

**In The Matter Of:**  
*Arizona Manufactured Housing Board Meeting*

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*Reporter's Transcript of Proceedings*  
*August 26, 2015*

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BOARD OF MANUFACTURED HOUSING  
ARIZONA DEPARTMENT OF FIRE, BUILDING AND LIFE SAFETY

ARIZONA MANUFACTURED HOUSING BOARD MEETING  
REPORTER'S TRANSCRIPT OF PROCEEDINGS

Phoenix, Arizona  
August 26, 2015  
1:00 p.m.

REPORTED BY:  
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Certified Reporter  
Certificate No. 50719

PREPARED FOR:  
BOARD OF MANUFACTURED HOUSING

(CERTIFIED COPY)

1                   REPORTER'S TRANSCRIPT OF PROCEEDINGS was  
2 taken on August 26, 2015, commencing at 1:00 p.m. at the  
3 Department of Fire, Building and Life Safety, 1110 West  
4 Washington Street, Room 3100B, Phoenix, Arizona, before  
5 Kristen L. Wunsch, a Certified Reporter in the State of  
6 Arizona.

7

8   **BOARD MEMBERS PRESENT:**

9                   Mr. Samuel Baird, Chairman  
10                   Mr. Terry Gleeson  
11                   Mr. Joe Hart

12   **BOARD MEMBERS APPEARING TELEPHONICALLY:**

13                   Mr. Everette Hoyle  
14                   Mr. Paul DeSanctis  
15                   Mr. Zeek Ojeh

16   **OFFICE MEMBERS PRESENT:**

17                   Ms. Debra Blake  
18                   Ms. Ayde Sanchez  
19                   Ms. Frankie Shinn-Eckberg, Counsel

20   **ALSO PRESENT:**

21                   Mr. Jim Lang  
22                   Ms. Donna Grant  
23                   Ms. Patty Stecher  
24                   Mr. Dave Meunier  
25

1 P R O C E E D I N G S

2 CHAIRMAN SAM BAIRD: Call the meeting to  
3 order, please. Board of Manufactured Housing, this  
4 Wednesday, August 26th, 1:00 p.m.

5 Roll call, please.

6 AYDE SANCHEZ: Sam Baird?

7 CHAIRMAN SAM BAIRD: Here.

8 AYDE SANCHEZ: Arthur Chick? Absent.

9 Paul DeSanctis?

10 PAUL DESANCTIS: Yep.

11 AYDE SANCHEZ: Terry Gleeson?

12 TERRY GLEESON: Here.

13 AYDE SANCHEZ: Joe Hart?

14 JOE HART: Here.

15 AYDE SANCHEZ: Everette Hoyle?

16 EVERETTE HOYLE: Here.

17 AYDE SANCHEZ: Gregory Johnloz, he's not  
18 able to attend today.

19 Michael Minnaugh, he's not able to attend.

20 Zeek Ojeh?

21 ZEEK OJEH: Here.

22 AYDE SANCHEZ: Debra Blake?

23 DEBRA BLAKE: Here.

24 AYDE SANCHEZ: Frankie, I didn't get your  
25 last name.

1 FRANKIE SHINN-ECKBERG: Shinn-Eckberg.

2 AYDE SANCHEZ: Shinn-Eckberg.

3 FRANKIE SHINN-ECKBERG: Yeah. Do you want  
4 me to spell that?

5 AYDE SANCHEZ: Afterwards. Thank you.

6 CHAIRMAN SAM BAIRD: I believe that we have  
7 one really important issue on the agenda, and since we  
8 have three call-ins, I was thinking that we could change  
9 the agenda up just a bit and go right to the most  
10 important factor, which is approving of -- and discussion  
11 of the rule changes. And do that first and get that out  
12 of the way, and then we'll come back and follow the agenda  
13 as it's written.

14 Is that okay with everybody?

15 JOE HART: Yes.

16 CHAIRMAN SAM BAIRD: Thank you. Appreciate  
17 the response.

18 All right. Debra, why don't you get us  
19 going on this.

20 DEBRA BLAKE: Certainly. So we're moving to  
21 agenda item number eight. For those of you that have a  
22 packet in front of you, it is labeled Rule Change  
23 Recommendation. It's agendized as Rule Change  
24 Recommendations As Required By Executive Order 2015-01.

25 I have with us today the staff members, who

1 did a wonderful job going over all of these rules for the  
2 last several months. And as you read through them and  
3 prepared for the meeting, you can see that there's a lot  
4 of different expertise that goes into this body of rules.  
5 And so, number one, I wanted them to be here in case you  
6 have any specific questions from their specific areas, as  
7 well as to make sure that they get recognition for the  
8 extra work that they did in providing this to you.

9 Special kudos to Donna. She did the  
10 proofing of everything once everybody had finished with  
11 their work. So thank you, Donna, for that.

12 So, in the booklets, or if you're looking at  
13 it online, Ayde's prepared all of these for you. What I  
14 would suggest, at your direction, Mr. Chairman, is that we  
15 just focus on those that are going to be modified,  
16 repealed, or added and not discuss any of the no changes,  
17 if that's all right with you.

18 CHAIRMAN SAM BAIRD: I think that's  
19 appropriate.

20 DEBRA BLAKE: Okay. So I think we can go  
21 through some of these fairly quickly, but please chime in,  
22 Board Members, if you have questions, comments,  
23 discussion.

24 So, on page 36 in your book, the first  
25 modification is with the word "Agent". And there's going

1 to be several of these throughout here, which is taking  
2 the word -- words "or broker" out of any language.  
3 Because a broker is a specific type of retailer. So  
4 there's no point in listing them separately. A broker is  
5 a type of retailer.

6 Moving down to 101(6), subsection 6, again,  
7 same thing there, brokered transaction, just takes out --  
8 oh, I'm sorry, just changes from a broker to a retailer.

9 Adding one directly below that, the word  
10 "Certificate". As you all recall, a couple of years ago,  
11 we changed the language from Insignia of Approval to  
12 Certificate. And this just supports that. And this would  
13 have to do with the manufacture of modular buildings and  
14 homes, all the installation certificates, reconstruction,  
15 and rehab. So adding that definition.

16 Moving on down the list, we're adding the  
17 word "Commercial", at your approval, to identify  
18 factory-built buildings with a use occupancy  
19 classification with anything other than a single-family  
20 residential dwelling.

21 One of the other topics that I know Jim Lang  
22 deals with a lot, as well as Ayde, is what is a  
23 construction office/trailer? Because there's a different  
24 set of standards for installation. So this just adds that  
25 to define that it is a single module factory-built

1 building used by industry trade professionals on  
2 construction job sites. And it's not open to the public  
3 or used for office space by office support people.

4 Next one is "Consummation of sale". Adding  
5 that definition. There seems to be some confusion over  
6 that, and so adding that language there.

7 Next language added, "Field installed". And  
8 this means, obviously, any of the work that's completed or  
9 installed onsite other than reconstruction.

10 Adding "HVAC". We all use that terminology  
11 in the industry, just defining what it means.

12 The word "Modular". Although all states  
13 except for California and Arizona call it modular, just  
14 clarifying that it means the same as a factory-built  
15 building.

16 So on page 36, any questions, comments,  
17 discussion?

18 TERRY GLEESON: No.

19 DEBRA BLAKE: Okay. Moving to page --  
20 moving to page 37, again, it's adding or clarifying some  
21 definitions. Adding what a "Permanent installation"  
22 means. And I'm sure that you have all read that, so it's  
23 not accessible by the general public -- oh, wait a minute.  
24 A factory-built building that may or may not be accessible  
25 for use by the general public, but it will be installed at

1 a designated site for six months or longer.

2 As we get further into the statutes, you'll  
3 better understand why we added the definition for  
4 "Repair". But this means any work performed on a  
5 manufactured home, mobile home, or factory-built building  
6 for the purpose of restoring the building to habitable  
7 condition, and does not impact the structure, any of the  
8 systems in it, the use occupancy, and so on.

9 Adding the word "Residential" to define  
10 meaning buildings with a use occupancy of a single-family  
11 dwelling, or as governed by the International Residential  
12 Code.

13 Under the word "Respond", we're just for  
14 purposes of consistency taking out reference to the Office  
15 of Manufactured Housing or any other division within the  
16 department and just calling it "Department".

17 "Site or Site Work" is being added. That's  
18 a parcel of land bounded by a property line or a  
19 designated portion of public right of way. The work  
20 includes soil prep necessary to make the site compatible,  
21 soil analysis, grading, drainage, utility trenching, prep  
22 for the foundation system, and so on and so on.

23 Any questions, comments on page 37?

24 CHAIRMAN SAM BAIRD: None.

25 TERRY GLEESON: No.

1 DEBRA BLAKE: Okay. A couple more  
2 definitions and then we're out of definitions. So I'm on  
3 page 38. Just a clarification on "Supplement" for plan  
4 review and what that means. A plan review application  
5 submittal noting changes to a previously approved plan and  
6 is incorporated as part of an originally approved plan.

7 And the last one there is "Temporary", which  
8 means a factory-built building that may or may not be  
9 accessible for use by the general public and is installed  
10 at a designated site for less than six months.

11 Questions, comments, discussion?

12 TERRY GLEESON: None.

13 CHAIRMAN SAM BAIRD: None.

14 DEBRA BLAKE: Okay. So we're skipping page  
15 39; there were no changes there.

16 On page 40, we are suggesting that you  
17 approve the repeal of Subsection 104, which are  
18 workmanship standards. And the reason for that is it's  
19 already covered by Section 102 as part of the code  
20 adoption. So it's just redundant.

21 Comments?

22 CHAIRMAN SAM BAIRD: None.

23 DEBRA BLAKE: Okay. Page 41. I'm not going  
24 to read through all of these because I'm going to assume  
25 that you've all prepared.

1                   CHAIRMAN SAM BAIRD: Thank you.

2                   DEBRA BLAKE: If there's one that you want  
3 to talk about, these are Donna's part of the world, and it  
4 has to do with applications, licensee changes, criminal  
5 background, things like that. And I think that if you  
6 have read through these, the intent on the modification is  
7 just to add additional clarification and correct some  
8 things that may have been unclear or missing before.

9                   A couple things being added. The last two  
10 on the bottom of the page. And the first one I'm just  
11 going to spend a moment on because this is something that  
12 we have seen coming up in the recent past, and that has  
13 been the responsibility of a retailer who contracts for  
14 the sale and delivery of a mobile home, manufactured home,  
15 or residential factory-built building, single-family, that  
16 the retailer who sells the unit is responsible for knowing  
17 the ordinances of the city, county where they're going and  
18 to inform the -- to inform the purchaser of those  
19 requirements so they don't get their home delivered  
20 someplace and then have a snow load issue where the county  
21 won't -- won't take the home because it doesn't fit the  
22 snow load. So again, it's just adding a responsibility  
23 for a retailer that I think most retailers do a good job  
24 with, but there are a few who -- who have not.

25                   CHAIRMAN SAM BAIRD: In an effort to protect

1 the consumer.

2 DEBRA BLAKE: Absolutely.

3 The next one, again, I'm not going to go  
4 into a lot of detail with, unless you want discussion on  
5 it. But this really has to do with we know that the new  
6 escrow laws, which are no longer new, they went in 2012, I  
7 think, there are a very small group of retailers who still  
8 don't get how to handle earnest money. And Donna was very  
9 specific and clear in this. I'm not sure it will correct  
10 those few people who still don't get it, but it's an  
11 attempt to do so.

12 CHAIRMAN SAM BAIRD: Well written.

13 DONNA GRANT: Thank you.

14 CHAIRMAN SAM BAIRD: It really is.

15 DEBRA BLAKE: Questions, comments,  
16 discussion?

17 JOE HART: Yes.

18 DEBRA BLAKE: Yes, Joe.

19 JOE HART: Mr. Chairman, if you don't mind.  
20 Just one.

21 CHAIRMAN SAM BAIRD: On this page?

22 JOE HART: Yes. 201(D).

23 CHAIRMAN SAM BAIRD: D?

24 JOE HART: And in continuation. I looked up  
25 the Arizona Revised Statutes 41-2180 to see if I could

1 find anything in there. There's been a couple of  
2 situations where you may sell a home to a state agency or  
3 a government agency --

4 CHAIRMAN SAM BAIRD: You, a licensed --

5 JOE HART: You, a licensed broker/retailer.

6 DEBRA BLAKE: Retailer.

7 JOE HART: The situation that comes into  
8 play on having that money put into escrow is there is no  
9 means in the federal government for them to be able to  
10 sign a release from an escrow company. They've -- they  
11 paid you. As far as our Uncle Sam is concerned, you're  
12 paid. We accepted the building; you are paid. So if the  
13 title is not held by the end user, the homeowner, and it  
14 is being held by, let's say State of Park and Recreation,  
15 and/or the Department of Defense, then there should be no  
16 need for it to go into escrow.

17 CHAIRMAN SAM BAIRD: Please respond.

18 DEBRA BLAKE: I'm going to have Donna ask  
19 the questions and respond because this is her area if  
20 that's --

21 CHAIRMAN SAM BAIRD: Okay. Perfect.

22 DONNA GRANT: I don't see any difference  
23 between them being the end user or not. Once money goes  
24 into the escrow, per the escrow instructions that are  
25 agreed upon the parties, you and I both know that Pioneer

1 Title, Stewart Title, and everybody else has written a  
2 little clause in there where a consumer can check off  
3 saying that the withdrawals of the funds will be directed  
4 by the dealer. So that they don't make up their mind as  
5 to when there's going to be withdrawals from the title  
6 company.

7 So what would be the difference there? If  
8 you have a transaction with, say, Defense, okay, and all  
9 the money has gone into the escrow, and you have escrow  
10 instructions signed by whoever their purchasing person is,  
11 officer or whatever, and you sign off, and it indicates  
12 that it will be up to the discretion of the dealer when  
13 the money comes out. What's the difference?

14 JOE HART: The difference is with Homeland  
15 Security or the Department of Defense, they pretty much  
16 are in charge of the paperwork. They issue you a  
17 contract. For you to come back and say, oh, by the way,  
18 we want our funds, and for you to do that, you need to  
19 leave it -- you need to sign this so I can get it out of  
20 escrow, why are you putting it in escrow? It's because  
21 it's --

22 DEBRA BLAKE: State law.

23 JOE HART: State law. And state law has  
24 nothing to do with me. That's your problem. I'm just  
25 going to send you a check, what you do with it from there

1 is up to you. I'm not signing anything other than the  
2 acceptance form.

3 DONNA GRANT: Okay. So basically what  
4 you're saying, or what I'm hearing you say, is that it's  
5 not what you would like to do in these particular  
6 transactions. You wouldn't like the money to go into the  
7 escrow, even though through the escrow instructions you  
8 still would be able to dictate to the title company when  
9 they withdraw.

10 JOE HART: I would need that signed by that  
11 contracting officer.

12 DONNA GRANT: And you're saying that they  
13 would not sign the escrow instructions?

14 JOE HART: Correct.

15 DONNA GRANT: And they gave that to you in  
16 writing saying that they would not?

17 JOE HART: It's been a challenge.

18 CHAIRMAN SAM BAIRD: Question, though. Is  
19 this just for --

20 JOE HART: Just for that.

21 CHAIRMAN SAM BAIRD: Government?

22 JOE HART: Just for government.

23 CHAIRMAN SAM BAIRD: And it's commercial  
24 units?

25 JOE HART: Commercial units. No, they're --

1 they're residential.

2 DONNA GRANT: They're all residential.

3 CHAIRMAN SAM BAIRD: And who's the end user?

4 JOE HART: Arizona State Parks. United  
5 States Forests.

6 CHAIRMAN SAM BAIRD: Okay. Not an  
7 individual?

8 JOE HART: No.

9 DONNA GRANT: Right.

10 CHAIRMAN SAM BAIRD: It's a government  
11 entity?

12 JOE HART: A government entity.

13 CHAIRMAN SAM BAIRD: Like DOD or Homeland.

14 JOE HART: They use it for their employee  
15 housing.

16 DONNA GRANT: Right. Probably for temporary  
17 housing.

18 CHAIRMAN SAM BAIRD: Yeah, yeah, yeah, I get  
19 that.

20 JOE HART: Let's say if we're fortunate  
21 enough, you're fortunate enough to, let's say they want to  
22 put 300 homes in for firefighters, and that money goes  
23 into an escrow account, they're pretty adamant about what  
24 they can and can't sign.

25 DONNA GRANT: I guess I'd have to see that

1 in writing say that they refused to sign escrow  
2 instructions that say that the dealer would be able to  
3 dictate to the title company when the disbursements take  
4 place. I've not ever seen that before or had that happen.

5 CHAIRMAN SAM BAIRD: I'm trying to figure  
6 out who the consumer is here. Who's the consumer?

7 DONNA GRANT: It's going to be the entity.

8 JOE HART: The federal government.

9 DONNA GRANT: The federal --

10 DEBRA BLAKE: Government.

11 DONNA GRANT: The government agency.

12 CHAIRMAN SAM BAIRD: And our agency, our  
13 department, is charged with protecting the rights of the  
14 consumer.

15 DEBRA BLAKE: Correct. I think the bigger  
16 issue for me, and Frankie can help us with this, the  
17 underlying statute here, I believe, would have to be  
18 changed. I don't think you can fix that exception to in  
19 rule. Because the statute says --

20 FRANKIE SHINN-ECKBERG: There's no  
21 exceptions in the statute.

22 DEBRA BLAKE: There's no exceptions. You  
23 can't use a rule to make an exception. It says -- let me  
24 get it. Beginning July 1st, 2012, each dealer or broker  
25 licensed shall establish an independent escrow account

1 with an independent financial institution or escrow agent  
2 to handle the account in this state for each transaction  
3 involving a new manufactured home, a new factory-built  
4 building designated for use as a residential dwelling, a  
5 manufactured home, mobile home, or factory-built building  
6 designated for use as a residential dwelling that is  
7 previously owned and that has a purchase price of \$50,000  
8 or more.

9           So there's no exception for if it is a  
10 state, federal, government entity, they don't have to do  
11 that. And I think that the industries, if I'm remembering  
12 back -- and Donna can help me with this -- is that the  
13 workaround for when money could be disbursed, especially  
14 like on construction loans and that, that was the purpose  
15 of the escrow instructions, so that the dealer in  
16 conjunction with the purchaser could make those  
17 determinations on when the escrow company could release  
18 funds to the dealer at certain prescribed points.

19 Correct?

20           DONNA GRANT: But there's also a clause in  
21 the escrow instructions by which there's a little checkbox  
22 saying that the purchaser gives up his rights or  
23 determinations solely to the dealer's discretion. And I  
24 see that commonly used all the time.

25           DEBRA BLAKE: So I'm just not sure we have

1 the ability to address that through the rule package. I  
2 think that would have to be something the industry would  
3 have to take forward to change the statute.

4 Would you agree?

5 FRANKIE SHINN-ECKBERG: I would agree.

6 CHAIRMAN SAM BAIRD: So you're saying that  
7 these words here, and this reinterpretation or restatement  
8 of the -- of the rules have to do with a rule that is  
9 already law. If we wanted to change the rule, then we  
10 have to change the law.

11 FRANKIE SHINN-ECKBERG: Exactly.

12 DEBRA BLAKE: Yes.

13 FRANKIE SHINN-ECKBERG: Your rules are  
14 basically an interpretation of what your statute says, and  
15 it also provides guidelines that your statutory  
16 authorization provides. So if a statute says your board  
17 has a right to create a process by which something is  
18 resolved, then now you can go to your rules and create  
19 that process. There's nothing in your statutes that  
20 creates an exemption. If you would like an exemption,  
21 that would have to be a statutory change down the road.  
22 You wouldn't be able to do that by rule change.

23 CHAIRMAN SAM BAIRD: Okay. So I don't know,  
24 Joe. It sounds like your question goes back to do we need  
25 to change the law to cover this or not?

1 JOE HART: We should.

2 CHAIRMAN SAM BAIRD: Yeah, well that's a  
3 different venue.

4 JOE HART: Mr. Chairman, if President Obama  
5 walked through that front door right now, that door, and  
6 said, Sam, I need 300,000, or whatever it is, and would  
7 you make him sign a release before they can get paid?

8 FRANKIE SHINN-ECKBERG: If the state law  
9 says, yes, and he's doing business in our state, I would.  
10 The transaction is occurring on our state ground.

11 CHAIRMAN SAM BAIRD: It's either that or we  
12 change the law, Joe. I don't see -- it really doesn't  
13 have anything to do with this part of what we're doing  
14 today. I mean, I understand where you're coming from, and  
15 I understand that we may need to address that, but we  
16 can't address it now.

17 JOE HART: Okay. We can't -- we --

18 CHAIRMAN SAM BAIRD: As I understand it.

19 FRANKIE SHINN-ECKBERG: It would need to be  
20 re-agendized --

21 CHAIRMAN SAM BAIRD: Yeah. Re-agendized and  
22 then the --

23 FRANKIE SHINN-ECKBERG: Get a lobbyist on  
24 board.

25 CHAIRMAN SAM BAIRD: And then we have to go

1 to legislature.

2 JOE HART: So if Davis-Monthan Air Base --  
3 and Knute's sitting down there -- and they want to build a  
4 brand new barracks, because it's going to be a barracks,  
5 that funding would have to go through escrow?

6 FRANKIE SHINN-ECKBERG: They would have to  
7 follow our laws. If they are purchasing from one of the  
8 licensees here, and it's going to be built in Arizona, and  
9 they would have to follow our law, even if they are  
10 federal government.

11 DEBRA BLAKE: And I think you make a good  
12 point, and as Sam said, it's just not appropriate to do it  
13 through a rule change.

14 FRANKIE SHINN-ECKBERG: It would have to be  
15 a statute change.

16 DEBRA BLAKE: You've got to change the  
17 statute. And that may be part of the board's duties and  
18 responsibilities. It may be something that the industry  
19 itself would have to pursue through dropping a bill and  
20 trying to get it before the legislature and change it.

21 CHAIRMAN SAM BAIRD: Yes, I agree.

22 Obviously, you've done this before. And  
23 you've put homes in escrow, and you've done this. What's  
24 the downside? I don't -- I mean, I understand what you're  
25 saying where they don't want to sign, but obviously they

1 have signed because you're doing business with them under  
2 this statute.

3 JOE HART: It is a minor challenge that  
4 should be avoided.

5 CHAIRMAN SAM BAIRD: Gotcha. Okay. Okay.  
6 Thank you.

7 I think this page 41 is great as it's  
8 written.

9 DEBRA BLAKE: Okay. Moving on to page 42.  
10 Again, I think at the very top of the page, adding --

11 CHAIRMAN SAM BAIRD: Continuation, yeah.

12 DEBRA BLAKE: It is a continuation of the  
13 one before.

14 Under the classification for manufacturers,  
15 some modification language that basically clarifies the  
16 language for 202. So, as you know, we have one  
17 application that fits basically all licensees. It's up to  
18 the license -- or to the applicant to select what license  
19 they're applying for, opposed to the Department putting  
20 them in a particular class. So just clarifying. The next  
21 three just gets rid of the word "and FBB subassemblies".

22 Coming down into 203, again about retailers.  
23 Same thing for 203, it's the applicant's responsibility to  
24 choose the type of license they're applying for.

25 Clarifying language in the others. We can

1 go through them if you would like quickly, or if you've  
2 already read them, I guess we could just entertain  
3 questions or comments.

4 CHAIRMAN SAM BAIRD: It's all very logical  
5 to me. Just clarification to make it easier to understand  
6 and less room for interpretation.

7 DEBRA BLAKE: That was the intent.

8 CHAIRMAN SAM BAIRD: Good.

9 DEBRA BLAKE: Okay. Moving on to page 43,  
10 more of the same with retailers. Again taking out FBB  
11 subassemblies, adding clarifying languages, and so on.  
12 Any further discussion or questions or comments on that  
13 203 section?

14 CHAIRMAN SAM BAIRD: None.

15 DEBRA BLAKE: Okay. Moving to 204, the  
16 installer licensee section.

17 CHAIRMAN SAM BAIRD: Page 44.

18 DEBRA BLAKE: No, I'm on 43 still. I'm  
19 sorry. Second half of page 43, rule Subsection 204.  
20 Again, clarifying language.

21 The two significant things here, I would  
22 say, was just some cleanup. Taking out the word tie down.  
23 Basically, we're talking about ground anchoring.

24 Adding language for cooler systems, for  
25 evaporative coolers. The significant change here are the

1 bottom two, and they're actually both additions, and this  
2 has been something that the industry has been asking for,  
3 and so we've incorporated it here.

4           The first one is an installer licensee would  
5 be able to perform repair work, replace or newly install  
6 to existing mobile homes, manufactured home, and  
7 residential single-family FBBs for all of the items that  
8 they can do under the scope of their license already. So  
9 it allows them to do repair work. A good example is  
10 relevening. It's past the one-year warranty period, and  
11 the home needs to be relevelled five years later,  
12 currently they can't do it. And it seems appropriate that  
13 they're the right skill set to be able to do that.

14           And then the last one on there, allowing  
15 that they can contract -- excuse me, subcontract work to  
16 other properly licensed entities. So, in other words, an  
17 I-10C that can just do foundation work in the set can bid  
18 the whole job, subcontract any accessory structures to a  
19 properly licensed I-10D or ROC contractor, and we will  
20 know that from the multiple insignias, certificates, that  
21 are on the back of the home in the building.

22           TERRY GLEESON: That's a good idea. I like  
23 that one.

24           CHAIRMAN SAM BAIRD: That's great. Thank  
25 you.

1 DEBRA BLAKE: Okay. Moving to page 44.  
2 Again, continuing on the installers, just adding some  
3 clarifying language that they have to contract with  
4 properly licensed entities.

5 Another significant change is under  
6 204(A)(3), and that allows an I-10G, who is a master  
7 installer, to in addition to doing manufactured home,  
8 mobile homes, and single-family factory-built buildings,  
9 extending that to allow them to do commercial single-story  
10 factory-built buildings that are built on a chassis and  
11 have an electrical system not greater than 400 amps.  
12 Industry's been asking for it, and so it's there for your  
13 review and discussion.

14 CHAIRMAN SAM BAIRD: Yay.

15 DEBRA BLAKE: Thumb up from Joe.

16 TERRY GLEESON: Can I give up my B license  
17 now and get an I-10G?

18 JOE HART: I'm happy to see it. It's been  
19 long -- long overdue.

20 DEBRA BLAKE: Good. Glad to hear that.

21 And the last one there, again just changing  
22 some language from refrigeration air-conditioning units to  
23 HVAC systems. And again, clarification. Installation  
24 means connecting the wiring, gas connections, duct work;  
25 it does not include any service, maintenance, repair,

1 discharge, et cetera, to the unit that requires a special  
2 ROC classification.

3 JOE HART: Mr. Chairman.

4 CHAIRMAN SAM BAIRD: Mr. Hart.

5 JOE HART: This may be -- fall under the  
6 same situation; however, let's give it a whirl. On the  
7 installation, the people that are setting manufactured  
8 homes, they have the I-10G and -- and the other one,  
9 they're allowed to take a package unit, put it on the  
10 ground, run duct work, hook this all up. That's a good  
11 thing. That's really good. Great. In the commercial end  
12 of life, sometimes a dealer, or if you have a lease fleet,  
13 you may have a roof-mount air conditioner, which is also a  
14 package unit. There's not a lot of -- it does not involve  
15 running freon lines, et cetera. It's just a matter of  
16 putting it up on the roof and connecting electrical  
17 crossover.

18 Would that be allowable to add to a rule  
19 change that a properly licensed commercial setup person,  
20 because now under the I-10G, you could use a manufactured  
21 housing installer to set that building, that means he  
22 could set the air conditioner on the roof.

23 Now, a licensed contractor for setting  
24 commercial-built buildings should have that same leniency  
25 to be able to put a package unit on the roof and connect

1 it.

2 DEBRA BLAKE: I follow you, but we don't  
3 regulate commercial ROC contractors. So we can't add into  
4 our body of rules an additional scope of license for  
5 somebody we don't regulate. So we're --

6 JOE HART: It's just installing. It's  
7 prepackaged.

8 DEBRA BLAKE: But it's an ROC contractor  
9 you're talking about, right?

10 JOE HART: Yeah.

11 DEBRA BLAKE: Okay. You would have to go to  
12 the ROC and get them to allow that class of licensee that  
13 they offer and that they regulate to be able to do what  
14 you're saying. I can't extend a scope of license to an  
15 ROC contractor. Is that what I'm understanding you to  
16 say? It is an ROC contractor that you want to be able to  
17 do this?

18 JOE HART: I was going to use a licensed  
19 contractor, yes.

20 DEBRA BLAKE: But in the ROC world, they  
21 have hundreds of classes of licenses.

22 JOE HART: True.

23 DEBRA BLAKE: So that would be a mechanical  
24 licensee plus an ROC, right?

25 TERRY GLEESON: Correct. Yeah, because --

1                   JOE HART: When it comes to package units,  
2 what they want to know is who hooked up the power. They  
3 could care less who put it on the roof. Because putting  
4 it on the roof and strapping it down could be done by Sam  
5 and I.

6                   DEBRA BLAKE: I think it's a great question.  
7 I just think it needs to go to the ROC for discussion and  
8 interpretation.

9                   JOE HART: Okay.

10                  DEBRA BLAKE: Because we -- we don't  
11 regulate that.

12                  TERRY GLEESON: So can an I-10G connect the  
13 utilities to a commercial building?

14                  JOE HART: Up to 400 amps.

15                  TERRY GLEESON: Water, sewer, gas, electric?

16                  CHAIRMAN SAM BAIRD: Yeah. Just like it  
17 says. Even the HVAC.

18                  TERRY GLEESON: Okay. That's a big change.

19                  DEBRA BLAKE: The HVAC whether it's on the  
20 ground or it's on the roof.

21                  TERRY GLEESON: That's a big change. I wish  
22 we had that change three or four years ago.

23                  JIM LANG: They're still unable to service  
24 them, evac the freon --

25                  TERRY GLEESON: Right. It would be the same

1 thing.

2 DEBRA BLAKE: Just install it.

3 CHAIRMAN SAM BAIRD: But they can install  
4 it.

5 JOE HART: None of us want somebody running  
6 around with freon, especially the old ones.

7 DEBRA BLAKE: I think it's a good point. It  
8 just -- I can't add it here to include a commercial -- to  
9 include an ROC licensee. Does that make sense?

10 CHAIRMAN SAM BAIRD: Is that what you're  
11 really asking for? You're asking for an ROC licensee to  
12 be able to put that puppy on the roof?

13 JOE HART: Yeah.

14 CHAIRMAN SAM BAIRD: You're not asking for a  
15 10G or a 10 somebody else to be able to --

16 JOE HART: They already can.

17 CHAIRMAN SAM BAIRD: Yeah, well, now.

18 JOE HART: No, they always could.

19 TERRY GLEESON: We have a B license -- or we  
20 have the -- I'm sorry, the commercial license.

21 JOE HART: So maybe we can work something  
22 out here.

23 TERRY GLEESON: But we cannot -- we cannot  
24 hook up utilities under that commercial license --

25 DEBRA BLAKE: They can't do any utilities.

1                   TERRY GLEESON: Because the ROC says we  
2 can't.

3                   DEBRA BLAKE: You have to have a separate  
4 class of license.

5                   TERRY GLEESON: We have a separate  
6 air-conditioning license, so we can do the  
7 air-conditioning. We can on residential but not -- not  
8 commercial.

9                   JOE HART: Even on commercial projects, they  
10 don't really care who put the air-conditioner on the roof;  
11 they want to know who your onsite electrician was.

12                   DEBRA BLAKE: Sure.

13                   TERRY GLEESON: Well, that's exactly the way  
14 our inspectors are. They want to know who did each phase.  
15 Well, today, when you apply for a permit now, you put down  
16 who's doing utilities, who's doing the air-conditioner,  
17 who's doing accessories, whatever. It has to be a  
18 licensed contractor.

19                   CHAIRMAN SAM BAIRD: Have your ROC  
20 contractor get a 10 -- I-10G license.

21                   DEBRA BLAKE: Unless it's a bigger building.

22                   CHAIRMAN SAM BAIRD: Okay.

23                   DEBRA BLAKE: Ready to move on?

24                   CHAIRMAN SAM BAIRD: Move on, please. Thank  
25 you. And thanks for making those changes for the

1 industry.

2 DEBRA BLAKE: Page 45, again more of Donna's  
3 work having to do with sales transactions, escrow  
4 accounts, so on and so forth. Mostly changing, getting  
5 rid of the word "broker" I think is pretty much what  
6 happened on this whole page.

7 CHAIRMAN SAM BAIRD: Thank you.

8 DEBRA BLAKE: Okay. Moving on to page 46,  
9 we're still in Donna's part of the world, broker  
10 transactions, surety bonds, cash deposits. The only thing  
11 I think really significant here is in the middle of the  
12 page under "Surety Bonds", and that is a -- it's marked  
13 modification. Should it be an addition, Donna?

14 DONNA GRANT: Yeah, probably so.

15 DEBRA BLAKE: Okay. So we'll fix that. So  
16 we're adding that a change of location of an applicant or  
17 licensee's principle place of business, business name,  
18 address, license classification, so on and so forth,  
19 requires a rider or endorsement to the existing bond and  
20 payment of the admin fee.

21 Any questions, comments, discussion?

22 CHAIRMAN SAM BAIRD: The admin fee is some  
23 ridiculous \$10 fee.

24 DEBRA BLAKE: Something the board voted  
25 upon. So that's the only change there.

1 CHAIRMAN SAM BAIRD: Okay.

2 DEBRA BLAKE: Comments, discussion?

3 Okay. On to page 47. Nothing significant  
4 there, just a few word changes, from "applicant" to  
5 "licensee", or the other way. Getting rid of Office of  
6 Administration, just calling it Department. And adding  
7 language, I'm on 402(F), that includes specifically,  
8 besides a corporation, a limited liability company or  
9 limited partnership.

10 CHAIRMAN SAM BAIRD: Yeah.

11 DEBRA BLAKE: Discussion?

12 Okay. Moving on to 48. Some modifications,  
13 again nothing significant, except under plans, which would  
14 be Patty, and that's 505. And this basically talks about  
15 the responsibility of the licensed entity to get their  
16 plans back from the Department within 30 days or they're  
17 going to be discarded, they will no longer be available.

18 CHAIRMAN SAM BAIRD: So it's changed from  
19 60, as it's currently?

20 DEBRA BLAKE: I don't think there's any  
21 day --

22 PATTY STECHER: Yeah, we changed the day.  
23 They originally that had 60 days --

24 DEBRA BLAKE: Okay. Thank you.

25 PATTY STECHER: -- we changed it to 30.

1 DEBRA BLAKE: Concerns, discussion?

2 CHAIRMAN SAM BAIRD: So you've just got to  
3 pay. If you don't do it within 30 days, you've got to pay  
4 again.

5 PATTY STECHER: Pretty much. Yeah, you have  
6 to go through the process again.

7 DEBRA BLAKE: Okay. Moving on to page 49.  
8 Factory-built buildings. Again, getting rid of that  
9 language, FBB subassemblies, adding the word "modular" in  
10 there. Just basically administrative changes, changing  
11 some language and making it consistent throughout.  
12 Questions, comments, discussion?

13 CHAIRMAN SAM BAIRD: No.

14 DEBRA BLAKE: Okay. Moving to page 50. Oh,  
15 my goodness, reconstruction. Patty's favorite topic.

16 PATTY STECHER: Actually, I think this was  
17 under Dave.

18 DEBRA BLAKE: Oh, this was Dave?

19 PATTY STECHER: Yes.

20 DEBRA BLAKE: Okay. Thank you. Okay. So  
21 adding some clarifications for reconstruction of  
22 factory-built buildings. And we are suggesting adding  
23 Subsections 1 through 6 to help clarify that. The  
24 existing construction has to be structurally sound and  
25 compliant with the code governing the time of manufacture.

1 The existing systems have to be sound and compliant with  
2 the codes during -- at the time of manufacture. New  
3 construction systems, so on, have to be compliant with the  
4 applicable standards at the time those things are modified  
5 or changed. What we do today, obviously, affixing a  
6 permanent serial number, affixing the reconstruction  
7 certificate, and that the installation of the  
8 reconstructed factory-built buildings has to comply with  
9 the installation standards.

10 Any concerns?

11 CHAIRMAN SAM BAIRD: Well, I just -- is  
12 there a lot of this? I mean, you have a unit that was  
13 built in 1984 under what code, and now you're doing it,  
14 they're usually adding something to it as well, and so  
15 that has to be -- all the adds have to be in the new  
16 codes.

17 DAVE MEUNIER: Yes. There is actually, not  
18 hundreds but there's a pretty good volume of this,  
19 especially for the lease operators who have old buildings  
20 that can be recycled or reused. And this is really --  
21 this what we do anyway. So we're just kind of getting it  
22 in here so now it's there for everybody to see.

23 CHAIRMAN SAM BAIRD: So you do it without  
24 saying it.

25 DAVE MEUNIER: Yeah.

1                   CHAIRMAN SAM BAIRD: I mean, it's just  
2 there.

3                   DAVE MEUNIER: Yeah.

4                   CHAIRMAN SAM BAIRD: So now this gives you  
5 backup to say no, no, no, it has to be this, it has to be  
6 that, here it is.

7                   DAVE MEUNIER: We've been doing it this way  
8 for several years, and the feedback I got from the  
9 industry people is they like that better because finally  
10 we have this is what you have to do.

11                  CHAIRMAN SAM BAIRD: It's a defined box.

12                  DAVE MEUNIER: It's defined. Basically,  
13 this putting it in here is defining current practice.

14                  CHAIRMAN SAM BAIRD: Yeah. When I read  
15 through all these, this is what I found. You guys are  
16 just trying to bring everybody up to date, make it easier  
17 to interpret, make sure everybody understands. Good.

18                  Thank you. Anything else on this page?

19                  DEBRA BLAKE: Moving down to the  
20 Rehabilitation of Mobile Homes, just a lot of edits in  
21 606(B)(1), and basically just trying to add some clarity  
22 and continuity with the International Residential Code,  
23 which is adopted, and it's about where the smoke alarm  
24 needs to be installed. It's consistent with what happens,  
25 as I said, under the IRC. So just adding a little bit of

1 clarity to it.

2 Questions, comments, discussion? Okay.

3 51, again, we're under rehab. And again,  
4 it's just adding some clarity. In 606(B)(4), again,  
5 bringing it into line with the NEC, National Electric  
6 Code. 606(B)(5), as you see we got rid of a lot of that  
7 language in there, and basically just saying the gas --  
8 the gas piping has to be tested --

9 CHAIRMAN SAM BAIRD: I see the with, but I  
10 don't see anything after the with. Gas piping shall be  
11 tested with, and everything else is -- maybe it's a typo?

12 DEBRA BLAKE: Do you recall, Dave? Does it  
13 just take the word "with" out, to just require it to be  
14 tested?

15 DAVE MEUNIER: I'm not sure that we were  
16 even going to leave it like that. I think this is just a  
17 typo.

18 CHAIRMAN SAM BAIRD: Leaving the "with" in?

19 JIM LANG: It was supposed to be -- the  
20 bottom line, where it says all -- or the third one from  
21 the bottom, "All gas furnaces and water heaters shall be  
22 installed in compliance with materials incorporated by  
23 reference in R4-34-102."

24 "The gas piping shall be tested with," and  
25 it should be the same thing, materials incorporated by

1 reference in 102.

2 CHAIRMAN SAM BAIRD: So it needs to say  
3 tested with R-34-102.

4 JIM LANG: Tested with and installed.

5 CHAIRMAN SAM BAIRD: Oh. Tested with and  
6 installed, so just leave out the words.

7 JIM LANG: Right.

8 DEBRA BLAKE: Okay.

9 CHAIRMAN SAM BAIRD: Okay. That's good.

10 DEBRA BLAKE: All right. We'll make that  
11 correction.

12 We're adding one line there right under that  
13 same section that said, "If the mobile home is to be  
14 relocated following the rehabilitation," which they are  
15 required to be done that way, rehab it then move it, "the  
16 gas test can be performed and inspected as part of the  
17 installation inspection at the new location."

18 CHAIRMAN SAM BAIRD: That's nice.

19 DEBRA BLAKE: Okay. Other than clarifying  
20 that language on 606(B)(5), we good?

21 TERRY GLEESON: Yes.

22 DEBRA BLAKE: Page 52 just continues to make  
23 some improved terminology on rehab.

24 607, for Manufacturing Inspection and  
25 Certification, again it's just improving and clarifying

1 the terminology. Nothing of substance was changed with  
2 the content.

3 Questions, comments?

4 CHAIRMAN SAM BAIRD: No.

5 DEBRA BLAKE: Okay. Page 53. Again, the  
6 top half of that page is just some language and  
7 terminology, nothing of substance.

8 Under Plan Approvals, wanted to add language  
9 in 701(B) just to clarify that before installing a  
10 manufactured home, mobile home, or FBB in flood prone  
11 areas, a properly licensed entity or person has to obtain  
12 plan approval, and the installations have to comply with  
13 701(E), which is, again, plan approval. Nothing new, just  
14 getting it stated more clearly in the rule.

15 Moving on to page 54. Again, this is all  
16 under Plan Review. Adding some language in 701(J) through  
17 (K), because this specific information had not been  
18 previously noted, and that has to do with the plan  
19 submittal format, the size of the sheets to be submitted,  
20 the text. Patty's good but she can't read six-point font  
21 even on her best days, so it has to be legible. Cover  
22 page, so on and so forth, and that the person submitting  
23 has to put it on the department-approved application form.

24 CHAIRMAN SAM BAIRD: So three-by-five blank  
25 space is for your stamp?

1           PATTY STECHER: Yes. Because there have  
2 been instances where I get a plan -- and it just has to be  
3 on the cover page where we have that big space. Yeah.

4           DEBRA BLAKE: Moving down to 702, which is  
5 the Quality Assurance Manuals, again, a lot of terminology  
6 changes, getting rid of FBB subassemblies, changing the  
7 word "Quality" to "Compliance Assurance Manuals".

8           And beginning in 702(B), below, changing  
9 some of the language just to make it a little bit more  
10 clear and concise, but not changing any of the contents  
11 substantially.

12           Okay. Moving on to page 55, we're still in  
13 the Quality Assurance Manuals. Lots of additions and  
14 changes here. This is all consistent with what we do  
15 today. So nothing different than what we're doing; it  
16 just has never been laid out specifically in the rule  
17 before.

18           Questions, comments, discussions? Okay.

19           Moving on to page 56. We're in Drawings and  
20 Specifications. Again, I think it's, again, nothing  
21 substantial. Basically adding dimensional plans and  
22 drawings that will be field installed, and just a few  
23 clarifications and language changes.

24           Moving down to 704, we're going to repeal,  
25 with your approval, quite a bit of this language because

1 it's already covered under the HUD standards. There's no  
2 sense to repeat it.

3 Moving on to page 57. Again, Alterations  
4 and Construction. One minor change in language talking  
5 about dimension drawings, and then suggesting that we add,  
6 "A manufacturer shall include a certification statement of  
7 the existing components," so on and so forth, that it's  
8 safe to occupy and not a safety threat.

9 CHAIRMAN SAM BAIRD: Is that something new?

10 DEBRA BLAKE: No.

11 CHAIRMAN SAM BAIRD: I didn't think that was  
12 new.

13 DEBRA BLAKE: Oh, the certification  
14 statement is new.

15 PATTY STECHER: I mean, we -- it's part of  
16 what we already require under reconstruction; it's just as  
17 we stated before, trying to fit the language in there so  
18 that we have it --

19 CHAIRMAN SAM BAIRD: Gotcha.

20 PATTY STECHER: -- clearly stated. So it's  
21 not a new process, it's just new to the rules.

22 CHAIRMAN SAM BAIRD: You're just restating  
23 it.

24 PATTY STECHER: Yes.

25 CHAIRMAN SAM BAIRD: Okay.

1 DEBRA BLAKE: Moving down to 705, this is  
2 Accessory Structures and Ground Anchoring. Just changing  
3 some language from "installer" to "a properly licensed  
4 entity" to allow for those ROC contractors.

5 Repealing the last three items in 705.  
6 Again, already required by HUD, already required by the  
7 makers of anchoring systems.

8 Moving on to page 58. Some more repealing  
9 of ground anchoring. It's already covered. So suggesting  
10 we repeal those last three 705s.

11 Continuing on to 706, which is for  
12 Factory-Built Building Installation. A little mixed bag  
13 here. Repealing something that moved to 701, just, again,  
14 modifying language from "installer" to "properly licensed  
15 entity," and just some clarifying language.

16 CHAIRMAN SAM BAIRD: Oh, okay. I see.

17 DEBRA BLAKE: Okay. Questions, comments,  
18 discussion?

19 CHAIRMAN SAM BAIRD: Looks good.

20 TERRY GLEESON: No.

21 DEBRA BLAKE: 59. Again, we're still in  
22 Accessory Structures, ground anchoring for factory-built  
23 buildings, I think. Yes. Adding, again, some specific  
24 language for plan review. Not previously specifically  
25 noted. I think this is all required today, correct,

1 Patty?

2                   PATTY STECHER: The only thing that we don't  
3 clearly identify now is the fixture unit calculation for  
4 plumbing and gas fixtures. We have not ever really pushed  
5 for that. We have individuals that do provide it, but it  
6 would make it easier under the plan review side to ensure  
7 that if they're adding a building with multiple fixtures,  
8 that they're adding the adequate line services to  
9 accommodate those fixtures. Because right now we have no  
10 way of confirming that. All we have is identify the  
11 source size and the water size, but we don't know if it's  
12 adequate to accommodate the fixtures throughout the  
13 building so --

14                   CHAIRMAN SAM BAIRD: Except through the  
15 inspection process.

16                   PATTY STECHER: At this point.

17                   CHAIRMAN SAM BAIRD: So inspectors would  
18 love to have a print that they can inspect to.

19                   DEBRA BLAKE: Well, it gets costly, too, to  
20 find out after the fact when it's being installed on the  
21 site that there's a problem. Delays the process.

22                   CHAIRMAN SAM BAIRD: Like you said, some  
23 already do it.

24                   PATTY STECHER: Some do, not all.

25                   DEBRA BLAKE: So other than that, any other

1 additions or are they just standard operating practice  
2 today, Patty?

3                   PATTY STECHER: Again, most of it is -- the  
4 only other -- it appears we missed a heading here because  
5 the other one that we added in was flood areas.

6                   CHAIRMAN SAM BAIRD: Do you require an  
7 engineer now?

8                   PATTY STECHER: Huh?

9                   CHAIRMAN SAM BAIRD: Do you require an  
10 engineer to sign off on it now?

11                   PATTY STECHER: Currently, that is per rule.  
12 All plans submitted are required to be stamped by an  
13 engineer.

14                   CHAIRMAN SAM BAIRD: Yeah. That would be  
15 the biggie. A lot of floodplain. It's a good thing  
16 you're an engineer, huh, Joe?

17                   All right.

18                   DEBRA BLAKE: Okay. Moving on to page 60.

19                   CHAIRMAN SAM BAIRD: Yay.

20                   DEBRA BLAKE: Permits and Installation.  
21 Ayde. So --

22                   PATTY STECHER: Excuse me. I'm sorry, can  
23 we go back to something? Because it appears that the  
24 headings were not all incorporated. If you look halfway  
25 down the page to 707, we added that section for flood, and

1 there's not a heading for it.

2 CHAIRMAN SAM BAIRD: Oh, I see. Those all  
3 apply to flood.

4 PATTY STECHER: Yeah. So that basically  
5 identifies the plan submittal process for installations in  
6 flood areas. We don't have anything spelled out.

7 DEBRA BLAKE: I think it's there. 707, it  
8 says, Designated Flood Prone Area Installation. That  
9 would be the heading, right?

10 PATTY STECHER: Oh, okay. Sorry, sorry.

11 CHAIRMAN SAM BAIRD: Yeah, it's there.

12 DEBRA BLAKE: It's there? Okay.

13 CHAIRMAN SAM BAIRD: It's not an A, B, C, or  
14 a 1, 2, 3. It's there.

15 DEBRA BLAKE: Okay. Okay.

16 CHAIRMAN SAM BAIRD: That's good. If it  
17 wasn't there, we'd need to add it.

18 DEBRA BLAKE: Page 60. So this is Ayde's  
19 realm of permits. 801, just this is an addition. Wanting  
20 corrections turned back in within 20 business days from  
21 the date of the letter of application denial.

22 JOE HART: This is on page 60?

23 CHAIRMAN SAM BAIRD: So why are we wanting  
24 that? Is there a --

25 DEBRA BLAKE: Ayde?

1                   AYDE SANCHEZ: So, for example, if I was to  
2 deny an application, they have a time frame to provide  
3 corrections that's not just --

4                   CHAIRMAN SAM BAIRD: Right now we don't have  
5 a defined --

6                   DEBRA BLAKE: Time frame.

7                   CHAIRMAN SAM BAIRD: Thirty years later they  
8 can walk in and say, here, I got it fixed.

9                   AYDE SANCHEZ: Finally, yeah. Yeah.

10                  CHAIRMAN SAM BAIRD: Okay. Got it. Does  
11 that seem reasonable, 20 days?

12                  DEBRA BLAKE: I'm sorry, what, Joe?

13                  JOE HART: That's a big set of drawings.

14                  DEBRA BLAKE: No, this is your permit.

15                  PATTY STECHER: This is permits.

16                  TERRY GLEESON: Well, it would be reasonable  
17 except that what I've been going through lately, trying to  
18 get a flood approval from either the -- setting a home in  
19 City of Mesa, and I got -- had to get Maricopa County  
20 floodplain permit. Took it back to City of Mesa, they  
21 issued me a permit, but no one will sign our standard  
22 plans from the state. They have to be signed by the local  
23 jurisdiction before she'll take it in to stamp it.

24                  CHAIRMAN SAM BAIRD: So you're saying 20  
25 days isn't adequate?

1                   PATTY STECHER: Well, I'm just wondering,  
2 would you have to apply for a permit already, though, for  
3 that zone or --

4                   TERRY GLEESON: Well, we -- we did apply for  
5 the permit. We got our floodplain permit because we  
6 thought that was --

7                   AYDE SANCHEZ: He didn't know he was in a  
8 flood zone.

9                   PATTY STECHER: Oh, okay.

10                  TERRY GLEESON: Yeah. So I don't know.  
11 It's probably been sitting there more than 30 days, hasn't  
12 it?

13                  CHAIRMAN SAM BAIRD: Okay. So if somebody  
14 applies for a permit, you deny it because --

15                  TERRY GLEESON: So what do you do -- can you  
16 cancel the permit until you get all the stuff in? It's  
17 like a \$59 administrative fee, is that what it is  
18 normally?

19                  AYDE SANCHEZ: Yeah.

20                  TERRY GLEESON: Otherwise, is that what do  
21 you do? After 20 days, you just send back the balance?  
22 Or how do you do it?

23                  AYDE SANCHEZ: Right. Everything is  
24 returned, and there's the \$59 admin fee --

25                  TERRY GLEESON: Right.

1 AYDE SANCHEZ: -- to process the refund.

2 TERRY GLEESON: Okay.

3 CHAIRMAN SAM BAIRD: How did you determine  
4 that 20 days is the right number?

5 AYDE SANCHEZ: It usually doesn't take more  
6 than 20 days. I did like an average of, you know, the  
7 number of days it takes people to do corrections.

8 CHAIRMAN SAM BAIRD: Well, we kind of jumped  
9 ahead of ourselves.

10 JOE HART: Is that working days or is that  
11 calendar days?

12 PATTY STECHER: Twenty business days.

13 TERRY GLEESON: But, I mean, now that we  
14 know --

15 AYDE SANCHEZ: That's like a month.

16 CHAIRMAN SAM BAIRD: Oh, it's a month.

17 AYDE SANCHEZ: It's a month.

18 CHAIRMAN SAM BAIRD: So it's -- it's working  
19 days is what we're saying. Maybe we should add working  
20 days to that.

21 AYDE SANCHEZ: It's business days.

22 TERRY GLEESON: It says business days.

23 DEBRA BLAKE: It says business days.

24 CHAIRMAN SAM BAIRD: Maybe we should just  
25 read what you wrote.

1                   JOE HART: I don't understand business days;  
2 it's got to be working. No.

3                   CHAIRMAN SAM BAIRD: Yeah, 20 business days.  
4 That's even better.

5                   TERRY GLEESON: I work Saturday; does that  
6 count as a business day?

7                   CHAIRMAN SAM BAIRD: Okay. We're okay then.

8                   DEBRA BLAKE: You're okay with it, or you  
9 want to change it? This is your opportunity.

10                  TERRY GLEESON: No, I mean -- now that we  
11 know --

12                  CHAIRMAN SAM BAIRD: You've got an  
13 opportunity to change something --

14                  TERRY GLEESON: Now that we know that -- we  
15 kind of jumped ahead of ourselves applying for the permit,  
16 is what we did. Without having the proper plan.

17                  DEBRA BLAKE: Is that the only --

18                  TERRY GLEESON: That's the only one --

19                  DEBRA BLAKE: -- one that you've had --

20                  TERRY GLEESON: Yes.

21                  DEBRA BLAKE: -- that has been problematic?

22                  TERRY GLEESON: Yes.

23                  DEBRA BLAKE: Okay. Typically, it's not an  
24 issue?

25                  TERRY GLEESON: It's really -- it's really

1 our fault that we -- we applied for the permit not knowing  
2 the proper steps to take.

3 DEBRA BLAKE: Could you repeat that one more  
4 time? It was my --

5 TERRY GLEESON: It was Debra's fault that  
6 she didn't --

7 CHAIRMAN SAM BAIRD: Debra, you've explained  
8 how this works before.

9 TERRY GLEESON: No, I -- I think -- this is  
10 off subject a little bit -- but at our seminars, we don't  
11 really talk about this issue much. I think we need to --

12 DEBRA BLAKE: We will.

13 TERRY GLEESON: -- talk about this more.  
14 The floodplain procedure. Because it's a lot of back and  
15 forth between local jurisdictions, floodplain, engineers,  
16 spend a lot of money and a lot of time trying to figure it  
17 all out. So it would be nice to have, you know --

18 DEBRA BLAKE: Do you want to add that as an  
19 agenda item at a future board meeting?

20 TERRY GLEESON: Well, I don't think --

21 DEBRA BLAKE: Or are you just directing us  
22 to include that --

23 TERRY GLEESON: I think it needs to be --

24 DEBRA BLAKE: -- as part of our training?

25 TERRY GLEESON: -- part of your training,

1 yes.

2 CHAIRMAN SAM BAIRD: I think he's just  
3 saying that some clarification --

4 TERRY GLEESON: It's confusing.

5 CHAIRMAN SAM BAIRD: -- at the training  
6 process might help everyone.

7 TERRY GLEESON: I think we spend a lot of  
8 extra time and money trying to figure out how to do it  
9 right, and we don't do it right.

10 JIM LANG: Just as a little additive here,  
11 for the last several trainings, which I don't think you've  
12 attended one recently, Department of Water Resources has  
13 been coming to every training for half hour to 45 minutes  
14 to talk specifically about requirements for floodplains.  
15 So what you're asking for --

16 DEBRA BLAKE: Arizona Department of Water  
17 Resources. They're the floodplain guys.

18 JOE HART: Mr. Chairman, did they -- we were  
19 looking at getting a permit lately, and they just -- it  
20 was within the last three years or something, they revised  
21 that floodplain.

22 TERRY GLEESON: You're talking about FEMA.

23 JOE HART: Yeah.

24 DEBRA BLAKE: Here would be the line.

25 JOE HART: Yeah. Okay.

1 JIM LANG: We should get that map.

2 JOE HART: You guys got that map?

3 JIM LANG: No, we don't.

4 DEBRA BLAKE: We can just get it from Water  
5 Resources; we can get you the information.

6 TERRY GLEESON: This particular one that has  
7 a canal running through the back of a mobile home park,  
8 and they say if that canal ever overflows, it'll create a  
9 problem. It's an aboveground set in a mobile home park.  
10 A normal set. If we do our minimum 12-inch, to the bottom  
11 of the drain, it'll be 12 inches above the floodplain. So  
12 it's not an issue there.

13 DEBRA BLAKE: Okay. So we will add that to  
14 our training, and I'll get Joe a contact person.

15 So back to 801(B), we're moving forward with  
16 20 business days?

17 TERRY GLEESON: Yes.

18 DEBRA BLAKE: Okay. 801(C), I think mostly  
19 clarifying language, which everybody should know. You  
20 have to have your permit posted, you have to have your  
21 plan, all in a conspicuous place.

22 CHAIRMAN SAM BAIRD: So you don't want  
23 somebody starting the work without a permit, is that what  
24 you're saying?

25 DEBRA BLAKE: That would be correct,

1 Mr. Chairman.

2 CHAIRMAN SAM BAIRD: I see.

3 DEBRA BLAKE: Yeah. So. I think the rest  
4 of it, again, is just changing language from "authority  
5 having jurisdiction" to "enforcement agency" to be  
6 consistent with other language in the statutes.

7 CHAIRMAN SAM BAIRD: Under F, if I could.  
8 It says, "A permit becomes null and void if the work is  
9 not commenced or completed."

10 DEBRA BLAKE: Yes.

11 CHAIRMAN SAM BAIRD: Which is it?

12 DEBRA BLAKE: Either or.

13 CHAIRMAN SAM BAIRD: Either or. Or. Okay.  
14 So it just has to get started within that six months, and  
15 you're okay.

16 TERRY GLEESON: No, it has to be completed.

17 CHAIRMAN SAM BAIRD: No. It says "or,"  
18 commenced or. That was my question. I read it the same  
19 way you are.

20 Thank you.

21 DEBRA BLAKE: What if they start it, Ayde,  
22 but they don't finish it, can they get an extension on a  
23 special use permit?

24 AYDE SANCHEZ: Not on a special use, but  
25 they can on a manufactured home or an FBB permit.

1 DEBRA BLAKE: Okay. So except on a special  
2 use, for good cause, I started it, I'm having issues with  
3 Maricopa County that are delaying my process, you can get  
4 an extension for good cause on your permit.

5 CHAIRMAN SAM BAIRD: Gotcha. Write that  
6 down so he'll remember. Good cause. Yeah. So it's the  
7 same process as today.

8 And then the last one, 801(I), that's on  
9 this page, again, there's obviously, we felt a need to put  
10 this in writing, and that is that whoever is doing the  
11 work, it has to be accessible and exposed for inspection  
12 purposes, cannot be done -- work cannot be completed  
13 beyond the point that future inspections -- inspections  
14 could not be done. So nothing new there. Just putting it  
15 in writing.

16 CHAIRMAN SAM BAIRD: Now you can cite a -- a  
17 rule.

18 DEBRA BLAKE: Yes. Yes. Almost done. Page  
19 61. Again, on the permits. Approved plans, for  
20 everything you need a plan for, has to be onsite.

21 General instruction -- I'm sorry, General  
22 Installation, some changes here. Intended to clarify and  
23 not be redundant with other sections already in rule. And  
24 repealing the last two because it's either already  
25 addressed in another section -- I'm sorry, they're added

1 not repealed. Both of these are added. So again, not --  
2 no major adjustments to content, just some rewording and  
3 clarification.

4 Questions, comments?

5 CHAIRMAN SAM BAIRD: Move on.

6 DEBRA BLAKE: Moving on to 62. My favorite  
7 page.

8 TERRY GLEESON: I like it.

9 DEBRA BLAKE: We're getting rid of all of  
10 those. But before you get too excited, they're all  
11 covered under the HUD regs, so you still have to do them.

12 Page 63, Soil and Materials, my second  
13 favorite page. Repealing them all; already covered under  
14 the HUD regs.

15 JOE HART: The HUD ones, this doesn't  
16 overlap into commercial at all, correct?

17 DEBRA BLAKE: Correct.

18 CHAIRMAN SAM BAIRD: HUD is HUD.

19 DEBRA BLAKE: And in the commercial, you're  
20 submitting a foundation plan, installation plan, to Patty  
21 for review and approval, right?

22 JOE HART: Uh-huh.

23 DEBRA BLAKE: Okay. 64, more repeals. I  
24 think we were getting tired at the end of all these rules.  
25 Repeal, repeal.

1 JIM LANG: This was my section.

2 CHAIRMAN SAM BAIRD: Very good.

3 DEBRA BLAKE: Page 65. Soil and Materials,  
4 Utilities. Gone. Repealed.

5 66, first half of the page is more of  
6 Utilities, and they are repealed.

7 805 are your accessory structures. And  
8 805(A), we just simply got last -- rid of that last  
9 statement. "And removable without degradation of the  
10 structural integrity of the unit." All of these additions  
11 require either engineered plans on how they're attached,  
12 or there are vendor installation instructions. So I think  
13 we're probably covered.

14 And then 805(B) is new language to really  
15 explain retaining walls. Sometimes they're attached,  
16 which would make it an accessory structure. Sometimes,  
17 they're not. And what this is saying is that all  
18 retaining walls have to be designed according to the  
19 standards, and they are all subject to plan review.

20 CHAIRMAN SAM BAIRD: Is that a change?

21 DEBRA BLAKE: No.

22 CHAIRMAN SAM BAIRD: Just a clarification.  
23 Or statement.

24 DEBRA BLAKE: It's clarification because  
25 it's in this section, and this section clearly defines an

1 accessory structure as something that's attached to the  
2 home. A retaining wall can be unattached, but it still  
3 needs to follow it.

4 805, the rest of that page is repealed  
5 because it's covered by the HUD regs.

6 And last but not least, page 67. This is  
7 the Rehearing Or Review for administrative hearings, and  
8 there's no changes to any of those.

9 And that is that section.

10 CHAIRMAN SAM BAIRD: Wonderful. I think  
11 what we need to do now is to call for a vote to accept  
12 these changes as presented. The Chair will entertain a  
13 motion to do so.

14 TERRY GLEESON: I make a motion we accept  
15 the changes.

16 CHAIRMAN SAM BAIRD: Do we have a second?

17 ZEEK OJEH: I second it.

18 CHAIRMAN SAM BAIRD: Thank you. All in  
19 favor?

20 Unanimous. Wonderful.

21 DEBRA BLAKE: Thank you, Mr. Chairman.

22 CHAIRMAN SAM BAIRD: Now, before we go on,  
23 let's recognize the extraordinary amount of work that's  
24 been done for this. You all did a great job, okay. So  
25 the board would like to thank you -- I'll speak for the

1 board -- thank you for the extra effort and the time that  
2 you put into this, and we're only wondering what are you  
3 going to do with all your extra time now that we've passed  
4 all this. Yeah. Not really. But it's amazing what you  
5 do, and you've been working on this for many months, and  
6 we appreciate your extra efforts, all of you. Even you,  
7 Dave.

8 Okay.

9 DEBRA BLAKE: Mr. Chairman, where would you  
10 like to go into the agenda now?

11 CHAIRMAN SAM BAIRD: Let's go right back to  
12 the top.

13 DEBRA BLAKE: All right.

14 CHAIRMAN SAM BAIRD: So we'll call, let's  
15 see. Oh, we need to review our minutes from last meeting?

16 DONNA GRANT: May we be dismissed?

17 DEBRA BLAKE: You're not enjoying yourself?

18 DONNA GRANT: I have a lot of work on my  
19 desk.

20 PATTY STECHER: I'd like to get a plan so  
21 that Sam can take it back with him before he leaves.

22 CHAIRMAN SAM BAIRD: That would be  
23 wonderful. And I'll wait no matter how long it takes.

24 DEBRA BLAKE: Yes, my staff who was here  
25 just for the purpose of rule review may be excused.

1 CHAIRMAN SAM BAIRD: And we thank you --

2 DEBRA BLAKE: Thank you.

3 CHAIRMAN SAM BAIRD: -- for attending as  
4 well and for all the clarifications you all provided.

5 Okay. Everyone had a chance, I'm sure, to  
6 review the -- the minutes that were sent out twice. So  
7 any questions on the -- on them? If not, the Chair would  
8 entertain a motion to accept them as presented.

9 JOE HART: Second. First.

10 CHAIRMAN SAM BAIRD: Motion?

11 JOE HART: Motion.

12 CHAIRMAN SAM BAIRD: Second?

13 TERRY GLEESON: Second.

14 CHAIRMAN SAM BAIRD: All in favor?

15 Thank you. It was unanimous.

16 Okay. Moving on. Departmental information.  
17 You haven't hardly said a word all day, so if you can --

18 DEBRA BLAKE: I know. That's really  
19 unusual.

20 CHAIRMAN SAM BAIRD: -- carry on with this,  
21 Debra, that would be wonderful.

22 DEBRA BLAKE: Well, thank you, Mr. Chairman.  
23 Department updates are brief this time, but I would like  
24 to introduce to you and welcome Cassie Peters, right here.  
25 Cassie, stand up. Cassie is new to the department. He is

1 our new fire training coordinator. This is a position  
2 that was created by the legislature in conjunction with  
3 funding they provided for the Annual Arizona Fire School.  
4 And we were really fortunate in that Cassie applied to  
5 work in this position because I'm going to let him wow you  
6 with all of his retirement information and his skills and  
7 experience. Cassie.

8 CASSIE PETERS: I'll be very brief. Thank  
9 you. I was born in Oregon. Relocated here in Arizona;  
10 lived here most of my life. I served in the United States  
11 Marine Corps; I'm a Vietnam veteran. Shortly after the  
12 war ended, I started working for Phoenix Fire Department.  
13 Well, prior to that, Housing City of Phoenix, and then  
14 Phoenix Fire Department. I retired in 2007. I was an  
15 assistant chief. I have 31 years of service there. I've  
16 also volunteered in schools throughout the City of  
17 Phoenix, Phoenix School District and stay-in-school  
18 programs, and also at a university in New Orleans,  
19 Louisiana, for over these last 18 years.

20 And when I'm not volunteering or working,  
21 I'm a parent of four adult children. I have nine  
22 grandchildren. And all this discussion about floods make  
23 -- makes me think of my youngest, my great grandchild; his  
24 name is Noah.

25 CHAIRMAN SAM BAIRD: Very good.

1                   CASSIE PETERS: It's a pleasure to be here.  
2 Thank you for the invitation.

3                   CHAIRMAN SAM BAIRD: Thank you for joining  
4 us.

5                   DEBRA BLAKE: Thank you, Cassie next.  
6 Next staff change is today, this very day,  
7 we're welcoming Yvonne -- Caratachi?

8                   YVONNE CARATACHEA: Caratachea.

9                   DEBRA BLAKE: Just what she said. She  
10 started with us today. She is going to be an IPIA  
11 inspector, which means she'll be in the plants working  
12 with Dave Meunier, Fred Adams, Phil Yitts. Part of adding  
13 this staff member was to support the increasing production  
14 volumes in the plants, which is a wonderful thing, as well  
15 as to prepare for succession planning. Fred and Phil both  
16 have been in their roles doing what they do very expertly  
17 for many years, and I know at least one of them is looking  
18 at retirement in not the too far distant future.

19                   And so Yvonne has extensive experience  
20 working in HUD factories. She was really fortunate to us  
21 to find a people -- a person who can literally step into  
22 understanding and looking at that HUD code, because it's a  
23 very different body of codes. So I'll just ask Yvonne to  
24 give us a brief little overview in anything she wants to  
25 tell us about herself.

1 YVONNE CARATACHEA: Hi. I've been residence  
2 in Arizona for 50 years. I come from a family of nine.  
3 And I've worked in the manufacturing business going on 18  
4 -- well, 18 years. And I've done quality control,  
5 electrical, and testing, and inline inspecting. And yeah.

6 I've got nine grandchildren, and I just  
7 can't wait to experience the new life.

8 DEBRA BLAKE: Thank you, Yvonne.

9 YVONNE CARATACHEA: Thank you.

10 DEBRA BLAKE: Yvonne and Cassie, you're  
11 welcome to stay. If you'd rather go do something that's  
12 much more exciting, feel free to do so. I'll leave it up  
13 to you.

14 Sarah Vidales, you'll remember, Mr. Chairman  
15 and Board Members, who I introduced to you at the last  
16 board meeting in April, she was new to us at that time as  
17 our HR person and legislative liaison. Well, she resigned  
18 in early August, gave personal reasons, nothing specific.

19 And so in looking at the Governor's  
20 direction to all state agencies to look at consolidation  
21 efforts and things like that, instead of filling her  
22 position, we decided to be creative, and we are going to  
23 share resources with a couple of other state agencies  
24 instead of filling the position.

25 State Forestry, as you know, shares our

1 office space. They are going to share their HR person  
2 with us. So we're happy about that. Department of  
3 Financial Institutions also lost their legislative liaison  
4 about the same time we did. I sat on the same directors  
5 board with him, Lauren Kingry. And so we decided that we  
6 would share a legislative liaison, each pay half the  
7 salary and expenses.

8 He actually started Tuesday, yesterday. His  
9 name is Stephen Briggs. Again, I guess the gods are  
10 smiling down on us, we're getting these really qualified  
11 people to step into these roles. Stephen has a lot of  
12 political and legislative experience. He worked as a  
13 business liaison for Congressman Paul Gosar here in his  
14 Arizona office. He also served as legislative assistant  
15 for U.S. Congressman J. D. Hayworth in Washington, DC. So  
16 he's got the federal experience, he's got the state. I  
17 will have him at the next board meeting to introduce him  
18 to you. But I think that he's going to serve us well.

19 CHAIRMAN SAM BAIRD: So let me see, we've  
20 got -- we're sharing a liaison with one agency, and then  
21 we're sharing an HR person with another agency?

22 DEBRA BLAKE: Yes.

23 CHAIRMAN SAM BAIRD: Okay, good.

24 DEBRA BLAKE: Yes. So I think it's going to  
25 work out really well. Save us money, too.

1 I'm still serving as interim director; I'm  
2 entering my sixth month. So I don't know where that's  
3 going. You would probably know as much as I know about  
4 it. So no news on that.

5 The state fire marshal position is still  
6 vacant. As you know, Bob Barger retired the end of  
7 January. Haven't had any direction. I recently asked if  
8 I could go ahead and post for the position, see what we  
9 might have out there. And obviously, it's a very  
10 political position, and so the governor's office would  
11 give us direction on who we would move forward with. But  
12 I've heard nothing back from that. So we're at status quo  
13 on that as well.

14 And other topics. I talked to you last time  
15 about the lien transformation. Went over with you that  
16 this is the governor's project that all state agencies  
17 will participate in. As you will probably remember, the  
18 state fire marshal's side of the house participated in  
19 phase one. It's been very successful; I'm very proud of  
20 the work that they've done. Their cradle to grave  
21 processing from incoming plans for new construction went  
22 from 50 days cycle time down to an average of between two  
23 and four.

24 CHAIRMAN SAM BAIRD: Oh, my.

25 DEBRA BLAKE: And they've done that April,

1 May, June, July, and so far in August. So it's been  
2 great. Great.

3 The manufactured housing permits, the Web  
4 portal was up and running at the end of July. The  
5 electronic submittal process allows for online payment,  
6 submission of planning and zoning documents, and so on.  
7 Ayde can give you an update, but basically what she's  
8 reported to me is that she's able to review and get them  
9 approved much quicker than dealing with the paper process.

10 Would you like to add anything to that?

11 AYDE SANCHEZ: No. It's a much quicker  
12 process for me as far as processing. I like it.

13 CHAIRMAN SAM BAIRD: So we use credit cards?

14 AYDE SANCHEZ: Yes.

15 TERRY GLEESON: I like it too, as an  
16 installer.

17 CHAIRMAN SAM BAIRD: Is there a debit -- if  
18 there is credit cards, does it -- does it cost us money?

19 DEBRA BLAKE: It costs us money; it doesn't  
20 cost --

21 CHAIRMAN SAM BAIRD: So we pick it up --

22 DEBRA BLAKE: -- the contractor anything.

23 CHAIRMAN SAM BAIRD: -- if there's any  
24 deficiencies probably?

25 DEBRA BLAKE: Exactly. Now, today, Terry

1 Gleeson was one of the ones who was kind of our beta  
2 testing. Ayde has let me know that about 50 percent of  
3 those types of permits that she's getting in are being  
4 submitted electronically.

5 Dealers are reporting that they're not using  
6 it because they don't have credit cards to pay with  
7 electronically. They have to get a check cut from their  
8 corporate office, and so that is their reason for not  
9 using the online. Which I'm glad Ayde and I talked about  
10 it because our original intent was to piggyback electronic  
11 and over-the-counter for a while, but eventually do away  
12 with over-the-counter. But now that we know that there is  
13 an issue with the dealers, I guess we'll leave it as is  
14 for a while.

15 TERRY GLEESON: Can't you set up your  
16 payment to where you can take it out of your checking  
17 account? I mean, there are some systems like that.

18 DEBRA BLAKE: Like a debit?

19 CHAIRMAN SAM BAIRD: You probably could.  
20 It's just -- it's real difficult. Just take a company  
21 like ours, in all these different states, and it's  
22 retailers as well, we've got 320 retailers just on our  
23 own. And they're -- how they get checks, it's amazing  
24 that they can get a check usually the next day that they  
25 request it. But it's still, they don't allow local access

1 to them.

2 TERRY GLEESON: What about --

3 CHAIRMAN SAM BAIRD: Same with me.

4 TERRY GLEESON: -- processing it all -- that  
5 would be the same as mailing, wouldn't it? I mean, you  
6 could mail the permit in -- doing it online --

7 DEBRA BLAKE: I mean, yeah --

8 TERRY GLEESON: Do the permit online so it  
9 saves Ayde time, and then have them mail the check in, and  
10 she doesn't issue the permit until she gets the check.

11 DEBRA BLAKE: Well, the only -- I actually  
12 thought about that. The only problem with that is  
13 statutorily, she has to issue or deny in seven business  
14 days. And so if there's a delay in corporate sending the  
15 check, if there's a delay in the mail in getting it to  
16 her, now we've just added a burden to her process because  
17 now she's got to deny it and then wait. It just -- so I  
18 guess, at least for the time being, until we see if  
19 there's any alternative ways to do it -- and none come to  
20 mind -- we'll just have to piggyback.

21 CHAIRMAN SAM BAIRD: We're still 50 percent  
22 there.

23 DEBRA BLAKE: Yeah, 50 percent there.

24 TERRY GLEESON: I think most people are  
25 anxious to get the state permit once they get all their

1 zoning permits.

2 DEBRA BLAKE: Oh, sure.

3 TERRY GLEESON: If they just send a check in  
4 ahead of time, and then do it online -- well, I guess if  
5 you sent it --

6 DEBRA BLAKE: There again, then we have to  
7 administratively, you know, every check that comes over  
8 the counter in the mail has to get receipted immediately.

9 TERRY GLEESON: And then you have to try to  
10 match it up with what --

11 CHAIRMAN SAM BAIRD: It's like for plan  
12 approvals.

13 DEBRA BLAKE: It is.

14 CHAIRMAN SAM BAIRD: We submit our plan  
15 approval with a check.

16 DEBRA BLAKE: Right.

17 CHAIRMAN SAM BAIRD: There it is. And I'm  
18 sure we all do that.

19 DEBRA BLAKE: Yes, everybody.

20 CHAIRMAN SAM BAIRD: Everybody does that.

21 DEBRA BLAKE: So -- so we only started with  
22 the manufactured housing permits. So we've got the FBB  
23 permits to do, special events. We have, you know, really  
24 one and a half IT people, and so right now they're on a  
25 different project, but they will come back to that. And

1 then we'll get the other types of permits through this  
2 process as well. So that's good.

3 My last update is Manufactured Housing  
4 Consensus Committee met in Washington, DC, last week.  
5 Highlights of the meeting were --

6 CHAIRMAN SAM BAIRD: You're on the  
7 committee?

8 DEBRA BLAKE: I am on the committee, yes.

9 CHAIRMAN SAM BAIRD: One of 21.

10 DEBRA BLAKE: I'm one of 21, and I chair the  
11 Regulatory Subcommittee.

12 Approval was given by the Committee for HUD  
13 on its proposal for multiunit residential buildings.  
14 Finally, the approval to update the Yellow Pine reference  
15 standard. That's been going on for what, Sam, ten years?

16 CHAIRMAN SAM BAIRD: Southeast.

17 DEBRA BLAKE: Yeah. And then HUD offered a  
18 couple of different SAA funding option proposals, which  
19 was sent to my committee, the Regulatory Committee, for  
20 review. And one would significantly cause most state  
21 agencies, including Arizona, to drop out of the federal  
22 program because half of our money would be gone.

23 CHAIRMAN SAM BAIRD: But the other one?

24 DEBRA BLAKE: But the other one, option B,  
25 which my committee will be looking at, really leaves

1 things the way they are, as well as incorporates some  
2 funding to some other state agencies who were basically  
3 getting no money. So not really ideal what we'd hoped  
4 for, for everybody to get some more money, but at least it  
5 won't cause any state agencies to drop out of the program.

6 CHAIRMAN SAM BAIRD: As of right now, we're  
7 status quo with the way it's been in the past --

8 DEBRA BLAKE: We are.

9 CHAIRMAN SAM BAIRD: And the changes would  
10 take effect --

11 DEBRA BLAKE: It depends. If they go to the  
12 subcommittee, then it's got to come back to committee as a  
13 whole to look at. I don't have any dates. They all --

14 CHAIRMAN SAM BAIRD: A year away, two years  
15 away?

16 DEBRA BLAKE: They all have to go through  
17 the federal register where they go through public comment,  
18 so I would say we're at least a year out.

19 CHAIRMAN SAM BAIRD: Gotcha.

20 DEBRA BLAKE: But at least it's moving. The  
21 next committee meeting is in January of 2016, and they're  
22 planning on doing it in conjunction with the Louisville,  
23 Kentucky, Home Show. So it's going to Louisville instead  
24 of Washington, DC. And that concludes my update.

25 CHAIRMAN SAM BAIRD: Good. Any questions of

1 the Department? No.

2 Financial report. Would you like a glass of  
3 water or something?

4 DEBRA BLAKE: No, I'm good. Were you  
5 talking to me?

6 CHAIRMAN SAM BAIRD: Yeah, I was.

7 DEBRA BLAKE: Would you like to go up to  
8 IV(a)?

9 CHAIRMAN SAM BAIRD: Did I miss something?

10 DEBRA BLAKE: Yes.

11 CHAIRMAN SAM BAIRD: Intergovernmental  
12 Agreement Audit Report.

13 DEBRA BLAKE: You may recall that one of the  
14 board members made a request at the last board meeting  
15 wanting to see an audit report. And so there is a tab in  
16 your book, and it begins on page 7, that provides some  
17 statistical information on page 7 telling you that as of  
18 June 2015, here's the agreements that were renewed. One  
19 with Flagstaff; terminated with Prescott. The fact that  
20 we have 61 cities and towns under agreement with us and 30  
21 without. Counties, 11 with us, four without. And the  
22 charts over on the right-hand side of that showing you  
23 that 67 percent of all cities and towns do have an IGA  
24 with us, and 73 percent of all counties do.

25 The other little piece of information, just

1 for your interest, for those IGAs reporting to us, the  
2 total number of permits that had been issued year-to-date:  
3 Manufactured homes, 665. And that would be for the  
4 calendar year, that ended June -- in June. And 28 FBB  
5 permits. And then the fees generated.

6 So the locals are getting \$151,000 in permit  
7 fees for doing that work on behalf of the state, as well  
8 as about 13,000 in FBB permits.

9 And then what begins on page 8, to the end  
10 of this tab, are some recent audit reports. And so  
11 beginning with the Town of Wickenburg, report format's  
12 pretty standardized. Identifies the outcome of the audit.  
13 The ones that say, "Note: No violation," it means that  
14 just in discussion, we learned that they're not in  
15 compliance or not doing things according to what they  
16 should be doing, but yet there wasn't a violation because  
17 they hadn't actually issued a permit. And so, for  
18 example, in the first one, they have a different fee  
19 structure set for commercial FBBs, which is in violation  
20 of the board's fee schedule. Now, they haven't actually  
21 charged it, but they need to change their policy.

22 So that's what they look like. They're  
23 usually a two-page document. And so Mike Muller, who is  
24 our IGA liaison, provided these few samples of the recent  
25 audits that he did I think pretty much in June. Yeah.

1                   CHAIRMAN SAM BAIRD: This is the guy that's  
2 no longer here?

3                   DEBRA BLAKE: No, he's here.

4                   CHAIRMAN SAM BAIRD: He's here. Just got to  
5 be sure.

6                   DEBRA BLAKE: He's in Tucson.

7                   CHAIRMAN SAM BAIRD: Gotcha.

8                   DEBRA BLAKE: No, this is our IGA liaison --

9                   CHAIRMAN SAM BAIRD: Not our --

10                  DEBRA BLAKE: -- which is different than our  
11 legislative liaison.

12                  So my question to Mr. Chairman and the board  
13 is, this was a onetime request to see these IGA. Do you  
14 want this continuing to you in every board meeting, or  
15 what's your pleasure?

16                  CHAIRMAN SAM BAIRD: Comments?

17                  TERRY GLEESON: I like it. It's nice to  
18 see.

19                  EVERETTE HOYLE: I don't think it's --  
20 Mr. Chairman --

21                  THE COURT REPORTER: Who's speaking, please?

22                  EVERETTE HOYLE: Everette.

23                  THE COURT REPORTER: Thank you.

24                  CHAIRMAN SAM BAIRD: Everette Hoyle.

25                  I'm sorry, Everette, would you restate?

1                   EVERETTE HOYLE:    Would I restate?   Yes.  
2   Mr. Chairman, my suggestion was that we don't necessarily  
3   need to get a copy of the letters, but if a -- a  
4   municipality drops out or adds, that we are included in  
5   that the following board meeting.

6                   DEBRA BLAKE:    So you would like the stats  
7   page but not the reports; is that what I'm hearing you  
8   say?

9                   EVERETTE HOYLE:    I -- I don't believe the  
10  reports are necessary.   Somebody may differ.

11                  DEBRA BLAKE:    Okay.

12                  CHAIRMAN SAM BAIRD:   He -- he did also say  
13  that if somebody dropped out of an IGA, or somebody joined  
14  as an IGA, that would be good information to add.

15                  DEBRA BLAKE:    And page 7 is what I'm calling  
16  the stats page, which would tell you that.

17                  CHAIRMAN SAM BAIRD:   Gotcha.

18                  DEBRA BLAKE:    Who renewed, who dropped out,  
19  if we had any new ones, who it would be.

20                  CHAIRMAN SAM BAIRD:   Here we go.   You've got  
21  Flagstaff as a -- and Prescott listed as a terminated.

22                  DEBRA BLAKE:    Right.   So is that page what  
23  you would like to see?

24                  EVERETTE HOYLE:    Yes.

25                  CHAIRMAN SAM BAIRD:   Terry mentioned that

1 too. Can we add that? Do we need to vote?

2 DEBRA BLAKE: Do we need a motion?

3 FRANKIE SHINN-ECKBERG: Yes.

4 DEBRA BLAKE: Yes.

5 CHAIRMAN SAM BAIRD: Terry?

6 TERRY GLEESON: I make a motion we add the  
7 IGA statistic.

8 CHAIRMAN SAM BAIRD: Statistic page to our  
9 month -- to our quarterly --

10 TERRY GLEESON: Quarterlies.

11 CHAIRMAN SAM BAIRD: Yes. A second, please.

12 EVERETTE HOYLE: I'll second that.

13 CHAIRMAN SAM BAIRD: Thank you. All in  
14 favor?

15 Opposed?

16 Motion passed.

17 DEBRA BLAKE: Mr. Chairman, would you like  
18 to move to financial reports?

19 CHAIRMAN SAM BAIRD: Would you, please.

20 DEBRA BLAKE: I would love to.

21 Okay. So under your tab marked Financial  
22 Reports, and again, Ayde does such a beautiful job on  
23 these booklets and keeping all of us organized. Thank  
24 you, Ayde.

25 AYDE SANCHEZ: You're welcome.

1           DEBRA BLAKE: So beginning on page 19 are  
2 the monthly financial reports since our last board  
3 meeting, which would be March, April, May, and June. I'm  
4 going to look at June only unless you have questions,  
5 comments --

6           CHAIRMAN SAM BAIRD: Please.

7           DEBRA BLAKE: -- about the others.

8           As you know, June is the end of our fiscal  
9 year. I will just complain for one brief minute. The  
10 State of Arizona put in a new accounting system. And so  
11 typically, as you recall, we always get what's called the  
12 thirteenth monthly report, which allows for adjustments.  
13 We're still waiting on that, and this is the end of  
14 August. So I don't know at this point in time if we're  
15 going to get a thirteenth month adjusted report or not.  
16 So, because I don't know that, for this -- for the  
17 purposes of this meeting, we're going to call the June  
18 report the end of the month -- the end of the fiscal year  
19 report.

20           CHAIRMAN SAM BAIRD: Yes.

21           DEBRA BLAKE: If that changes, I will let  
22 you know.

23           So, again, this report on page 26 is going  
24 to give you all the different revenues we have coming in,  
25 what the year-to-date totals were, the volumes. You can

1 see Plan Review is down a little bit this year-to-date  
2 compared to the prior year-to-date. And the money, of  
3 course, is down a little bit too.

4 Oh, I'm sorry. That would be FBB Plans are  
5 down a little. Money down a little. Manufactured  
6 housing, up slightly from 135 to 144; money up ever so  
7 slightly.

8 So you can look at that if you have not  
9 already looked at it. We're starting to see a few more  
10 salespeople, installers, dealers, apply for licenses. You  
11 can see under June, for just the month of June we had  
12 three new dealer licenses, 15 new salespeople, no new  
13 installers. And so a little bit of activity there.

14 The most notable thing on here is that based  
15 on the board's diligence and votes and review of fees for  
16 the prior year, we ended up with a proration of 99.5. So  
17 good job, Board. The goal is between 95 and 105, ultimate  
18 goal 100, so you ended up at 99.5.

19 So on the next page, 27, again you just see  
20 the stats. Production, again up in June from 146 to 188  
21 for manufactured homes. So we're seeing the trend of it  
22 rising. Installation, at the bottom of the page, appears  
23 to be down a little bit for mobile homes and manufactured  
24 homes, from 253 in 2014 to 244 for June of 2015.

25 I think overall for the year, we're going to

1 have an up because you see the months, most months were up  
2 in 2015, a couple were down. For the FBB manufacturers, a  
3 slight increase in June, but a huge decrease the month  
4 before.

5 And then your revenue breakdown on page 28,  
6 both for the month. And on page 29, the year-to-date.  
7 Again, nothing really unusual here. Manufactured home  
8 permits brought in 31.7 percent of the revenue. Renewed  
9 -- followed by renewed licenses, and so on and so forth.

10 Any questions on the financials? Comments,  
11 questions?

12 CHAIRMAN SAM BAIRD: No. Interesting.

13 DEBRA BLAKE: Mr. Chairman, would you like  
14 to move forward?

15 CHAIRMAN SAM BAIRD: Please. Recovery Fund.

16 DEBRA BLAKE: Recovery Fund, number VI.  
17 Again in your book, it's tabbed for you; it's on page 31.  
18 The balance is rising. We've had no claims that are  
19 pending, that are scheduled for hearing, or that we're  
20 aware of at this point in time. And so the new balance as  
21 of August 1st, 370,231. Slow and steady growth.

22 Beginning on page 32 are the complaints  
23 verified for the fiscal year. I think we've got a couple  
24 on the first page that have closed, a couple that are  
25 pending, some corrections still. And one out there, the

1 second one, the Gila Valley Mobile Home Service, we  
2 actually entered into a consent agreement with him, giving  
3 him some very specific time frames to get the work done,  
4 or for his license to be revoked. This complainant,  
5 Helton/Torres, has been waiting a long time, since October  
6 of last year, to get in their home and get their issues  
7 resolved. So hopefully that will light a fire.

8 Questions, comments?

9 CHAIRMAN SAM BAIRD: Questions? No?  
10 Fee Schedule.

11 DEBRA BLAKE: Fee Schedule, nothing's  
12 changed. It's just provided in your packet for your --  
13 your reference. The fees did go into effect July 1st, as  
14 you'll recall from the last meeting, which was the fee  
15 schedule meeting. The only adjustment made to the fee  
16 schedule was to add a -- a change on an installation  
17 permit under the administrative function fees on page 35.  
18 That is a new fee, and it's \$10 per change, or per item.  
19 So if there's two changes on a request, it's a \$20 fee.

20 Have you received a lot of those, Ayde?

21 AYDE SANCHEZ: I have been getting emails,  
22 so I email them, you know, what our new process is, along  
23 with the form that they have to fill out. We have been  
24 receiving some.

25 TERRY GLEESON: Yes. I did four of them

1 last week.

2 DEBRA BLAKE: I wasn't going to throw you  
3 under the bus, but if you want to throw yourself.

4 TERRY GLEESON: No, I -- well, and it was  
5 because -- I think it was because we're getting wrong  
6 information when we get our permits.

7 DEBRA BLAKE: I think part of it is just  
8 unavoidable. Yeah, it's unavoidable, so --

9 TERRY GLEESON: But I misunderstood that  
10 when we -- I thought it was \$10 per permit; I didn't know  
11 it was \$10 per item.

12 CHAIRMAN SAM BAIRD: Yeah, we discussed  
13 that.

14 TERRY GLEESON: Yeah.

15 DEBRA BLAKE: Yes, we did. So, anyway, I'm  
16 not sure that it's going to discourage changes, but at  
17 least it covers our cost for Ayde to have to stop and do  
18 that.

19 CHAIRMAN SAM BAIRD: That's where we came  
20 down when we talked about it last time, was on that.

21 TERRY GLEESON: Yes.

22 CHAIRMAN SAM BAIRD: It's her time for each  
23 one. So it's ten bucks.

24 TERRY GLEESON: Yeah, I mean, I think it's a  
25 good thing.

1                   CHAIRMAN SAM BAIRD: Good. All right.

2 Thank you very much --

3                   DEBRA BLAKE: You're welcome.

4                   CHAIRMAN SAM BAIRD: -- Ms. Blake.

5 Call to the public. We have one public.

6                   KNUTE KNUTSON: My name is Knute Knutson  
7 from Design Modulars. And, Mr. Chairman, I'll apologize  
8 for being late --

9                   CHAIRMAN SAM BAIRD: That's quite all right.

10                  KNUTE KNUTSON: -- and not getting in my  
11 form as to requesting to speak.

12                  I guess I don't understand, if there was, I  
13 missed it, if there was a process for the public to have  
14 input into the rule changes before they are voted in.

15                  DEBRA BLAKE: There is a process for the  
16 public to have comments. Here's how it works. If this  
17 rule package -- and that's a big I, big F -- if these rule  
18 recommendations are accepted by the governor's office,  
19 because there is still the governor's moratorium on  
20 rulemaking, so if we are given permission to move forward,  
21 then it goes through the Government's Regulatory Review  
22 Council, which is a very formal process. We would submit  
23 all of this, we have to give them financial justification,  
24 and so on. And then it gets published, and it's open for  
25 public comment. So that is your chance, as a public

1 member, at that point, to question it, argue with it,  
2 support it, whatever you want to do.

3 But the board -- the purpose of this meeting  
4 today is the board's statutorily authorized to adopt the  
5 rules. The Governor, through his executive order,  
6 required all state agencies to do a comprehensive review  
7 of all your rules and repeal, modify, correct. And so  
8 that's the process we have to go through. We then have to  
9 bring it to the board, who adopts them, and say, what do  
10 you like here, what do you don't like? To then give to  
11 the governor's office to say, okay, we agree, go forward  
12 with a rule change, which then gets to the public. So  
13 it's a long, drawn-out process, and you will have an  
14 opportunity if that helps answer your question.

15 KNUTE KNUTSON: I guess my comment would  
16 just be, before it went through that long, drawn-out  
17 process, if the stakeholders could have given you input,  
18 we didn't have a chance to really review this before the  
19 board voted on it to go to the legislature. That's just  
20 my comment.

21 DEBRA BLAKE: Well, it won't go to the  
22 legislature.

23 KNUTE KNUTSON: Well, wherever it goes. To  
24 the nice long, lengthy process you're talking about.

25 DEBRA BLAKE: Well, the information was sent

1 out to the manufactured housing industry, to their  
2 association.

3 KNUTE KNUTSON: I'm not in that association.

4 DEBRA BLAKE: I know you're not in that  
5 association.

6 KNUTE KNUTSON: Our association was not  
7 contacted.

8 DEBRA BLAKE: I'll have to verify if that's  
9 true or not.

10 KNUTE KNUTSON: It certainly isn't up on the  
11 website that says we are looking at rule changes.

12 DEBRA BLAKE: No, it is not. It is not open  
13 to the public at this point in time.

14 KNUTE KNUTSON: I guess that was my comment.

15 DEBRA BLAKE: Yes. But it will be open to  
16 the public at some point before any changes are made.

17 KNUTE KNUTSON: Okay.

18 DEBRA BLAKE: And I will make sure that it  
19 gets on our website, and it is published on the State's  
20 website, but it will be on ours as well, that it's open  
21 for public comments. And there's actually a hearing where  
22 you can come.

23 KNUTE KNUTSON: Thank you.

24 DEBRA BLAKE: You're welcome.

25 CHAIRMAN SAM BAIRD: Okay. Does anyone have

1 anything else they would like to say that we can't say  
2 because it's not on the agenda?

3 KNUTE KNUTSON: Can I add one more thing?

4 CHAIRMAN SAM BAIRD: Well, sure.

5 KNUTE KNUTSON: I applied for the board last  
6 November --

7 CHAIRMAN SAM BAIRD: We all did.

8 KNUTE KNUTSON: Okay. Then I guess I'm in  
9 the same boat.

10 CHAIRMAN SAM BAIRD: You're in the same  
11 boat.

12 KNUTE KNUTSON: Okay. And the reason I say  
13 that is, is because there's really no representation on  
14 the board by commercial dealers.

15 FRANKIE SHINN-ECKBERG: That's all in the  
16 hands of the governor's office.

17 KNUTE KNUTSON: I can make a comment. And I  
18 just wanted to add that, that -- that the votes made here,  
19 including the rules, did not have real representation of  
20 everybody in -- the stakeholders who are reviewed by the  
21 Department.

22 DEBRA BLAKE: Well, there is -- there is a  
23 position on the board that covers dealers, and it's all  
24 dealers. And then a couple of years ago, when we had an  
25 opportunity to bring some new board members on, we

1 specifically targeted the FBB industry because this board  
2 had traditionally been made up of pretty much HUD  
3 manufacturers in the HUD industry. And as a result of  
4 that, we got Joe --

5 TERRY GLEESON: And Everette.

6 CHAIRMAN SAM BAIRD: Everette.

7 DEBRA BLAKE: And Everette. Everette  
8 actually -- I don't have my chart with me -- I think  
9 Everette actually is in the position for the dealers, and  
10 Joe is in the position for manufacturers of FBBs. So I  
11 would say, actually, in the last two years is the first  
12 time since I've been with the agency that there has  
13 been -- I was going to say equitable, I'm not sure that's  
14 the right word -- but there's been representation on the  
15 board specifically from the modular industry.

16 And I'm not sure if we had talked about this  
17 before you got here, but what we talked about is there's  
18 been no activity by boards and commissions with appointing  
19 anyone. I am aware that there's a couple people that have  
20 applied whose names are out there, but I guess what is  
21 somewhat common when there's a new administration that  
22 comes in, they have a whole agenda of things that need to  
23 get done.

24 I've personally had a couple of  
25 conversations with Boards and Commissions, and what

1 they've told me is, you tell your current members, even if  
2 their terms have expired, they still should participate in  
3 the board until we make decisions about replacing them.  
4 So I'm sure your app is still out there; nothing's been  
5 done with anybody yet.

6 And, in fact, we had a bit of a challenge  
7 getting a quorum today because quite a few of our members  
8 have termed out, all but two, I think. But yet they all  
9 continue to -- to serve. So if that's encouraging, it's  
10 not personal, I assure you.

11 KNUTE KNUTSON: I didn't think, no.

12 DEBRA BLAKE: Nothing's been done --

13 KNUTE KNUTSON: That wasn't my concern. My  
14 concern is that there's no representation on the board by  
15 the commercial dealers. Everette is a -- a professional,  
16 but he's not a dealer, and he's not a manufacturer.

17 CHAIRMAN SAM BAIRD: I don't know what rules  
18 are in that regard.

19 DEBRA BLAKE: Well, you don't currently have  
20 to be a dealer. You have to have experience in that.

21 KNUTE KNUTSON: Mr. Chairman, I'm not  
22 suggesting a rule's being violated. I'm just suggesting  
23 that to have true representation, an actual dealer, who  
24 operate -- he's not -- he's a manufacturer.

25 (Simultaneous talking.)

1                   KNUTE KNUTSON: But If you look on the list  
2 of people --

3                   DEBRA BLAKE: He represents manufacturers.

4                   KNUTE KNUTSON: When you look on the list of  
5 people, there's someone who is a dealer representative.

6                   DEBRA BLAKE: But they -- my point, sir, is  
7 that they don't have to actively be a dealer; they have to  
8 have experience as a dealer in FBBs. And I believe that  
9 our current representative does have that. So he meets  
10 the qualifications. I think he's on the call.

11                   Did you want to speak to that, Everette?

12                   EVERETTE HOYLE: What's that?

13                   CHAIRMAN SAM BAIRD: I'm not sure it's  
14 appropriate, frankly.

15                   (Simultaneous talking.)

16                   CHAIRMAN SAM BAIRD: -- should be involved  
17 with the boards -- what do we call, the --

18                   DEBRA BLAKE: Boards and Commissions.

19                   CHAIRMAN SAM BAIRD: Boards and Commissions  
20 are the ones that do this. We don't select -- this body  
21 doesn't select --

22                   KNUTE KNUTSON: No, I didn't say --

23                   CHAIRMAN SAM BAIRD: They're the ones  
24 that --

25                   KNUTE KNUTSON: The point of my comment is

1 to have true representation on the board, and I'm sure  
2 that's what the Board of Commissions do, that there really  
3 is no dealer representative currently on the board.

4 CHAIRMAN SAM BAIRD: There really isn't.  
5 But, as law said, they may not have to. So --

6 KNUTE KNUTSON: It's not an objection; it's  
7 just a comment. That's what I'd like to say.

8 CHAIRMAN SAM BAIRD: Gotcha. Any other  
9 comments?

10 None?

11 (Simultaneous talking.)

12 TERRY GLEESON: I make a motion that we  
13 adjourn the meeting.

14 JOE HART: Same.

15 CHAIRMAN SAM BAIRD: All in favor of  
16 adjourning the meeting?

17 DEBRA BLAKE: What about -- I'm sorry.

18 CHAIRMAN SAM BAIRD: We didn't leave  
19 anything out.

20 DEBRA BLAKE: Number Ten, future meeting.

21 CHAIRMAN SAM BAIRD: Oh, sorry.

22 Future meetings as listed.

23 DEBRA BLAKE: Yes, it's listed for  
24 October 21st, but it's at the discretion of the chairman.  
25 So should we schedule it for the 21st?

1                   CHAIRMAN SAM BAIRD:  Instead of -- you mean  
2 because we just had this meeting?

3                   DEBRA BLAKE:  Or do you want to move it to  
4 November or --

5                   I think that would be appropriate to talk  
6 about it here because obviously for this meeting we had to  
7 make some last minute changes --

8                   CHAIRMAN SAM BAIRD:  We did.

9                   DEBRA BLAKE:  -- and it doesn't allow board  
10 members to really plan appropriately.  So do you want to  
11 hold for the October, do you want to do the third  
12 Wednesday in November?

13                  TERRY GLEESON:  You're getting close to  
14 Thanksgiving there.

15                  CHAIRMAN SAM BAIRD:  In my mind, when do we  
16 start looking at our -- that fee structure and expenses  
17 and all that?

18                  JOE HART:  April 15th.

19                  DEBRA BLAKE:  April 15th is your board  
20 meeting.  Typically, the first board meeting of the year,  
21 we used to do it January -- the first month of every  
22 quarter.  January, April, and so in January, we could  
23 begin those discussions.

24                  CHAIRMAN SAM BAIRD:  Don't we have to vote  
25 in April?

1 DEBRA BLAKE: In April, you have to vote.  
2 So the cycle is normally January, April, July, October.

3 CHAIRMAN SAM BAIRD: I see no reason to  
4 change it. Unless you've got a specific reason.

5 DEBRA BLAKE: No.

6 CHAIRMAN SAM BAIRD: We got behind this time  
7 because of whatever. Let's get caught up and leave it  
8 alone. Is that okay?

9 DEBRA BLAKE: Okay. The next meeting for  
10 planning purposes, October 21st.

11 CHAIRMAN SAM BAIRD: Make sure you send out  
12 an email.

13 DEBRA BLAKE: That would be Ayde. She does  
14 a good job.

15 CHAIRMAN SAM BAIRD: Ayde, please, make sure  
16 you -- you copy everyone. Thank you.

17 One comment. Guys, we can't reply all to  
18 any email. It's just the law. If you come back, just go  
19 to individual. Pick out who you want to talk to or pick  
20 them all out, that's fine. We can talk one-to-one; we  
21 can't talk as a group.

22 FRANKIE SHINN-ECKBERG: If there's an  
23 accidental quorum, you're basically holding a meeting so  
24 --

25 JOE HART: Timeout. I'm sorry. So I could

1 talk to you, and I could talk to you.

2 CHAIRMAN SAM BAIRD: You can talk to both of  
3 us.

4 JOE HART: But you can't talk to all.

5 CHAIRMAN SAM BAIRD: Can't talk to more than  
6 five.

7 (Simultaneous talking.)

8 DEBRA BLAKE: It has to be published to the  
9 public, let them know there's going to be a meeting so  
10 they can --

11 FRANKIE SHINN-ECKBERG: And as a general  
12 rule, if it's an issue that's going to get voted on by  
13 this board, I would generally advise you not to discuss  
14 those matters outside of the meeting. Because  
15 there's also an issue of influencing one another into a  
16 decision prior to having an open meeting and open  
17 discussion about making a decision. So if Debra sends out  
18 a notice, just, you know, is anyone available for  
19 something, don't hit reply all; that constitutes a  
20 meeting.

21 CHAIRMAN SAM BAIRD: Don't hit reply all.  
22 Just go back to her or Ayde. That's all.

23 TERRY GLEESON: If you ask if we're  
24 attending a meeting, don't send it back --

25 FRANKIE SHINN-ECKBERG: Just respond just to

1 Ayde --

2 TERRY GLEESON: I'm probably guilty of that.

3 JOE HART: So when I responded to you, and  
4 you said to bring these up today, I shouldn't bring those  
5 up, I should just bring them in here and we'll chitchat  
6 about them.

7 DEBRA BLAKE: That was fine what you did  
8 today. And I didn't know if you were sending them to me  
9 because you weren't planning on being here and you wanted  
10 me to submit them on your behalf.

11 FRANKIE SHINN-ECKBERG: If you have anything  
12 that needs to be distributed, you can just send it to your  
13 director, Ayde, and then they'll send it to everybody on  
14 the board because they're not breaking anything by --

15 DEBRA BLAKE: No, that email was fine. And  
16 then when I -- when I responded to you, you know, bring it  
17 with you, so had you not been here, I would have submitted  
18 it for you. So that was fine. You just can't send it to  
19 everybody because then that's a meeting. Okay.

20 JOE HART: Did we -- we green-lighted these  
21 rules?

22 CHAIRMAN SAM BAIRD: We -- we did. But all  
23 that means is now they're going to put them all together  
24 and submit them to the governor's office.

25 DEBRA BLAKE: Yeah, they have to be

1 submitted next Monday.

2 CHAIRMAN SAM BAIRD: But as we talked about,  
3 Joe, during all these things, most of these things are  
4 already there. I don't think there's anything new that  
5 we're not already -- that the department's not already --

6 DEBRA BLAKE: Well, there were new things we  
7 did that I summarized in the email when I sent them to you  
8 for review, were -- the significant things were letting  
9 our licensee do the small commercial projects.

10 CHAIRMAN SAM BAIRD: Are they able to do  
11 that now?

12 DEBRA BLAKE: No.

13 CHAIRMAN SAM BAIRD: Not until the rule's  
14 changed.

15 JOE HART: That could take forever.

16 DEBRA BLAKE: It could take six months at  
17 least. After the Governor says yay or nay. And the other  
18 one was --

19 What was it, Terry? There were a couple  
20 things for installers.

21 CHAIRMAN SAM BAIRD: There were two.

22 AYDE SANCHEZ: Relevels.

23 DEBRA BLAKE: Repairs and -- yeah.

24 CHAIRMAN SAM BAIRD: Allowing you to do  
25 that.

1                   TERRY GLEESON: And allowing a licensee to  
2 subcontract out the scope of their license. As long as  
3 they --

4                   JOE HART: That makes sense.

5                   CHAIRMAN SAM BAIRD: It all makes sense.  
6 So, but until it gets changed -- it may not get changed.

7                   DEBRA BLAKE: It may not get changed, and so  
8 don't spread the word because people would be in violation  
9 of current law if they do it.

10                  JOE HART: So it goes -- Monday it goes in.

11                  DEBRA BLAKE: Monday it goes to the  
12 governor's office.

13                  JOE HART: And then they do something with  
14 it. And then they're going to open this to the public?

15                  DEBRA BLAKE: No. They're -- they're going  
16 to get back to -- this is my understanding of it. They'll  
17 get back to this agency and say, we're approving you to  
18 move forward with a formal rule review. We're giving you  
19 exception to the moratorium. Then starts the formal  
20 process, and public notice, and comments, and hearing, and  
21 all of that.

22                  They may come back and say, I only want you  
23 to repeal the items that you are saying you're going to  
24 repeal, and don't do anything else.

25                  JOE HART: Could we request that we be

1 notified of that?

2 DEBRA BLAKE: And you will. Yeah, you will.  
3 Because you as a body adopt rules. And so once we get  
4 feedback, then obviously, I would send that out. And as  
5 Sam cautioned, if you're going to say yay, or I hate that,  
6 only tell me that. Or Ayde. Don't tell everybody what  
7 you think about it, okay. No comments back.

8 And then if we need to hold another  
9 impromptu meeting, and my guess is we have enough time at  
10 our October meeting to have that discussion. Government  
11 doesn't move that quickly normally. So, but if I hear  
12 anything before that, I'll certainly let you know in  
13 email.

14 JOE HART: Great.

15 DEBRA BLAKE: So now the adjournment.

16 CHAIRMAN SAM BAIRD: The meeting is  
17 adjourned. We already voted.

18 DEBRA BLAKE: Yeah. Okay.

19 CHAIRMAN SAM BAIRD: Do you want to vote  
20 again?

21 FRANKIE SHINN-ECKBERG: You're okay.

22 CHAIRMAN SAM BAIRD: Thanks, Everette.  
23 Thanks, Zeek. Thanks, Paul.

24 (The meeting concluded at 3:00 p.m.)

25

1 STATE OF ARIZONA )  
 ) ss.  
 2 COUNTY OF MARICOPA )

3 BE IT KNOWN that the foregoing proceedings were  
 4 taken before me; that the witness before testifying was  
 5 duly sworn by me to testify to the whole truth; that the  
 6 foregoing pages are a full, true, and accurate record of  
 7 the proceedings, all done to the best of my skill and  
 8 ability; that the proceedings were taken down by me in  
 9 shorthand and thereafter reduced to print under my  
 10 direction.

11 I CERTIFY that I am in no way related to any of  
 12 the parties hereto, nor am I in any way interested in the  
 13 outcome hereof.

14 [X] Review and signature not required.

15 I CERTIFY that I have complied with the ethical  
 16 obligations set forth in ACJA 7-206(F)(3) and ACJA 7-206  
 17 J(1)(g)(1) and (2).

18 Dated at Phoenix, Arizona, this 3rd day of  
 19 September, 2015.

20 \_\_\_\_\_  
 21 KRISTEN L. WUNSCH, RPR  
 22 Certified Reporter  
 23 Arizona CR No. 50719

24 \* \* \* \* \*

25 I CERTIFY that GRIFFIN & ASSOCIATES, LLC, has  
 26 complied with the ethical obligations set forth in ACJA  
 27 7-206 (J)(1)(g)(1) through (6).

28 \_\_\_\_\_  
 29 GRIFFIN & ASSOCIATES, LLC  
 30 Registered Reporting Firm  
 31 Arizona RRF No. R1005