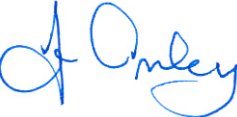




FIRST PERFORMANCE PROGRESS REPORT First Quarter 2010

1. Recipient Organization (<i>Name and complete address including zip code</i>) PUD No. 1 of Pend Oreille County P.O. Box 190 Newport, WA 99156-0190	2. Award Identification Number NT10BIX5570059
3. Performance Narrative (Q1) <i>Please describe your project activities and progress for the first quarter of 2010. This should include a description of federal expenditures to date, key milestones, the primary activities needed to accomplish those milestones, significant project accomplishments, and any delays or challenges. Please use the milestone categories provided in your baseline report (e.g., environmental assessment, design, rights of way) to structure your answer. (500 words or less)</i> PUD No. 1 of Pend Oreille has attended all the training sessions, workshops, and has met the Special Award Conditions specified in order to commence work on the project. The District issued a Request for Qualifications (RFQ) and after rigorous evaluation selected an engineering firm for the last-mile fiber optic deployment project in Pend Oreille County, Washington. Immediately upon executing the agreement work commenced on the Environmental Assessment (EA). Pend Oreille has not expended any Federal funds to date.	
4. Performance Projections (Q2) <i>Please describe your anticipated project activities and progress for the next quarter. This should include a description of federal expenditures, key milestones, the primary activities needed to accomplish those milestones, significant project accomplishments, and any potential delays or challenges you foresee. Please use the milestone categories provided in your baseline report (e.g., environmental assessment, design, rights of way) to structure your answer. (500 words or less)</i> With the Engineering agreements executed during the first quarter, the Environmental Assessment (EA) is now full speed ahead. The EA is expected to be 90% complete by the end of the next quarter (Q3 of the Project), with the remaining 10 % reliant upon receiving the Finding of No Significant Impact (FONSI) and securing the applicable permits to authorize construction. In this next quarter, concurrent with the EA the District will commence with the outside plant engineering, network design, associated bid packages, rights-of-way acquisition, and easement procurement. The District is anticipating substantial progress towards commencing construction. The District will expend approximately one quarter of a million dollars (\$250,000) for engineering and environmental assessment services.	
5. 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.	
5a. Typed or Printed Name and Title of Authorized Certifying Official Joe Onley Community Network System Manager	5c. Telephone (<i>area code, number and extension</i>) (509) 447 - 9333 5d. Email Address jonley@popud.org
5b. Signature of Authorized Certifying Official 	5e. Date Report Submitted (<i>Month, Day, Year</i>) July 30, 2010

According to the Paperwork Reduction Act, as amended, no person is required to respond to, nor shall any person be subject to penalty for failure to comply with, a collection of information subject to the requirements of the PRA, unless that collection of information displays a currently valid OMB control number. Public reporting burden for this collection of information is estimated to average 1 hour and 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Anthony G. Wilhelm, Director, Broadband Technology Opportunities Program, Office of Telecommunications and Information Applications, National Telecommunications and Information Administration, U.S. Department of Commerce (DOC), 1401 Constitution Avenue, N.W., HCHB, Room 4887, Washington, D.C. 20230.