

RECIPIENT NAME:Nelson, County of

AWARD NUMBER: NT10BIX5570049

DATE: 08/13/2012

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 NT10BIX5570049	3. DUNS Number 052551322
4. Recipient Organization Nelson, County of 84 Court House Square, Lovingson, VA 22949-0000		
5. Current Reporting Period End Date (MM/DD/YYYY) 06-30-2012	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 Stephen A Carter County Administrator	7c. Telephone (area code, number and extension) 4342637000	
	7d. Email Address scarter@nelsoncounty.org	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 08-13-2012	

Project Indicators (This Quarter)

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

Construction of the middle mile fiber continued with a total of 23 miles of conduit and 11 miles of fiber installed as of the quarter end. Work is concentrated on rock removal in portions of all segments and in particular on River Road where most of the route must be bored. Additional purchases of miscellaneous construction materials such as gravel were made as needed. The Afton and Avon tower construction bid was released and the erosion and sediment control plan completed for the Avon access road. A network electronics vendor was selected, contract negotiations completed, and the order for equipment placed. Contract negotiations began with both a wholesale Internet provider and a service provider to interconnect with the Nelson County network to provide services, and planning began to make the fiber connections and collocate in the network operating center. An anchor institution conduit installation contractor was selected through competitive procurement and work completed in preparation for pulling fiber into the buildings. Additional suitable tower sites in the Massies Mill area were identified and forwarded for zoning review prior to contacting property owners in the following quarter. A request for proposals soliciting network operation services was re-released. County staff continued to conduct Davis Bacon Act compliance review with field interviews of new crew members and payroll record inspection. The Nelson County Broadband Authority and the working subcommittee continued to meet regularly to oversee the project implementation and make business development decisions.

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	70	Overall project completion variance is due to a network redesign to avoid high make ready costs that delayed the project start. Construction did not start in earnest until December and experienced numerous delays due to weather and department of transportation restrictions on work around holiday periods. Construction has since progressed at a steady pace. The overall project progress will continue to lag baseline expectations as measured by expenditures due to a hold back payment contract with the construction company.
2b.	Environmental Assessment	100	No variance
2c.	Network Design	100	No variance
2d.	Rights of Way	100	No variance
2e.	Construction Permits and Other Approvals	100	No variance
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	71	Variance due to a delayed construction start and outside plant materials orders placed on pace with construction to ensure efficient use of materials. Small orders for miscellaneous outside plant materials expected but the majority of construction materials expenditures have been completed. The order for network electronics has been placed but payments not expected until next quarter.
2h.	Network Build (all components - owned, leased, IRU, etc)	65	Delayed construction start by approximately 6 months. Construction of the fiber network continued steadily with approximately 74.2% of conduit and 35.5% of fiber installed by the quarter end. Tower construction will occur in the third and fourth quarters of 2012.
2i.	Equipment Deployment	0	Delayed construction start by approximately 6 months. Network operating and end user equipment will not be deployed until the fiber construction is complete. Order for network electronics has been placed and deployment anticipated to start in the following quarter.
2j.	Network Testing	0	Delayed construction start by approximately 6 months. Testing anticipated to begin in the following quarter.
2k.	Other (please specify):	0	N/A

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).

By this quarter's end, construction on the fiber network was focused on rock removal in all segments. Fiber was pulled through segments containing reel lengths of completed conduit. The rock removal is done through the slower construction method of boring and the segment along River Road is difficult to construct. Additionally, Department of Transportation oversight during this segment's construction includes an approval process that has slowed progress. Locating a suitable tower site in the Massies Mill area is a continued area of frustration due to the mountains impeding line of sight capabilities, but an additional pool of potential sites has been selected and vetting by planning and zoning is underway prior to contacting property owners which is expected to occur in the following quarter.

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	11	Construction start delayed by approximately 6 months. Approximately 23 miles of conduit and 11 miles of fiber were installed by the end of this quarter.
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)	11	Construction start delayed by approximately 6 months. Approximately 23 miles of conduit and 11 miles of fiber was installed by the end of this quarter.
Number of new wireless links	0	Variance due to delay in finalizing a Massies Mill tower site. The Colleen tower is in place but no equipment will be deployed until both towers are ready.
Number of new towers	0	Variance due to delays in environmental assessment clearance followed by local permitting for the Avon and Afton towers, and site selection impediments for Massies Mill. Bids for construction of the Avon and Afton towers have been let and construction will begin in the following quarter. Additionally, access road construction at the Avon tower will occur in the following quarter.
Number of new and/or upgraded interconnection points	0	Construction start delayed by approximately 6 months, now in progress but slowed because of rock removal. No fiber circuits have been completed between interconnection points.

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	2
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: Agreements in principal have been reached with a wholesale Internet provider and a service provider; contract negotiations are in progress. Planning is progressing to interconnect the fiber networks of these two providers with the County network and collocation planning in the network operations center is in progress as well. Contracts expected to be completed in the following quarter.

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:

The network is under construction and no services are being provided at this time.

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).

A request for proposals to select a network operator was re-released this quarter with proposals due in the following quarter.

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	Variance due to network construction lagging projections by approximately 6 months. Access not possible until network segments are completed and connected to the network operating center where providers will collocate equipment.
	Providers with signed agreements receiving improved access	0	Variance due to network construction lagging projections by approximately 6 months. Access not possible until network segments are completed and connected to the network operating center where providers will collocate equipment.
	Providers with signed agreements receiving access to dark fiber	0	No variance.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Variance due to network construction lagging projections by approximately 6 months. Access not possible until network segments are completed and connected to the network operating center where providers will collocate equipment.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Variance due to network construction lagging projections by approximately 6 months. No subscribers will be served until all fiber segments and testing is complete. Anticipate last mile service equipment to begin deployment in the following quarter.
	Subscribers receiving new access	0	Variance due to network construction lagging projections by approximately 6 months. No subscribers will be served until all fiber segments and testing is complete. Anticipate last mile service equipment to begin deployment in the following quarter.
	Subscribers receiving improved access	0	Variance due to network construction lagging projections by approximately 6 months. No subscribers will be served until all fiber segments and testing is complete. Anticipate last mile service equipment to begin deployment in the following quarter.
	Please identify the speed tiers that are available and the number or subscribers for each	0	Variance due to network construction lagging projections by approximately 6 months. No subscribers will be served until all fiber segments and testing is complete. Anticipate last mile service equipment to begin deployment in the following quarter.
Residential / Households	Entities passed	0	Variance due to network construction lagging projections by approximately 6 months. In total, approximately 23 miles of conduit and 11 miles of fiber have been deployed but no segments are complete at this time.
	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	Network not completed, services to be offered by last mile service providers not the County.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Businesses	Entities passed	0	Variance due to network construction lagging projections by approximately 6 months. In total, approximately 23 miles of conduit and 11 miles of fiber have been deployed but no segments are complete at this time.
	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	Network not completed, services to be offered by last mile service providers not the County.

7. Please describe any special offerings you may provide (600 words or less).
The project intends to provide high speed middle mile access to private providers at speeds of up to 1 Gbps and access to community anchor institutions at broadband speeds desired.

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

8b. If so, please describe the changes (300 words or less).
No change.

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	Network under construction, no community anchor institutions are capable of receiving services at this time.

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
Approximately 20 miles of fiber is expected to be installed in the next quarter. Construction of the fiber network is expected to be complete and testing in progress. Fiber connections to thirteen community anchor institutions will have been completed, customer premise equipment installed and testing in progress. Deployment of network equipment to be in process and collocation with two providers to be nearing completion. Two towers will be under construction and permitting in progress for the third site. The access road at the Avon tower will be under construction. The County will finalize network operations planning and agreements will be signed with two broadband wholesalers/last mile providers.

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	85	Expect fiber construction to be nearly complete with testing and equipment deployment in progress. Two towers will be under construction. Payments lag completion in accordance with contracts requiring hold back and compliance testing prior to final payments.
2b.	Environmental Assessment	100	No variance
2c.	Network Design	100	No variance

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2d.	Rights of Way	100	No variance
2e.	Construction Permits and Other Approvals	100	No variance
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	75	Expected to have ordered the majority of equipment but payments to lag into the following quarter in accordance with contract and compliance testing.
2h.	Network Build (all components - owned, leased, IRU, etc.)	80	Construction of the fiber network will be nearly complete and testing in process. Two towers will be under construction and planning for construction of the third tower will be underway.
2i.	Equipment Deployment	65	Expect to have begun deployment of equipment cabinets and interconnection facilities as fiber circuits are complete.
2j.	Network Testing	65	Testing will begin following construction and turn up of all interconnection points and network operating center equipment. Private providers collocated at network operating center will be testing connections.
2k.	Other (please specify): N/A	0	N/A

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).

The removal of rock and installation of fiber by boring along River Road continues to be an area of concern, but construction will still be completed within the grant time frame. Impediments to construction at the Avon and Afton tower sites are not foreseen. The network equipment has been ordered and installation is expected to occur with no delays. There are no known issues where BTOP technical assistance is needed at this time.

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	\$241,880	\$48,376	\$193,504	\$241,386	\$48,277	\$193,109	\$241,386	\$48,277	\$193,109
b. Land, structures, right-of-ways, appraisals, etc.	\$234,020	\$46,804	\$187,216	\$4,850	\$970	\$3,880	\$140,412	\$28,082	\$112,330
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$315,870	\$63,174	\$252,696	\$315,870	\$63,174	\$252,696	\$315,870	\$63,174	\$252,696
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$42,250	\$8,450	\$33,800	\$42,250	\$8,450	\$33,800	\$42,250	\$8,450	\$33,800
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	\$830,304	\$166,061	\$664,243	\$549,194	\$109,839	\$439,355	\$736,700	\$147,340	\$589,360
j. Equipment	\$618,984	\$123,797	\$495,187	\$439,230	\$87,846	\$351,384	\$464,238	\$92,848	\$371,390
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$2,283,308	\$456,662	\$1,826,646	\$1,592,780	\$318,556	\$1,274,224	\$1,940,856	\$388,171	\$1,552,685
m. Contingencies									
n. TOTALS (sum of l and m)	\$2,283,308	\$456,662	\$1,826,646	\$1,592,780	\$318,556	\$1,274,224	\$1,940,856	\$388,171	\$1,552,685

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
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