



TOWN COUNCIL  
STUDY SESSION

Council Chambers/Library Auditorium 7401 E. Skoog Blvd. Prescott Valley, Arizona 86314  
at 3:00 p.m.

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**MEETING MINUTES**  
**February 06, 2025**

**1. CALL TO ORDER AND ROLL CALL**

**Present:**

**Kell Palguta, Mayor**  
**Matt Zurcher, Vice Mayor**  
**Kendall Schumacher, Councilmember**  
**Michael Greer, Councilmember**  
**Kenneth Freund, Councilmember** (*appeared telephonically*)  
**Janell Kiehl, Councilmember**  
**Bill Williams, Councilmember**

**Absent: None.**

Mayor Palguta called the meeting to order at 3:00 p.m.

**2. DISCUSSION ITEMS(S):**

**2a. Capital Improvement Program Update - Discussion Only [Celina Morris, Finance Director]**

Celina Morris, Finance Director, provided a comprehensive overview of the Capital Improvement Program framework, its governance model and key activities. She highlighted the maturity assessment process, emphasizing alignment with both the Council's strategic priorities and community needs. She further defined the Capital Improvement Plan (CIP) and the Capital Financial Plan (CIFP), offering insight into the various factors and inputs that shape the Town's CIP. She discussed the methods the Town will use to prioritize and assess budget requests for future projects, shared a visual of the change in the Town's budgeted 5-Year Capital Improvement Plans over the years, and detailed the current budgeted 5-Year Capital Improvement Plan

for FY 2025 through FY 2029. Following, she discussed what is included in the Annual Budget and provided a breakdown of the FY 2025 Capital Plan and Capital Budget. Generally, Capital Improvement Projects must either have a cost threshold of at least \$100,000 or must add efficiencies and longevity to an asset. However, some projects with less than the threshold may be included within the CIP plan if complex. Director Morris discussed potential funding sources to consider including pay-as-you-go, one-time revenues, savings, project specific grants, Development Impact Fees (DIFs), developer contributions, general obligation, revenue bonds, loans, dedicated sales tax (TPT) revenues, and public private partnerships. She explained that many funding sources come with restrictions, with the General Fund being the least restricted, and shared an illustration of the various capital areas with their corresponding funding sources. Lastly, she discussed external factors to include construction cost index, construction employment and material pricing changes.

Councilmember Williams asked if there are greater funding needs for all the projects than the Town has the money for.

Director Morris explained that when the five year CIP is brought back to the Town Council the funding sources will be matched with the requests.

Councilmember Williams inquired on whether there are other revenue sources that could be looked at to create more stable funding streams for some of these projects. He shared his understanding that the Town will go into debt over the PFAS water project.

Director Morris replied that they do look at a number of different funding sources. Whether or not it would be appropriate would just depend on the project.

Councilmember Williams then inquired how Director Morris was able to forecast the five main capital improvement types into FY 2029 and whether she received input from other department directors.

Director Morris specified that the same process was followed last year; however, additional criteria was added this year. The needs of the department are weighed with Council priorities to determine those projects, all of which are based on needs and assessment.

Heather Ruder, Public Works Director, explained that the five-year plan includes two types of projects, one of which is programs. These programs are ongoing, typically running year after year, focused on replacing existing infrastructure. Director Ruder highlighted the variations in traffic signals across the Town and noted that, with each upgrade, there is now a concerted effort to standardize by replacing signals with the same brands, electronics, and equipment. She emphasized that this consistency in signal upgrades offers several benefits, including easier staff training and the elimination of the need to maintain inventory for various systems. The other projects are one-time, large scale projects that may have multiple funding sources. Director

Ruder reviewed the multiple phases of a CIP project using the Glassford Hill Road Expansion project as an example.

There was no further discussion.

**2b. Fire Hydrant Installation Program - Discussion Only [Neil Wadsworth, Utilities Director]**

Neil Wadsworth, Utilities Director, introduced Utilities Engineer Andrew Powell.

Engineer Powell provided an overview of the current fire hydrants in the Town of Prescott Valley, noting that many are connected to undersized infrastructure, which presents challenges during firefighting efforts. The primary goal of the fire hydrant installation program is to target areas with limited hydrant coverage, particularly residential neighborhoods. He detailed the program's scope, reviewed past installations, and addressed key challenges in installing new hydrants, including small waterlines, the placement of existing waterlines, and conflicts with other utilities. Engineer Powell outlined the costs for installing a new hydrant, detailing low cost (\$15,000 per hydrant), high cost (\$50,000 to \$150,000 per hydrant), and very high cost (\$150,000 to \$500,000) which are based on different scenarios and types of constraints. The Town's highest priority is to install as many hydrants as possible at the lowest cost, while gradually addressing the more expensive and complex hydrant locations in the long term.

Director Wadsworth advised that Fire Marshal Darrell Tirpak is present to answer any fire operation related questions.

Mayor Palguta commended Town staff on their presentation and recommended it be added to the Town's website. He agreed with the strategy to efficiently install as many low-cost fire hydrants as possible, recommending that the focus be on the core area of Prescott Valley.

Vice Mayor Zurcher asked Director Wadsworth to walk through what happens when one of the small waterlines goes bad.

Director Wadsworth explained that when one goes bad you end up with a water leak. The Town does not replace the entire 200 or 500 feet of pipe, as doing so would be more costly and require interrupting service to residents. Instead, the Town cuts out a section of the existing pipe, which is then replaced with pipe couplings and a brand new section of ductile iron or PVC pipe.

Councilmember Williams expressed his concern about the absence of fire hydrants. He then asked what options are available if it is not feasible to install waterlines with the appropriate six, eight, and ten-inch pipes, and what potential workarounds could be considered.

Director Wadsworth replied that the Town could install new waterlines; however, that is a very expensive proposition. He then deferred to Chief Tirpak with regards to potential workarounds.

Chief Tirpak explained that a water tender is used when there is insufficient water supply. Each station is equipped with a water tender capable of holding between three thousand to seven thousand gallons of water.

Councilmember Williams asked what Central Arizona Fire and Medical Authority (CAFMA) does to ensure they can extinguish fires in some of these key areas.

Chief Tirpak replied that they work off tactics and strategies to determine the appropriate response to a fire.

Councilmember Williams inquired whether there are opportunities to redo waterlines when building future road projects.

Director Wadsworth replied absolutely and referenced two locations where the Town did just that.

Councilmember Freund supported the proposal indicating that it is a very sensible and logical approach.

Mayor Palguta explained that there have been an additional 40 fire hydrants added over the last four years and commented upon the progress that could be made if the Town continues over the next six to eight years.

Director Wadsworth expressed hope for the installation of fire hydrants at every possible location, while acknowledging that there will still be areas with gaps that will need to be addressed.

### **3. ADJOURNMENT**

Mayor Palguta adjourned the meeting at 3:50 p.m.

ATTEST:

APPROVED:

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Fatima Fernandez, Town Clerk

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Kell Palguta, Mayor

STATE OF ARIZONA)  
COUNTY OF YAVAPAI)  
ss:

TOWN OF PRESCOTT VALLEY)

CERTIFICATE OF COUNCIL MINUTES

I, Marissa Greenwood, Deputy Town Clerk of the Town of Prescott Valley, Arizona, hereby certify that the foregoing minutes are a true and correct copy of the Minutes of the Study Session Meeting of the Town Council of the Town of Prescott Valley, held on February 06, 2025.

I further certify that the meeting was duly called and held and that a quorum was present.

Dated this February 27, 2025

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Marissa Greenwood, Deputy Town Clerk