  1. 2C16/17-2047 Carmagia Corporation dba Liquid Velvet Smokes, LP
  2. 2C16/17-1232 Get Jets LLC., dba Kirby Home Care System
  3. 2C16/17-1053 Joshua Holmes & Jennifer Holmes, Husband and Wife, dba Five Star Structures
  4. 2C16/17-1989 South Mountain Boarding LLC (a pending corporation)
  5. 2C16/17-1571 Titan Flooring Specialists, L.L.C.
  6. 2C16/17-1794 Yarda Castellanos USA, LLC
  
- b. Approval of Requests for Renewal of Self-Insurance Authority.

1. Hyatt Corporation
2. Knight Transportation, Inc.
3. Marriott International, Inc.
4. Mayo Clinic
5. Purcell Tire & Rubber Company

Chairman Schultz noted the favorable experience modification rating for Marriott International, Inc. and Mayo Clinic.

Chairman Schultz, Commissioner Krenzel, and Mr. Porter discussed whether any of the employers subject to proposed civil penalties had obtained insurance.

Vice Chair Hennelly moved to approve the Consent Agenda and Commissioner Krenzel seconded the motion. Chairman Schultz, Vice Chair Hennelly, and Commissioner Krenzel 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 Schultz discussed the purpose of and process for the Commission's consideration of ADOSH citations and proposed penalties.

M&P Venture Partners L.L.C.  
 7215 N 62<sup>ND</sup> Ave  
 Glendale, AZ 85301

Complaint  
 Years in Business: 6  
 Empl. Covered by inspection: 7

Site Location: 15501 N Dial Blvd  
 Scottsdale, AZ 85260  
 Inspection No: A3807-1235301  
 Inspection Date: 05/26/2017

**SERIOUS** – Citation 1 - Item 1 – 15501 N Dial Blvd, Scottsdale, AZ 85260: Employees started demolition of a structure before a competent person performed an engineering survey to determine the condition of the framing, floors, walls and the possibility of an unplanned collapse of any portion of the structure. (29 CFR 1926.850(a)).

Div. Proposal - \$5,000.00	Formula Amt. - \$5,000.00
TOTAL PENALTY - \$5,000.00	TOTAL FORMULA AMT. - \$5,000.00

Mr. Warren summarized the citation and proposed penalty and reviewed the photographs.

Vice Chair Hennelly, Commissioner Krenzel, Mr. Warren, and Ms. Gingrass discussed which employers were responsible for obtaining an engineering survey.

Vice Chair Hennelly, Mr. Warren, and Ms. Gingrass discussed the different site locations referenced in the inspection report.

Vice Chair Hennelly moved to approve the citation and proposed penalty as presented. Commissioner Krenzel seconded the motion. Chairman Schultz, Vice Chair Hennelly, and Commissioner Krenzel voted in favor of the motion. The motion passed.



Overson Roofing, LLC  
842 E Isabella Ave., Ste 101  
Mesa, AZ 85204

Referral  
Years in Business: 12  
Empl. Covered by inspection: 4

Site Location: 1533 S. 108<sup>th</sup> Way  
Chandler, AZ 85286  
Inspection No: H9685-1232356  
Inspection Date: 05/04/2017

REPEAT SERIOUS – Citation 1 - Item 1 – Overson Roofing, LLC, was previously cited for a violation of this occupational safety and health standard 1926.501(b)(11), which was contained in ADOSH inspection number 1138231, citation number (1), item number (1) and was affirmed as a final order on 7/14/2016, with respect to a workplace located at 1232 E Broadway Rd, Tempe, AZ 85282. (29 CFR 1926.501(b)(11)).

Div. Proposal - \$3,000.00

Formula Amt. - \$3,000.00

SERIOUS – Citation 2 - Item 1 –

a) 1533 S 108th Way Chandler, AZ 85286: Four employees were not protected by protective helmets while working on the job site where the danger of head injury existed when roof tiles were being stacked and stored within 6 feet of the roof edge and roofing materials were being thrown off of the roof to a trailer below. (29 CFR 1926.100(a)).

b) 1533 S 108th Way Chandler, AZ 85286: Roof tiles were stacked and stored within 6 feet of the roof edge on the north, south, and west portion of the roof. (29 CFR 1926.502(j)(7)(i)).

Div. Proposal - \$1,200.00

Formula Amt. - \$1,200.00

TOTAL PENALTY - \$4,200.00

TOTAL FORMULA AMT. - \$4,200.00

Mr. Warren summarized the citations and proposed penalties and reviewed the photographs.

Chairman Schultz and Mr. Downen discussed whether fall protection equipment was available on site, the tie offs used, the number of anchors available, and the materials' proximity to the edge.

Chairman Schultz, Commissioner Krenzel, and Mr. Downen discussed whether the company was aware of fall protection equipment and training requirements.

Vice Chair Hennelly moved to approve the citations and proposed penalties as presented and Commissioner Krenzel seconded the motion. Chairman Schultz, Vice Chair Hennelly, and Commissioner Krenzel voted in favor of the motion. The motion passed.

Sunny Energy, LLC  
2720 S Hardy Dr., Ste 4  
Tempe, AZ 85282

Referral  
Years in Business: 2.5  
Empl. Covered by inspection: 6

Site Location: 17222 W Salome Rd  
Goodyear, AZ 85338  
Inspection No: H9685-1229478  
Inspection Date: 05/02/2017

SERIOUS – Citation 1 - Item 1 – 17222 W Salome Rd, Goodyear, AZ 85338: Two employees were not protected by protective helmets while working below four solar panel installers where the danger

of head injury existed from falling reels of wire, reels of cable, tool equipment bags, a hand operated power drill, a hand operated power saw, tools, boxes of clips for the solar panels, and the solar panels themselves which weighed approximately 35 pounds each. (29 CFR 1926.100(a)).

Div. Proposal - \$1,250.00

Formula Amt. - \$1,250.00

SERIOUS – Citation 1 - Item 2 – 13279 W Ventura St, Surprise, AZ 85379: Five employees engaged in the installation of 30 solar panels on the roof a residential home were not protected from falling approximately 8 feet 10 inches to 26 feet to the ground below by the use of guardrail systems, safety net systems, or personal fall arrest systems. (29 CFR 1926.501(b)(13)).

Div. Proposal - \$1,250.00

Formula Amt. - \$1,250.00

SERIOUS – Citation 1 - Item 3– 17222 W Salome Rd, Goodyear, AZ 85338: Five employees engaged in solar panel installation were not provided a training program for each employee exposed to fall hazards approximately 8 feet to 26 feet to the ground below to enable each employee to recognize the hazards of falling and the procedures to be followed in order to minimize these hazards. (29 CFR 1926.503(a)(1)).

Div. Proposal - \$1,250.00

Formula Amt. - \$1,250.00

SERIOUS – Citation 1 - Item 4 –

a) 17222 W Salome Rd, Goodyear, AZ 85338: A 16-foot Werner brand extension ladder, model D1116-2 MK17, was used to allow five employees to gain access to the roof a residential home and the ladder side rails did not extend at least 3 feet above the roof eave as they were only approximately 30 inches above the eave. (29 CFR 1926.1053(b)(1)).

b) 17222 W Salome Rd, Goodyear, AZ 85338: A Werner brand 8 foot step ladder, model unknown, was used on top of the first story roof a residential home in the closed position and leaned against the second story roof eave to allow five workers to access the second story roof and back down to the first story roof. (29 CFR 1926.1053(b)(4)).

Div. Proposal - \$1,250.00

Formula Amt. - \$1,250.00

TOTAL PENALTY - \$5,000.00

TOTAL FORMULA AMT. - \$5,000.00

Mr. Warren summarized the citation and proposed penalties and reviewed the photographs.

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

Discussion and/or action regarding Industrial Commission goals, objectives and key initiatives for 2017. This Agenda Item may include discussion regarding the Commission budget and review of Division, Department, and Section specific objectives.

Mr. Ashley discussed the upcoming Claims Seminar and noted that Senator Kimberly Yee and ADOA State Risk Manager Ray Di Ciccio will speak at the seminar.

He discussed an upcoming correctional facility tour in conjunction with Goal Council 4. Mr. Ashley provided an update concerning Goal Council 4, opportunities for released inmates to work in the construction industry, and providing OSHA “10-hour” classes to these soon-to-be-released inmates. Chairman Schultz, Vice Chair Hennelly, and Mr. Ashley discussed tour details. Chairman Schultz commented that this is a wonderful way to work with a fellow agency on a project that also

meets stakeholder needs. Mr. Ashley echoed the need for additional workers in specific industries and noted Uber's partnership to help transport employees to worksites.

Mr. Ashley provided updates concerning Proposition 206, earned paid sick time inquiries, and the Commission's work to clarify the relevant statutes. He read a letter from PepsiCo thanking Labor Division Director Steve Welker and the Commission for its support. Chairman Schultz noted that Proposition 206 was an unfunded mandate that has required a countless amount of hours from the Commission and commented that the Commission's efforts were "terrific to see." Mr. Porter relayed a conversation with an attorney who said that Arizona has provided more guidance than any other state with earned paid sick time laws. Mr. Ashley mentioned the upcoming Proposition 206 proposed rulemaking oral proceeding and the transparency of the process.

Chairman Schultz and Mr. Ashley discussed the week's Gemba walk, the Claims Division's ability to eliminate its Form 104 backlog, the ALJ Division's further-hearing scheduling improvements, and the Legal Division Compliance Unit's improvements.

Mr. Ashley noted that the Payson Commission trip will take place August 30 and 31.

Announcements, Scheduling of Future Meetings and Retirement Resolutions.

Mr. Warren announced that Mr. Phil Murphy has been approved and appointed the new Assistant Director for ADOSH Compliance.

Chairman Schultz, Vice Chair Hennelly, Mr. Krenznel, and Ms. Dimas discussed Commission meeting dates through September 2017.

Public Comment.

There was no public comment.

Vice Chair Hennelly moved to adjourn. Commissioner Krenznel seconded the motion. Chairman Schultz, Vice Chair Hennelly, and Commissioner Krenznel voted in favor of the motion and the meeting adjourned at 1:54 p.m.

THE INDUSTRIAL COMMISSION OF ARIZONA

By James Ashley  
James Ashley, Director

ATTEST:

Kara Dimas  
Kara Dimas, Commission Secretary