



IN REPLY REFER TO:

United States Department of the Interior

BUREAU OF RECLAMATION

Great Plains Region
Wyoming Area Office
P.O. Box 1630
Mills, Wyoming 82644-1630

June 7, 2011

WY-4007
ADM-13.00

VIA ELECTRONIC MAIL ONLY

MEMORANDUM

To: Executive Director, Platte River Recovery Implementation Program
Attention: Dr. Jerry Kenny (kennyj@headwaterscorp.com)

From: John H. Lawson /s/
Area Manager, Mills, WY

Subject: Platte River Recovery Implementation Program (Program) Indexing for 2010

Attached is an updated calculation sheet that indexes cash and cash equivalent contributions for the Program to October 2010 price levels. This calculation sheet has been prepared in accordance with the indexing process approved by the Program Governance Committee (GC) on March 9, 2010, and the Director of Policy and Administration on August 31, 2010. Please distribute this document to the GC prior to the next GC meeting on June 14-15, 2011.

Attachment

cc: Executive Director's Office, Platte River Recovery Implementation Program
Attention: Chad Smith (smithc@headwaterscorp.com)

WY-1000 (John H. Lawson), WY-4007 (Brock Merrill w/ hard copy)

Indexing the Platte River Recovery Implementation Program

Index Calculation¹

| | October 2009 | | October 2010 | | Index Factor to Apply on 10/1/10 |
|---|--------------|---|--------------|---|-------------------------------------|
| Land Index (Nebraska Land Index) | 369 | ÷ | 329 | = | 0.89 |
| Water Index (General Property Index) | 305 | ÷ | 317 | = | 1.04 |
| Other Cost Index (Federal Salary Index) | 328 | ÷ | 334 | = | 1.02 |

Index Application

| | A Program Budget as of 10/1/2009 | B Expenditures Through 9/30/2010 | C Budget Remaining As of 10/1/10 (A minus B) | D Index Applied on 10/1/2010 (C times Index) | E Total Budget Change (D minus C) | F New Program Ceiling (E plus A) |
|--------------------|--|--|---|---|--|---|
| Land (Index 0.89) | \$26,582,955.39 | \$9,023,980.42 | \$17,558,974.97 | \$15,627,487.72 | -\$1,931,487.25 | \$24,651,468.14 |
| Water (Index 1.04) | \$86,549,758.55 | \$954,122.10 | \$85,595,636.45 | \$89,019,461.91 | \$3,423,825.46 | \$89,973,584.01 |
| Other (Index 1.02) | \$76,780,903.76 | \$12,437,160.57 | \$64,343,743.19 | \$65,630,618.05 | \$1,286,874.86 | \$78,067,778.62 |
| Total | \$189,913,617.70 | \$22,415,263.09 | \$167,498,354.61 | \$170,277,567.68 | \$2,779,213.07 | \$192,692,830.77 |

State & Federal Shares - Original Total Program Cash Budget of \$187,140,000 - the new ceiling is **\$192,692,830.77**

| | | | | |
|----------|---|---------------|---------------------------------|--------------------|
| Colorado | $\frac{\$24,000,000.00}{\$187,140,000.00}$ | ÷ | 0.1282 | |
| Wyoming | $\frac{\$6,000,000.00}{\$187,140,000.00}$ | ÷ | 0.0321 | |
| Federal | $\frac{\$157,140,000.00}{\$187,140,000.00}$ | ÷ | 0.8397 | |
| | New Ceiling | Parties Share | Parties Share of New Ceiling | |
| Colorado | \$192,692,830.77 | X | 0.1282 | = \$24,703,220.90 |
| Wyoming | \$192,692,830.77 | X | 0.0321 | = \$6,185,439.87 |
| Federal | \$192,692,830.77 | X | 0.8397 | = \$161,804,170.00 |

Maintaining the Original Cost Share - Original Program Budget of \$317,330,000 (\$187,140,000 Cash; \$130,190,000 Cash Equivalents)

| | | | | | |
|---|-------------------------|---|--------------|---|------------------------|
| State Contributions | <u>\$160,190,000.00</u> | = | 0.5048 | = | States Cost Share |
| Total Program | <u>\$317,330,000.00</u> | | | | Ratio |
| Federal Contributions | <u>\$157,140,000.00</u> | = | 0.4952 | = | Federal Cost Share |
| Total Program | <u>\$317,330,000.00</u> | | | | Ratio |
| New Federal Program Ceiling (Cash) | <u>\$161,804,170.00</u> | = | 1.030 | = | Index Factor for State |
| Original Federal Program Ceiling (Cash) | <u>\$157,140,000.00</u> | | | | Cash & Equivalents |
| | Cash & Equivalents | | Index Factor | | New Value State |
| | | | | | Cash & Equivalents |
| Original Value State Cash & Equivalents | \$ 160,190,000.00 | X | 1.030 | = | \$164,995,700.00 |
| New Value State Cash & Equivalents | \$164,995,700.00 | | | | |
| New Federal Ceiling | <u>\$161,804,170.00</u> | | | | |
| New Total Program | <u>\$326,799,870.00</u> | | | | |
| New Federal Ceiling | <u>\$161,804,170.00</u> | = | 0.4951 | = | Federal Cost Share |
| New Total Program | <u>\$326,799,870.00</u> | | | | Ratio |
| New Value State Cash & Equivalents | <u>\$164,995,700.00</u> | = | 0.5049 | = | State Cost Share |
| New Total Program | <u>\$326,799,870.00</u> | | | | Ratio |

1) Index calculated using the Bureau of Reclamation's Construction Cost Trends; Process approved by the Program Governance Committee on 3/9/2010, and the Director of Policy and Administration on 8/31/2010