**Ducote EDA Fiber Project (Grant County Digital) Status Memorandum – 11/2/2023**

**Background/Caveats:**

* I’ve been looking over records for very little time, but I have spoken with GCD’s Josh Walker, Dan Becker, and CyberMill’s Chantal DesJardin regarding financial records. We have also held a meeting with EDA’s Richard Moore and JD City Councilor Eric Bush on 10/31/2023.
* Ducote Consulting’s scope of work is the EDA application and reimbursing grant funding for the City of John Day. We are not the Executive Director of Grant County Digital.

**EDA Grant/City Budget Implications:**

* FY24 Working Fund Balance for Fund 07-112
	+ -$118,469
* Included in the FY 2024 adopted City budget:
	+ Oregon Broadband Office “BTAP”, $145,000
		- This funding is not open for application yet, has not been applied for
* Costs that are **non-reimbursable**, but coded to EDA on the Capital Outlay
	+ LS Networks/Commstructure
* Cost that are **non-reimbursable**, but I’m not sure where it’s coded:
	+ The purchase of 241 W. Main St. -- **$90,632.69**
	+ Would have been reimbursable under the Pre-Award SAC. Now cannot even count as match.
* Costs that **MAY** not be reimbursable:
	+ Catalyst - Depends on the status of Catalyst’s *competitive* *and open* procurement.
* Costs that are **likely** reimbursable:
	+ Ducote Consulting admin costs – the roster will count as a competitive procurement.
	+ BLJ

**WHAT ARE “PRE-AWARD” COSTS**

* Pre-Award costs are all incurred costs between **April 2021 and April 20, 2022 for EDA eligible costs** on the EDA fiber project. This includes the 241 W. Main building, purchased in June 2021.

**Why Can’t Pre-Award Costs be Claimed?**

**An August 2022 amendment** was submitted to change the budget and remove from architectural/engineering costs (SAC #31) and Pre-Award Costs (SAC #22) from the “Special Award Conditions” (SACs) and EDA contract.

* **Conclusion: LS Networks will not be able to be reimbursed from this EDA grant and cannot be claimed as match.**
* **Conclusion: The John Day CyberMill building at 241 W. Main cannot be reimbursed by EDA and cannot be claimed as match.**
	+ The JD CyberMill was purchased in June 2021, within the “Pre-Award” period, which was removed via amendment, which took 10 months to execute within EDA.

**Fund 07 Potential Revenue (grants):**

* No EDA Reimbursement Requests have been made to-date (Oct 2023)
* **Past Funding:**
	+ DAS/HB-5006 funds, GCD Financial update: “The grant funds and interest earned on the funds were fully expended at the end of FY2022.”
* **Potential funding (none available)**
	+ Ford Family Funding: contingent on 241 W. Main St and EDA commitment. Not available as of October 2023.
	+ Oregon Broadband Office funding: Applications not out yet.
	+ USDA BTAP Funding: No application was submitted for June 2023 deadline.
* **Caveats of Any New Funding:**
	+ Even ***IF*** new funding is received, the likelihood of new funding paying for past costs is extremely low. Past costs are usually only allowable to the time of application, if that. Most grants’ eligibility are from the time of award. EDA is rare in that way, that unique trait of EDA was removed from the contract.

**EDA Match Requirements**

* The City has committed $216,823 to this project as match.
* LS Networks, Catalyst, building purchase are most likely **not** eligible to count towards the match.
* Any new funds secured can be used as the EDA project match, but will likely not fill past expenses. Grants don’t typically pay for costs prior to application date.

**Total funding gap to complete the EDA project & incurred costs to date:**

* Non reimbursable expenses (removed from total EDA project):
	+ $103,794.75 in Pre-Agreement Costs (incl building purchase)
	+ $UNKNOWN (at least $20k): all LS Networks
	+ $20-33,000: Catalyst
* $216,823 – EDA Match

TOTAL: $360,000-$420,000

* Any new grants would be applied to the $216,823 EDA match, but will not reimburse the $150,000-200,000 spent to date on administrative, legal, and engineering costs.

**Remaining Questions from EDA:**

* Does John Day want the 241 W. Main building and to sponsor that project?
* Who will manage the fiber utility?