

RECIPIENT NAME:Nelson, County of

AWARD NUMBER: NT10BIX5570049

DATE: 11/21/2011

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 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) 09-30-2011	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 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): 11-21-2011	

Project Indicators (This Quarter)

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

Nelson County submitted a project modification request to change fiber construction from primarily aerial to all underground due to high make ready estimate for attaching to utility poles. Working with the Virginia Department of Transportation (VDOT), a redesign was completed and applications for VDOT permitting submitted. Reconsultation with environmental agencies commenced at the end of August for the change to all underground construction. A construction contractor was selected and contracts completed. Fiber, conduit and one-half of vaults were received and staged in the contractor materials storage area. Applications for water crossing permitting were submitted to the Virginia Marine Resources Commission, the Virginia Department of Environmental Quality and the US Corps of Engineers; the required public notice was advertised in September and all affected property owners notified. The Federal Communication Commission environmental review process for two tower sites were completed and findings of No Adverse Affects received for both towers. Tower site leases with two property owners were completed and development of applications for local permitting was initiated. An additional potential tower site in the Massie's Mill area was initially reviewed for line of sight requirements, and further review is warranted. Discussions continued with wholesale providers regarding access to the proposed new middle mile fiber and for parties submitting proposals for network operations and maintenance. The Broadband Authority committee continued monthly meetings for project oversight and development of process and procedure manual for operation and governance. Bi weekly project progress meetings were held with the federal program officer and all reports submitted timely.

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	21	Variance due to delayed construction start after redesign to all underground was required to eliminate high make ready expenses and environmental re-consultation was initiated. Materials have been received in this quarter that will not be paid until Qtr 4. Construction will start in Qtr 4 and an additional order for construction materials will have been received. Payments for work completed on this project will always lag grant expenditures by approximately one month due to required Board of Supervisor approval prior to issuing payment to contractors and vendors.
2b.	Environmental Assessment	100	No variance to baseline, but reconsultation initiated for change from aerial to underground. Initial response from agencies is no adverse affect, but addendum to be submitted to NTIA for clearance in October. Does not substantially change FONSI received previous quarter.
2c.	Network Design	100	No variance from baseline
2d.	Rights of Way	100	No variance from baseline. Verbal approval from VDOT received, permits submitted and awaiting signatures at the end of September.
2e.	Construction Permits and Other Approvals	95	Variance, awaiting permitting from Marine Resource Commission for five water crossings and formal notification of no permit required from US Army Corps of Engineers. Verbal approvals received, expect permits to be issued in October.
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	0	Variance due to redesign, held off on ordering materials until all underground design was approved. \$271,632 in materials were received in Qtr 3 (total 44% of budget including unliquidated obligations) but will not be paid until Qtr 4. An additional order for construction materials of approximately \$33,000 will be ordered in Qtr 4. Operating and premise equipment will not be ordered until approximately Qtr 1 of 2012.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	Variance, delay due to make ready issue causing redesign, materials delivery, final permitting and awaiting final environmental assessment amendment approval. Contractor ready to start when final approvals received. Materials needed to start construction on on hand. Construction anticipated to be in progress starting by early November.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2i.	Equipment Deployment	0	Variance due to delayed network construction. Equipment deployment will not occur until approximately Qtr 2 of 2012.
2j.	Network Testing	0	No variance
2k.	Other (please specify):	0	No variance

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).

High make ready cost estimates for aerial construction necessitated a complete network redesign to all underground and varying VDOT requirements prolonged that process significantly. There was additional work involved in consultation with environmental agencies for project modification approval not required during the original assessment, and Virginia Department of Historic Resources further requested third party archaeological review that resulted in additional unplanned expenditures and time. Water permitting with Virginia regulatory authorities was delayed due to agency staffing shortages.

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	0	Variance due to delayed construction start. Approximately 2 quarters behind originally planned progress.
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)	0	Variance due to delayed construction start. Construction will begin in Qtr 4 of 2011, currently only pending EA amendment approval. Approximately 2 quarters behind originally planned progress.
Number of new wireless links	0	Variance due to delay in finalizing the Massie's Mill tower site. The Colleen tower that will receive equipment is in place, but will not deploy any equipment until both are ready. This item is approximately 3 quarters behind planned progress.
Number of new towers	0	Variance due to delay in receiving tower site environmental clearance, negotiating agreements with property owners and local permitting. Two towers are in the process of local permitting, and soil testing will shortly commence as the precursor to bids for turn key tower construction. Those two towers are approximately 2 quarters behind planned progress. The third tower was not originally planned for completion until Qtr 4 but is approximately 3 quarters behind planned progress.
Number of new and/or upgraded interconnection points	0	Variance due to delayed construction start. Interconnection with providers is not possible until network deployed, approximately 2 quarters behind planned progress.

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	1

Indicators	
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:
No signed agreements at this time, pending selection of network operator prior to developing agreements. Discussions are continuing with one last mile provider for interconnection and potentially network operation.

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:
Network not yet constructed, no services 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 third party operates (600 words or less).
Network operator not yet selected, discussions ensuing with qualified candidates.

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 delayed construction start and delay in selecting network operator due to necessity to reissue RFP seeking additional candidates.
	Providers with signed agreements receiving improved access	0	No variance to baseline estimate
	Providers with signed agreements receiving access to dark fiber	0	No variance, not proposed on baseline. The County is interested in leasing dark fiber but no solid candidates at this time.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Network not constructed, no services provided at this time.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Variance due to delayed construction start. Network not constructed, no services provided at this time.
	Subscribers receiving new access	0	Variance due to delayed construction start. Network not constructed, no services provided at this time.
	Subscribers receiving improved access	0	Variance due to delayed construction start. Network not constructed, no services provided at this time.
	Please identify the speed tiers that are available and the number or subscribers for each	0	Network not constructed, no services provided at this time.
Residential / Households	Entities passed	0	Variance due to delayed construction start. Network not constructed, no services provided at this time.
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Please identify the speed tiers that are available and the number of subscribers for each	0	Network not constructed, no services provided at this time.
Businesses	Entities passed	0	Variance due to delayed construction start. Network not constructed, no services provided 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 constructed, no services provided at this time.

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

Project intends to provide high speed middle mile access to 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 to plan

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 BTOF 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 BTOF-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 BTOF-funded infrastructure
N/A	N/A	N/A	N/A	Network not constructed, 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).

The County expects to have all construction permits in hand, as well as approval of the environmental project modification that has been submitted to NTIA for final review. The construction of the all underground network will be in progress. Local tower permitting will have been completed for two towers, and final selection of the third tower is expected to have been made and negotiations in process with the property owner. The majority of outside plant construction materials will have been ordered and received. Soil testing for two towers will have been completed and preparation of turn key tower bids will commence during this quarter. Additionally, an update on the progress of project key indicators is as follows:

- a. New network miles deployed: 4 miles projected to be completed by end of December 2011, variance due to delayed start of fiber construction and Department of Transportation limits on construction around holiday periods.
- b. New network miles leased: 0, No Variance to baseline
- c. Total CAI subscribers served (CAIs connected): 0, Variance due to delayed start of fiber construction. No CAIs can be served until the network is complete. Completion of network includes fiber construction and equipment deployment and testing expected to be concluded by Qtr2 of 2012.
- d. Number of signed agreements with broadband wholesalers or last mile providers: 1, Variance due to delay in selecting a third party Network Operator and delay in start of fiber construction.

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	37	Variance due to delayed construction start. By the end of Qtr 4 approximately 4 miles of fiber is anticipated to have been deployed. The project has been broken into five segments and the contractor will be in process of construction on two segments. VDOT requirements for stop work during holiday periods include the day before, the holiday, and the day following; the Thanksgiving and Christmas holidays will limit construction progress in Qtr 4. Payments for work completed on this project will always lag grant expenditures by approximately one month due to required Board of Supervisor approval prior to issuing payment to contractors and vendors.
2b.	Environmental Assessment	100	No variance; expect to have received EA amendment approval.
2c.	Network Design	100	No variance
2d.	Rights of Way	100	No variance, VDOT permitting complete
2e.	Construction Permits and Other Approvals	100	No variance, expect to receive final water permits and environmental sign off by end of October.
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	44	Variance anticipated due to delay in selecting network operator and wholesale providers, and delay in fiber construction. 44% of equipment budget is anticipated to be expended for construction materials by the end of Qtr 4, with an additional \$33,000 of materials received but payment not expended until January. Expect specifications and bid documents to be in process in Qtr 4 for bid release and purchase of equipment 1st Qtr of 2012.
2h.	Network Build (all components - owned, leased, IRU, etc.)	0	Variance due to delay in construction start. Construction is scheduled to be in progress in November, but expenditures not made until January based on the County's payment process contractual agreement with contractor.
2i.	Equipment Deployment	0	Variance due to delay in selecting network operator and wholesale providers. Expect to begin deploying equipment approximately 2nd Qtr 2012 when fiber network is completing.
2j.	Network Testing	0	Variance expected, network testing will not commence until completion approximately 2nd Qtr 2012.
2k.	Other (please specify):	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).

Nelson County has finally moved past the significant impediments to starting construction. With the redesign complete, VDOT permitting complete, contractor negotiation and contract complete, fiber received and materials staged and a FONSI expected for the EA amendment, construction is ready to begin in the 4th quarter. At this time the County does not anticipate delays that would prevent it from achieving the progress projected going forward.

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	\$229,666	\$45,933	\$183,733	\$201,609	\$40,322	\$161,287	\$220,600	\$44,120	\$176,480
b. Land, structures, right-of-ways, appraisals, etc.	\$234,020	\$46,804	\$187,215	\$4,850	\$970	\$3,880	\$14,850	\$2,970	\$11,880
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$282,692	\$56,538	\$226,154	\$282,337	\$56,467	\$225,870	\$324,868	\$64,974	\$259,894
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$87,642	\$17,528	\$70,114	\$0	\$0	\$0	\$10,000	\$2,000	\$8,000
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	\$830,297	\$166,060	\$664,237	\$0	\$0	\$0	\$30,000	\$6,000	\$24,000
j. Equipment	\$618,991	\$123,799	\$495,193	\$0	\$0	\$0	\$271,632	\$54,326	\$217,306
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	\$488,796	\$97,759	\$391,037	\$871,950	\$174,390	\$697,560
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$2,283,308	\$456,662	\$1,826,646	\$488,796	\$97,759	\$391,037	\$871,950	\$174,390	\$697,560

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
---	--------------------------------