

**ARIZONA STATE PARKS BOARD
CHOLLA ROOM – HOTEL ARIZONA
181 W. BROADWAY, TUCSON, AZ
APRIL 27, 2006
MINUTES**

Board Members Present

William C. Porter, Chairman
Janice Chilton
William Scalzo
Elizabeth Stewart
Mark Winkleman

Board Members Absent:

John Hays
William Cordasco

Staff Present

Kenneth E. Travous, Executive Director
Jay Ream, Assistant Director, Parks
Mark Siegwarth, Assistant Director, Administration
Cristie Statler, Executive Consultant
Debi Busser, Executive Secretary
Elizabeth Krug, Chief, Research and Marketing

Attorney General's Office

Joy Hernbrode, Assistant Attorney General

A. CALL TO ORDER - ROLL CALL

Chairman Porter called the meeting to order at 9:00 a.m.

B. INTRODUCTIONS OF BOARD MEMBERS AND AGENCY STAFF

Chairman Porter introduced Mr. Reese Woodling. He noted that Mr. Woodling has been confirmed by the Senate committee and may have been confirmed or be on the very edge of confirmation by the entire Senate to take his seat on the Parks Board.

C. CONSENT AGENDA

1. Approve Minutes of March 16, 2006 Arizona State Parks Board Meeting

Mr. Winkleman made a motion to approve the Consent Agenda. Ms. Chilton seconded the motion. The motion carried unanimously.

D. ACTION ITEMS

- 1. Consider Recommendation for Funding Historic Preservation Heritage Fund Grant Project 640565 – Mesa Alston House** – Staff recommend approving the scope items and awarding the requested grant in the amount of \$100,000 for the City of Mesa, Alston House Historic Preservation Heritage Fund Grant #640565.

Chairman Porter noted that this item was removed from the March Agenda and is now before the Board again.

Mr. Travous reported that, at the last meeting, the Board requested more details on this issue. He noted that Ms. Stewart had issues with so many items placed under "Miscellaneous". He noted that that information has been broken out on page 4 of the Board Packet.

Ms. Stewart stated that she is still very concerned about this. She had lengthy discussions with staff about it. She stated that HPAC has never received the original budget submission from the applicant. At the original meeting, HPAC was furnished with staff's summary. When the HPAC members questioned some of the items, they were told that staff looked at it; it's OK; trust us. As she mentioned at the last meeting, she had phone calls and E-mails from citizens who were concerned about the fairness of the process and that some applicants may be treated differently from others. There were some applicants at the last Board meeting who received deductions because they had some ineligible items. One applicant submitted a new budget the day of the meeting. The Board refused to accept it because the policy requires that they submit their information by a certain date.

Ms. Stewart added that it appears that, in this case, Mesa was permitted to rearrange the figures. She received an E-mail with a copy of the materials that were given to HPAC. After that, she again called staff, expressed her concern that that was not consistent with what the Board directed at the last meeting. In looking at the Minutes, she felt the Board made it clear that there was a deadline to submit the materials and that the Board makes its decisions based on what was submitted. Mesa was allowed to submit a new budget to HPAC after the last Board meeting.

Mr. Travous responded that he received different information.

Ms. Stewart stated that, if one looks at the materials that went to HPAC, that is the appearance. At the last meeting, she requested a copy of the original submission. She did not receive that information prior to the meeting, but did have the opportunity during the meeting to look at the file. She could not reconcile that \$67,000 Miscellaneous with what was on the sheet, and neither could Ms. Pulsifer. After she saw what was submitted to HPAC, she spoke again with Ms. Pulsifer and asked Ms. Pulsifer for a copy of that sheet. Instead of getting that sheet, she received a two-page spreadsheet that clearly delineated the \$67,000 but was not consistent with what she saw at the Board meeting. She was out-of-town for a number of days and spoke with Ms. Pulsifer again yesterday. She asked if that spreadsheet was prepared by staff or by the applicant. She did not get a definite answer. She doesn't know whether it was prepared by staff or the applicant. It was not consistent with what she saw at the last meeting. She is disturbed by the fact that she thought it was pretty clear that there is a deadline for the budget to be submitted. It is up to staff and HPAC to look at what is submitted. If there are ineligible items then they don't get funded. That's what happened with the other applicants. That does not appear to have occurred here.

Ms. Stewart stated that, therefore, she is not able to vote for this and doesn't feel that it is up to the Board to try to sort it out. She would not have been involved to the extent

she has been had it not been for complaints from the public. This raises the whole issue of the integrity of the process for her.

Chairman Porter announced that if there was anyone in the audience who wants to address any item on the Agenda they needed to complete a Request to Speak form.

Ms. Lisa Hembree, City of Mesa, addressed the Board. She stated that she is the Project Manager. The Alston House has been her "baby" ever since Dr. Alston's granddaughter contacted them. She lived in California and could no longer maintain upkeep on the house. It had been boarded up for about four years at that time. During those years Mesa had a Habitat for Humanity organization that needed office space. She got the granddaughter and Habitat for Humanity (HFH) together and the granddaughter gave the house to them. In the meantime, HFH could not use it for one of their homes. It sits on two vacant lots. They were considering demolishing the house. After several meetings, they agreed to exchange even land for even land. She is currently working on a land exchange for two city-owned lots and HFH has been very generous because they are not receiving good lots.

Ms. Hembree stated that she is working on this project from the entire scope, including items that are not eligible for this grant. They include items such as the fencing, parking lot – the entire project.

Ms. Hembree noted that there was some initial confusion on this grant. She did not submit this grant or work on it, *per se*. She believes that the original submission included the total project. It showed the historic preservation items, what they call their CEDG, and donated items. They have a lot of community support from the Hispanic community and the Martin Luther King Committee. They are the non-profit agencies who, once this house is preserved, will occupy the space. The City of Mesa will lease it back to them at \$1 per year.

Ms. Hembree offered to answer any questions the Board may have.

Ms. Stewart noted that the Board members all believe that it's a very good project. That's not the issue. The issue is whether the Board is following its procedures.

Mr. Travous reported that he had discussions yesterday with staff by phone on this issue because they said that Ms. Stewart had called. The explanation he received was that the original submission was the bigger package. That is the way the City of Mesa likes to submit things – they show the project in its entirety. It included, for instance, the parking lot (not an eligible item for historic preservation). Because those items were confusing the issue, staff went through the process of removing those items and putting the packet back together.

Mr. Travous stated that at the last meeting the Board received the grant submitted with those items removed. Some of them were collapsed into the "Miscellaneous" category. After the last Board meeting, staff went back through and pulled all of those specific items back out, including the parking lot.

Mr. Travous added that, when it comes to the integrity of the program, he trusts his staff. He asked if there was any motive to give Mesa special treatment. There is no motive. Staff felt that they were trying to explain the intricacies of the process to Ms. Stewart and failed in satisfying her.

Mr. Travous added that, when citizens call Board members with complaints, it would be helpful if, rather than do this phone-tree thing, those people were directed to staff. Perhaps then staff could explain it to them directly.

Mr. Travous stated that staff are comfortable that this grant application meets all the guidelines, that they have not been treated any differently, and that those items that were ineligible have always been ineligible. He believes that the spreadsheet was from the City. While staff showed all the items included in the spreadsheet, they were never part of the grant process because they were ineligible. As was done with the other grants, staff took those items out of the grant.

Ms. Stewart responded that members of the public complained to a Board member. They are aware that they can make their complaint directly to staff. Some people choose not to do so. She can't force them to contact staff.

Mr. Travous stated that he would not ask her to do so.

Ms. Stewart added that they were fully aware of their avenues and chose to contact her. She is in an awkward position when that occurs. She fully expected that when she looked into it she would be able to go back and say there was a misunderstanding. She believes she understands this process very well.

Ms. Stewart noted that there were some items in the Buckeye submission that were ineligible last time and they had a revised budget that they submitted in order to get their full \$100,000. The Board did not allow them to do that. The same should occur with Mesa.

Mr. Travous responded that his staff is telling him that nothing has been added or subtracted from the submission given to them. It is the same information; it is just being presented differently. There may be some confusion from the original information that was included that was ineligible to begin with. While it looks like things were taken out and other things added, staff assures him that is not the case.

Ms. Stewart responded that staff assured the Board and HPAC all along that some of the others that later turned out to be inaccurate were in fact accurate. She is concerned that HPAC has never been furnished with the documents submitted by Mesa. How can they make an informed decision and how can they make a reliable recommendation to the Board?

Mr. Scalzo stated that he is reading the material that says HPAC met on April 3 to review the revised scope item breakdown which provides more detail. HPAC unanimously approved it. In his review of this application, it is an outstanding project which is consistent with what the Board does. From his years of experience sitting on AORCC, they would often times have staff pull out things that were not appropriate for the grant application prior to their voting on it. Neither he, nor the rest of the AORCC members, ever had a problem with staff pulling those items prior their submitting those applicants further to the State Parks Board. He further stated that he has no problem moving this grant application today.

Board Action

Mr. Scalzo: I move to approve the scope items and requested grant in the amount of \$100,000 for the City of Mesa, Alston House Historic Preservation Heritage Fund Grant #640565, as per the recommendation of the staff and the Historic Preservation Advisory Committee.

Ms. Chilton seconded the motion.

Ms. Stewart stated that she wanted to make it clear that she believes it is an excellent project, but she also still feels (based on her extensive conversations with staff and her review of the materials that were presented to her) that they have been treated differently from the other applicants. The other applicants had items that were ineligible; theirs were removed; they had points subtracted; they had dollars subtracted so they did not get the full \$100,000 that they requested. Those applicants also had projects that were in excess of \$100,000. There were things that they could have moved. They were not allowed the same opportunity. That's what she received the complaint on and that's what she's concerned about. While she feels this is an excellent project, she must vote against it.

Chairman Porter called for a vote on the motion on the floor. The motion carried with Ms. Stewart voting Nay.

Chairman Porter stated that he would exercise the power of the Chair at this time and asked Mr. Ream to escort former Board member Mr. Gabriel Beechum forward.

Mr. Travous stated that Mr. Beechum left the Board all too quickly. Staff usually do something to commemorate service to the Parks Board. One is a lifetime pass, which he's been carrying with him since Mr. Beechum left the Board. He presented the lifetime pass to Mr. Beechum. He also presented Mr. Beechum with a framed photograph of the Kubla Kahn formation at Kartchner Caverns State Park with an inscription that read: Gabe – Thanks for all your help. Your friends at Arizona State Parks. He requested the Board members to sign the back.

Mr. Travous noted that there were several former Board members present as well – possibly enough for a 1984 quorum. He introduced Mr. Reese Woodling, Mr. Bill Roe, and Ms. Priscilla Robinson. He suggested that it would be nice to get all of the former and present Board members together for the agency's 50th Anniversary.

E. DISCUSSION ITEMS

1. Discussion Relevant to Current Budget Efforts

Mr. Travous reported that the budget has not yet gone to the Governor. They were making some headway until yesterday when the English Learner bill was rejected by the Judge. That is throwing everything back into a tizzy. At the same time, with staff's meetings with JCCR and some other things, staff are getting as much discussion about the agency's budget woes as we ever have. When staff went to JCCR, they asked why we don't just do "this"; staff responded that they can't because of what the legislature's done over the last couple of years. The long-and-short of it is that President Bennett is pushing for fixing our budget and putting us back to where we were a couple of years ago. It won't give us a lot of money but it will really give a much more solid foundation. In addition, Senator Jake Flake is now on the budget leadership and has been working with staff. Just recently, as budgets were being heard, Rep. Jack Brown

called. He has been a consistent supporter of the agency and is working with his fellow Democrats to get our budget situation resolved. While it's not done, people are talking about us.

Chairman Porter asked what the legislature's time frame is.

Mr. Travous responded that staff thought it would happen this week. They are past their 100 days. They, in essence, have 80% of their other work done. The budget, however, is 80% of what they do. They are having difficulty in coming up with the tax issue. Some want tax rebates and there are a number of bills relating to that. He is concerned that the English Learner plan has set things back by several more weeks. He believes the session will continue through May.

2. Discussion on Agreement with Arizona Historical Society

Chairman Porter noted that Ms. Woosley, Executive Director of the Arizona Historical Society, is recovering from some medical issues. She has had limited time back in the office. She plans to contact Mr. Travous after the History Convention concludes. He tabled this issue to May, depending on Ms. Woosley's medical condition.

F. EXECUTIVE STAFF UPDATES

1. Update on Legislation

Mr. Travous reported that Mr. Ziemann had to remain in Phoenix because he is not only tracking the agency's legislation but the budget as well.

Mr. Travous reported on the following legislation:

HB 2031 - AORCC Continuation – Tabled until next year. They were supposed to sunset this year.

HB 2622 - OHV; Regulation – Appears to be dead for this year.

SB 1086 - Parks Reservation Surcharge – Tied up in Rules Committee. They are tying up anything relating with the budget to get it done as a package. Mr. Ziemann was successful in getting it moved out of Rules. The agency needs that surcharge to stay afloat. It is now moving again.

SB 1468 - AZ Trail and SB 1550 – Rock Climbing State Park Authorization – Being held because of the budget situation. They appear to be rolling them into one. Staff had a scare for a while when it appeared that they were going to take the AZ Trail and fund it out of the Heritage Fund. Staff got it moved off the Heritage Fund. Money is being proposed for the AZ Trail out of the General Fund budget.

2. Update on Climbing Park

Chairman Porter asked if the legislature is doing anything that seems to signal they realize that the Board wants to do it but must have proper funding to do so.

Mr. Travous responded that the amount of \$6.4 million has been bantered around. While they know that, at the same time it's not a budget issue for this year because the bill has to go through the state and the federal government. The federal bill is expected to be heard on May 10. It is not an immediate budget issue.

Chairman Porter noted that it makes him nervous because he knows how the state legislature is fond of sometimes rushing to those things and then not funding them.

Ms. Stewart noted that there were some items in the legislation that concerned the Board that dealt with mining and the Board not having full control of the activities. She asked if that language was removed.

Mr. Travous responded that the major concern was removed. It said, in essence, that anyone could stand on the edge of the park and do anything without liability. At the same time, there is still language in the bill that says this is in a mining area that has been historically mined and nothing in the creation of the park will create a new set of standards for the applications for the mine. In other words, the park won't create a new set of laws the mining industry will have to abide by. That is part of federal legislation they have used in the past.

Ms. Stewart noted that some of the conservation community are upset that this doesn't include the private lands.

Mr. Travous responded that it does not include the private land because they didn't want to put anything in there that could force the private owners to sell their land.

Ms. Stewart asked if it could be worded in such a way that says it is eligible to be in the park if it becomes available.

Mr. Travous responded that language is in the bill. Because of the 160-acre limitation, it could be expanded up to 400 or 500 acres without having to go back to the legislature.

Ms. Stewart noted that she spoke with Sandy Bahr about that. Ms. Bahr was still concerned about that. They have quite a website that gets their position out to a lot of people. She believes that it's worth trying to work things out with other language that specifies that area and clarifies that there is no pressure on anyone to sell. That's why they are holding up their recommendation for public support. That message went out via their E-mail list a couple of weeks ago. A little tweaking of the bill could get rid of that opposition.

Mr. Travous noted that the only place the bill can be tweaked is on the floor. He doesn't know how realistic that is. In the final analysis, nothing happens if the Board doesn't make the application through the RP&P. If the bill goes through both the state legislature and Congress and the State Parks Board does not file application, then nothing happens. At the same time, if they do and the Board does not make application, there will be a lot of political pressure to make that application.

Ms. Stewart responded that she is not suggesting the Board not make application; she is very enthusiastic about this proposed park. She is trying to temper some of the community opposition.

Mr. Scalzo asked if the 6L property- the property 1-2 miles north of the Spur Cross Ranch Conservation area – is still in the mix in federal legislation.

Mr. Travous responded affirmatively.

Mr. Scalzo noted that he met with the Tonto Forest manager last week and talked about that property being so close to property owned by Arizona State Parks and the County

and Cave Creek. He presumes that that legislation still gives that land to the Forest Service.

Mr. Travous responded that that is his understanding.

Mr. Scalzo noted that if there is a way to get that land jointly with Spur Cross Ranch it has some unique archeological areas that could be of significance.

Mr. Travous responded that it would be easier because of the federal statutes to have it moved over to the Bureau of Land Management (BLM) and then get it through the Recreation and Public Purposes Act, as is being done with Tamo. Resolution Copper wants to ensure they get their credits. Giving it to us doesn't give them the credits. They have to give it to the federal government. It's probably easier to get RP&P through the BLM than it is through the Forest Service.

3. Feedback from Employee Survey

Mr. Travous referred the Board to page 5 of the Board Packet. He reported that this is the agency's annual employee survey. The agency has been doing this for 11 years and has been fairly consistent on the questions asked. The responses are anonymous in order to get good feedback. He referred to pages 8 and 9. These are charts of some particular things that are tracked. He noted that on Figure 2 – Proud to be a State Parks Employee - the responses have been fairly level with a current score of about 4.23. Training has been beneficial. Knowledge of the Mission has gone up from 3.61 to 4.17, which means that the employees are much more tuned in to the Mission and Goals and how they fit in. There is an upswing in the Communication channels and a flattening out in My Supervisor is doing a good job of keeping me informed of other items.

Mr. Travous noted that, regarding Communication, a person was hired who specializes in communications and has been working with the agency throughout the state. He had hoped to have a report for the Board today. Executive Staff are finding a lot of interesting things from this report, such as silos of communication.

Mr. Travous also noted that the responses from Phoenix employees dropped. He found that to be very surprising.

Chairman Porter asked why the responses from Phoenix dropped.

Mr. Travous responded that he didn't know. Perhaps it wasn't talked about enough in the Phoenix Office; there may have been so much concentration on the Field that there wasn't enough attention given to the office.

Mr. Scalzo noted that the County does a similar process in the County Park system. Their results are frighteningly similar between the field staff's perception and the office staff's perception in communications and a variety of other things. He believes that it is key that the staff really like what they do and are proud of what they do. That is the most critical thing in any organization. Communication, as it appears here, is a problem of a statewide or a regional organization in how we communicate. Many times the technology to communicate as readily as with people in the office is not there. Something else that helps in looking at something like this are the customer evaluations. In the County, he tries to show those two together – how the customers perceive the agency doing its job along with the employees.

Mr. Scalzo noted that he is troubled with another area that is consistent – the pay issue. Part of the problem is the kind of salary being paid to state employees. It doesn't matter how one puts all the other factors together, that is an important problem area. It's a problem area that Mr. Travous cannot fix easily no matter what he does or says. Elected officials really need to realize that government employees need to be paid according to the high performance they provide. When the customers really believe they are getting a good job done, it needs to be reflected in salaries. Until that point is reached this issue will always exist. Employees feel they are not being heard when they don't get that recognition. Salary is an important form of recognition.

Mr. Winkleman asked when the survey was conducted.

Ms. Krug responded that it was distributed to employees in mid-September with a due date of the end of October 2005.

Mr. Winkleman noted that it's not surprising. For the first time in years employees actually just got a raise this spring. Hopefully it will reflect differently next year.

Chairman Porter pointed out that employees were also hurt somewhat in the area of benefits enough to where it waters the raise down.

Ms. Stewart stated that the graphs on pages 8 and 9 were helpful. She didn't find one that covered the material on pages 12 and 19 under Management. Those are the areas that the Board was concerned about a couple of years ago. It's hard to have an idea as to whether we're staying in the same place, going up, or going down.

Ms. Krug responded that the questions are the same on page 12 but was broken out by Management, Supervisory, Non-Supervisory responses. The questions were the same but the break-out was different.

Chairman Porter stated that Ms. Stewart's point is that there are no graphs. He agrees that the graphs are very helpful.

Ms. Krug responded that that information can be graphed. They only compared the Supervisory and Non-Supervisory in 2002.

Chairman Porter stated he would like staff to graph that information and get them to the Board at the May meeting. He sees this as an important area insofar as looking at what needs to be addressed in the July meeting. These are the very types of issues the Board needs to look at. He believes that the theme for the May meeting will be that of a preparation for the July 19 meeting if the Board is to continue to look at the July 19 meeting as being, "The best organization – where to now?". Big strides have been made since that meeting when the Board changed the basic structure of this organization. It's beginning to catch on. The Board needs to look at the whole picture – where do we need to go next. It may well be that we have some internal communication issues, management skills or styles, etc., that simply need to be addressed. Graphing those areas would be a good starting point.

Chairman Porter requested that the Board members keep this material for the May meeting in order to see where it fits into the picture of what needs to be done to fine-tune things.

Ms. Stewart added that it would be helpful to get more specifics on comments (page 12) such as getting the actual comments. It would provide a sense of whether there are just a few disgruntled people or people all saying the same.

Chairman Porter stated that this issue will be on the May Agenda.

4. Arizona State Parks Board Quarterly Report for ADEQ Consent Order #P-113-04

Mr. Ream reported that this summary is a jumble of alphabet soup and numbers. He stated that the agency is ahead of its prosecutors – the people who brought the Notices of Violation against it. Staff are providing them with more information than their huge building of staff can process; and they are well behind in responding back on the points of the Consent Order that we put in. He has had to make calls to their Assistant Director in charge of this section to expedite some of the things sent to them so we can get on with the work in the next step.

Mr. Ream stated that the biggest challenge for staff now is, once the scope of work is accomplished, getting the permits we need. That money is set-aside. The question is whether enough money was set aside. Staff set aside \$250,000 for this portion. Every RFP sent out from the Development in the last year to year-and-a-half has come back. In some cases staff were unable to award contracts because there wasn't enough money set aside. Staff hope to get a good engineering firm to do the permitting process and move on.

Chairman Porter noted that he and Mr. Travous had expressed concerns when the Consent Decree was entered into that we might not be able to meet everything that was required. Staff felt, in good faith, that we could. It appears that staff are keeping up with where we should be in the process.

Mr. Ream responded that staff are keeping up with our points on the Consent Order, exceeding ADEQ's ability to handle it. On the other side, those places where we haven't kept up for contractual reasons, ADEQ has been very good about working with staff, extending time lines, etc. There have been two or three revisions on things that were expected. That's why the additional language Mr. Travous got through their Director was necessary. Some things were out of staff's control. Procurement is a mysterious animal. Things are sent over to them that we may not get back until after the deadline passes.

Ms. Stewart noted a few months ago staff reported they were hoping to get a number of Certified Operators on staff. In a discussion with Mr. Ream it was noted that there was not as much enthusiasm as had been hoped for. She asked where things stand now. She noticed there are a lot of remote operators. She asked if there is concern that we might be setting ourselves up for another situation where there is too much reliance on one or two key individuals.

Mr. Siegwarth responded that he met with DOA (Department of Administration) last week regarding a Water/Waste Water Stipend. He believes that will go through shortly. From the interest at the Regional meetings and E-mails, people are very excited. They are more excited now realizing that if they become certified they will get more money. Executive Staff believe it is fair. He believes the stipends will be

significant enough to entice them. In the letter that will be sent over to DOA, staff are also requesting that the Law Enforcement be increased to at least provide parity between the stipend and what they are being asked to do. It should be a win/win for both the Law Enforcement and the Water/Waste Water Treatment Operators. He believes they will be excited about not only becoming certified, but may actually want to be more certified than is required at their park in order to become a Remote Operator because the stipend would increase. For years the agency could never keep more than 35 out of 50 Law Enforcement Officers. The agency now has 55 Law Enforcement Officers and is keeping those people.

Ms. Stewart noted that it's been quite a while since the Board had any graduates from CARLOTA to approve.

Mr. Ream noted that there will be some to approve in May. A lot of that is the certification process and getting through the AZPOST requirements which are a lot more stringent than they used to be.

Ms. Stewart noted that the Board is providing these two categories of certified opportunities. Perhaps the Board should discuss whether this is creating any backlash with those who don't fall into those two categories and whether there are sufficient opportunities for others to progress in May.

Mr. Siegwarth stated that they also discussed the entire reclassification of the Ranger series to provide career paths – technical, and management – at the DOA meeting.

Mr. Scalzo suggested this is more of an item to be discussed at the July meeting. He would rather spend more time on it than could be allotted in May. He believes it affects the morale of the staff. He believes it's more of the big picture. He would like Mr. Cordasco to look at it as an item.

Ms. Stewart noted that she believed time would be set aside in May for the Board to have preliminary discussions.

Chairman Porter stated he would like this item on May's Agenda.

Mr. Ream stated that Mr. Shein, Mr. Orr, and Mr. Govino have really worked very hard on this ADEQ issue and kept the agency out in front of all the deadlines. They deserve a lot of the credit. It is quite something to weigh through, especially with the alphabet soup that is ADEQ.

Chairman Porter noted that he resents it in the sense that staff have so much more they should be perhaps able to devote their attention to. It should be a simpler process than it has been. He admires staff who have been working so very hard to make this work. It's reached the point where the Board can't even understand what's going on from the reports.

Mr. Ream noted that the only thing in the report that isn't defined was SAR – Self Assessment Report. Staff did its own self-assessment of all of our systems. That report is quite lengthy. It's the \$6 million report.

Chairman Porter explained that a situation arose where the Board got into a real tussle with ADEQ one to two years ago over some water issues in some of the parks. Some of the things they originally wanted done would have been impossible. It was

loggerheads for a while. Finally the Board entered into a Consent Agreement with them. There were concerns about how well staff could accomplish some things. It appears that headway is being made.

Ms. Stewart stated that when she attended the TTC meeting, Mr. Orr put on a workshop for the field staff on some of these issues. She was very impressed with how Mr. Orr imparted knowledge to staff in a way she was able to understand. She believes he's been very effective in bringing the rest of staff up to speed on what is required. Part of the problem may be DEQ, part may be that this is a complicated area of regulation and requirements, and we have some antiquated systems in some of the parks that need work. Most people having to comply with these requirements have one or two distinct properties while we have most of our parks.

Mr. Ream responded that what was in compliance only five years ago could be out of compliance now because of changing regulations.

Chairman Porter added that there are also strained financial conditions. If the agency had adequate funds to go into this it could do everything. He asked that staff be told that the Board concurs they are doing a good job and that they were specifically mentioned.

Ms. Stewart added that one of the staff who does some of the collections proudly showed her what she does in terms of taking samples, etc. People are very much aware of it. Staff are responding appropriately.

5. Arizona State Parks Foundation Update

Mr. Travous referred to page 30 of the Board Packet. He distributed a brochure to the Board. The brochure was put together by SRP. Mr. Doug Frerichs is on the Foundation Board. The Foundation is not doing any big projects yet. They have discussed working on the 50th Anniversary celebration. Last month they helped fund the Site Steward program and Volunteer Day by providing food for these events.

Mr. Travous noted that there is still no agreement between the Foundation and the Board. Mr. Roe is present to perhaps discuss with the Chairman over lunch potential paths that can be taken to make it work for both organizations.

Mr. Travous invited the Board to the Foundation's event on May 4 at Mr. Greg Sullivan's home. There will be a large contingent from Resolution Copper present.

Ms. Stewart asked what is holding up getting an agreement.

Mr. Travous responded that the fact that the more it appears that the Foundation is representing State Parks rather than representing themselves as friends of State Parks the more their board members become uncomfortable that the Parks Board have to have control over them and the more Risk Management wants to put in for indemnification. The more there needs to be an agreement, the more things do go south and the more we're tied in by the very fact that we have an agreement. He's trying to find a way to sort through that.

Chairman Porter noted that he expressed concern that if they are going to hold themselves out as being an official fundraising arm for State Parks then there needs to be an official agreement. If not, then they can still do a lot of wonderful things but we

have to walk a very close tightrope with what they can and cannot do and what they can use and what they cannot use in order to not run afoul of problems.

Mr. Travous responded that that is what he's looking at. He noted that the logo does not appear on the brochure. The Attorney General's Office says there needs to be a wall between the organizations. The more there is an agreement between them, the more that wall disappears.

Ms. Stewart noted she was in Sacramento last week and saw some California Parks Foundation brochures. They were impressive. She would be interested in having Ms. Hernbrode find out what kind of agreement they have.

Mr. Travous noted that we have information from California and others. He doesn't find any agreements out there. The Colorado foundation does not have an agreement.

Ms. Stewart noted that it would be helpful for Ms. Hernbrode to contact the Attorneys General in some of those state to find out what kinds of things they do and don't do in their relationship to make sure they don't have problems if they don't have an agreement.

Ms. Hernbrode responded that she could certainly do that. Before starting down this path she spoke with attorneys within Arizona who represented state entities with foundations and patterned what we were doing with what advice they were giving their clients.

Ms. Stewart noted that it sounds like the Foundation is proposing something different than what the Board was originally thinking about. In order for the Board to make an informed decision she would like to know what other states are doing. She would also like Ms. Hernbrode to specifically tell the Board about other specific foundations that are related to state agencies and what their relationship is.

Chairman Porter noted that the biggest danger is that there are risks in not having an agreement. One of those risks is that by their having essentially complete independence the Board could get into a situation similar to one the Arizona Historical Society found themselves in. A foundation was formed with no agreement. It was a disaster. They eventually got off on a tangent of their own and began to attempt to use the significant amount of money they had raised and controlled to wag the dog. They began trying to dictate what the Historical Society would do in order to receive funding.

Ms. Stewart noted other issues such as the perception of the public that they're contributing money that will go to specific things at the agency and when it doesn't does the Board become part of lawsuits.

6. Update on Vision and Design

Mr. Travous reported that there were two issues that were not discussed last month: the Santa Cruz and the Verde River Greenway. He stated that there are some things moving on the Santa Cruz River that staff have not been a part of. He has a meeting tomorrow for an update on what's going on there. He understands that there have been several proposals from developers from around the state who are looking for mitigation and were going to use this project as mitigation. At the same time, Avatar is still holding out its 20% match for those people who would want to use Avatar as their

mitigation. He understands that there is some competition as to who will work with Avatar and secure that 20% grant. That's moving along without any help from staff.

Mr. Travous reported that there was an article in the paper last week on the water in the Verde River Greenway. It so happened that he had a meeting with the people from The Nature Conservancy the day before who talked about what the Board was doing at the Verde River and trying to coordinate that effort up and down the river. He has met with SRP because of the headwaters issue. SRP has told staff that if the drilling continues at the rate it is now in the Verde Valley, in 20 years the Verde River will be dry. People are very nervous about that; SRP is worried about that. In the meantime staff are talking with the people across the river from the Babbitt property along what was called the Harvard Property. They have 40 acres staff want to look at and bring to the Board in May that would fit the new vision of the Greenway. It becomes very iffy when one throws in the fact that the Board could be buying property that in 20 years won't have any water running through it. It's iffy to buy the property; it's iffy to not buy the property. There's a lot of coordination on the Verde River. He sees a big effort on staff's part over the next 20 years trying to sort it all out. A lot will depend on what happens at the headwaters in the Chino Valley regarding the separation of ground vs. surface water and how far SRP decides it needs to go up river, etc. It's a battle that won't be won very quickly.

Chairman Porter responded that it is somewhat appropriate that the Board be somewhat in the lead in trying to coordinate some of that. He realizes the Board is only a player. At the same time, the Board needs to try to be what it says it is and try to be a major player and a major accommodator to try to make things happen there.

Ms. Stewart noted that four years or so ago she happened to go to a presentation by SRP at a legislative hearing. It was fascinating; it was on this whole issue of the water in the Verde Valley. It was frightening then. Nothing's happened in these four years since. She noted that Mr. Travous said staff would bring a piece of property to the Board in May. If it's going to be from Natural Areas money it needs to go to NAPAC.

Mr. Ream responded that it has not gone to NAPAC yet. They met the day before.

Mr. Travous added that we aren't there yet. Staff will bring maps and ideas to the Board as has been done with the other Verde properties. The property will still have to go through the whole diligence process, including NAPAC.

Chairman Porter noted that he received a call from the Mayor of Lake Havasu City a week or so ago. He was excited and indicated that there is yet another player inserting itself into that area around Contact Point – Mohave Community College. They have been looking for a place to build their branch university college campus in Lake Havasu. They have funding available and have been in discussions with BLM for some land very close and adjacent to Contact Point with the idea of building there and becoming part of the overall footprint where there is an educational element. They see a lot of benefit in having their campus there where they could perhaps become a home to some of the educational programs discussed for that area. It sounds like the people in Lake Havasu are very interested in what the Board has discussed.

Chairman Porter, as a follow-up on the discussions the Board had on the potential archaeological park, asked Mr. Travous to follow through. Even though the Board

decided that this is not something the Board can directly do, it should at least try to provoke a meeting and bring people with that interest together.

Mr. Travous responded that he has not yet done anything in that regard yet. It is on his "to do" list.

G. CALL TO THE PUBLIC

No one in the audience wished to address the Board.

H. TIME AND PLACE OF NEXT MEETING AND CALL FOR FUTURE AGENDA ITEMS

- 1. Staff recommends that the next Arizona State Parks Board Meeting be held at Boyce Thompson Arboretum in Superior, AZ on May 18, 2006.**

Chairman Porter stated that the next Board meeting will be held at the Boyce Thompson Arboretum on May 18, 2006.

- 2. Board members may wish to discuss issues of concern and request staff to place specific items on future Board meeting agendas.**

Ms. Stewart requested an agenda item regarding opportunities for staff advancement, including certifications.

Mr. Travous noted that the July meeting is generally a two-day meeting where staff make presentations regarding the budget and a variety of other things. The meeting the next day is when the Board votes on the budget and other things with the idea being that the Board would discuss things that first evening when they are all together. This year, staff anticipates bringing six or seven presentations to the May meeting to get the Board thinking about what's going on. Executive Staff did a number of analyses on things that are coming up outside the organization that will take time (i.e., relating to the budget, staff have to come up with a system to be sure people keep their raises). An analysis was done on retirements organizationally. Over the next five years, 40% of the available workforce in the U.S. will be eligible to retire. That information was extrapolated down through the agency to see what it will mean if the agency's staff all took advantage of it. Staff intends to provoke the Board at the May meeting to think about what is going on in preparation for the July meeting.

Ms. Stewart noted that a few years ago, as part of the July meeting, presentations were delivered from various areas of the agency. There were presentations on Project 11 and things along those lines. She felt that was helpful. She suggested that if there are new things in Marketing or PAMS, etc., that would help to set the tone of where we're going it would be helpful to see them as well.

Mr. Travous responded that staff have gone through and looked at the things that will come up next year and looked at all the things they think will take up the bulk of staff's time over the next year. The Board will receive an analysis on each of those items and some things that the Board is interested in that didn't even make the list. He believes it will be an eye-opening meeting.

Ms. Stewart noted it sounds like the May meeting will be a longer meeting than normal.

Ms. Hernbrode noted that Mr. Morrow asked that the Board place an update on the rock throwing lawsuit at Tonto on the Agenda.

Mr. Scalzo stated that, based on what Mr. Travous just stated, the Board needs to be careful about how many items it loads on the agenda.

Chairman Porter responded that what Mr. Travous outlined fits very nicely. With what is there so far, he will make a strong effort to not add anything else. He also warned the Board that they should figure on going longer than their normal ending time period. He asked that the Board members be prepared to at least stay until 1:00 p.m.

Mr. Travous suggested having lunch brought in.

Mr. Travous noted that the Picket Post House is up for sale again. It's been on or off for some time. It overlooks Boyce Thompson. Staff will try to arrange a tour. Resolution Copper is looking at doing something with that along with others.

Chairman Porter stated that the meeting will begin at 9:00 a.m., have lunch, continue the meeting, and see the Picket Post House.

Ms. Stewart asked if time will be allotted to discuss the items staff will present to the Board.

Mr. Travous responded that the presentations in May are simply to provoke the Board to think for the July 19 meeting. He doesn't want to have two planning meetings. He just wants to give the Board information to talk about in July.

Chairman Porter stated that there will be some time for discussion. Mr. Cordasco has his own provocations to lay before the Board. He would like to finish the meeting by 1:00 but that doesn't mean it will definitely end by 1:00.

H. ADJOURNMENT

There being no further business, Chairman Porter adjourned the meeting at 10:25 a.m.

Pursuant to Title II of the Americans with Disabilities Act (ADA), Arizona State Parks does not discriminate on the basis of a disability regarding admission to public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the ADA Coordinator, Nicole Armstrong-Best, (602) 542-7152; or TTY (602) 542-4174. Requests should be made as early as possible to allow time to arrange the accommodation.

William C. Porter, Chairman

Kenneth E. Travous, Executive Director