

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 NT10BIX5570084	3. DUNS Number 836204271
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4. Recipient Organization

Iowa Health System 1200 Pleasant Street, Des Moines, IA 50309-1406

5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2013	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No
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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 Stephanie Young	7c. Telephone (area code, number and extension) X
	7d. Email Address YoungSJ@ihs.org

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-24-2013
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Project Indicators (This Quarter)

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

Phase 1 - All 9 huts and fiber laterals to existing network are deployed and operational.

Phase 2 - Iowa Health System (IHS)/Broadband Inc. (BBI) deployed 21 of the 21 DWDM sites on the main ring and they became operational. During this quarter, the North, South, and West rings are operational. The western long haul route remains on track to complete by end of Q2 2013.

Phase 3 - IHS/BBI executed four capacity agreements totaling 16 capacity agreements with last mile providers to date. IHS has met its customer target of 16 and will continue to move these projects along to completion to meet the end of our project requirements. IHS/BBI also received approval for 3 middle mile extensions that were submitted to NTIA for approval and construction crews were deployed to the 3 locations to start the fiber extension builds. IHS/BBI submitted the 3rd route modification package to NTIA beginning of Q1 2013 to construct 3 additional routes. During this quarter, we received approval from NTIA to proceed forward with construction under our Programmatic Agreement. There will be one last route modification submittal in Q2 2013 to connect 2 customers that were signed at the end of Q1 to complete our target of 16 customers.

In addition, due to weather IHS/BBI has been delayed approx. 4 months from completing any construction activities. At the end of Q1 2013, construction crews were still unable to start boring/burying fiber. This activity was projected to start back up in Q2 2013 but would delay the completion of the construction projects to July/August 2013 time frame.

IHS/BBI will attend the Iowa Association Municipal Utilities conference in Q2 2013 and publish community highlights as we start connecting CAIs in Q1 2013 and last mile providers in rural areas providing lower cost services.

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	89	Variance from baseline due to major construction delays caused by a severe weather delays.
2b.	Environmental Assessment	100	Complete: IHS/BBI exceeded this milestone and has completed all necessary/required environmental assessments.
2c.	Network Design	98	Variance from baseline due to finalizing customer connections.
2d.	Rights of Way	100	On Target
2e.	Construction Permits and Other Approvals	90	Variance from baseline due to the unanticipated time frame to obtain permitting. IHS completed all construction permitting for the 3 route changes for middle mile extensions that were approved by NTIA in Q4 2013. IHS will continue to obtain approvals for middle mile extensions through Q1 2013 and complete all permitting the beginning of Q2 2013
2f.	Site Preparation	100	Complete
2g.	Equipment Procurement	99	Variance from baseline due to the unanticipated equipment procurement to bring on the final group of last mile connections.
2h.	Network Build (all components - owned, leased, IRU, etc)	90	Variance from baseline due to the unanticipated time frame to obtain permitting and weather delayed construction activities. IHS/BBI plans to start construction activities back up in Q2 2013, however, will not be completed by end of Q2.
2i.	Equipment Deployment	90	On target. IHS/BBI deployed equipment on the north and western rings....and start on long haul routes Q2 2013.
2j.	Network Testing	90	On target
2k.	Other (please specify): N/A	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).

IHS faces the challenges of weather due to excessive snow coverage and rain fall during the winter and early spring season. In return,

the weather has caused construction activities to cease.

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	38	This variance from the baseline is due to the route modifications for the hut laterals due to unexpected circumstances. IHS completed 9 hut laterals in Q4 2012 and deployed 35.54 new network miles altogether by end of Q4 2012. During the winter months, no additional network miles were deployed as a result of severe winter weather. IHS anticipates completing 63.27 miles total by end of Q2 2013 and 112 by end of Q3 2013.
New network miles leased	89	Miles leased was less than originally planned due to a better leased route option. Differentiation from last report due to incorrect reporting of miles leased.
Existing network miles upgraded	1,916	IHS upgraded the network miles on the main ring and is on schedule to upgrade a total of 3088 existing network miles by end of Q2 2013.
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	38	IHS anticipated constructing 63.27 miles by end of Q2 2013 and the remaining miles by end of Q3 2013. Construction activities were stopped due to weather through Q1 2013 and is not expected to start back up until middle of Q2 2013.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	59	The variance from the baseline was due to the route modifications and completing the ring bring ups. The remaining interconnection points are on the western long haul route that are planned for completion by end of Q2 2013.

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	16
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	6
Average term of signed agreements (in quarters)	20

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

- Cedar Falls Utilities
- US Secure Hosting Center
- Bellevue Municipal Utilities
- Mahaska Communications Group
- Osage Municipal Utilities
- FiberComm
- InfoBunker
- Riverside Clinic
- Siouxland PACE Clinic
- Harlan Municipal Utilities

VS Enterprises
 City of Denison
 Professional Computer Services (PCS)
 City of Maquoketa
 City of Charles City
 Enseva

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:
 See Attachment.

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	16	Variance from baseline due to the longer than expected negotiation time frames and dependency on IHS' ring bring ups. The weather has remained a challenge as we were unable to start construction up during March and we have had heavy rain fall as well. The remaining providers are signed and planned for connection in Q2 and Q3 2013. Construction activities were delayed throughout Q1 2013 and will not start back up until middle of Q2 2013. This will cause the completion of customer connections to be pushed into Q3 2013.
	Providers with signed agreements receiving improved access	0	No variance from baseline report
	Providers with signed agreements receiving access to dark fiber	0	No variance from baseline report
	Please identify the speed tiers that are available and the number of subscribers for each	16	50Megs = 3 subscribers 100Megs=7 subscribers 500Megs=1 subscriber 1Gig=4 subscribers 2Gig=1 subscriber
Community Anchor Institutions (including Government institutions)	Total subscribers served	14	Variance from baseline report due to the dependency on IHS' ring bring ups that were pushed out.
	Subscribers receiving new access	0	No variance from baseline report
	Subscribers receiving improved access	14	Variance from baseline report due to the dependency on IHS' ring bring ups that were pushed out.
	Please identify the speed tiers that are available and the number or subscribers for each	14	10Megs=14 subscribers
Residential / Households	Entities passed	0	No variance from baseline report
	Total subscribers served	0	No variance from baseline report

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Subscribers receiving new access	0	No variance from baseline report
	Subscribers receiving improved access	0	No variance from baseline report
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance from baseline report
Businesses	Entities passed	0	No variance from baseline report
	Total subscribers served	0	No variance from baseline report
	Subscribers receiving new access	0	No variance from baseline report
	Subscribers receiving improved access	0	No variance from baseline report
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance from baseline report

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

No special offerings during Q1 2013.

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
Crescent Community Health Center	Dubuque, IA	Medical or Healthcare Provider	No	Increased capacity to support critical applications and services for healthcare needs in a rural area
East Side Clinic, Primary Health Care Inc.	Des Moines, IA	Medical or Healthcare Provider	No	Increased capacity to support critical applications and services for healthcare needs in a rural area
Engebretsen Clinic, Primary Health Care Inc.	Des Moines, IA	Medical or Healthcare Provider	No	Increased capacity to support critical applications and services for healthcare needs in a rural area
Marshalltown Dental Clinic	Marshalltown, IA	Medical or Healthcare Provider	No	Increased capacity to support critical applications and services for healthcare needs in a rural area
Peoples Community Health Clinic, Inc.-Clarksville	Clarkville, IA	Medical or Healthcare Provider	No	Increased capacity to support critical applications and services for healthcare needs in a rural area
Peoples Community Health Clinic, Inc.-Waterloo	Waterloo, IA	Medical or Healthcare Provider	No	Increased capacity to support critical applications and services for healthcare needs in a rural area

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
Waterloo, Primary Health Care Inc.	Waterloo, IA	Medical or Healthcare Provider	No	Increased capacity to support critical applications and services for healthcare needs in a rural area
River Hills Appanoose County Clinic	Centerville , IA	Medical or Healthcare Provider	No	Increased capacity to support critical applications and services for healthcare needs in a rural area
River Hills Pediatric Clinic	Ottumwa, IA	Medical or Healthcare Provider	No	Increased capacity to support critical applications and services for healthcare needs in a rural area
Siouxland Community Health Center	Sioux City, IA	Medical or Healthcare Provider	Yes	Internet and Increased capacity to support critical applications and services for healthcare needs in a rural area
The Outreach Project and Pharmacy	Des Moines, IA	Medical or Healthcare Provider	No	Increased capacity to support critical applications and services for healthcare needs in a rural area
Unified Community Health Center	Storm Lake, IA	Medical or Healthcare Provider	No	Increased capacity to support critical applications and services for healthcare needs in a rural area
River Hills Community Health Center, Keokuk County	Richland, IA	Medical or Healthcare Provider	Yes	Internet and Increased capacity to support critical applications and services for healthcare needs in a rural area
Mary Greeley Medical Center	Ames, IA	Medical or Healthcare Provider	No	Increased capacity to support critical applications and services for healthcare needs in a rural area

Project Indicators (Next Quarter)

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

Phase 3 - IHS/BBI projects to start up the middle mile fiber construction in Q2 2013 for the 1st group of 3 routes. The construction activities have been on hold due to weather. IHS/BBI will plan on requesting an extension due to weather constraints and the inability to start the fiber construction during Q1. During this quarter, the migrations will continue and the remaining customer connections will be started. Completion is not projected until Q 3 which will require IHS/BBI to request this extension through end of August 2013.

During Q2 2013, IHS/BBI plans to plans to deploy 10 miles dependent upon weather, provide upgraded capacity to 80 additional CAIs, and we'll have an add'l 3 last mile provider agreements in place. IHS/BBI plans to upgrade 1,172 miles by end of Q2 2013 completing 3088 miles of upgraded network. IHS/BBI plans will increase leased miles from 89 to 98 (9 miles of lease to connect Siouxland PACE and Riverside Clinics) and all miles leased will be finalized by end of Q2 2013.

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	96	IHS anticipates the 1st group of customer fiber builds will be close to completion and the 2nd group of customer fiber builds will be a third of the way complete by the end of Q2 2013. IHS Anticipates completing the construction activities to build out the fiber network connecting customers due to heavy snowfall and rainfall during end of Q2 2013 and Q3 2013.
2b.	Environmental Assessment	100	Complete
2c.	Network Design	100	Complete
2d.	Rights of Way	100	IHS anticipates the ROWs will be finalized.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2e.	Construction Permits and Other Approvals	100	IHS anticipates the construction permits will be completed.
2f.	Site Preparation	100	IHS anticipates the site prep will be completed.
2g.	Equipment Procurement	100	IHS anticipates the equipment procurement will be completed.
2h.	Network Build (all components - owned, leased, IRU, etc.)	95	IHS anticipates the 1st group of customer fiber builds will start up mid May and will be completed by July 2013. The 2nd group of customer fiber builds will be completed July/August 2013.
2i.	Equipment Deployment	95	IHS anticipates that the equipment deployment for the 1st group of customer will be close to completion and the 2nd group of customer deployments will be a third of the way complete. Delays due to weather dependent construction activities.
2j.	Network Testing	95	IHS anticipates network testing will be completed on the north and western rings. Delays due to weather dependent construction activities.
2k.	Other (please specify): N/A	0	No variance from the baseline report

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).

Weather would be seen as a variable that could impact/hinder progress to complete the customer fiber builds.

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	\$85,800	\$0	\$85,800	\$75,645	\$0	\$75,645	\$75,645	\$0	\$75,645
b. Land, structures, right-of-ways, appraisals, etc.	\$1,146,600	\$0	\$1,146,600	\$952,303	\$0	\$952,303	\$972,303	\$0	\$972,303
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$2,908,015	\$0	\$2,908,015	\$2,888,194	\$0	\$2,888,194	\$2,908,015	\$0	\$2,908,015
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$502,600	\$0	\$502,600	\$423,000	\$0	\$423,000	\$423,000	\$0	\$423,000
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$3,071,873	\$0	\$3,071,873	\$1,854,398	\$0	\$1,854,398	\$2,500,000	\$0	\$2,500,000
j. Equipment	\$16,226,313	\$9,355,655	\$6,870,658	\$15,127,610	\$8,154,254	\$6,973,356	\$16,329,011	\$9,355,655	\$6,973,356
k. Miscellaneous	\$161,084	\$0	\$161,084	\$131,235	\$0	\$131,235	\$131,235	\$0	\$131,235
l. SUBTOTAL (add a through k)	\$24,102,285	\$9,355,655	\$14,746,630	\$21,452,385	\$8,154,254	\$13,298,131	\$23,339,209	\$9,355,655	\$13,983,554
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$24,102,285	\$9,355,655	\$14,746,630	\$21,452,385	\$8,154,254	\$13,298,131	\$23,339,209	\$9,355,655	\$13,983,554

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: \$93,033
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