

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: Vanessa Lamoreaux, Kansas Department of Transportation

RE: Build Kansas Fund Application # 2024-015-NWKPDC

Date: February 19, 2024

Attached, please find an application made to the Build Kansas Fund by the City of Hays.

The application packet includes the following items:

- Coversheet – provides a high-level overview of the application including a unique identification number, page 1 of 10 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 –An Executive Summary, pages 9-10.

Project Overview

The City of Hays seeks funding from the US Department of Homeland Security, Federal Emergency Management Agency (FEMA) for funding available through the Building Resilient Infrastructure and Communities (BRIC) program. The City has investigated several other funding strategies that will be used to help offset the overall cost of the R9 Wellfield and Pipeline Project, such as the KWO Technical Assistance grant and SRF loan program through KDHE. The project will develop the R9 wellfield including seven (7) new municipal wells, a one-million-gallon raw water storage tank, raw water pump station, 67 miles of 20" diameter raw water transmission pipeline, and ancillary project elements necessary to deliver water from the R9 wellfield to the City of Hays existing pipeline at the Smoky Hill River wellfield near Schoenchen, Kansas.

This opportunity is a discretionary BIL program that has a local match requirement of 25%. The City is requesting \$12,500,000 from the Build Kansas Fund. This request has the potential to unlock \$50,000,000 in federal funds, which is the maximum amount per applicant.

The deadline for BRIC applications is February 29, 2024. The Build Kansas Fund application was received on February 8, 2024.

Build Kansas Fund Steering Committee Recommendation

The Build Kansas Fund Steering Committee reviewed this application on February 15, 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	2024-015-NWKPDC
Project Name	City of Hays R9 Wellfield and Pipeline Project
Entity Type	Local Government
Economic Development District (EDD) Planning Commission	Northwest Kansas Planning Development Commission Region
Infrastructure Sector(s)	Resilience / Water
BIL Program	Building Resilient Infrastructure and Communities (BRIC)
BIL Program Type	Discretionary
BIL Application Deadline	2/29/2024
Build Kansas Fund Request	\$12,500,000
Technical Assistance Received	General No
	BIL Application No
	Build Kansas Fund Application Yes
	Other (Brief Description): Provided BKF budget and application process support
Application Notes	Build Kansas Fund contribution of \$12,500,000 will unlock \$50,000,000 in federal BIL funding which is the maximum amount allowable through BRIC, per applicant.



Steering Committee Funding Recommendation	February 15, 2024 Recommend
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Advisory Committee Target Review	DATE
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Advisory Committee Funding Recommendation	DATE Approve or Deny
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Completeness Review Data

Date Build Kansas Application Received:	2/8/2024
Date Of Completeness Check:	2/9/2024
Date Forwarded to Steering Committee:	2/9/2024

Title **City of Hays, KS** 02/08/2024
by **John Braun** in **Build Kansas Fund Fiscal Year 2024 Application** id. 45490314
johnbraun@haysusa.com

Original Submission 02/09/2024

Score n/a

Part 1: Applicant Information

The name of the entity applying for the Build Kansas Fund: City of Hays, KS

Project Name: City of Hays R9 Wellfield and Pipeline Project

Entity type: Local Government

Applicant Contact Name: John Braun

Applicant Contact Position/Title: Project Manager

Applicant Contact Telephone Number: +17856211507

Applicant Contact Email Address: johnbraun@haysusa.com

Applicant Contact Address: 1000 Vine Street

Applicant Contact Address Line 2 (optional):

Applicant Contact City: Hays

Applicant Contact State: Kansas

Applicant Contact Zip Code: 67601

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? Edwards 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: Building Resilient Infrastructure and Communities (BRIC)

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

What is the Assistance Listing Number (ALN) for this Bipartisan Infrastructure Law (BIL) funding opportunity? 97.047

What is the application due date for this Bipartisan Infrastructure Law (BIL) funding opportunity? 2/29/2024

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: \$50,000,000.00

Part 4: Build Kansas Fund - Match Application Information

Enter the required non-federal match percentage: 25.0

Enter the non-federal match amount requested from the Build Kansas Fund: \$12,500,000.00

Is the project able to move forward with a lesser match amount than requested? Yes

If you are awarded less match than the amount requested, at what amount would your project NOT be able to move forward? 0.0

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: Total Project cost is estimated to be \$134M. City of Hays anticipate having \$40M in cash for this project. We have applied for KWO Technical Assistance Grant (\$1M) to assist in cost of design. Awards may be announced in May 2024. We have applied to KDHE for SRF loan to finance portion of project not awarded grants. We are also eligible to apply for a WIFIA loan through the US EPA.

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:

[Hays_R9_Project_-_Executive_Summary.docx](#)

Provide any additional information about this project (optional):

The R9 Wellfield and Pipeline Project total cost estimate is \$134M. The Building Resilient Infrastructure and Communities (BRIC) Grant is capped at \$50 million for National Competition Awards of which the City of Hays is applying. The non-federal match requirement for BRIC is 25%; as such, we are asking for \$12.5 million from the Build Kansas Fund to provide the non-federal share requirement if the city is awarded a \$50 million BRIC grant. The \$71.5 million additional project contributions shown in the breakdown of funding sources table above would consist of local cash, other grant opportunities, State Revolving Fund (SRF) Loan, and/or a US EPA WIFIA loan.

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: Toby Dougherty
The following persons are responsible for making this Build Kansas Fund application.

Position/Title: City Manager

Additional:

Position/Title:

Additional:

Position/Title:

Additional:

Position/Title:

Internal Form

Score n/a

Pre-Award Information:

Eligible for Build
Kansas Fund? YES

ED District: Northwest

Project Primary Zip
Code:

Sector: Water

Application ID: 2024-015-NWKPDC

Application Overview
and
Recommendation:

Post-Award Information:

Awarded BIL Grant?

Total Awarded
Federal Funding:

Total Build Kansas
Match Fund Award:

Build Kansas Match
Fund Award
Deobligation:

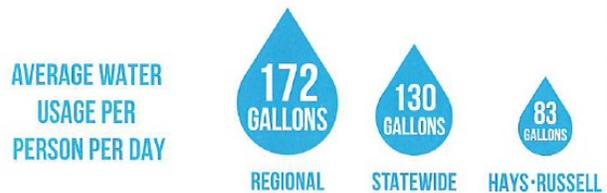
Source	Amount	Zip Code	% of project in zip code
BIL Federal Funds (applied for)	\$ 50,000,000.00	67547	30%
Build Kansas Funds (non-federal match)	\$ 12,500,000.00	67574	20%
Additional Project Contribution (if applicable)	\$ 71,500,000.00	67575	20%
		67548	20%
		67601	10%
TOTAL PROJECT COST	\$ 134,000,000.00		100% in Kansas

Build Kansas Fund Fiscal Year 2024

Executive Summary for Application

City of Hays R9 Wellfield and Pipeline Project

In 1995, the City of Hays purchased a 7,000-acre ranch including its 7,647 acre-ft of irrigation water rights in Edwards County, Kansas, for the purpose of providing the City and the region with a long-term sustainable water supply. A year later, the City of Russell co-invested in the project, and over the last 30 years, the cities of Hays and Russell have become water conservation leaders. The average water usage per person per day in Hays and Russell is only 83 gallons. That is less than half the usage rate for the region and about 64% of the statewide average.



In June 2015, the cities submitted an application to the Kansas Department of Agriculture to change the use of water from irrigation to municipal use. This application included a voluntary reduction of our legally entitled 6,756 acre-ft of water to 4,800 acre-ft, meaning that we will never remove more water than what is naturally recharged, demonstrating our communities' commitments to water conservation are unchanging. Extensive modeling shows the R9 Wellfield will be just as viable 50 years from now. The change in usage, from irrigation to municipal, actually preserves water in the aquifer. Less water will come out of the ground than with irrigation.



Hays and Russell have also worked to remove all irrigation infrastructure and have planted the land back to native grass. The cities have taken an unprecedented step to make the 6,700-acre R9 Ranch available for public use. The goal: a pristine and unique sandhill prairie environment, home to cottonwood, elm, cedar and osage orange trees, to prairie chickens, pheasant, quail, turkey, and deer. This work has been done to transform the ranch into a natural habitat and wildlife preserve for education and recreational purposes to be enjoyed by all. On November 1, 2023, the R9 Ranch was opened to Walk-in Hunting as the 7th largest contiguous WIHA tract in the State of Kansas.



The R9 Wellfield is located in Edwards County approximately 5 miles south of Kinsley, KS. The pipeline will traverse 67 miles crossing portions of Edwards, Pawnee, Rush, and Ellis Counties. The water produced by the wellfield will serve the water customers of the City of Hays and eventually the water customers of the City of Russell and possibly other communities in the area. The project will develop the R9 wellfield including seven (7) new municipal wells, a one-million-gallon raw water storage tank, raw water pump station, 67 miles of 20" diameter raw water transmission pipeline, and ancillary project elements necessary to deliver water from the R9 wellfield to the City of Hays existing pipeline at the Smoky Hill River wellfield near Schoenchen, Kansas.



The R9 Wellfield and Pipeline Project is estimated to cost \$134M. According to Stephen F. Hamilton, Ph.D. the R9 Project would create positive economic impact on the State of Kansas, including a statewide output impact of \$167M, a statewide employment impact of 752 full-time equivalent jobs, and a statewide tax revenue impact of \$4.4M. It would also generate a positive economic impact on the regional economy by avoiding and mitigating the economic loss of water shortages in the range of \$43M to \$117M. Combining the statewide economic impact from water infrastructure and the economic benefits of avoiding future water shortages, the R9 Project will provide economic benefit to the State of Kansas over the next 50 years in excess of \$210M. That number would increase to \$285M under drought conditions more severe than average.

A long-term sustainable water supply for Hays and Russell is critical for the regional economy and for Kansas as a whole. The area is a regional hub for Northwest Kansas, providing educational, health, and commercial necessities for tens of thousands of Kansans. City leaders of Hays and Russell have made a crucial decision to move forward with this project, and we are asking the State of Kansas to make a similar commitment through the Build Kansas Fund for the future of Kansas.

