



## FIRST PERFORMANCE PROGRESS REPORT First Quarter 2010

1. Recipient Organization ( <i>Name and complete address including zip code</i> ) BVU Authority (formerly Bristol Virginia Utilities Board) 15022 Lee Highway, Bristol, VA 24201	2. Award Identification Number NT10BIX5570066
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>  <b>1. Overall Project</b> BVU Authority's Southwest Virginia Middle-Mile Project progress during the first quarter (Q1) of our award (7/1/2010-9/30/2010) has been primarily concerned with necessary NTIA compliance and preparing the plans for the actual project build-out.  <b>2. Environmental Assessment</b> Our main activity has been the environmental assessment (EA) and working toward obtaining a Finding of No Significant Impact (FONSI) on our project. We have had two route changes from the original maps submitted with the application, and these routes have caused a slight delay in our EA and getting the appropriate maps to the appropriate environmental contacts. Despite these delays and others, our EA is progressing and we anticipate turning it in on or before the 1/2/2011 deadline. Given this anticipated submission date for the draft, we hope to obtain our FONSI by mid- January 2011, and hope to then begin construction by the beginning of February 2011. As part of our requirements from the Virginia Department of Historic Resources (VDHR), BVU has procured an archaeologist to work with us on completion of our Section 106 process for the EA. This archaeologist will begin work in the second quarter.  <b>3. Network Design</b> As of the end of the quarter, procurement of an engineering firm was underway, with an anticipated award date for the contract on 10/11/2010.  <b>4. Rights Of Way</b> The engineering firm will be obtaining all necessary permits before the start of construction. No engineering firm had been procured as of the end of the first quarter.  <b>5. Construction Permits And Other Approvals:</b> No activity to date. <b>6. Site Preparation:</b> No activity to date. <b>7. Equipment Procurement :</b> No activity to date. <b>8. Network Build (all components - owned, leased, IRU, etc.):</b> No activity to date. <b>9. Equipment Deployment:</b> No activity to date. <b>10. Network Testing:</b> No activity to date.  <b>11. Other (please specify):</b> Administratively, BVU's efforts have been focused on putting the necessary practices in place to ensure compliance with all award terms throughout the course of the award period. BVU will be reporting on all financials and on progress of the overall award in quarterly reports, due 10/30/2010. No construction or ground disturbing activities occurred.  Since the beginning of the award, BVU has held weekly meetings with all employees and contractors involved in project management to facilitate clear and effective communication between key individuals on this project.  <b>Federal expenditures to date:</b> <u>\$79,230.65</u> of budgeted Federal award of <u>\$22,698,010</u> (0.35%). This expenditure amount represents actual expenditure of NTIA money in the first quarter (\$59,671.16) and Federal share of unliquidated Q1 obligations (\$19,559.49). These expenditures were for project management costs (both payroll and contracted), EA consultation and mapping, advertising the request for proposal (RFP) for project management and engineering, and all grant application preparation costs.	

4. Performance Projections (Q2)

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)

1. Overall Project

BVU's progress in the second quarter (Q2) will be focused on completing the EA as required by NTIA (working with the archaeologist, finalizing consultation with various environmental and cultural agencies, etc), with an expected receipt of the FONSI around 1/15/2011. Until this point, we will progress with engineering the route, and expect to 8% of the route engineered by the end of the second quarter.

2. Environmental Assessment

Our main activity will be to complete the environmental assessment and working toward obtaining a FONSI on our project. BVU's progress in the second quarter will be focused on completing the EA as required by NTIA (working with the archaeologist, finalizing consultation with various environmental and cultural agencies, etc), with an expected receipt of the FONSI around 1/15/2011. We also expect the two route changes previously mentioned to be finalized by the end of October 2010. The largest challenge to date is the timely completion and submission of the EA, and a FONSI soon thereafter. Delay of the EA and subsequent FONSI will impact BVU's completion of projected milestones (to be seen in the Baseline Project Report, due 11/15/2010) for the length of the project.

3. Network Design

The engineering firm is set to begin work in the week of 10/18-22/2010, and we anticipate that they will have 8% of the total build engineered by the end of our project's second quarter (10/1/2010-12/31/2010).

4. Rights Of Way

The engineering firm will be obtaining all necessary permits before the start of construction.

5. Construction Permits And Other Approvals: No activity to date.

6. Site Preparation: No activity to date.

7. Equipment Procurement : No activity to date.

8. Network Build (all components - owned, leased, IRU, etc.): No activity to date.

9. Equipment Deployment: No activity to date.

10. Network Testing: No activity to date.

11. Other (please specify):

Administratively, BVU's efforts are now focused on completing the necessary quarterly reports, as well as preparing the 6-Month Procurement Spending Plan and the Baseline Project Report. Actual site preparation, procurement of equipment and construction will not begin until sometime in the third quarter of our project, after the FONSI is obtained.

Since the beginning of the award, BVU has held weekly meetings with all employees and contractors involved in project management to facilitate clear and effective communication between key individuals on this project.

**Expected Federal expenditures next quarter:** \$278,366.00 of budgeted Federal dollars, all related to EA finalization, project management (both by employees and contractors), and engineering of the route. This is 1.03% of budgeted Federal dollars. Total expenditures (Cash Match and NTIA) in Q2 are expected to be \$344,993.93.

Overall project completion, based on budget, is projected to be around 1% by the end of the second quarter (Q1 and Q2 expenditures/Total Project Budget).

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.

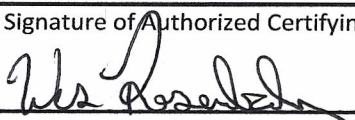
5a. Typed or Printed Name and Title of Authorized Certifying Official

Wesley R. Rosenbalm

5c. Telephone (area code, number and extension)  
(276) 645-8701

5d. Email Address  
wrosenbalm@bvub.com

5b. Signature of Authorized Certifying Official



5e. Date Report Submitted (Month, Day, Year)  
10-27-2010

**OMB CONTROL NO. 0660-0035**

**EXPIRATION DATE: 10/31/2010**

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