

RECIPIENT NAME: Bristol Virginia Utilities Board

AWARD NUMBER: NT10BIX5570066

DATE: 08/31/2011

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information

1. Federal Agency and Organizational Element to Which Report is Submitted Department of Commerce, National Telecommunications and Information Administration	2. Award Identification Number NT10BIX5570066	3. DUNS Number 066723990
4. Recipient Organization Bristol Virginia Utilities Board 15022 Lee Hwy , Bristol, VA 24202-4256		
5. Current Reporting Period End Date (MM/DD/YYYY) 06-30-2011	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No	
7. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.		
7a. Typed or Printed Name and Title of Certifying Official Mollie Salyer	7c. Telephone (area code, number and extension) X	
	7d. Email Address msalyer@bvub.com	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 08-31-2011	

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).

During Q2-2011, BVU Authority continued with building out routes for the project, which included construction and engineering activities, as well as receiving and deploying materials. Both engineering and construction are progressing well, with only slight lingering setbacks due to severe spring weather and materials shipment delays. Currently, BVU Authority and construction contractor, Edwards Telecommunications, Inc., have finished 2 routes and are working on an additional 5 routes, while engineering firm Thompson & Litton continues engineering on approximately 10 more route sections. As of the end of the quarter, approximately 70.7 miles were constructed.

BVU and Thompson & Litton have begun working with USDA Forest Service to complete necessary work on National Forest build permits (during the growing season). This work is anticipated to be finished by the end of Q3-2011. BVU has also made some project modifications which require additional EA consult, which is underway and progressing well and will be completed early in Q3-2011.

2. Please provide the percent complete for the following key milestones in your project. Write "0" in the Percent Complete column and "N/A" in the Narrative column if your project does not include this activity. If you provided additional milestones in your baseline plan, please insert them at the bottom of the table. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the percent complete is different from the target provided in your baseline plan (300 words or less).

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2a.	Overall Project	34	The project continues to be ahead of schedule when tracking by dollars expended because BVU charged all in-kind dollars to the grant last quarter. This percentage is extremely close to our predicted percentage complete from last quarters projections (33%).
2b.	Environmental Assessment	100	This category, which includes environmental assessment work, as well as mapping and Davis Bacon compliance, is slightly over-budget at 103%. However, as the EA funds and grant preparation funds are within the same OMB budget category, the removal of an invoice from our grant preparation category made some room for some extra expenditures in this category.
2c.	Network Design	31	This category is behind baseline calculations, but is very close to last quarter's projection (probably a more accurate estimate) of 30%.
2d.	Rights of Way	65	This category has not changed from the previous quarter, as predicted.
2e.	Construction Permits and Other Approvals	31	Allocation of 5% of Engineering dollars to Construction Permits. Close to last quarter's projection of 30%.
2f.	Site Preparation	33	Allocation of 0.5% of Construction dollars to Site Preparation. Close to last quarter's projection of 32%.
2g.	Equipment Procurement	46	BVU still has not begun equipment procurement, as the PoPs for the equipment are part of a currently-proposed Project Modification. Once approval is received for this modification, we will begin to incur expenses in this category. Dollars charged to this category so far are in-kind dollars.
2h.	Network Build (all components - owned, leased, IRU, etc)	33	Network build is ahead of schedule budget-wise mainly because all in-kind was expensed to the project last quarter. The project is ahead on baseline projections, but is very close to last quarter's projection of 32%.
2i.	Equipment Deployment	46	BVU still has not begun equipment deployment, as the PoPs for the equipment are part of a currently-proposed Project Modification. Once approval is received for this modification, we will begin to incur expenses in this category, probably in Q4-2011. Dollars charged to this category so far are in-kind dollars.
2j.	Network Testing	0	Network testing has not begun to have dollars charged to it, as no electronics are on the network yet.
2k.	Other (please specify): Grant Preparation	98	This category was 100% complete, but during preparation for our audit, we discovered an invoice for grant preparation (\$1,144) which was incurred after the grant application was turned in. We credited this back to NTIA by removing the same amount from the next drawdown.

3. To the extent not covered above, please describe any challenges or issues faced during this past quarter in achieving planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).

BVU Authority faced particular difficulties in construction due to unusually severe weather for the area in the months of April and May. BVU also experienced slight delays in receiving fiber. Additionally, the project has a currently-proposed Project Modification in progress, and once all facets of the modification are approved, we can begin to start on actual PoP engineering and construction. However, despite these delays, build-out remains approximately 2 weeks ahead of schedule, and by dollars expended, the project is 1% ahead of the previous quarter's predictions.

4. Please report the following information regarding network build progress. Write "0" in the Total column and "N/A" in the Narrative column if your project does not include this activity. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (600 words or less).

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
New network miles deployed	71	BVU is made up the lag from the previous quarter, and despite severe weather and material delays, is 5 miles ahead of Baseline schedule.
New network miles leased	0	N/A
Existing network miles upgraded	0	N/A
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	71	BVU is made up the lag from the previous quarter, and despite severe weather and material delays, is 5 miles ahead of Baseline schedule.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	2	Due to delays in starting PoP engineering/build, there are only two routes actually spliced into existing BVU infrastructure at this point. However, as of the end of the quarter, 5 connections were pending.

For questions 5 and 6 please include information relating to agreements that you are negotiating or have entered into, or that your sub recipient, contractor or subcontractor is negotiating or entered into.

5a. If applicable, please provide the following information with regard to agreements with broadband wholesalers and/or last mile providers as a result of your project.

Indicators	
Number of signed agreements with broadband wholesalers or last mile providers	0
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	0
Average term of signed agreements (in quarters)	0

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:

N/A

5c. What wholesale services are being provided by this project? Please describe below. As an attachment to this report, please provide pricing plans (in \$ per month) associated with each wholesale service provided by your product (100 words or less). Wholesale services description:

Please see attached sheet for pricing.

5d. If you have designated a third party to operate all or a portion of your network, please provide the name and contact information for this third party, indicate if this entity is a sub recipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this this third party operates (600 words or less).

N/A

6. Please provide the data according to the type of subscriber. Write "0" in the Total column and "N/A" in the Narrative column if your project does not pass or serve a particular subscriber type. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (300 words or less).

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Broadband Wholesalers or Last Mile Providers	Providers with signed agreements receiving new access	0	N/A
	Providers with signed agreements receiving improved access	0	N/A
	Providers with signed agreements receiving access to dark fiber	1	BVU Authority has an MOU with the Virginia Department of Transportation to provide lease of dark fiber in exchange for use of VDOT ROW.
	Please identify the speed tiers that are available and the number of subscribers for each	9	10 Mbps (0); 50 Mbps (0); 100 Mbps (0); 200 Mbps (0); 400 Mbps (0); 1000 Mbps (0); 2.5 Gbps (0); 10 Gbps (0); OC-3 Sonet (0)
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Residential / Households	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Businesses	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A

7. Please describe any special offerings you may provide (600 words or less).

N/A

8a. Have your network management practices changed over the last quarter? Yes No

8b. If so, please describe the changes (300 words or less).

N/A

9. Community Anchor Institutions:

Using the table below, please provide a list by service area of the community anchor institutions (including Government institutions) connected to your network as a result of BTOP funds. Figures should be reported for the most recent reporting quarter only (NOT cumulatively). Also indicate whether your organization is currently providing broadband service to the anchor institution. Finally, provide a short narrative description with examples of how institutions are using BTOP-funded infrastructure (300 words or less).

Institution Name	Service Area (town or county)	Type of Anchor Institution (as defined in your baseline)	Are you also the broadband service provider for this institution? (Yes / No)	Narrative description of how anchor institutions are using BTOP-funded infrastructure
N/A	N/A	N/A	N/A	N/A

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).

- Continued engineering of all routes
- Continued construction of 5 routes currently in progress; additional construction on 3-5 more routes
- Continue completion and submittal of pole, RR, and construction permits
- Conduct/finalize all biological work required for National Forest Permits; receive permits.
- Finalize Project Modification request and begin engineering of PoPs once new locations are approved.

2. Please provide the percent complete for the following key milestones in your project. Write "0" in the Planned Percent Complete column and "N/A" in the Narrative column if your project does not include this activity. If you provided additional milestones in your baseline plan, please insert them at the bottom of the table. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the next reporting quarter. Please provide a narrative description if the percent complete is different from the target provided in your baseline plan (300 words or less).

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	Overall Project	45	BVU Authority's project modifications are currently under review by NTIA. While current quarter percentages complete track by the amounts in each budget category as of 6/30/2011, the amounts in some of those categories will change for next quarter. Therefore, our projections for next quarter use the modified amounts. Please see attached baseline tracking spreadsheet for more info on current and projected percent(s) complete.
2b.	Environmental Assessment	82	This category will experience an increase in \$5,000 budgeted, so the percentage complete will decrease, even after new charges incurred. This category will have \$18,281 in it after project modifications are approved. However, since this category was approved at 100% federally-funded, we cannot add in another \$5,000 at the same breakdown. Therefore, everything expended in this category after 6/30/2011 will follow the 80% federal/20% match breakdown like the rest of the budget, to keep federal and match dollars the same for the overall budget.
2c.	Network Design	47	While this category is slightly below baseline predictions, it is expected to incur about the same amount as it did in Q2-2011. It will still be on track, as its percentage complete is still ahead of construction. This category will have \$1,325,417 in it after project modifications are approved.
2d.	Rights of Way	68	This category will not incur any expenses because PoP construction is not expected to start by the end of Q3-2011. However, since the amount in the category will have changed to a lower amount, the planned percentage complete increases. This category will have \$938,279 in it after project modifications are approved.
2e.	Construction Permits and Other Approvals	47	This category is an allocated 5% of OMB category 4, and will incur proportionately the same amount as Network Design. This category will have \$69,759 in it after project modifications are approved.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2f.	Site Preparation	45	This category is an allocated 0.5% of OMB category 9, and will incur proportionately the same amount as Network Build. This category will have \$156,832 in it after project modifications are approved.
2g.	Equipment Procurement	52	After project modifications are approved in July 2011, PoP engineering should begin, as well as equipment procurement. This category will have \$908,616 in it after project modifications are approved.
2h.	Network Build (all components - owned, leased, IRU, etc.)	45	Network build will continue to remain ahead of schedule in Q3-2011. This category will have \$31,209,666 in it after project modifications are approved.
2i.	Equipment Deployment	49	As of the end of Q3-2011, PoP construction is not expected to have started. However, since project modifications decrease the amount in this category, the percentage complete will still increase. This category will have \$908,616 in it after project modifications are approved.
2j.	Network Testing	2	Network testing will begin in Q3-2011.
2k.	Other (please specify):	98	Since BVU cannot incur any more dollars to grant preparation, this category will remain at 98% complete, unless BVU later decides to transfer its remaining dollars to EA/mapping/Davis Bacon compliance.

3. Please describe any challenges or issues anticipated during the next quarter that may impact planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).

Challenges BVU Authority will face next quarter include:

- Potential continued severe weather, including severe storms and unusually high temperatures.
- Possible additional delays in receiving fiber, due to the nationwide demand for it.
- Expect completion of National Forest BE studies, assuming no delays.

Infrastructure Budget Execution Details

Activity Based Expenditures (Infrastructure)

1. Please provide details below on your total budget, cumulative actual expenditures (for the period ending the current quarter), and cumulative anticipated expenditures (for the period ending next quarter) for each line item, including detailed disbursements of both matching funds and federal funds from project inception through end of this quarter (actual) or next quarter (anticipated). Actual and anticipated figures should be reported cumulatively from award inception to the end of the applicable reporting quarter.

Budget for Entire Project				Actuals from Project Inception through End of Current Reporting Period			Anticipated Actuals from Project Inception through End of Next Reporting Period		
Cost Classification	Total Cost (plan)	Matching Funds (plan)	Federal Funds (plan)	Total Cost	Matching Funds	Federal Funds	Total Costs	Matching Funds	Federal Funds
a. Administrative and legal expenses	\$60,000	\$0	\$0	\$59,209	\$0	\$59,209	\$60,906	\$339	\$60,567
b. Land, structures, right-of-ways, appraisals, etc.	\$988,279	\$708,279	\$280,000	\$638,279	\$638,279	\$0	\$638,279	\$638,279	\$0
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$1,388,148	\$277,630	\$1,110,518	\$434,824	\$86,965	\$347,859	\$659,184	\$131,837	\$527,347
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$638,352	\$127,670	\$510,682	\$0	\$0	\$0	\$12,767	\$2,553	\$10,214
g. Site work	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$31,203,526	\$11,306,715	\$19,896,810	\$10,311,226	\$7,128,271	\$3,182,955	\$14,030,091	\$7,872,029	\$6,158,062
j. Equipment	\$1,942,231	\$1,102,231	\$840,000	\$892,231	\$892,231	\$0	\$918,595	\$897,504	\$21,091
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$36,220,536	\$13,522,525	\$22,638,010	\$12,335,769	\$8,745,746	\$3,590,023	\$16,319,822	\$9,542,541	\$6,777,281
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$36,220,536	\$13,522,525	\$22,638,010	\$12,335,769	\$8,745,746	\$3,590,023	\$16,319,822	\$9,542,541	\$6,777,281

2. Program Income: Please provide the program income you listed in your application budget and actuals to date through the end of the reporting period.

a. Application Budget Program Income: \$0

b. Program Income to Date: \$0