



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Department Source: City Utilities - Water and Light

To: City Council

From: City Manager & Staff

Council Meeting Date: September 2, 2025

Re: Authorizing a cost match letter of commitment to the Missouri Department of Natural Resources as it relates to a grid resilience formula funding program grant for the replacement of electric transmission poles.

Executive Summary

Staff has prepared for Council consideration an ordinance authoring the City Manager to designate the Utilities Department Director or their designee to sign a cost match commitment letter as part of a grant application with the Missouri Department of Natural Resources (MDNR). The City of Columbia Utilities has been tentatively awarded a grant from the MDNR through the Grid Resilience Formula Funding Program for the replacement of existing transmission poles and a cost match commitment letter is required as part of the final review for award.

Discussion

The Missouri Department of Natural Resources (MDNR) received formula funding from the US Department of Energy (DOE) through the Bipartisan Infrastructure Law. DNR is releasing \$13 million of these funds through their Grid Resilience Formula Funding Program. Grant awardees are eligible to receive up to \$3 million in funding. The City of Columbia Utilities has tentatively been selected to receive grant funding from MDNR through the Grid Resilience Formula Funding Program. Final awards of the grant are dependent on review of the grant applications from DOE. As part of this review, a cost match commitment letter is required.

If awarded the grant, the City of Columbia Utilities would be required to provide a cost match of 49.13 percent of the grant award amount. The City of Columbia Utilities application is for the full award of \$3 million, which would be a cost match of up to \$1,473,900. The cost match would be in-kind materials including the purchase of transmission poles. The in-kind cost match from the utility would be funded by the operating expenses in the electric utility budget. At least \$2 million is allocated in the proposed FY2026 budget for replacement of existing transmission poles. Awarded grant funds would be used to offset the installation costs of replacing existing electric transmission poles. Most of the existing transmission poles are original installations and are past the expected lifespan; therefore, the transmission poles are being replaced due to age, wear, and deterioration.

If the utility is awarded the grant from MDNR, the acceptance of the grant and the appropriation of funds will be brought to the City Council for approval at a future meeting.

Fiscal Impact

Short-Term Impact: Up to \$3 million grant to offset operating expenses.



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Long-Term Impact: No long-term impact.

Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:

Primary Impact: Reliable and Sustainable Infrastructure, Secondary Impact: Inclusive and Equitable Community, Tertiary Impact: Not Applicable

Comprehensive Plan Impacts:

Primary Impact: Infrastructure, Secondary Impact: Livable & Sustainable Communities, Tertiary Impact: Not Applicable

Legislative History

Date	Action
4/8/2025	R46-25: Authorizing the application to the Missouri Department of Natural Resources for a grid resilience formula funding program grant to be used for the replacement of electric transmission poles.

Suggested Council Action

Approval of the ordinance.