

RECIPIENT NAME: California Broadband Cooperative, Inc.

AWARD NUMBER: NT10BIX5570098

DATE: 10/29/2014

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 6/30/2015

## ANNUAL PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

### General Information

<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b> Department of Commerce, National Telecommunications and Information Administration	<b>2. Award Identification Number</b> NT10BIX5570098	<b>3. DUNS Number</b> 831438424
<b>4. Recipient Organization</b>  California Broadband Cooperative, Inc. 1101 Nimitz Ave, Vallejo, CA 94592-1014		
<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b> 12-31-2014	<b>6. Is this the last Annual Report of the Award Period?</b>  <input checked="" type="radio"/> Yes <input type="radio"/> No	
<b>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.</b>		
<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Robert Volker	<b>7c. Telephone (area code, number and extension)</b>  X	
	<b>7d. Email Address</b>  Rvolker@digital395.com	
<b>7b. Signature of Certifying Official</b> Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b> 10-29-2014	

**OVERALL PROJECT PERFORMANCE INDICATORS**

1. Please provide the following average cost figures for your project. Please review the instructions to determine how to calculate these figures. Write "0" in the second column and "N/A" in the third column if your project does not yet have this information. Depending on whether your project contains Middle Mile and/or Last Mile components, some metrics may not apply. Please provide a narrative description if the total is different from the target provided in your baseline plan (600 words or less).

Cost Indicator	Average Cost / Speed	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Average cost per new mile (Middle Mile)	179,132.25	The forecast of \$139,191.74 was predicated on a an overrun in budget due to higher environmental permitting costs and method of construction (i.e, change in CPUC Pole calculation formulas) There was approximately \$25M in environmental costs.
Average cost per household passed (Last Mile)	0	NA
Average cost per subscriber (Last Mile)	0	NA
Maximum broadband speed advertised (Middle Mile)	10Gbps	Increase to 10Gbps from 2.5Gbps, due to unexpected demand and our new pricing is more affordable and cost effective allowing customers to purchase higher plans. We advertise 10Gbps but can go as high as 100Gbps
Maximum broadband speed advertised (Last Mile)	0	NA
Average broadband speed provided (Middle Mile)	60Mbps	Increase from 10Mbps, our new pricing is more affordable and cost effective allowing customers to purchase higher plan and therefore increasing the average speed.
Average broadband speed provided (Last Mile)	0	NA

2. Please provide each facility name and type, the county where the facility is located, and census tract information for any facilities funded by your project during this annual reporting period. Report only facilities for which construction has been completed.

Facility Identifier / Name	Facility Type	County	Census Tracts
SEE ATTACHED	SEE ATTACHED	SEE ATTACHED	SEE ATTACHED

Add Facility

Remove Facility

3. Please identify (1) the total number of interconnection, peering, and/or transit agreements entered into during this annual reporting period; (2) the total number of agreements of each type that you are currently negotiating; and (3) whether you have denied any request for interconnection and if so, why. If you have not entered into any agreements, please write "N/A."

<p><b>Interconnection Agreements (600 words or less)</b></p> <p>1) Agreements Entered Into                      Plumas Sierra - Signed internet and collocation agreement                      Lone Pine TV - Internet Access                      SchatNet - Internet Access and Transport                      Escape Broadband - Internet Service                      Northern Nevada High Speed - Internet Service                      East Sierra.net - Internet Service</p> <p>2) Agreements Being Negotiated - 3</p> <p>3) Have we denied a request for interconnection and if so, why? No</p>
<p><b>Peering and Transit Agreements (600 words or less)</b></p> <p>1) Agreements Entered Into - 0</p> <p>2) Agreements Being Negotiated - 0</p> <p>3) Have we denied a request for interconnection and if so, why? No</p>

**CAPACITY, UTILIZATION, AND CAPABILITY INDICATORS**

**4. Community Anchor Institutions:** In the chart below, please provide information on the types of community anchor institutions capable of receiving service (i.e., anchor institutions connected to your network plus those passed by your network) as a result of BTOP funds.

Type of Community Anchor Institution	Total Number Within Service Area	Type of Community Anchor Institution	Total Number Within Service Area
Schools (K-12)	51	Public Housing	0
Libraries	12	Other Institutions of Higher Education	4
Medical and Healthcare Providers	13	Other Community Support Organizations	16
Public Safety Entities	36	Other Government Facilities	116
Community Colleges	3	Total Community Anchor Institutions	251

**5. Please indicate the average increase in broadband speed provided to the community anchor institution customers as a result of your project, including a description of how this increase was calculated (600 words or less).**

50MB increase. This is calculated based on the majority of customers were receiving T1, DSL and Cable service and will now have 50MB delivered via a gigabit ethernet circuit allowing growth of up to 1000MB.

**6. What retail services are being provided by this project? Please describe below. (600 words or less). As an attachment to this report, please provide pricing plans (in \$ per month) associated with each retail service. Retail services description:**

NA - This is a wholesale network

**7a. What network management policies (e.g., bandwidth limitations, traffic prioritization) are in place for the services provided by your project? 7b. Have you ever limited or blocked consumers from accessing any lawful content, service, service provider, or application, or prevented any consumers from attaching any legal device to the network? If so, please explain why (300 words or less)?**

California Broadband Cooperative, Inc. (CBC) will solely manage the proposed funded network in accordance with the FCC's Internet Policy Statement (FCC 05-151, adopted August 5, 2005) and in compliance with any future Internet policy changes by the FCC. Currently CBC does not discriminate or favor any lawful Internet applications, content, or services where lawfully used, and these same practices will be continued for the proposed funded network. We promote our customer's ability to freely access and disseminate lawful content in a manner that respects others' use of the network and that complies with the law.

While CBC does not engage in blocking customer access to illegal or legal Internet content, CBC supports industry practices for safeguarding children, intellectual property rights and our customers' privacy and security. CBC follows standard best efforts for Internet delivery with respect to allocation of capacity without differentiation among applications, providers, or sources. CBC uses generally accepted technical measures to provide acceptable service levels to all customers, such as application-neutral bandwidth allocation, as well as measures to address service attacks, illegal content and other harmful activities to protect network integrity and reliability.

**8. If applicable, please provide the total number and the percentage of subscribers who have dropped the broadband service provided through this project (total number of households and/or businesses and the "churn rate") and the subscribers' reasons for discontinuing their service (600 words or less).**

NA - There have not been any subscribers who have dropped the broadband service

**9. Please provide the following information regarding the number of fiber strand-miles:**

Total Number of Strand-miles	Total Number of Active Fiber Strand-miles Used by Recipient	Total Number of Leased Fiber Strand-miles	Total Number of Dark Fiber Strand-miles	Total Number of Strand-miles Being Built		
				Active	Leased	Dark
245,044	2,340	0	242,704	0	0	0

**10. If you wholesale dark fiber, please list your wholesale customers and the number of fiber miles you currently are leasing to those customers:**

ZAYO Group, LLC

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ZAYO Group has purchased 553 miles of wholesale middle mile dark fiber between Carson and Barstow.

**11. Please provide the following information regarding the facility collocation capacity:**

Total Facility (total square feet for all facilities)	Number of Square Feet Used by Recipient	Number of Square Feet Leased	Number of Square Feet Available
1,664	712	15	937

**12. If you do not own collocation space, please describe how and where other network providers and/or customers interconnect with your network (600 words or less).**

NA - We own collocation space

**13. To the extent that you have made any subcontracts or sub grants, please provide the number of subcontracts or sub grants that have been made to socially and economically disadvantaged small business (SDB) concerns as defined by section 8(a) of the Small Business Act, 15 U.S.C. 647, as modified by NTIA's adoption of an alternative small business size standard for use in BTOP. Please also provide the names of these SDB entities (150 words or less).**

NA

**14. Please describe any best practices/lessons learned that can be shared with other similar BTOP projects (900 words or less).**

**GENERAL**

- Allow sufficient time for projects to be successfully executed. Projects are bound by three factors: Scope, Resources and Time. The inability to vary all of these components makes project success extremely difficult. While aggressive time frames are important, unrealistically short time frames lead to parallel processes, greater risk, and rework.
- Know all the administrative requirements from funding and oversight agencies so that the correct processes, data collection and designs are in place to meet reporting and compliance needs.
- Establish a "higher" mission and goal for the project beyond the work. Team and stakeholders must see the greater (perhaps historical) significance to what they do. This is a source of energy during trying times.

**STAKEHOLDER MANAGEMENT**

- Develop strong project branding that the local community can identify with: "Digital 395" (named after the highway prominently running through the region) was easy to engage and recognize.
- Develop a comprehensive communications plan, including stakeholder analysis, core/consistent messaging, and channel strategy.
- Extensively use multimedia and digital communications: web site, social networking (Twitter, Face Book, etc), public meetings, and local media.
- Extensively use web site as clearinghouse for official communications, job, bid notices, bid awards, and project progress.
- Thoroughly set community expectations of project execution, impacts, and "what's in it for them."

**PROJECT MANAGEMENT**

- Extensively use Contingency Planning methodologies in the Project Planning process. An adequate execution strategy must be in place at the outset, but it must be flexibly employed as the project unfolds detailed steps.
- Utilize Cloud technology (Drop Box, Evernote) for storing and sharing data.
- Develop, define and train all personnel on the Project Management processes and tools that will be used in the project.
- Structure information in accessible, well-organized databases and make them widely accessible
- Establish formal project scheduling, meetings, and regular progress status reports. Rigidly hold to these to establish project structure.
- Establish an incident reporting hierarchy for involvement by leadership, create an escalation process to remove agency bureaucratic road blocks
- Constant/persistence pressure on State and Federal permitting agencies to meet project targets
- Develop a highly effective contract administration process
  - Find proven, effective model contracts for boilerplate solicitations aimed at minimizing change requests and unexpected extra costs
  - Use well-documented and consistent processes for bid solicitation, evaluation and on-going contract administration.
  - Develop an effective program to monitor construction processes, perform inspections and documentation performance. Provide compliance training on safety, permits, and construction standards.

**ENVIRONMENT AND PERMITS**

- Recognize that Environmental Permits will have a profound impact on the scope, cost, and timeframes of the project. Carefully

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develop a comprehensive environmental plan in the earliest stages of the project.

- Create and staff a position on the project team regarding Biological and AHPA environmental requirements, processes and mitigation
- Clear and thorough understanding of the route, scope and construction processes of the project and their corresponding environmental requirements. Document this thoroughly with a walk-through by environmental team
- Work with local and regional environmental stakeholders early in the project design to determine contentious or sensitive areas / issues.
- Work with the permitting agencies to define a clear Scope of Work for and deliverables for the Environmental Process.
- Clearly establish and document environmental monitoring coordination process and communicate effectively throughout the organization.
- Engage tribal stakeholders early in the process and obtain written agreements on cultural considerations, Rights-of-Way, and project impacts.
- Recognize that environmental requirements will be a considerable factor in project constraints and engineering design. Educate engineering on the environmental rules early in the process.
- Thoroughly investigate the selection of environmental firms to ensure that their project team has the experience corresponding to the project, especially with regard to the area for planned development.
- Wherever possible avoid Programmatic Agreement.
- Include permit stipulations in permit negotiations
- Clearly define implications and level of accuracy for APE, establish early on in the design process and the ramifications for changes, violations and costs. In doing this, work design scenarios with key agencies prior to engineering designs.
- Survey both sides when following roads to enable route flexibility
- Shift environmental effort from studies to mitigation to save time
- Be sure to understand that the project is not the "main project": Understand ALL components with respect to environmental and permit requirements.

**ENGINEERING AND DESIGN**

- Adequately staff engineering early in the project to complete route requirements and create construction drawings for bidding.
- Obtain engineering base maps at the outset of the project so that all documentation can be captured in GIS
- Obtain shapefiles on all environmentally sensitive areas for route development
- Extensive use of ortho imagery and GIS Surveying Tools reduces field time and facilitates agency communication.
- Closely integrate construction, permitting, and rights-of-way skills into initial route selection to avoid rework high costs.
- Pre-Construction staking of route using GIS to within one-foot accuracy.
- Use accurate CAD measurements as basis of all materials and contracts.

**CONSTRUCTION MANAGEMENT**

- Integrate construction expertise in route selection and requirements definition
- Clarify work operations to identify staging and lay down area requirements.
- Project Documentation
  - Establish real-time documentation and inspections
  - Consolidate documentation forms and go paperless, leveraging database
  - Integrate documentation and photos with data capture
- Extensively train personnel on compliance, mitigation, safety, permit requirements, and documentation
- Utilize electronic signature technology to facilitate field operations, approvals, documentation
- Establish materials depots and assign contractors and materials handlers accordingly. Use floaters to address load imbalances.
- Ensure have flexibility to add depot locations for material dispersals

**RIGHTS-OF-WAY AND ENCROACHMENT PERMITS**

- Establish ROW boundaries and land use early on
- Work with Federal and State land agencies to assess documentation requirements, along with terms and conditions required during construction.
- Focus on Public ROWs; avoid private ROWs
- Clarify Public Works plans to take advantage of related projects and avoid conflicts or future re-routes
- Avoid bridge-crossings and controlled access highways
- Set agency requirements for permits, agree on process and get buy in (to overcome agency resistance to issuing the work).
- Obtain local leadership to engage commitment from local federal and state agencies.
- Develop personal relationships with agency contacts for coordinating required work.

**FINANCIAL AND BUDGET MANAGEMENT**

- Comprehensively develop financial tools at the outset of the project.
- Understand Agency requirements and develop Chart of Accounts accordingly.
- Use Chart of Accounts in forecasting, budgeting and reporting
- Train staff on Agency requirements, account definitions and closely monitor for consistency

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- Establish detailed budget categories, tracking and training early
- Utilize digital signature and other emerging applications to facilitate information exchanges and approvals.

**15. Using the Excel spreadsheet template titled "Annual PPR CCI Addendum", please provide an updated list of Community Anchor Institutions (CAIs) that you have connected and plan to connect to your network.**

**16. Using the Excel spreadsheet template titled "Annual PPR CCI Addendum", please provide a list of community pairs that are receiving new or improved broadband service as a result of BTOP grant funds.**

**17. Please provide up-to-date network route maps in a single file, in a Google Earth compatible format (e.g., KMZ file).**

Empty response area for item 17.