Build Kansas Fund | Fiscal Year 2024 Application Package | Memo

To: Senator Ty Masterson, Chair, Build Kansas Advisory Committee
Murl Riedel, Kansas Legislative Research Department
Shauna Wake, Office of the Kansas State Treasurer

From: Matthew Volz, Executive Director, Kansas Infrastructure Hub

RE: Build Kansas Fund Application #2024-032-40101d-Horton

Date: April 12, 2024

Attached, please find an application made to the Build Kansas Fund by the City of Horton. The application packet includes the following items:

- Coversheet – provides a high-level overview of the application including a unique identification number, page 1 of 14 of the Build Kansas Fund Application Package.
- Build Kansas Fund Application – includes information submitted with the Build Kansas Fund Application, pages 2-8. Page 8 provides the table of funding sources.
- Attachments – Copy of BIL application, pages 9-14.

Project Overview
Under the Preventing Outages and Enhancing the Resilience of the Electric Grid - Section 40101(d), the U.S. Department of Energy (DOE) provides grants to States to improve the resilience of their electric grid against disruptive events. The Kansas Corporation Commission (KCC) received more than $13.3M from the DOE for fiscal years 2022 and 2023. During the application period, KCC received 31 submissions, with more than $40.1M in project funding requests. Ultimately, the agency selected 11 applicants across Kansas with Build Kansas Fund requests totaling $5.84M, unlocking $12.08M in federal funding.

The City of Horton seeks funding from the Kansas Corporation Commission (KCC) through the 40101d program. The City's Substation Upgrade Project will replace the outdated substation, power lines, facilities, and other systems to enhance the resiliency of the system.

This opportunity is a pass-through discretionary BIL program with a local match requirement of 48.33%. The entity is requesting $529,494.36 from the Build Kansas Fund. This request has the potential to unlock $1,095,505.64 in federal funds.

The State's internal deadline for 40101d applications to Kansas Corporation Commission was December 29, 2023. This is an ongoing Federal program; however, it would be advantageous for the State to submit its application package as soon as possible. This Build Kansas Fund application was received on March 13, 2024, and subsequently deemed acceptable for this program.

Build Kansas Fund Steering Committee Recommendation
The Build Kansas Fund Steering Committee reviewed this application on April 3, 2024, following a successful completeness check. The Steering Committee **RECOMMENDS APPROVAL** of Build Kansas Funding to the Build Kansas Advisory Committee for final advice.

Build Kansas Fund | Fiscal Year 2024 Application Package | Coversheet

Build Kansas Fund Application Number	2024-032-40101d-Horton	
Project Name	City of Horton Substation Upgrade	
Entity Type	Local Government	
Economic Development District (EDD) Planning Commission	NoEDD	
Infrastructure Sector(s)	Energy	
BIL Program	Preventing Outages and Enhancing the Resilience of the Electric Grid – 40101(d)	
BIL Program Type	Discretionary (State Pass-Through)	
BIL Application Deadline	12/29/2023	
Build Kansas Fund Request	$529,494.36	
Technical Assistance Received	General	No
	BIL Application	No
	Build Kansas Fund Application	Yes
	Other (Brief Description): Support on application and budget submission	
Application Notes	Build Kansas Fund contribution of $529,494.36 will unlock $1,095,505.64 in federal BIL funding. *The application for BIL funding was submitted to KCC for review and approval and received DOE support prior to submitting for BKF.*	

Steering Committee Funding Recommendation	**4/3/2024 | Recommend**
Advisory Committee Target Review	**DATE | Recommend or Deny**
Advisory Committee Funding Recommendation	**DATE | Approve or Deny**

Completeness Review Data

Date Build Kansas Application Received:	3/13/2024
Date Of Completeness Check:	3/13/2024
Date Forwarded to Steering Committee:	4/02/2024

Title

City of Horton

03/13/2024

by **Kimberly Knudson** in **Build Kansas Fund Fiscal Year 2024 Application**

id. 45879726

205 East 8th
205 E 8th St
Horton, Kansas
66439
United States
17854862681
kim.clausen@hortonkansas.net

Original Submission

03/13/2024

Score	n/a
	Part 1: Applicant Information
The name of the entity applying for the Build Kansas Fund:	City of Horton
Project Name:	City of Horton Substation Upgrade
Entity type:	Local Government
Applicant Contact Name:	Kim Knudson
Applicant Contact Position/Title:	ClerkAdministrator
Applicant Contact Telephone Number:	+17854862681
Applicant Contact Email Address:	kim.clausen@hortonks.net
Applicant Contact Address:	205 East 8th
Applicant Contact Address Line 2 (optional):	
Applicant Contact City:	Horton
Applicant Contact State:	Kansas

Applicant Contact Zip Code:	66439
Is the Project Contact the same as the Applicant Contact?	Yes
	Part 2: Build Kansas Fund - Eligibility Criteria
Certify that you are pursuing a viable Bipartisan Infrastructure Law (BIL) funding opportunity for which your entity is eligible:	Yes
Certify that the Bipartisan Infrastructure Law (BIL) funding opportunity you are pursuing has a required non-federal match component:	Yes
What is the primary county that the project will occur in?	Brown County

The Build Kansas Fund is intended to support Kansas-based infrastructure projects. Please provide a list of all the zip codes this project will be located in, along with an estimated percent [%] of the project located in that zip code. For example, if seeking funding for road infrastructure, provide a rough percent of the roads expected in each zip code:

Zip Code Percentage.xlsx

	Part 3: Bipartisan Infrastructure Law (BIL) - Grant Application Information Please Note: This information is related to the federal Bipartisan Infrastructure Law (BIL) funding opportunity to which you will apply. This is NOT information for the Build Kansas Match Fund.
Please enter the Bipartisan Infrastructure Law (BIL) funding opportunity title that the entity is applying for:	Preventing Outages & Enhancing the Resilience of the Electric Grid 40101(d)

What is the funding agency for this Bipartisan Infrastructure Law (BIL) funding opportunity?	Kansas State Agency
Enter the Kansas State Agency in which you are applying for funding.	Kansas Corporation Commission
What is the Assistance Listing Number (ALN) for this Bipartisan Infrastructure Law (BIL) funding opportunity?	81.254
What is the application due date for this Bipartisan Infrastructure Law (BIL) funding opportunity?	3/15/2024
What is the federal fiscal year for this Bipartisan Infrastructure Law (BIL) funding opportunity?	2024
Enter the amount of funding being applied for, from the Bipartisan Infrastructure Law (BIL) funding opportunity:	$1,095,505.64
Enter the required non-federal match percentage:	48.3333
	Part 4: Build Kansas Fund - Match Application Information
Enter the non-federal match amount being requested from the Build Kansas Fund:	$529,494.36

Is the project able to move forward with a lesser match amount than requested?	No
If you are awarded less match than the amount requested, at what amount would your project NOT be able to move forward?	100.0

Expected breakdown of funding sources to support the project: Enter the funding source and projected amount from each source to support this project:

Kansas+DOT+table.xlsx

	Part 5: Build Kansas Fund - Means Test
Confirm that there are no available funding sources currently planned to go unused by your entity that could be leveraged for this project:	Yes
Confirm there are no available American Rescue Plan Act (ARPA) or Coronavirus State & Local Fiscal Recovery Fund monies that could be used for this match:	Yes
Confirm that you have explored other readily available funding sources (federal or non-federal) to be used for this match:	Yes

Briefly describe your efforts to find other available funding sources for this project:	We have been in contact with numerous Congressional Offices, USDA Director Christy Davis, Kansas Water Office, etc. We have also been researching grant opportunities, however this is a very large scale project and and our Dam/Spillway is not managed by the the federal government and it appears that there is less opportunity for funding opportunities or the local match portion would not be affordable for our small less fortunate community.
	Part 6: Additional Information

Please upload a copy of the Bipartisan Infrastructure Law (BIL) program application associated with this request OR a 2-page executive summary providing an overview of the project:

Submission__City_of_Horton_Substation_Upgrade.pdf

Provide any additional information about this project (optional):	
	Part 7: Terms and Conditions
Understanding of Fund Release Requirements:	checked
Understanding of Use of Funds:	checked
Understanding of Reporting Requirements:	checked
Authority to Make Grant Application:	checked
Persons and Titles: The following persons are responsible for making this Build Kansas Fund application.	Kim Knudson
Position/Title:	Clerk
Additional:	Garrett Nordstrom
Position/Title:	Administrator
Additional:	
Position/Title:	

Additional:	
Position/Title:	

Internal Form

Score	n/a
	Pre-Award Information:
	Post-Award Information:
	Deviation Report:

Source	Amount	Zip Code	% of project in zip code
BIL Federal Funds (applied for)	$ 1,095,505.64	66439	100% in Kansas
Build Kansas Funds (non-federal match)	$ 529,494.36		
Additional Project Contribution (if applicable)			
TOTAL PROJECT COST	$ 1,625,000.00		

Title

City of Horton Substation Upgrade

12/28/2023

id. 45040401

by **Kimberly Knudson** in **SECTION 40101(d): Preventing Outages & Enhancing the Resilience of the Electric Grid**

205 East 8th
205 E 8th St
Horton, Kansas
66439
United States
17854862681
kim.clausen@hortonkansas.net

Original Submission

12/28/2023

Score	n/a
	Section 1: Applicant Information
Entity name:	City of Horton
Entity Type:	Electric Grid Operator
Entity address:	205 East 8th Horton Ks 66439 US
Employer Identification Number (EIN):	48-6025865
Unique Entity Identifier (UEI):	MEQCRL214B31

Please upload verification of eligible entity size and documentation of annual sales per year:

utility_receipts_2021_1.pdf

doc00126120231228110311_1.pdf

EIA Table

2021 Utility Bundled Sales to Ultimate Customers List .xlsx

Project Manager name:	John Calhoon

Project Manager phone number:	+17854862681
Project Manager e-mail address:	john.calhoon@hortonkansas.net

IRS Form W-9:

W9.pdf

Latest financial statement and financial statement audit:

2022_audit.pdf

Please acknowledge whether your entity has ever submitted an application, similar in nature, to the DOE under BIL Section 40101c, DE-FOA-002740, Grid Resilience and Innovation Partnerships (GRIP):	No
	Section 2: Project Description and Scope
Project Name:	City of Horton Substation Upgrade
Project type:	Hardening of power lines, facilities, substations, of other systems
Project description and scope:	Grant funds would be used to replace an outdated substation that we just took ownership of from Evergy. The substaion is 34.5kV with a 5.25 MW transformer. Most of the structure is wood and beyond their useful life with significant decay. This project would replace all wood with steel structures and be replaced with a new 5/7 MVA transformer with copper diskwindings. All the insulators, arrestors, and bus work would be replaced as well. All all the insulators, arrestors, and bus work would be replaced as well. The city currently has a fairly new line up of metal clad switchgear located at our power plant. The relays in the switchgear have all been replaced within the last five years. As part of this project, the breakers in the switchgear and the relays will all be tested and maintained. The City of Horton utilizes two reclosures to feed our distribution circuits and both reclosures are more than 40 years old. As part of this project, the reclosers will be replaced and the two feeders will be split into four feeders and be fed from the existing switchgear located inside the power plant.
	Section 3: Need for Funding

Project funding need:	We recently acquired an outdated substation from Evergy and it has not been maintained up to standards in recent years. The transformer is approximately 35 years old or more and its expected to have 3 to 5 years longer life expectancy. A recent report from Evergy indicates that the substation is in fair-poor condition with some known critical issues that includes replacing most structures. Cost estimates are approximately 1.625 million dollars to upgrade and closely relocate the existing substation. Due to the recently received report from Evergy and the cost estimates, it is apparent that we do not have all of the funds available to fund this upgrade due to our current debt/ratio. Therfore, we are applying for grant funds to cover a larger portion of the funding.
Provide historical and post project estimated interruption frequency and duration data, if known.	We are small community of approximately 1,500 residents with a diversed population along with many disadvantaged and poverty level residents. Financing the project would have a very negative effect on our residents and our local economy as many residents cannot afford additional costs passed on to them at the local level. Sudden failure of our transformer and the timeline to acquire a replacement would be detrimental to our community.
Provide pro rata customer impact of total project cost.	Without funding assistance, the impact it would leave upon our customers to fund would amount to approximately $1,605.73 per meter used. as of today we have 1,012 electric meters billed on a monthly basis.
Provide number of customers to be impacted by the project and percentage of impacted customers to total customers in the disadvantaged or underserved community.	We currently feed approximately 837 residential customers with electrical service in addition to approximately 175 commercial meters. We serve a large amount of disadvantaged customers and are considered an underserved community with a very high poverty level according to most data census'.
	Section 4: Complete Budget and Narrative
Award amount requested:	1095530.23
Matching funds to be provided:	529469.77

Budget (Total Costs):

Budget Template DRAFT.xlsx

Project budget upload (optional):

Estimate_to_replace_substation_and_feeder_ciruits.pdf

Project budget narrative:	We are prepared and obligated to required matching funds, if awarded the grant. However, we would also hope to utililize the BIL funding if at all possible, due to us being a rural and underserved municipality. Our estimated budget is attached in this application, which includes applicable costs associated with replacing and relocating an aged power substation.

Cost match commitment letter:

doc00126020231228110251_1.pdf

	Section 5: Project Timeline
Project timeline:	0-3 months for Engineering and Design 3 months to 2.5 years for Procurement 6 months to 2.5 years for Construction 2.5 years for anticipation completion dependent on availability of transformer
	Section 6: Bids and Estimates

Bids and estimates:

Estimate_to_replace_substation_and_feeder_ciruits.pdf

	Section 7: Community Benefit
Community benefit narrative:	Our residents are privileged to have a Power Plant to assist with our electrical power restoration needs and by recently obtaining ownership of an Evergy sub-station, the City of Horton is in a great position to upgrade the outdated sub-station and improve upon our electrical grid system. d system with the help of some funding through grant opportunities.
Provide historical measurements of resilience and reliability for the targeted areas of each proposed project.	The City of Horton has one of the oldest power generating plants in the State of Kansas and with regular maintenance has been able to safely and timely been able to restore power temporarily. while repairing our failed equipment. Due to our limited funds, we have always been more reactive to our electrical power failures instead of being proactive and upgrading our substation and grid system.
Provide expected changes to the historical data as a result of each proposed project.	With the proposed project and funding assistance, we should be able to reduce the down time during power outages caused by major storms. With an enhanced and more resilient grid, we will be able to respond more safely and recover rapidly from major power disruptions.

Provide historical measurements of resilience and reliability for the entire system to determine whether the project is in an area that has, on average, more frequent or longer duration outages.	Again, we have had the benefit of generating power temporarily, by firing up our diesel generators in order to shorten the duration of power outages. In recent history, our limited number of staff and funding has not allowed us to enhance many ares of our electrical grid system.
Provide age of system or line segments to be replaced or repaired, type of equipment that failed, and the number of annual outages for the project area.	It has been estimated that our large transformer in the sub-station is approximately 40 years old and most of the poles, reclosures, feeders, etc. are beyond ures etc. may not have been replaced n replaced as well within that same time frame. We hope to replace and add new reclosures with the proposed project and average 12 to 14 power failures a year with aproximately one third of them storm related. ed
Provide a number of protective devices (fuses or breakers) that have operated more than once in a rolling 12-month period.	We are a small municipality with a one man operation and no actual data is available, but it is estimated to be 40.
Provide a number of customers impacted by project and the percentage to total customers served in Kansas.	We would immediately have an impact on 1,012 customers, which would be an extremely low percentage rate of customers served in Kansas.
Description of efforts to attract, train, and retrain a skilled workforce for this project.	Our small municipality has always strived to maintain our Power Plant and Electric Grid System in order to retain a small, yet skilled workforce. The recent acquistion of the sub-station will be an enhanced to providing power to our residents and commercial users. workforce
Provide an estimate of job creation due to this project.	During the short-term of this project, we will contract with a small number of contractors that will create several additional jobs within our community, which can only boost our economy. Upon completion of our project, it is our hopes that we could attract a small number of additional skilled electrical workers.

Identify any plans to partner with training providers to support workforce development.	We will continue to partner with (KMEA) Kansas Municipal Energy Association and (KMU) Kansas Municipal Utilities on continuing education opportunities.
Provide any other metric(s) that indicates potential community benefit.	Electrical substations act as intermeddiaries between high-voltage transmission lines and local distribution networks. they facilitate voltage transformation, switching and protection, ensuring electricity is safely distributed to end consumers. By replacing and maintaining the desired voltage levels and isolating faulty equipment, the substation should enable efficient power delivery and prevent widespread outages and be safer for our community.
Confirmation that the applicant will comply with all Davis-Bacon Act requirements.	Yes
Confirmation that the applicant will comply with all Buy America Requirements.	Yes
Confirmation that the applicant will submit an environmental questionnaire (NETL Form 451.1-1-3), if required, for each work area proposed in the application.	Yes