

MINUTES OF MEETING
OF THE INDUSTRIAL COMMISSION OF ARIZONA
Held at 800 West Washington Street
Conference Room 308
Phoenix, Arizona 85007
Wednesday, October 24, 2012 – 1:00 p.m.

Present:	David Parker	Chairman (video conference)
	Kathleen Oster	Vice Chair
	John A. McCarthy, Jr.	Member
	Susan Strickler	Member
	Michael G. Sanders	Member
	Laura McGrory	Director
	Andrew Wade	Chief Counsel
	Darin Perkins	Director, ADOSH
	Renee Pastor	Self-Insurance Manager
	Michael Hawthorne	Chief Financial Officer
	Kamen Kovatchev	Self-Insurance
	Kara Dimas	Acting Secretary

Chairman Parker convened the Commission meeting at 1:00 p.m. noting a quorum present. Also in attendance was Eda Barolli of Snell & Wilmer.

Approval of Minutes of October 17, 2012 Meeting

The Commission unanimously approved the Minutes of the October 17, 2012 meeting with two corrections: Change the word "Equid" to "Euclid" in the paragraph summarizing the self-insurance agenda item for Prudential Overall Supply Company and to delete the second sentence "Ms. Pastor recommended an increase in the statutory deposit due to the loss over the prior years." and to delete "with an increase in the deposit" from the last sentence of the paragraph summarizing self-insurance renewal for the Weyerhaeuser Company on motion of Mr. McCarthy, second of Ms. Strickler.

Discussion & Action of Proposed OSHA Citations & Penalties

Tonnesen, Inc.
105 East 15th Street
Tempe, AZ 85281

Complaint
Yrs/Business – 20
Empl. Cov. by Insp. – 3

Site Location: 100 South Mill Avenue, Tempe, AZ 85281
Inspection #: N4762/316653310
Insp. Date: 08/20/12

SERIOUS – Citation 1 - Item 1 – An employee exited the loader while the bucket was in an elevated position (A.R.S. § 23-403(a)).

Div. Proposal - \$750.00

Formula Amt. - \$750.00

SERIOUS – Citation 1 - Item 2 – The employer did not instruct an employee in the recognition and avoidance of unsafe conditions associated with operating a loader (1926.021(b)(2)).

Div. Proposal - \$750.00

Formula Amt. - \$750.00

SERIOUS – Citation 1 - Item 3 – Employees were not provided potable water at the worksite by the employer (1926.051(a)(1)).

Div. Proposal - \$750.00

Formula Amt. - \$750.00

SERIOUS – Citation 1 - Item 4 – One employee was observed operating a loader, while not wearing the seatbelt (1926.095(a)).

Div. Proposal - \$750.00

Formula Amt. - \$750.00

SERIOUS – Citation 1 - Item 5 – Two employees were working on top of a decorative wall that was 9’7” tall without the use of any fall protection systems (1926.502(a)(2)) There was another instance of this violation.

Div. Proposal - \$750.00

Formula Amt. - \$750.00

GROUPED SERIOUS – Citation 1 - Item 6(a) – Three employees had used an orange 8’ fiberglass step ladder, that was leaning up against the side of the building to gain access to the roof (1926.1053(b)(4)).

Citation 1 - Item 6(b) – Three employees had used the top and top step of an orange 8’ fiberglass step ladder, to gain access to the roof (1926.1053(b)(13)).

Div. Proposal - \$ 750.00

Formula Amt. - \$ 750.00

TOTAL PENALTY - \$4,500.00

TOTAL FORMULA AMT. - \$4,500.00

Darin Perkins summarized the citations and proposed penalty as listed and responded to questions from the Commissioners. Following discussion, the Commission unanimously approved issuing the citations and assessed the recommended penalty of \$4,500.00 on motion of Mr. McCarthy, second of Ms. Oster.

Discussion & Action regarding Requests for Renewal of Self Insurance Authority. 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 Parker asked if any of the Commissioners wanted to discuss confidential information in Executive Session. Hearing no request, he stated Ms. Pastor could present her reports and the Commission could go into Executive Session later if needed.

Truly Nolen of America, Inc. - Ms. Pastor presented staff’s renewal report along with a current Dun and Bradstreet credit rating. Administration is recommending renewal of workers’ compensation self-insurance authority based on Truly Nolen’s record of profitability, clean audit report, the meeting of all requirements for a self-insured employer in the State of Arizona and an acceptable credit rating. The Commission unanimously approved renewal of self-insurance authority on motion of Mr. Sanders, second of Ms. Strickler.

Van Tuyl Group, Inc. - Ms. Pastor presented staff’s renewal report along with a current Dun and Bradstreet credit rating and responded to questions from the Commission. Administration is recommending renewal of workers’ compensation self-insurance authority based on the Van Tuyl Group’s financial stability, a clean audit report, and acceptable credit ratings. The Commission unanimously approved renewal of self-insurance authority on motion

of Mr. McCarthy, second of Mr. Sanders.

Discussion & Action of Application for Renewal of Self-Insurance Authority.

Chevron U.S.A., Inc. - Ms. Pastor presented staff's renewal report along with current Moody's, Fitch, Standard & Poors', and Dun and Bradstreet bond and credit ratings and responded to questions from the Commission. Administration is recommending renewal of workers' compensation self-insurance authority based on the excellent financial strength of the parent company, Chevron Corporation, with total worldwide assets now standing at \$209.5 billion, receipt of a clean audit report, and acceptable credit ratings. The Commission unanimously approved renewal of self-insurance authority on motion of Ms. Oster, second of Mr. McCarthy.

Macy's, Inc. - Ms. Pastor presented staff's renewal report along with current Moody's, Fitch, Standard & Poors', and Dun and Bradstreet bond and credit ratings. Administration is recommending renewal of workers' compensation self-insurance authority based on Macy's increased profitability, fair credit ratings, large size with assets of \$22 billion, and a clean audit report. The Commission unanimously approved renewal of self-insurance authority on motion of Mr. Sanders, second of Ms. Strickler.

Medtronic, Inc. - Ms. Pastor presented staff's renewal report along with current Moody's, Standard & Poors', and Dun and Bradstreet bond and credit ratings and responded to questions from the Commission. Administration is recommending renewal of workers' compensation self-insurance authority based on Medtronic's solid financial condition with worldwide assets of just over \$33 billion, profitability, a clean audit report and a good credit rating. The Commission unanimously approved renewal of self-insurance authority on motion of Mr. Sanders, second of Ms. Oster.

Salt River Project Agricultural Improvement and Power District and the Salt River Valley Water Users' Association (SRP) - Ms. Pastor presented staff's renewal report along with current Moody's and Dun and Bradstreet bond and credit ratings and responded to questions from the Commission. Administration is recommending renewal of workers' compensation self-insurance authority based on financial strength with assets totaling just under \$11.2 billion and a clean audit report. The Commission unanimously approved renewal of self-insurance authority on motion of Ms. Oster, second of Mr. Sanders.

Swift Transportation - Ms. Pastor presented staff's renewal report along with current Moody's, Standard & Poors', and Dun and Bradstreet bond and credit ratings and responded to questions from the Commission. Administration is recommending renewal of workers' compensation self-insurance authority based on Swift's financial stability, large size with total assets of just over \$2.6 billion; a clean audit report and acceptable bond and credit ratings. The Commission unanimously approved renewal of self-insurance authority on motion of Mr. Sanders, second of Mr. McCarthy.

Textron, Inc. - Ms. Pastor presented staff's renewal report along with current Moody's, Standard & Poors', Fitch and Dun and Bradstreet bond and credit ratings and responded to a question from the Commission. Administration is recommending renewal of workers' compensation self-insurance authority based on Textron's financial stability in a very

clean audit report and a fair credit rating. The Commission unanimously approved renewal of self-insurance authority on motion of Ms. Strickler, second of Ms. Oster.

Young Electric Sign Company – Ms. Pastor stated that this item has been removed from today’s agenda.

Discussion &/or Action regarding Legislation

Ms. McGrory stated there was nothing new to report.

Announcements and Scheduling of Future Meetings

Secretary Dimas reminded the Commissioners that the next meeting is scheduled for Thursday, November 8, 2012.

There being no further business to come before the Commission and no public comment, Chairman Parker adjourned the meeting at 1:50 p.m.

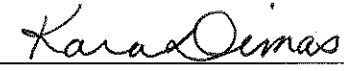
THE INDUSTRIAL COMMISSION OF ARIZONA

By



Laura L. McGrory, Director

ATTEST:



Kara Dimas, Acting Secretary