

Budget Narrative for Middle Mile Grant Projects

Applicant Name: Syringa Networks, LLC

Applicant Type: New

Proposed Period of Performance: No more than 2 years from grant award date (03/2023 through 03/2025)

Total Project Costs: \$10,744,863

Total Federal Grant Request: \$6,209,732

Total Matching Funds (Cash): \$4,301,532

Total Matching Funds (Cash) is readily on-hand and available. Syringa Networks currently has \$14M in available cash split between money market accounts at Wells Fargo and D. L. Evans Bank and grows by approximately \$600k per month.

Total Matching Funds (In-Kind): \$233,599

Total Matching Funds (In-Kind) represents the grant project tasks that will be completed by internal Syringa Networks employees. This can be found in five categories: Grant Administration, Architectural and Engineering Fees, Other Architectural and Engineering Fees, Project Inspection Fees, and Site Work.

Total Matching Funds (Cash + In-Kind): \$4,535,131

Total Matching Funds (Cash + In-Kind) as Percentage of Total Project Costs: 42.21%

1. Administrative and Legal Expenses

Total for this section (\$70,000)

Grant Management Activities (\$40,000) (In-Kind) – Staff time contributed as an In-Kind Contribution to complete mandatory grant management activities such as completing reports, responding to audit requirements, conducting budgetary activities, and other activities as required by the grantor. These activities are necessary to meet the reporting and compliance requirements of the grant program. Activities based on estimated 500 hours of general administrative staff work at a loaded rate of \$60.00 per hour and 80 hours of middle-senior management level work at a loaded rate of \$125.00 per hour. We are estimating this cost will cover 24-months.

Legal Fees (\$30,000) (Cash Match) – estimated 10 units (events) @ \$3,000 per unit. Legal fees include engaging our outside legal counsel to review the following Agreements: Two railroad applications, one BLM Agreement, one 3rd party construction contractor agreement and six 3rd party private easements regarding placement of telecom cabinets.

Administrative and Legal Expenses	Total Cost	Federal Funds Requested	Cash Match Amount	In Kind Value
Grant Management activities (combined)	\$40,000	\$0	\$0	\$40,000
(2) Railroad crossing	\$6,000	\$3,540	\$2,460	\$0
(1) BLM permit agreement	\$3,000	\$1,770	\$1,230	\$0
(1) Construction contractor agreement	\$3,000	\$1,770	\$1,230	\$0
(6) Easement agreements	\$18,000	\$10,620	\$7,380	\$0

2. Land, Structures, Rights-of-Way, Appraisals, etc.

Total for this section (\$108,000)

Water Crossing Permit (\$63,000) (Cash Match) – Permit for constructing across the Boise River at Parma, a tributary of the Boise River in Caldwell, the Snake River at Homedale and Walters Ferry, and several creek crossings (Reynolds Creek, Squaw Creek, Jump Creek, Sand Hollow Creek, and others). We have 92 additional canal crossings or smaller waterway crossings that require special permitting with the controlling organization. canal companies will limit the period to cross the canals under their control to the months between October 15th and April 15th. Costs include expected fees and associated costs to submit the form 404 applications to the Idaho Department of Lands, Idaho Department of Water Resources, Army Corps of Engineers and Bureau of Reclamation, as well as applications to private canal owners as applicable for water crossing permits and submerged land permits. Environmental assessments of these rivers, tributaries and canals have not been required in the past (None of these are managed by agencies as National Wild and Scenic Rivers). We are estimating there will be 97 water crossings in total. Based on previous experience for similar permits in this area, we estimate a cost/fee of \$649.48 per water crossing permit.

BLM Permit (\$5,000) (Cash Match) – Permit for construction through BLM land. There are 4 small areas within the project that will require this permit. BLM allows several areas to be permitted on 1 permit application, therefore we intent to submit 1 BLM permit application. Expect the cost/fee for this permit application is estimated at \$5,000. Cost is based on experience from applying for similar permits in this area.

Railroad Crossing Permit (\$20,000) (Cash Match) – Permit for construction beneath the path of a railroad. There are 2 railroads that will require a permit (\$10,000) for each crossing. Cost is based on experience from applying for similar permits in this area.

State and County ROW Permit (\$20,000) (Cash Match) - Idaho Department of Transportation and Canyon, Owyhee, Ada County highway districts for construction in the ROW under their control. Cost is based on experience from applying for similar permits in this area.

Land, Structures, Rights-of-Way, Appraisals, etc.	Total Cost	Federal Funds Requested	Cash Match Amount	In Kind Value
Water crossing permit	\$63,000	\$37,170	\$25,830	\$0
BLM permit	\$5,000	\$2,950	\$2,050	\$0
Railroad permit	\$20,000	\$11,800	\$8,200	\$0
State and County ROW permit	\$20,000	\$11,800	\$8,200	\$0

3. Relocation Expenses and Payments

Total for this section (\$0)

We do not have costs related to relocation for this project.

4. Architectural and Engineering Fees

Total for this section (\$297,578)

Network Engineering/Architecture Planning and Design (\$6,400) (In-Kind) – Estimated 80 hours @ \$80 per hour for completing network design, creating a bill of materials, and documentation of network elements. Syringa Networks is proposing Network Engineering/Architecture Planning and Design as an In-Kind contribution. Total of \$6,400 is based on an estimated 80 hours of technical staff work at a loaded rate of \$80.00 per hour.

Outside Plant Fiber Route Engineering and Design (\$291,178) (Cash match) – Cost of \$0.69 per foot for total route distance 421,997 feet. This includes the determination of fiber path running line/depth, hand hole placement, identifying existing hazards/utilities, splice enclosure locations, and providing staking sheets/design to contractor for fiber build out. Of the \$291,178 total cost, Syringa Networks is proposing a cash-match of \$119,383 (41% cash match), with a requested funding amount of \$171,795.

Architectural and Engineering Fees	Total Cost	Federal Funds Requested	Cash Match Amount	In Kind Value
Network Engineering/Architecture Planning and Design	\$6,400	\$0	\$0	\$6,400
Outside Plant Fiber Route Engineering and Design	\$291,178	\$171,795	\$119,383	\$0

5. Other Architectural and Engineering Fees

Total for this section (\$26,600)

Fiber Testing/Characterization (\$21,000) (Cash Match) – Cost for complete fiber testing package. This includes OTDR/Power Meter testing using both 1310nm/1550nm wavelengths to determine end to end span loss, potential damage, and splicing that does not meet acceptable passing criteria. We will need to test Node to Node on each span to include Caldwell to Notus, Notus to Parma, Parma to Wilder, Wilder to Homedale, Homedale to Marsing, Marsing to Melba, Melba to Kuna. Estimated cost \$3,000 per segment for 7 segments.

Network Systems Testing 100G (\$5,600) (In-Kind) – Estimated 7 hours per segment for each of the 10 segments at a loaded base labor rate of \$80 per hour for testing 100G Waves between each span. Spans include Caldwell to Notus, Notus to Parma, Parma to Wilder, Wilder to Homedale, Homedale to Marsing, Marsing to Melba, Melba to Kuna. Also, individual 10G testing for the mux-card is included. The total cost of \$5,600 is an In-Kind contribution for Network Systems Testing activities.

Other Architectural and Engineering Fees	Total Cost	Federal Funds Requested	Cash Match Amount	In Kind Value
Fiber Testing/Characterization	\$21,000	\$12,390	\$8,610	\$0
Network Systems Testing 100G	\$5,600	\$0	\$0	\$5,600

6. Project Inspection Fees

Total for this section (\$168,799)

Quality Assurance/Route Inspection (\$168,799) (In-Kind) – Cost of \$0.40 per foot for total route distance of 421,997 feet, totaling \$168,799 as In-Kind contribution. This cost is to verify fiber route was built per specifications outlined at the beginning of the project. Will include a set of as-built drawings for documentation purposes. Accounts for documenting slack between splice points and providing sequential information. We estimate it will take technical staff 2110 hours of field site inspection work and desktop design validation/reporting at a loaded labor rate of \$80.00 per hour, which translates to \$168,798 or \$0.40 per foot.

Project Inspection Fees	Total Cost	Federal Funds Requested	Cash Match Amount	In Kind Value
Quality Assurance/Route Inspection	\$168,799	\$0`	\$0	\$168,799

7. Site Work

Total for this section (\$637,745, 10 locations)

Central Offices (Existing sites) (\$2,560) (In-Kind) - Two existing Central office sites that will require new DWDM equipment. Both Central Offices can support the power, space, and cooling requirements. The estimated new equipment installation time is 16 hours at each site for a total of 32 hours.

Caldwell Hut (Existing site) (\$6,280) (In-Kind and Cash Match) - This location is a remote hut that will require new DWDM equipment, a new OSP cable placed and a new Fiber Distribution panel. The site can support the power, space, and cooling requirements. The new equipment installation is estimated to be 16 hours. In-Kind contribution of \$1,280 for site work activities such as equipment installation and augmentation activities. Based on an estimated 16 hours of technical staff work at a loaded rate of \$80.00 per hour. Cash match contribution of \$1,295. Grant funds requested of \$3,705.

Marsing Cabinet Augment (\$44,415) (In-Kind and Cash Match) - This location is an existing cabinet that we will augment with a new larger capacity cabinet to support this project. The current land agreement which includes access and power drop will support the new cabinet. This location will require site construction (new concrete pad cabinet placement, Power Ped) Outside Plant Augmentation (new conduits, new FDP, new cable placement) will also be required. The new equipment installation is estimated to be 16 hours. In-Kind contribution of \$1,280 for site work activities such as equipment installation and augmentation activities. Based on an estimated 16 hours of technical staff work at a loaded rate of \$80.00 per hour. Cash match contribution of \$16,930

New Cabinet Locations (\$584,490.00) (In-Kind and Cash Match) - Six locations will be new sites acquired by Syringa Networks via land acquisition, land easement or ROW placement. The sites are in each of the following cities; Notus Idaho, Parma Idaho, Wilder Idaho, Homedale, Idaho, Melba Idaho, and Kuna Idaho. Each Location will have new cabinet and will require site construction, which includes site prep, concrete pad placement, cabinet placement on pad, ingress and egress access, commercial power pedestal placement, Outside Plant installation (new conduits, new FDP, new outside plant cable placement, and Zero Vault). Installation of commercial power drop on site. Added equipment installation estimated to be 96 hours. In-Kind contribution of \$7,680 for site work activities such as equipment installation and

augmentation activities. Based on an estimated 96 hours of technical staff work at a loaded rate of \$80.00 per hour. Cash match contribution of \$231,961.

Site Work	Total Cost	Federal Funds Requested	Cash Match Amount	In Kind Value
Central Offices (Existing sites)	\$2,560	\$0	\$0	\$2,560
Caldwell Hut (Existing site)	\$6,280	\$3,705	\$1,295	\$1,280
Marsing Cabinet Augment	\$44,415	\$26,205	\$16,930	\$1,280
New Cabinet Locations	\$584,490	\$344,849	\$231,961	\$7,680

8. Demolition and Removal

Total for this section (\$5,000)

Marsing, Idaho cabinet removal (\$5,000) (Cash Match) - This cabinet will be removed and replaced with a larger cabinet to meet the environmental requirements of the new equipment being installed and to offer open-access network availability. The old cabinet will be removed once the new cabinet is established.

Demolition and Removal	Total Cost	Federal Funds Requested	Cash Match Amount	In Kind Value
Marsing, Idaho cabinet removal	\$5,000	\$0	\$5,000	\$0

9. Construction

Total for this section (\$7,135,737)

NOTE: CONSTRUCTION – The proposed 76-mile fiber route will be divided into two simultaneously construct “sub-projects”. The sub-project labeled Northern Segment includes construction from Caldwell, Idaho to Marsing, Idaho. The sub-project labeled Southern Segment includes construction from Marsing, Idaho to Kuna, Idaho.

Underground Fiber Route Construction - Northern Segment - **Labor** (\$2,473,733) (Cash Match) – Labor costs for the Northern Segment construction of our proposed project is estimated at \$12.11 per foot for a total route distance of 204,272 feet. This cost includes labor required for mobilization and de-mobilization of contractor to bore/trench/plow conduit between the Caldwell, ID telecom hut and the Marsing, ID telecom cabinet. It includes traffic control, placement of conduit, hand holes, fiber, locate wire and posts. This route includes one crossing of the Snake River waterway and two crossings of the Boise River waterways. Labor was calculated based on current unit pricing for these activities in our market utilizing the appropriate RUS units from the USDA Telecommunications System Contract Standard, which is industry standard. In developing the RUS units and quantities needed for the planned route we used our extensive knowledge of local construction practices, environmental and ground conditions, and potential obstacles such as water crossings and rocky terrain to estimate construction placement costs for each mile of the route.

Underground Fiber Route Construction - Northern Segment – **Material** (\$414,672) (Cash Match) – Material costs for the Northern Segment construction of our proposed project is estimated at \$2.03 per foot for a total route distance of 204,272 feet. Material cost is based on current market pricing and quantity of materials needed. Selection of materials was based on several factors, such as the length of the proposed route, the specific type of conduit and fiber optic cables to be used, and the environmental

and ground conditions of the area. Our team of experts reviewed and analyzed these factors to determine the most cost-effective and reliable materials for this project. We also considered the need to build last mile laterals from the route and selected materials that would enable the future growth the route is intended to support.

Underground Fiber Route Construction - Southern Segment - **Labor** (\$3,731,806) (Cash Match) – Labor costs for the Southern Segment construction of our proposed project is estimated at \$17.14 per foot for total route distance of 217,725 feet. This cost includes labor required for mobilization and de-mobilization of contractor to bore/trench/plow conduit between the Marsing, ID telecom cabinet and the Kuna, ID telecom cabinet. It includes traffic control, placement of conduit, hand holes, fiber, locate wire and posts. This section has a considerable amount of hard rock construction which increases total labor cost and has one BLM permit and one crossing of the Snake River waterway. Labor was calculated based on current unit pricing for these activities in our market utilizing the appropriate RUS units from the USDA Telecommunications System Contract Standard, which is industry standard. In developing the RUS units and quantities needed for the planned route we used our extensive knowledge of local construction practices, environmental and ground conditions, and potential obstacles such as water crossings and rocky terrain to estimate construction placement costs for each mile of the route.

Underground Fiber Route Construction - Southern Segment – **Material** (\$439,804) (Cash Match) – Material cost for the Southern Segment construction of our proposed project is estimated at \$2.02 per foot for a total route distance of 217,725 feet. Material cost is based on current market pricing and quantity of materials needed. Selection of materials was based on several factors, such as the length of the proposed route, the specific type of conduit and fiber optic cables to be used, and ground conditions of the area. Our team of experts reviewed and analyzed these factors to determine the most cost-effective and reliable materials for this project. We also considered the need to build last mile laterals from the route and selected materials that would enable the future growth the route is intended to support.

Fiber Optical Fusion Splicing - Northern Segment – Labor (\$31,000) (Cash Match) - The Northern Segment will require 16 splice locations along 204,272 feet of route distance based on 30,000-foot fiber optic cable segments and vault placement. This amount represents the cost of labor required to prepare cables and perform the fusion splicing of fiber optic strands. This amount represents the cost of labor required for travel, cable preparation, case preparation and to perform the fusion splicing of fiber optic strands.

Fiber Optical Fusion Splicing - Northern Segment – Materials (\$8,000) (Cash Match) – The Northern Segment will require 16 splice locations along 204,272 feet of route distance based on 30,000-foot fiber optic cable segments and vault placement. This amount represents the cost of materials such as splice enclosures (cases) and fiber optic trays. Material cost is based on current market pricing for materials and the quantity needed.

Fiber Optical Fusion Splicing - Southern Segment – Labor (\$30,720) (Cash Match) - The Southern Segment will require 15 splice locations along its estimated 217,725 feet of route distance based on 30,000-foot fiber optic cable segments and vault placement. This amount represents the cost of labor required for travel, cable preparation, case preparation and to perform the fusion splicing of fiber optic strands.

Fiber Optical Fusion Splicing - Southern Segment – Materials (\$6,000) (Cash Match) - The Southern Segment will require 15 splice locations along its estimated 217,725 feet of route distance based on 30,000-foot fiber optic cable segments and vault placement. This amount represents the cost of materials such as splice enclosures (cases) and fiber optic trays. Material cost is based on current market pricing for materials and the quantity needed.

Construction	Segment	Type	Total Cost	Federal Funds Requested	Cash Match Amount	In Kind Value
Underground Fiber Route Construction	Northern Segment	Labor	\$2,473,733	\$1,459,503	\$1,014,231	\$0
Underground Fiber Route Construction	Northern Segment	Materials	\$414,672	\$244,657	\$170,016	\$0
Underground Fiber Route Construction	Southern Segment	Labor	\$3,731,806	\$2,201,765	\$1,530,040	\$0
Underground Fiber Route Construction	Southern Segment	Materials	\$439,804	\$259,484	\$180,319	\$0
Fiber Optical Fusion Splicing	Northern Segment	Labor	\$31,000	\$18,290	\$12,710	\$0
Fiber Optical Fusion Splicing	Northern Segment	Materials	\$8,000	\$4,720	\$3,280	\$0
Fiber Optical Fusion Splicing	Southern Segment	Labor	\$30,720	\$18,125	\$12,595	\$0
Fiber Optical Fusion Splicing	Southern Segment	Materials	\$6,000	\$3,540	\$2,460	\$0

10. Equipment

Total for this section (\$1,795,903)

DWDM Equipment (\$1,795,903) – The equipment required to provide services off Syringa Networks proposed 76-mile middle mile backbone can be categorized into three areas: Software & Licenses, DWDM Shelf Components and Filter & Interface Components.

Equipment	Total Cost	Federal Funds Requested	Cash Match Amount	In Kind Value
Software & Licenses	\$205,005	\$120,953	\$84,052	\$0
DWDM Shelf components	\$353,720	\$208,695	\$145,025	\$0
Filter & Interface Components	\$1,237,179	\$729,935	\$507,243	\$0

11. Miscellaneous

Total for this section (\$0)

We do not have any miscellaneous items to include.

12. Subtotal

(\$10,245,361)

13. Contingencies

Total for this section (\$499,501) (Cash Match)

Construction material and labor inflation contingency (\$499,501) - This is 7% of the forecast construction material and labor costs based on the current inflationary pressures being experienced in our industry.

Contingencies	Total Cost	Federal Funds Requested	Cash Match Amount	In Kind Value
Construction material and labor inflation contingency	\$499,502	\$299,701	\$199,801	\$0

14. Subtotal

(\$10,744,863)

15. Project (program) Income

Total for this section (\$0)

None

16. Project Total

(\$10,744,863)