

In The Matter Of:
Arizona Department of Fire, Building and Life Safety

Reporter's Transcript of Proceedings
January 15, 2014

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ARIZONA DEPARTMENT OF FIRE, BUILDING AND LIFE SAFETY

REPORTER'S TRANSCRIPT OF PROCEEDINGS

Phoenix, Arizona
January 15, 2014
1:00 p.m.

Reported by:
JENNIFER HANSSEN, RPR
Certified Reporter No. 50165

PREPARED FOR:
ARIZONA DEPARTMENT OF FIRE, BUILDING
AND LIFE SAFETY

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1 REPORTER'S TRANSCRIPT OF PROCEEDINGS was
2 taken on January 15, 2014, commencing at 1:00 p.m. at
3 the State of Arizona Department of Fire, Building and
4 Life Safety, 1110 West Washington, Room 3100B,
5 Phoenix, Arizona before JENNIFER HANSSEN, RPR, a
6 Certified Reporter in the State of Arizona.

7
8 **BOARD MEMBERS:**

9 Mr. Sam Baird, Chair
10 Mr. Terry Gleeson
11 Mr. Neal Haney
12 Mr. Joe Hart
13 Mr. Everette Hoyle
14 Mr. Zeek Ojeh

15 **ALSO PRESENT:**

16 Mr. Ken Anderson, Arizona Housing Association
17 Ms. Debra Blake, Deputy Director
18 Ms. Mary Ann Knight, Deputy Director
19 Mr. Gene Palma
20 Ms. Ayde Marquez, Department Secretary
21 Ms. Mary Williams
22 Mr. Tom Frederick
23 Mr. Knute Knutson
24 Ms. Marci Mitchell
25 Mr. Rocco Tibero
 Mr. Dave Arfin
 Mr. Robert Gomez

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

MR. BAIRD: I want to call to order a meeting of the Board of Manufactured Housing, Wednesday, January 15th, 2014 at 1:00 p.m. May we have a roll call, please.

MS. MARQUEZ: Sam Baird?

MR. BAIRD: Here.

MS. MARQUEZ: Arthur Chick? He's out sick today. Paul DiSanctis? Absent. Terry Gleeson?

MR. GLEESON: Here.

MS. MARQUEZ: Neal Haney?

MR. HANEY: Here.

MS. MARQUEZ: Joe Hart?

MR. HART: Here.

MS. MARQUEZ: Everett Hoyle?

MR. HOYLE: Here.

MS. MARQUEZ: Zeek Ojeh?

MR. OJEH: Here.

MS. MARQUEZ: Gene Palma?

MR. PALMA: Here.

MS. MARQUEZ: Debra Blake?

MS. BLAKE: Here.

MS. MARQUEZ. That's it.

MR. BAIRD: Everyone had a chance to

1 review the transcripts and minutes of our
2 July 17th, 2013 meeting?

3 MR. GLEESON: Yes.

4 MR. BAIRD: Any questions on that
5 anyone? I have none myself. Chair would entertain a
6 motion to accept them.

7 MR. OJEH: So moved.

8 MR. GLEESON: I second.

9 MR. BAIRD: All in favor.

10 (Chorus of ayes.)

11 MR. BAIRD: Opposed? None. All right.

12 Our favorite part of the meeting is to
13 listen to Debra tell us what's going on. State of the
14 State and the Department.

15 MS. BLAKE: Ooh, state of the State.
16 Okay, we have more items to talk about than typical
17 because we hadn't met since July of last year, but I
18 will go through the topics with you.

19 So the first thing I want to share with
20 you is legislative update information. So the 52nd
21 legislative session was held this last Monday at the
22 Governor's office which was the official first day of
23 the session. Of course the end of the session is
24 always anyone's guess but typically it would run
25 through at least May 1st.

1 The bills that I'm aware of that would be
2 of interest to all of you is AMHO is dropping two bills
3 that I'm aware of at this point. The first one was at
4 the Department's suggestion which increases the current
5 \$1,000 amount available from the relocation fund to
6 assist in the rehabilitation of a mobile home to
7 \$1500.

8 And the purpose for this was the closure
9 of the park, Sunset Mobile Home Park in Tucson. There
10 were several very old mobile homes there that required
11 being rehabilitated according to State law before they
12 could be moved.

13 The contractor that helped them meet
14 those rehabilitation requirements submitted bills to us
15 to show us that the cost of replacing one bedroom
16 window to make an egress was \$400 just for the window.
17 And so typically minimum of two bedrooms, the cost was
18 anywhere from 12 to \$1400 and so AMHO seeks to increase
19 that so that there's no out of pocket for a tenant that
20 needs to have their home rehabilitated.

21 Now keep in mind that this is not a
22 blanket funding amount for all owners of mobile homes
23 because the homeowner has to meet the financial
24 threshold to qualify which is basically at the poverty
25 level, so you're looking at most people that are

1 retired are very low income could get that assistance,
2 but if their available funds exceed that annual poverty
3 level, then they are not eligible to receive that
4 assistance. So that's the one that they're looking at.

5 The second one they're looking at is to
6 correct some language in some of the statutes that
7 address relocation. Currently most of those specific
8 sections state language about how relocation payments
9 are to be made or paid by the Department and most of
10 them reference that it's based on the Department's
11 rule.

12 There currently are no rules in place,
13 nor to my knowledge there ever have been, and Neal
14 would be a better point of reference to that than I am,
15 that support the Landlord/Tenant Act and so rather than
16 go through a lengthy formal rule process, what AMHO has
17 proposed is that the relocation payment process would
18 be based on the rules or the Department's written
19 policy or procedure which is how it's done today.

20 MR. BAIRD: Excuse me, Debra. Did you
21 mention the State was joining with AMHO on the first
22 thousand to 1500? Does that mean you're not joining
23 with them on this one as well or you are?

24 MS. BLAKE: We just received them and
25 we've looked at them. We suggested or made available

1 to them the issue that we've seen with the
2 rehabilitation money threshold, it's certainly up to
3 them whether or not they want to take it forward.

4 But we have looked at that, there was
5 nothing in there that we had any concern about. So if
6 they want to move forward with it, we wouldn't have any
7 opposition to it.

8 MR. BAIRD: Thank you.

9 MS. BLAKE: Same on the second one, we
10 can go either way on it, but if the language stays the
11 same, then we have to go through the governor's
12 regulatory review process which is very formal, can
13 take at least six months to get a rule developed and
14 approved, when there appears to be a process that's
15 working just as well today which is a written policy.

16 Any more questions about that one?

17 MR. BAIRD: Thank you.

18 MR. HANEY: We did have some discussions
19 with AMHO about this and I guess my question would be
20 it kind of gives the Department latitude to change its
21 written policy without any review or approval from
22 anybody else?

23 MS. BLAKE: Yes.

24 MR. HANEY: I guess almost everything
25 that we have in the industry there's a written policy

1 that if it's got to be changed, then there's some
2 review by somebody, either this board or Legislature or
3 somebody, whereas this would kind of, you know, next
4 year if you're gone or Gene's gone, somebody says I
5 don't like that, I'm going to change it, it could be
6 changed without any review. I guess that's the only
7 objection I would have to that.

8 MS. BLAKE: The Department can't change
9 the dollar amount.

10 MR. HANEY: No.

11 MS. BLAKE: That's set in statute.

12 MR. HANEY: That part I'm not talking
13 about, I'm talking about --

14 MS. BLAKE: The practice of how it's
15 paid.

16 MR. HANEY: Right, how you're paying it.
17 In other words it's not codified anywhere --

18 MS. BLAKE: Right.

19 MR. HANEY: -- that this is how it's
20 going to be done and it could be changed next year,
21 next month, three years from now without any review or
22 approval by anybody or any oversight of any kind.

23 MR. BAIRD: Excuse me. There are no
24 written rules right now.

25 MR. HANEY: Right now there's not.

1 MS. BLAKE: There are no rules, there is
2 a written practice as how the Department pays it, I can
3 tell you that. I mean I've been here seven years, it's
4 changed once.

5 MR. HANEY: Right.

6 MS. BLAKE: It changed in 2008. I would
7 have to verify by looking back through Board records.
8 The Department doesn't take lightly when it changes
9 policies and practices. The reason we changed it back
10 then was for the good of the homeowners and the good of
11 our licensees.

12 Let me explain that. In the past what
13 had happened is the money was paid directly to the
14 homeowner years ago, then at some point the money was
15 paid in the names of both the installer who did the
16 reinstallation and the homeowner.

17 Well, that was somewhat problematic and
18 the reason it was problematic was because we had a
19 large park that closed and an installer contracted with
20 all of these homeowners to move their home and he moved
21 them. I mean literally every day he's moving homes to
22 their new locations.

23 But he didn't set them up because at that
24 time we would issue the check to the homeowner and the
25 installer, the homeowner just wants to get in their

1 home so they sign it off, installer signs off, gets his
2 money and then there's no motivation for him to
3 complete the work and so homeowners ended up being
4 displaced either with family or hotels for two, three,
5 four months so we said okay, we have to fix this.

6 So we did change it, I'd have to look
7 again to see who we discussed it with, but thought,
8 okay, to protect everybody's interest we will only pay
9 the installer and we will pay the installer once he has
10 submitted documented evidence to the Department that
11 the utilities have been energized. Those don't get
12 energized until they're inspected by us or the local
13 jurisdiction and the home is ready to move into at that
14 point. That's worked really well.

15 But to your point --

16 MR. HANEY: What I guess I'm getting at
17 is people change, staff changes, somebody comes up two
18 years from now who's a homeowner, says, hey, listen,
19 I'm the one who paid into the fund, I'm the one who
20 should have the final say on it, I want the check
21 written to me.

22 And it has a sympathetic ear, there's
23 nobody reviewing it necessarily. I mean they may but
24 there's nothing that says it must be reviewed before
25 that kind of a change can be made.

1 MS. BLAKE: Well, I would say through
2 your conversations, and when you said "we," just for
3 the record that's Manufactured Housing Communities of
4 Arizona who's the other stakeholder for the parks,
5 through your negotiation with them, the Department
6 doesn't decide these.

7 MR. HANEY: Right, I understand that.

8 MS. BLAKE: We provide feedback.

9 MR. HANEY: I'm just throwing that out as
10 information. You said you just looked at it, here's
11 some things for you to consider. If your opinion is to
12 ask at the Legislature of things that, you know, might
13 be long-term beneficial to ensuring that if there's
14 changes made that they would be in the best interest of
15 all parties involved.

16 MR. PALMA: Just to shed some light on
17 this, Chairman, Neal, by virtue of the Department's
18 relationship with General Accounting office, an
19 agreement we have for them to do our accounting, they
20 have to meet, the acronym is GAAP, General
21 Accounting --

22 MR. OJEH: Generally Accepted Accounting
23 Principles.

24 MR. PALMA: There you go. So all
25 transactions are always reviewed by them. In fact we

1 just recently went through this audit, not this
2 particular procedure but other ones, they wanted to
3 know what documentation do you ask for, where do you
4 store it, how long do you store it for.

5 So there is somebody reviewing the
6 procedures, it's just not a policy decision that Debra
7 makes or I myself makes, those are guidelines that have
8 to be followed by the State itself.

9 MR. HANEY: Right, I understand that in
10 those kind of audit procedures, but primarily an audit
11 when they do that is saying you do have to have
12 invoices, receipts, whatever, you have to document why
13 you paid it according to your procedures that you've
14 set. What I'm saying is those procedures could change,
15 the audit could still proceed and be okay even though
16 not all parties are left protected in the case of a
17 payout on a relo.

18 The way you're doing it now all parties
19 are protected, nobody gets paid until the final
20 inspection and the home is move-in ready and that's
21 fair. The mover/installer is guaranteed his money, the
22 homeowner is guaranteed that they have a home ready to
23 move into, all those things are good, but next year,
24 two years, three years from now somebody makes the
25 argument, convinces somebody that that's not the best

1 procedure and they change it.

2 You still would meet your audit
3 requirements because you're still following whatever
4 procedure that is now, but not necessarily in the best
5 interest of all parties concerned.

6 MR. BAIRD: Debra, what would be the
7 protocol that's existing now for a change in this
8 process to be made?

9 MS. BLAKE: Well, are you talking about
10 dropping the bill and having conversations with changes
11 to it?

12 MR. BAIRD: As I understood what Neal was
13 saying, he was concerned about a change in personnel or
14 a change in feelings toward the issue that the
15 Department could just change the process and I was
16 questioning what is the protocol for a change in a
17 process such as this?

18 MS. BLAKE: Well, typically the
19 Department's process steps and procedures are
20 established internally, which is Neal's point, and so
21 we don't normally reach out because it's our process so
22 we can meet our statutory obligations. So unless the
23 Board has specific oversight, it's in the scope of
24 their responsibilities which this would not be because
25 the Board has no responsibility towards the

1 Landlord/Tenant Act which is really what this is all
2 about.

3 So the only way to I guess ensure that
4 it's all written down and no change can be made unless
5 it goes through a review is to create a rule and go
6 through the regulatory review process.

7 MR. HANEY: Or put the process, the
8 current procedure, as part of the statute and that way
9 if they want to change the procedure, then they would
10 have to go to the Legislature at least and change the
11 statute.

12 MS. BLAKE: You can do that. Typically
13 that detail level of how you accomplish compliance with
14 the statute is through rule and so we're back to that,
15 but there's many ways you can do it.

16 MR. HANEY: Okay. I just throw that out
17 not because I don't like you or Gene or Ayde or anybody
18 else, but I just have a general distrust of government
19 and you may not be here in three years, you know, I may
20 not be here in three years.

21 MS. BLAKE: I understand your concern and
22 typically the protocol is when there's this kind of a
23 discussion about a bill, all of the directly involved
24 stakeholders, which is typically the Department because
25 we have some responsibility, AMHO whose members are

1 homeowners that live in parks, and MHCA who are the
2 parks, park owners, typically AMHO would get with MHCA
3 and say here's what we're saying, there would be a
4 conversation, they would come to terms.

5 So there's not a lot of challenge I guess
6 when it gets to the point of being on the floor where
7 people are voting on it and discussing it. So I'm not
8 sure where you're at in that process and --

9 MR. HANEY: We did meet with AMHO but the
10 information we were given isn't probably as detailed as
11 what you've given us today.

12 MS. BLAKE: Okay.

13 MR. HANEY: So maybe I'll have Susan
14 contact Art. Is Art still president?

15 MS. BLAKE: No, Richard Zettlemyer I
16 think is president now. I can forward that to you
17 because it's a draft, but it's a public record if it's
18 a proposed bill and so let me make a note.

19 Anyone else would like it? Do you want
20 it to come to the whole Board, would you want -- Neal,
21 you have primary interest in it. Is there anyone else
22 on the Board that would like to receive that via
23 e-mail? Okay. So I will --

24 MR. HANEY: Nobody else does, that's
25 fine.

1 MR. BAIRD: You have a direct interest.

2 MS. BLAKE: Just to you, Neal, or do you
3 want it to go to Susan Brenton as well or you want to
4 disseminate it?

5 MR. HANEY: I can get it to Susan and our
6 legislative committee.

7 MS. BLAKE: Okay, thank you.

8 The other legislative update is MHCA that
9 Neal's associated with is dropping a bill on
10 abandonment of mobile homes and parks. The Department
11 just received a copy from AMHO's lobbyist on MHCA's
12 proposed changes and literally we just received it so
13 we will be looking at it, analyzing what, if any,
14 impact it has to the Department and provide feedback.
15 That's everything on the legislative update section.

16 Board changes. I think most of you are
17 aware John Dingeman who was the newest board member had
18 to resign, he accepted a new position and is relocating
19 out of state, so that means that there is an open
20 public seat on the Board. The information has been
21 posted on our website along with a link to information
22 on how to apply with Boards and Commissions.

23 As of yesterday when I reviewed the
24 Boards and Commissions' website, if you look under
25 Boards With Vacant Openings we're not listed, but I do

1 know Boards and Commissions is aware of the vacancy,
2 their website just hasn't been updated to this point.
3 So if you know people, again it's a public seat,
4 someone that has some vested interest in what goes on
5 in the industry, so spread the word if you know of
6 anyone.

7 Department staff changes. Georgina Marin
8 left her position with the Department. She acted as
9 our intergovernmental liaison and that is those local
10 jurisdictions which we have contractual agreements with
11 to perform installation inspections on our behalf.
12 Georgina had recently completed her Master's degree in
13 Emergency Management and was seeking something where
14 she could utilize that education and she did go to work
15 with Maricopa County. So we will miss her. She was
16 instrumental in really getting some structure around
17 the processes for reporting and accountability for our
18 partners, so we appreciate that.

19 The good news is that this week we
20 offered an internal promotion to Mike Mueller who is
21 our installation inspector in Tucson and for the
22 southern region of Arizona, he accepted it and it will
23 be effective next Monday.

24 Mike brings the critical technical
25 knowledge for field installation work that we do need

1 and this will allow him to really focus on mentoring
2 and training local jurisdictions and inspectors to
3 ensure the appropriate installations throughout
4 Arizona. And Mike also recently earned his
5 International Code Counsel certification as a
6 residential building inspector so that's a huge
7 accomplishment.

8 Other changes of interest to the Board --

9 MR. GLEESON: I have a question, who's
10 going to take over the position in Tucson as an
11 inspector?

12 MS. BLAKE: We'll have to post for it and
13 fill it. Mike will be covering it in the short term so
14 he'll be doing kind of half days getting up to speed
15 with IGA practice and half days covering inspections.

16 Expedited plan review. As you all know
17 and voted and approved, we had implemented that
18 expedited plan review service effective last July and
19 it was widely used. We were quite surprised. We knew
20 the manufacturers would want to use it, but because of
21 double the cost, as you remember, but basically those
22 that were using it were dealers, installers and so it
23 worked really well.

24 We didn't have any incident where we
25 didn't meet our seven-day turnaround time. We did

1 contract with a third party to do some very in-depth
2 complex buildings for us, but we were able to meet
3 that. However, the update is we've suspended the
4 program temporarily.

5 Why you might ask, Patti has gotten her
6 service levels down because plans coming in have slowed
7 to where she can meet that within seven days, so in
8 early November we made notice that we were temporarily
9 suspending it. It didn't seem appropriate to take
10 double the fee when we knew we could turn it around in
11 the seven days that the expedited plan offered. As of
12 today we are still at that seven-day turnaround time.

13 But we didn't do away with the program so
14 at any point the forms are still on the website, we can
15 implement it, you know, same day if the need arises.

16 MR. BAIRD: Your relationships with the
17 third-party vendors you're using is ongoing?

18 MS. BLAKE: It is ongoing although
19 currently we're not sending them anything, we can't pay
20 them unless we have the extra fee. But they're aware
21 of the situation and they are available to help us when
22 that turns around again.

23 MR. OJEH: Kudos to the staff.

24 MS. BLAKE: Yes, Patti does a great job.
25 Thank you. I will pass that on to her.

1 MR. GLEESON: Are they improving on their
2 corrections, is that why she's able to keep up?

3 MS. BLAKE: No.

4 MR. GLEESON: Okay.

5 MS. BLAKE: No. Well, let me qualify
6 it. I would say the last month before we suspended it
7 we saw a shift from about 67 percent error rate down to
8 45. Now whether that was reflective of a trend or just
9 a one month occurrence there wasn't enough time to
10 really be able to measure it, but from July through
11 September the trend didn't improve, but we're still
12 hopeful that it will.

13 We talked at the last Board meeting about
14 the errors and omissions insurance and I am tasked with
15 researching it with the Board of Technical
16 Registration, and I did speak with Deputy Director
17 Melissa Cornelius who verified that only her home
18 inspector registrants, that's a new statute that got
19 put into place a year or two ago where the home
20 inspectors, they have to have the E&O insurance, but
21 all of their architects, engineers, all of the rest of
22 their licensees are not required to do any of that. So
23 that's what I know about that. We don't have it
24 agendized today, but if the Board wants to discuss it
25 further, then we can agendize it for a future meeting.

1 The Department was selected, kudos to my
2 staff, as one of three state IPIAs throughout the
3 country, in-plant inspection agencies, which is a
4 designation that states are given by HUD when you meet
5 certain criteria to participate in joint monitoring
6 teams.

7 Sam will recall that this was the
8 practice of Housing and Urban Development for many
9 years where it brought other states or properly
10 certified people into the mix of being the auditor for
11 the IPIA in the manufacturing plants. So we were asked
12 to do that which shows that they have a great deal of
13 confidence in what we do in the plants and so that's
14 good news for us.

15 MR. BAIRD: Who were the other two plants
16 or two states?

17 MS. BLAKE: They did not disclose that to
18 me but I can ask. The first meeting is going to take
19 place in Virginia with Institute of Building and
20 Technology, IBTS, sometime in February so we'll know
21 more information at that point.

22 Arizona Housing Association has requested
23 to meet with the Department quarterly to discuss issues
24 or topics impacting the industry and we welcome that
25 opportunity and our first meeting with them is actually

1 scheduled for next week.

2 Next item appears to be a significant
3 increase in illegal installation activity primarily
4 with commercial leased FBBs. Department staff has
5 initiated an investigation and I simply don't know how
6 long that investigation is going to take, but we have
7 significant information already gathered.

8 MR. BAIRD: Excuse me, Debra, when did
9 the investigation start?

10 MS. BLAKE: Well, the actual
11 investigation started about two months ago. The first
12 incident that came to our attention was back in July
13 and this illegal installation resulted in a notice tag,
14 a red tag if you will, being placed on the building
15 because there were no State-approved plans and there
16 was no permit for the installation and yet the building
17 was underway being installed.

18 A couple of months later or the next
19 month same entities involved, same situation, the
20 Department reacted again by red tagging it. To date
21 I'm aware of about eight now.

22 MR. BAIRD: Eight red tags?

23 MS. BLAKE: Eight red tags for the same
24 dealer, the same installer, so I guess that's what
25 really initiated the investigation to go forward.

1 MR. BAIRD: Got you.

2 MS. BLAKE: Just a quick update on the
3 proration of revenue to expenses. In a few minutes
4 you're going to look at the financial reports, and you
5 may have already looked at the electronic packet that
6 was sent. One of the reasons why the Department
7 doesn't report that proration number, those of you who
8 have been on the Board for a while know we used to
9 report it monthly, it's like a roller coaster because,
10 again, we've talked about it so many times, the way the
11 State's accounting process works it's not I pay all of
12 these same bills every month, I get all of the same
13 revenue and so some bills are front-loaded, some are
14 paid quarterly, so it just -- it doesn't make a clear
15 picture.

16 But what I did for you at this point just
17 to give you a sense I looked at the revenue and
18 expenses from July 1st through end of October and we
19 were at 98.6 percent, so congratulations to all of you
20 for making that decision. You recall we have to be
21 within 95 to 105.

22 The impacts to that revenue stream were
23 the permit increase that you approved that went into
24 effect last July, the increased revenue from the
25 expedited plan review fee, and ROC contractors'

1 requirement to attend installation training as a
2 precursor to allow them to purchase installation
3 certificates which are required by law. So we have a
4 lot of them coming to training, I think they've learned
5 a lot, but they pay the fee to come and so we've had
6 some additional revenue there.

7 Almost done through the section. Thank
8 you for bearing with me.

9 MR. BAIRD: You also controlled expenses
10 very well during the year.

11 MS. BLAKE: Yes.

12 MR. BAIRD: There's another side to that,
13 there's an income and expenses, they both have to work
14 together.

15 MS. BLAKE: Yes, absolutely. Thank you
16 for bringing that up. Manufactured Housing Consensus
17 Committee which is HUD's advisory committee is going to
18 be addressing several topics this calendar year
19 hopefully including creating an IPIA, there's that word
20 again, an IPIA subcommittee which will be part of the
21 advisory committee's technical committee.

22 Manny Santana who's Cavco's corporate
23 director of engineering is on that committee. Yours
24 truly is also on that advisory board and I would be
25 participating on the IPIA subcommittee so hopefully we

1 can make some significant changes there.

2 Old news, most of you may have already
3 heard this, I don't think I presented it at a Board
4 meeting previously with confirmation, but the
5 Chariot Eagle plant in Arizona did close effective
6 October 11th, 2013. Their prior production was
7 park models; however, they were certified through us to
8 produce HUD homes but they did so at the rate of about
9 one every three months or so. So they weren't a big
10 HUD producer but they were a big park model producer
11 but they're completely out of business now.

12 The rule packet update for you there. As
13 you all know there's been a governor's moratorium for
14 the past few years against creating any rules unless
15 there was some Federal or dire reason to do so. As you
16 know our rules need updated. There are several issues
17 like with setting homes in flood prone areas that we
18 need to address. I'm meeting with staff this month and
19 we've all gone through our individual sections of rules
20 to come up with proposed changes to them so I will
21 obviously be bringing that back to the Board when we've
22 completed that draft process for the Board to look at.

23 Training. Since the last Board meeting
24 all of the regularly scheduled annual installation
25 training sessions were held throughout the state and at

1 Arizona Housing Association's annual convention. Where
2 we're at with that right now is makeup sessions. This
3 is for licensees who did not attend a regular session.
4 The first session was held on December 20th and the
5 final one is next week on January 24th.

6 Some statistics for you. There were 13
7 licensees who failed to attend the regular sessions and
8 are now scheduled to attend the makeup which includes
9 the training fee of \$100 plus a \$50 administrative
10 penalty because the Department had to issue legal
11 orders to encourage their attendance.

12 Five did attend the December training,
13 one actually cancelled their license, and there are
14 eight remaining that must attend the January training.
15 If they don't attend that training, then we will issue
16 an Order of Revocation against their license. The
17 revocation is for a period of one year.

18 And I think last but not least, just a
19 recap of the action items from the Board meeting last
20 July. One of the questions that came up or the
21 Department was asked to do was to review the frequency
22 of licensing renewals among other State agencies. That
23 document was a slide-in to your board packet. There
24 are a couple more copies down at the end of the table
25 if anyone needs an extra one.

1 Basically this is just a quick little
2 chart. The top two of course is our department, our
3 renewal for licenses is annually. Registrar of
4 Contractors every two years. As you look through the
5 list obviously every year and every two years are the
6 top two contenders and of course the majority of them
7 and most of them have to do with the medical field.
8 Most of the medical field are every two years. And so
9 that's a look at it.

10 And so it's not agendized to make any
11 changes on it at this particular Board meeting so it's
12 informational for you, but something to consider if the
13 Board wants to entertain a different cycle for renewals
14 in the future.

15 MR. BAIRD: That's under our
16 jurisdiction?

17 MS. BLAKE: Yes, you set licensing
18 requirements. Would you like that agendized at the
19 next meeting keeping in mind that the purpose of the
20 next meeting is to set fees? Doesn't mean that you
21 can't have this on there as well.

22 MR. OJEH: What are the pros and cons of
23 going say from one to two years from a staff
24 perspective and from the contractors' perspective?

25 MS. BLAKE: Well, the first one that pops

1 into my mind is the revenue because currently they pay
2 an annual fee so that would be obviously cut in half.
3 I'm sure I can't speak for licensees, Terry is a
4 licensee, whatever, I'm sure they would just as soon do
5 it every two years.

6 MR. GLEESON: Yes.

7 MS. BLAKE: I don't know, I mean I think
8 that's a discussion really for the Board to have. But
9 the immediate impact to the Department would be a
10 reduction in the revenue for those fees.

11 MR. BAIRD: Unless the fees change.

12 MS. BLAKE: Unless the fees increase some
13 way.

14 MR. GLEESON: You can do a license
15 range. You can renew your tags for two years.

16 MR. BAIRD: On your car.

17 MR. GLEESON: Yeah. You're still paying
18 for two years of licensing, you just only have to do it
19 every two years.

20 MR. BAIRD: Some advantage would be less
21 administrative paperwork.

22 MS. BLAKE: It definitely would be less.

23 MR. BAIRD: Frankly, from our point of
24 view being a licensee as well, I would just as soon do
25 a two year and pay double because it's less

1 administrative on my account as well. I would think we
2 would like to talk about that.

3 MS. BLAKE: So you want that added to the
4 fee discussion because it may impact that? Okay.

5 MR. BAIRD: Just talk about it so we can
6 all be thinking about the pros and cons of that. There
7 may be some negatives. And, Debra, we would ask for
8 you to come up with some negatives as well from a
9 regulatory point of view.

10 MS. BLAKE: Just to clarify, you want it
11 on the agenda?

12 MR. BAIRD: Yes.

13 MS. BLAKE: But you want to be able to
14 take action on it if you decide to do so? Because if
15 you just want to discuss it, you can't take action on
16 it. Do you want to do both potentially, doesn't mean
17 you have to?

18 MR. BAIRD: Yes, of course. Thank you.

19 MS. BLAKE: You're welcome.

20 MR. BAIRD: In my mind it would be part
21 and parcel to the fees. It's just part of the fee
22 discussion.

23 MS. BLAKE: But I'll agendize it
24 separately.

25 MR. BAIRD: Thank you for bringing this

1 to us. This gives us a --

2 MS. BLAKE: I have one more. I'm sorry.
3 At the last Board meeting one other question was posed
4 and that was a question about who was the responsible
5 licensee for the \$15,000 recovery fund payout that
6 wasn't on the report and I did get that information for
7 you. It was US Homes, one of our licensees as a
8 dealer.

9 In a nutshell the licensee sold a home to
10 a customer knowing where that customer was going to
11 have their home installed and the home did not meet the
12 snow load requirements for the jurisdiction, therefore
13 the homeowner either had to pay about \$15,000 to have a
14 ramada put over it to meet the local jurisdiction.

15 So the result of it was I believe it got
16 resolved between the dealer and the licensee
17 eventually. But the dealer's license was suspended
18 pursuant to the final order which is our practice. If
19 we pay out recovery fund, the licensee's license is
20 suspended until they make it good.

21 And that was the last I had on the
22 updates.

23 MR. BAIRD: Any questions, anybody, on
24 the updates for discussion purposes? No, okay. Let's
25 move ahead. Thank you, Debra, that was very in-depth,

1 we appreciate it. We have a much better feel for
2 what's happening.

3 Let's move into the financial reports.
4 Debra, since you've hardly said a word would you mind
5 taking this.

6 MS. BLAKE: Can I have a glass of water
7 and a 15-minute break first?

8 MR. BAIRD: Or you can have something
9 stronger or more spirited.

10 MS. BLAKE: Ayde does such a good job of
11 preparing packets so I want to give her kudos while
12 she's here.

13 MR. BAIRD: Kudos.

14 MS. BLAKE: She's the brains and the hard
15 work behind all of it.

16 But beginning on page 5 of your packet
17 under the tab Monthly Financial Reports she's prepared
18 for you the financial report for June 2013 which is in
19 the end of the previous fiscal year, fiscal '13, and
20 then July began the new fiscal year for fiscal '14 and
21 she's given you those reports July through November.
22 Again, obviously we run about a month and a half behind
23 which is why the December one is not there yet because
24 we have to compile all the reports.

25 I'm not sure if Board members had an

1 opportunity to review these previously or have any
2 questions at this point.

3 MR. BAIRD: If anybody has a question,
4 bring it up. I went through them, it's just reporting
5 the information as it was. The July or the
6 year-to-date 2013 information would be good information
7 for us to have on hand when we review the fees for next
8 year, so maybe we can make that part of our packet.

9 MS. MARQUEZ: You want to include June or
10 July?

11 MR. BAIRD: The end of June if we could
12 have that added as the first section for the April
13 meeting, we could do some comparisons forecasting based
14 upon that. That's kind of what I had.

15 MS. BLAKE: Mr. Chairman, Board members,
16 the only question I would have is do you want any
17 changes to the information that you're getting? I know
18 Ayde provides to you any new licenses that were issued
19 that month and detail about that licensee which you
20 requested before. We've gone through a couple of
21 different iterations of the revenue and expense charts
22 that are provided, is that still valuable information
23 for you and do you want any changes to it?

24 MR. BAIRD: From my point of view we get
25 this information on new licensees on a monthly basis

1 e-mailed to us, I'm not sure the value of including it
2 in this packet or not. We could save some money by
3 leaving it out unless somebody else would like to have
4 it. It is e-mailed to us and we get it on a timely
5 basis. I could do without it. Anybody else need it?

6 MR. GLEESON: No.

7 MR. HOYLE: No.

8 MS. BLAKE: So remove that from the Board
9 packets?

10 MR. BAIRD: Yeah. Then the pie charts
11 that are nice and pretty, it's good to see.

12 MR. OJEH: It's much more detailed this
13 time than before.

14 MR. BAIRD: They're very detailed and I
15 think very informative, especially when we're reaching
16 the next Board meeting we're making changes, there it
17 is. Any comments? Anybody look at it other than right
18 here?

19 Where I was coming from on that is
20 perhaps we could do like a PowerPoint and just have
21 it. Rather than have it paper here rather than killing
22 trees we could kill a little bit of electricity and
23 have it on the board for us to review. Just a thought.

24 MS. BLAKE: Up to you.

25 MR. GLEESON: Are you talking about just

1 the pie charts?

2 MR. BAIRD: Yeah. The other information
3 I think is very valid, the chart itself, but the pie
4 charts if we could have some way for us to do that, we
5 wouldn't have to print -- how many of these packets did
6 we make up, 12, 15?

7 MS. MARQUEZ: 14.

8 MR. BAIRD: And there's three pages for
9 each month and this time we've got six months in here
10 or we've got 12 months, obviously 36 times 14, I mean
11 that's not a lot of money but it's money and I just
12 don't know if we have a chance to look at it even.
13 Comment, Neal?

14 MR. HANEY: I don't particularly care for
15 pie charts, they don't give us any new information.

16 MR. BAIRD: No, it's on the chart, the
17 information is right there, it just gives us a relevant
18 way of looking at it. Frankly, I think if we saw it in
19 the April meeting before we reviewed fees, that would
20 be good enough for me. I could see us just doing once
21 a month, maybe the June one as well because that would
22 give us the fiscal year twice a year. We could do June
23 and then do it in the April one before we set fees, we
24 would have them both there for us, that would be good
25 to do.

1 MR. OJEH: At a glance it's really easy,
2 you know, to do comparison.

3 MS. BLAKE: Would you like perhaps to
4 consider maybe -- we typically give you three months
5 financial reports at a time, would it be helpful to
6 have the quarterly one for the three months as just a
7 summary of revenue and expenses rather than
8 month-to-month or do you not even need it that
9 frequently?

10 MR. BAIRD: Quarterly is great.

11 MR. HART: Quarterly.

12 MR. BAIRD: I think quarterly, let's take
13 a half step here.

14 MS. BLAKE: Quarterly for the three
15 months represented in the packet, right?

16 MR. BAIRD: Exactly.

17 MR. GLEESON: You're talking about just
18 the pie charts, right?

19 MR. OJEH: All the information is there,
20 it's the pie chart he's talking about.

21 MR. BAIRD: I think that would be all the
22 information we need really, it's just a comparison.
23 Are you clear?

24 MS. MARQUEZ: I got it.

25 MR. BAIRD: Will that help, less work?

1 MS. MARQUEZ: It would make a difference
2 I think.

3 MS. BLAKE: Okay, we'll make that
4 change.

5 Okay, Mr. Chair, are you ready to move on
6 to the next category?

7 MR. BAIRD: Just make a comment right
8 here. We've got some statistics, this is for those of
9 you that don't have all of the economic reports,
10 through November of last year, that's January through
11 November of '13, manufactured housing production in
12 Arizona was up 19.3 percent over the previous year so a
13 significant improvement. And as the year went on we're
14 getting better and better as evidenced by November's
15 report, we were 78.3 percent ahead of the previous
16 November's.

17 MR. HART: Wow.

18 MR. HOYLE: Wow.

19 MR. BAIRD: We went from 83 to 148,
20 significant. '13 turned out to be a good year.

21 MR. GLEESON: What was the second number,
22 from 83 to?

23 MR. BAIRD: 83 to 148, 78.3 percent,
24 significant.

25 And the total US numbers if you want to

1 share with that, November was only 11.6 percent
2 increase the total United States so seven times that is
3 what we did. And then year-to-date, January through
4 November, nationally 9.4 percent as compared to Arizona
5 being 19.3 ahead of last year.

6 Percentages are like anything, you can
7 have one foot in an ice bag and the other foot in a
8 bucket full of fire and your average is going to be
9 great but you're going to be real hurt. This compares
10 to a horrible year we had in '12, right, so we're back
11 to what level. We're back to a better level and we're
12 on our way up, so there you go.

13 Okay, we're ready to go on. Any other
14 issues on the financials anybody? We can move on.
15 Great. Thank you, Debra.

16 MS. BLAKE: You're welcome.

17 MR. BAIRD: So the next section was the
18 recovery fund, I believe.

19 MS. BLAKE: That begins on page 50. This
20 is the chart that we provide you at every Board
21 meeting, just a balance sheet for the recovery fund.
22 You will note that there have been no claims, there's
23 no claims waiting to go to hearing, there's no claims
24 that have been scheduled for hearing, and there's no
25 claims that have not been scheduled, so no claims out

1 there so that's good news.

2 However, the prior impact to the recovery
3 fund, as we talked about many times, has brought that
4 balance down significantly and as of November 1st the
5 balance was at rounded 168,000.

6 Beginning on page 51 are the two
7 outstanding claims that are currently being worked on,
8 one received in August, one in June, both of 2013,
9 neither of these are possible for recovery fund. In
10 both cases it was -- well, the first one in June it was
11 verified to Champion Home Builder, the parties came to
12 an agreement and the complaint has been closed. There
13 was a financial settlement on it.

14 The one in August did not involve a
15 dealer, Best Buy Homes, and they also came to an
16 agreement and settled the matter so the complaint is
17 now closed. Beginning on page 52 a little bit more
18 detail about each of those complaints in terms of the
19 customer name.

20 Oh, I'm sorry, I misstated on that other
21 payout, that was not the one with the wrong load,
22 that's the one that was in August, I apologize. Best
23 Buy Homes is the one that made the customer whole
24 giving them back what they paid for the home and the
25 parties settled on it.

1 MR. BAIRD: So it wasn't the US Homes?

2 MS. BLAKE: US Homes is still suspended,
3 I apologize, yes, they are suspended because they have
4 not made it good. So that was the issue in the August
5 complaint with Best Buy Homes sold them the wrong snow
6 load for the area.

7 Champion Homes Builders, as you can see
8 because it goes on to two pages, there were a lot of
9 issues with the construction of that home that were
10 verified by the Department through our inspection
11 process, and that is the one where the manufacturer
12 settled with the homeowner and that's closed.

13 MR. BAIRD: Excellent.

14 MS. BLAKE: Any questions about that
15 section?

16 MR. BAIRD: No. It's the best report
17 we've had, zero zero zero.

18 MR. GLEESON: I like it.

19 MR. BAIRD: We like it.

20 Next section we go to is Licensing which
21 is always on here, it's a standing item I think, any
22 questions on licensing?

23 MS. BLAKE: Just for point of reference
24 that is the chart I handed out to you that was the
25 frequency of renewals that we've already discussed.

1 MR. BAIRD: Good. Fee structure,
2 standing item as well.

3 MS. BLAKE: Mr. Chairman and Board, that
4 begins on page 54. These are the fees that you put
5 into effect last July that are still in place today.
6 Again, it will be a point of reference for the next
7 Board meeting in April which will be the time and place
8 to set the fees to become effective July 1st, 2014.

9 MR. BAIRD: Are there any discussions
10 needed on the fee structure before the next meeting?

11 MS. BLAKE: No, not from my perspective.

12 MR. BAIRD: Okay. Well, then, I guess
13 we're ready for the call to public.

14 MS. BLAKE: Okay, go ahead.

15 MR. BAIRD: What were you going to say?
16 Did I leave something out?

17 MS. BLAKE: No, just pointing out the
18 schedule, it's not agendized, but the last tab of your
19 book for your planning purposes for the year, please
20 put these dates on your calendar. Thank you.

21 MR. BAIRD: You're welcome. Call to
22 public. Any public comments? Anybody like to be
23 recognized?

24 MR. KNUTSON: Yes. Mr. Chairman, under
25 Fee Structure number A list there's --

1 MR. BAIRD: State who you are.

2 MR. KNUTSON: Knute Knutson from Design
3 Modular. Under A under Fee Structure it says there's
4 to be discussion about switching from linear foot to
5 square foot for commercial buildings, has that
6 discussion taken place?

7 MS. BLAKE: Thank you. Mr. Chairman and
8 Board members, this was on the agenda for the last
9 Board meeting and so we brought it forward again for
10 this meeting. It is a fee consideration because
11 obviously if we change from linear foot to square foot,
12 the calculation would be an increase at the current
13 fee.

14 So we can have a discussion at your
15 discretion about it and how the Board feels about doing
16 that because if you decide to make that change, it
17 would impact the fee decision for the next Board
18 meeting. Today it's measured linear foot, length plus
19 length plus width plus width, as opposed to square
20 foot. Obviously I know you all know that is length
21 times width.

22 So based on the fee schedule that's in
23 that tab, the current fee, and, again, we can't make
24 decisions about fees today, we're talking about the
25 underlying basis for the fee, but currently for where

1 this applies is for the commercial FBBs because the
2 current fee is \$4.50 per linear foot.

3 So what we would be looking at is
4 twofold, do we change linear foot to square foot and if
5 we do, do we adjust the \$4.50 fee.

6 MR. BAIRD: The same type of decision we
7 have in whether or not we renew our licenses every two
8 years versus every one year. Those discussions need to
9 be held at the same time because when you're changing
10 how you measure, it would also affect how much you
11 charge per whatever measurement you decide.

12 MS. BLAKE: So do you want to --

13 MR. BAIRD: I think this should be slid
14 forward just like we're doing another item under the
15 fee structure discussion next time.

16 MS. BLAKE: Okay. So no discussion about
17 that concept today, you want to move it forward?

18 MR. BAIRD: Does someone feel the need to
19 talk about it now?

20 MR. HOYLE: No.

21 MR. BAIRD: Because they go hand-in-hand,
22 you can't do one without the other.

23 MS. BLAKE: Okay, we'll move it to the
24 agenda for next time, the fee discussion. Thank you.
25 Back to public.

1 MR. BAIRD: Wait, just one more thing,
2 require annual attendance at the installation training
3 session beginning in '14; if so, will the fee apply.

4 MS. BLAKE: Thank you. Just to bring
5 your memory recollection from a brief discussion we had
6 at the last Board meeting, there was some discussion
7 about requiring other licensees, dealers, salespersons,
8 manufacturers to attend an annual training session
9 related specifically to installation and there had been
10 some issues that have come up where dealers may have
11 benefited from having a better understanding about the
12 installation requirements.

13 Typically the dealer contracts for the
14 installation as part of the sales contract. Now that's
15 not a hard and fast rule, but I would say that's most
16 commonly the way it goes.

17 So what the Board had discussed, and I
18 had an update for you, is that the reason we
19 established an annual fee and an annual requirement for
20 training for installers is it's part of the HUD Federal
21 regs which we've adopted so that gives us the authority
22 to say if you want to keep your license, you have to
23 hear the information and yes, we can charge you a fee.
24 And you'll remember back in 2007 or '08 the Board voted
25 on that fee and so that's where that authority comes

1 from.

2 If the Board agrees or thinks that
3 dealers and salespersons or whomever else that we
4 license should be included in that, according to Mary
5 Williams, our legal counsel, there's no statutory basis
6 currently to do that so we could offer them to attend,
7 we can't make them come unless we change the statutes,
8 and of course that's a legislative process. It could
9 be through statute, it could be through rule as part of
10 their annual licensing, we could write it into rule if
11 that's what you decide as a board that you'd like to
12 do.

13 MR. BAIRD: Any comment from the Board
14 members on what we'd like to do?

15 MR. HANEY: I like the fact that it's
16 available.

17 MR. BAIRD: I agree.

18 MR. HANEY: I don't like that you would
19 make dealers and/or salespeople be mandatory that they
20 attend. Certainly if I hire an electrician, I'm not
21 going to go out and take a class on installing
22 electric. If I hire a plumber, I'm not going to take a
23 class on plumbing. If I hire an installer, if they're
24 licensed, which they should be, and they followed all
25 the procedures, you're going to have some confidence.

1 Even if I attend the class, I'm not going
2 to know enough to go around and do an inspection of
3 their work. I like the fact that it's available.

4 MR. BAIRD: Is it available?

5 MS. BLAKE: It's always been available
6 that they may attend at no charge.

7 MR. BAIRD: Really?

8 MS. BLAKE: The first year that we
9 provided the training we had a lot of dealers that came
10 because it's not so much about being able to understand
11 the technical, did they make those electrical
12 connections correctly, but for them it's understanding
13 the process, before you can get a permit what do you
14 need to do, what is required to do it so that they can
15 hold the installers they hire accountable.

16 MR. HANEY: At least have a general idea
17 of what they should be able to expect.

18 MS. BLAKE: Yes, so they can communicate
19 it to their customers to set reasonable expectations.

20 MR. HART: Is this free?

21 MR. HOYLE: Yeah, it's free.

22 MR. HANEY: Dealers and salespeople can
23 attend in an audit function basically.

24 MR. BAIRD: Debra, can any licensee
25 attend?

1 MS. BLAKE: Yes.

2 MR. BAIRD: I just wonder if we could
3 make the schedule available to all licensees. I know
4 it's on the website when the training is but just
5 informing them that it's available if they so choose
6 and would like to. How would we go about doing that?

7 MS. BLAKE: We'd have to do it through
8 e-mail communication, you know, just like other things
9 where we've taken away snail mail because of the cost
10 of postage, but I think we do have pretty current
11 addresses on our licensees, officially dealers, may not
12 so much salespersons, but if we focused it on the
13 dealer who employs the salespeople, they could make the
14 decision to bring them along or disseminate the
15 information to them.

16 So we could send it to manufacturers and
17 dealers and if they're interested they're invited and
18 welcome to attend at no charge.

19 MR. OJEH: My feeling is if we do not
20 make it mandatory that would be widespread acceptance
21 or even gain the knowledge that we want to have the
22 dealers to have, and since there isn't any cost
23 associated with it that it might be to the industry's
24 advantage that it becomes mandatory unless if that
25 information is also available somewhere that they don't

1 need to have, but it's just my feeling.

2 MR. BAIRD: Just to clarify here, to make
3 it mandatory would require a change through the
4 Legislature?

5 MS. BLAKE: Either statutory change
6 through the Legislature or possibly a rule packet
7 change which is remember we're working on a
8 comprehensive rule packet, it probably could fit
9 there.

10 For whatever it's worth, I mean we've had
11 dealers voluntarily attend and that's good. If I
12 recall the Board discussion was they would benefit from
13 it. We have had to take disciplinary action against a
14 couple of salespeople and dealers because they too are
15 responsible if they've contracted for it and hand over
16 the keys to a homeowner to move in when in fact it has
17 not been inspected, approved by the State, that has
18 been problematic.

19 And of course we never like to have to go
20 the disciplinary route, so if there's a better way to
21 get the information out there whether it's voluntary
22 attendance, we notify them as you suggested, or as the
23 Board had indicated maybe before making it a
24 requirement, and if that's the route you want to do, it
25 has to be through a formal process like rules or

1 statute changes.

2 MR. BAIRD: I think Neal's point is well
3 taken that even if you attend one of these, you're not
4 the expert.

5 MS. BLAKE: Of course not.

6 MR. BAIRD: So all licensees aren't going
7 to become the instant expert on how to do this, it's
8 just more of a familiarization issue. It is available
9 to them, I just don't think they realize it's available
10 to them to be able to do. So we could get the word out
11 through e-mails, e-mail doesn't cost anything.

12 MR. HANEY: It might be something we put
13 in the notice as part of their renewal form.

14 MS. BLAKE: We don't send those out but
15 on the form itself online. That's a good suggestion.
16 We haven't developed our schedule yet, even though Ayde
17 would like to push me to get that done, for our
18 training schedule for 2014 which typically our kickoff
19 begins in April and so we can certainly post it on our
20 website along with that encouraging them. We can send
21 dealers an e-mail and go that route if that's where you
22 would like us to go with it.

23 MR. BAIRD: I think that's a good way to
24 go. Are we all agreed?

25 MR. HOYLE: I agree.

1 MR. BAIRD: I also think there are
2 associations that we deal with that would like to make
3 note of that for their own membership encouragement as
4 well. Okay.

5 MS. BLAKE: Okay.

6 MR. BAIRD: Back to call to public.
7 Thank you for bringing those two.

8 MR. KNUTSON: If I could, Chairman, I
9 have one more question or suggestion.

10 MR. BAIRD: Certainly.

11 MR. KNUTSON: I think I heard earlier
12 from Debra that the AHA, whatever association that
13 is --

14 MR. BAIRD: Arizona Housing Association.

15 MR. KNUTSON: -- they have requested and
16 granted a quarterly meeting with Debra to talk about
17 issues.

18 I wonder if I could put in a formal
19 request either now or by mail for a group of the FBB
20 people, the commercializer side, to have the same
21 opportunity.

22 MR. BAIRD: Actually it wasn't a Board
23 direction or request that Debra met with the
24 association, they just worked it out. She was giving
25 more of an update. As far as we're concerned, just

1 deal directly with Debra. She's been most willing to
2 meet with anybody who has need to or request of.

3 MR. KNUTSON: Thank you.

4 MS. BLAKE: Certainly.

5 MR. BAIRD: Mr. Anderson, you raised your
6 hand earlier.

7 MR. ANDERSON: It was actually covered,
8 Mr. Chairman, but thank you.

9 MR. BAIRD: You're welcome. Anything
10 else public?

11 The Chair will then remind everybody that
12 our next meeting, which is the most important meeting,
13 is April 16th, Wednesday, 1:00 here so we need more
14 than a quorum present, and we need you all to look at
15 the financials as well because we're going to be
16 setting the fee schedule.

17 Plan accordingly your timing, it will
18 take longer than our average meeting. And if you
19 represent others or there's others that you're involved
20 with, try to get as much information together so we can
21 make the most informed decisions.

22 Other than that, the Chair will entertain
23 a motion to adjourn.

24 MR. HANEY: So moved.

25 MR. BAIRD: A second?

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MR. GLEESON: Second.

MR. BAIRD: All in favor? See you next
time.

(2:10 p.m.)

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

3

4 BE IT KNOWN that the foregoing proceedings
 5 were taken before me, JENNIFER HANSSEN, a Certified
 6 Reporter in the State of Arizona; that the proceedings
 7 were taken down by me in shorthand and thereafter
 8 reduced to print by computer-aided transcription under
 9 my direction; that the foregoing 51 pages are a true and
 10 correct transcript of all proceedings had upon the
 11 taking of said proceedings, all done to the best of my
 12 skill and ability.

13 I FURTHER CERTIFY that I am in no way related
 14 to any of the parties hereto nor am I in any way
 15 interested in the outcome hereof.

16 DATED at Phoenix, Arizona, this 4th day of
 17 February, 2014.

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Certified Reporter
 Certificate No. 50165

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