

# 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 #2024-039-40101d-Holton

Date: April 12, 2024

---

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

- Coversheet – provides a high-level overview of the application including a unique identification number, page 1 of 9 in 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 – executive summary, pages 9.

## **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 Holton seeks funding from the Kansas Corporation Commission (KCC) through the 40101d program. The Holton Transformer Improvement Project will add a transformer which will enhance the reliability, redundancy, and resilience of the city's system.

This opportunity is a pass-through discretionary BIL program with a local match requirement of 48.33%. The entity is requesting \$796,359.51 from the Build Kansas Fund. This request has the potential to unlock \$1,647,640.49 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 December 11, 2023, and held until award selections were made by KCC. Upon selection, applications underwent a completeness check, and subsequently deemed acceptable for this program on March 11, 2024.

## **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	2024-039-40101d-Holton
Project Name	Holton Transformer Improvements
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	\$796,359.51
Technical Assistance Received	General <span style="float: right;">No</span>
	BIL Application <span style="float: right;">No</span>
	Build Kansas Fund Application <span style="float: right;">Yes</span>
	Other (Brief Description): Support on application and budget submission
Application Notes	Build Kansas Fund contribution of \$796,359.51 will unlock \$1,647,640.49 in federal BIL funding. <i>The application for BIL funding was submitted to KCC for review and approval and received DOE support prior to submitting for BKF.</i>

<b>Steering Committee Funding Recommendation</b>	<b>4/3/2024   Recommend</b>
--	-----------------------------

<b>Advisory Committee Target Review</b>	<b>DATE   Recommend or Deny</b>
---	---------------------------------

<b>Advisory Committee Funding Recommendation</b>	<b>DATE   Approve or Deny</b>
--	-------------------------------

### Completeness Review Data

Date Build Kansas Application Received:	12/11/2023
Date Of Completeness Check:	3/11/2024
Date Forwarded to Steering Committee:	4/02/2024

Title **City of Holton, KS** 12/11/2023  
 by **Brett Waggoner** in **Build Kansas Fund Fiscal Year 2024 Application** id. 44923017  
 PO Box 187  
 Lawrence, Kansas  
 66044  
 United States  
 7857602148  
 brett@govassistsvcs.com

**Original Submission** 03/11/2024

Score	n/a
Part 1: Applicant Information	
The name of the entity applying for the Build Kansas Fund:	City of Holton, KS
Project Name:	Holton Transformer Improvements
Entity type:	Local Government
Applicant Contact Name:	Teresa Riley
Applicant Contact Position/Title:	City Manager
Applicant Contact Telephone Number:	+17853642721
Applicant Contact Email Address:	triley@holtonkansas.org
Applicant Contact Address:	430 Pennsylvania
Applicant Contact Address Line 2 (optional):	
Applicant Contact City:	Holton
Applicant Contact State:	Kansas
Applicant Contact Zip Code:	66436
Is the Project Contact the same as the Applicant Contact?	No
Project Contact Name:	Brett Waggoner
Project Contact Position/Title:	Grant Specialist
Project Contact Telephone Number:	+17857602148
Project Contact Email Address:	brett@govassistsvcs.com
Project Contact Address:	PO Box 187

Project Contact Address  
Line 2 (optional):

Project Contact City: Lawrence

Project Contact State: Kansas

Project Contact Zip  
Code: 66044

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? Jackson 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 and Enhancing the Resilience of the Electric Grid (Grid Resilience Grants) Provision, Sec. 40101(d)

What is the funding agency for this Bipartisan Infrastructure Law (BIL) funding opportunity? U.S. Department of Energy

What is the Assistance Listing Number (ALN) for this Bipartisan Infrastructure Law (BIL) funding opportunity? DE-FOA-0002736

What is the application due date for this Bipartisan Infrastructure Law (BIL) funding opportunity? 12/29/2023

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:

\$1,647,640.49

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:

\$796,359.51

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?

\$750,000.00

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:

No

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:

No

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:

For the past 5+ years, city staff and elected officials have been monitoring funding opportunities to alleviate the cost of this project. This was done with the help of KMEA and Governmental Assistance Services. While several potential sources were identified and explored over the years, it was determined that the city could not move forward unless a significant grant component was identified. In 2021, it was determined that the city might get a favorable application for a \$600K CDBG through the KS Department of Commerce. Later that year, however, KS Commerce determined that they were discontinuing municipal electrical improvements from their project eligibility list. City electrical staff has worked with KMEA staff and engineers to develop a potential plan while monitoring the funds available. KMEA staff alerted city staff to the KCC and Build KS funding opportunity and elected officials moved to pursue the grant combination in October 2023.

---

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:

[EXECUTIVE\\_SUMMARY\\_HOLTON\\_TRANSFORMER\\_HARDENING\\_PROJECT\\_BUILD\\_KANSAS\\_FUND\\_APPLICATION\\_.pdf](#)

Provide any additional information about this project (optional): The full application for federal funds is in progress and will be completed and uploaded before the 12/29 deadline. In the interest of timing, please find the attached executive summary that describes the project. It is our hope that a Build Kansas funding commitment letter can be expedited to allow for a timely federal application. Thank you for your consideration.

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. Brett Waggoner

Position/Title: Grant Specialist - GAS (authorized by city council to prepare and submit application)

Additional: Teresa Riley

Position/Title: City Manager - City of Holton

Additional: Craig Figge

Position/Title: Production Superintendent - City of Holton Power Plant

Additional:

Position/Title:

## Internal Form

Score n/a

Pre-Award Information:

Eligible for Build Kansas Fund? YES

EDD / Region: Non EDD/Tribal

Project Primary Zip Code: 66436.0

Sector: Energy

Application ID: 2024-039-40101d-Holton

BKF pre-obligated amount:

Post-Award Information:

Awarded BIL Grant?

Deviation Report:

---

Deviation Type:

---

Deviation Summary:

---

Deviation Date:

---

<b>Source</b>	<b>Amount</b>	<b>Zip Code</b>	<b>% of project in zip code</b>
BIL Federal Funds (applied for)	\$ 1,647,640.49	66436	100% in KS
Build Kansas Funds (non-federal match)	\$ 796,359.51		
Additional Project Contribution (if applicable)	\$ -		
<b>TOTAL PROJECT COST</b>	<b>\$ 2,444,000.00</b>		



**EXECUTIVE SUMMARY  
HOLTON TRANSFORMER HARDENING PROJECT  
BUILD KANSAS FUND APPLICATION**

**PROJECT DESCRIPTION**

The City of Holton generates and distributes power to about 2,500 customers. As part of the Southwest Power Pool, three of the city's eight generators provide capacity when called upon by the SPP. This project upgrades the substation and feeder circuits leaving the power plant. The construction includes a 14MVA transformer, foundation and structural steel improvements, switches, disconnects, arrestors, bus, bus fittings, conduit and cable tray, cable and terminations, breakers, controls, crane, fencing, labor, engineering, grant administration, metering, and contingency.

**NEED ADDRESSED**

Power transformers play a vital role in maintaining reliable and efficient electricity supply. In order to provide an uninterrupted power supply, transformers should be carefully evaluated for remaining service life and capacity. The city's system currently operates using only a single 8MVA transformer. Manufacturers often define the expected life of power transformers to be between 25 and 40 years. This particular transformer is over 50 years old, considerably exceeding its useful design life. Holton reports a typical summer load of 10MVA to 11MVA, with a peak of about 13.4 MVA. Historical data indicates that the system normally exceeds that 8MVA transformer capacity every day between about June 1 and September 30, on average. In addition, the operator reports that there was a winter day that exceeded the transformer capacity in 2023. This is the first winter occurrence in the 23 years of available data. When the load exceeds the transformer capacity, Holton generates whatever amount of excess power is needed for as long as necessary. This results in higher generation costs and fuel cost adjustments – which are passed on to customers. In summary, this transformer is both past its service life expectancy and undersized for current and future usage conditions.

The addition of a new transformer to the system will allow for increased capacity and redundancy within the system. The new transformer will go online in conjunction with the current transformer. In this configuration, the system will have enough capacity to eliminate normal summer generation, unless called upon by the SPP. The redundancy will allow the system to continue to operate normally should one transformer fail to function properly.

**PROJECT COLLABORATORS**

Collaborators on this project currently include the City of Holton as applicant, Kansas Municipal Energy Agency as system hardening advisors and outside plant design professionals, Harold K. Scholz Company as inside plant design professionals, and Governmental Assistance Services as grant writers, grant administrators, and labor compliance and procurement advisors. The city has been diligently working with the team members for the past 5+ years to identify the potential improvements and secure funding to alleviate the costs that will be passed on to current customers.

## **PROJECT GOALS**

The goals for this project are twofold. First, the addition of a transformer with a capacity rating of 14 MVA will provide redundancy in a system that currently does not exist. The current single transformer has no backup. In the event of a failure, the city's system would be down until an emergency transformer could be located, procured, shipped, and installed. As recently shown by a recent incident in Osawatomie, this would leave the city without power for as much as 72 hours, resulting in an emergency disaster declaration. This additional transformer will enhance the reliability and resiliency of the city's current system.

Second, this project will serve to increase transformer capacity in the system. As currently projected, the additional transformer and associated improvements will provide sufficient capacity that will greatly reduce the number of occurrences that will require Holton to generate power. It is thought that the increased capacity will result in generation only in the instances that the SPP calls on Holton to provide additional power to the pool, which will usually be instances where the region is experiencing wind and solar generation shortages. In addition, a modern transformer will incorporate advanced monitoring and control systems, enabling real-time data collection and management. This will facilitate better control over the power system and allow for proactive maintenance. A modern transformer will also contribute to maintaining voltage and frequency stability in the power system, ensuring that the electrical parameters remain within acceptable limits for the proper functioning of connected equipment. The addition of a new transformer to Holton's power system is essential for optimizing transmission and distribution, enhancing system reliability, decreasing generation costs, and accommodating the diverse requirements of a modern electricity grid.

## **BUDGET**

Through KMEA, the city was able to secure an opinion of probable cost for the project. KMEA's Director of Engineering and Field Services, Mike Schmaderer, P.E. put together a budget of \$2,444,000. Included in the budget is the transformer cost of \$1,250,000, foundation and structural steel modifications of \$85,000, labor \$475,000, engineering \$175,000, grant administration \$45,000, construction contingency \$75,000, metering \$40,000, and miscellaneous appurtenances for the balance of the cost. The project budget is in line with requirements of the federal program.

## **EXPECTED OUTCOMES**

The construction of this project will result in two major outcomes – increased reliability and resiliency through redundancy and modernization and increased capacity that will reduce dependency on generation. The configuration of the current transformer capacity is neither resilient nor reliable. Operating with a single transformer puts the city in a position of peril if that transformer fails. Given the 50+ years that the transformer has been in service, it is only a matter of time before the unit fails. The redundancy acquired by adding an additional transformer will make the system more reliable and resilient. Furthermore, the new transformer will increase system capacity in a way that should dramatically reduce the need for generation during the peak summer months. This increased capacity will allow the system to withstand or recover quickly from peak demand. A dramatic reduction in generation will lead to lower costs for customers and less time devoted by staff to generation. The addition of a modern transformer will also provide advanced monitoring and control systems and improve control over the power system, while maintaining voltage and frequency stability in the power system.