



IN REPLY REFER TO:

United States Department of the Interior

BUREAU OF RECLAMATION

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

March 9, 2012

WY-1005
ADM-13.00

VIA ELECTRONIC MAIL ONLY

MEMORANDUM

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

From: Lyle D. Myler /s/
Acting Area Manager, Mills, WY

Subject: Platte River Recovery Implementation Program (Program) Indexing for 2011

Attached is an updated calculation sheet that indexes cash and cash equivalent contributions for the Program to October 2011 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 March 13-14, 2012.

Attachment

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

Deputy Regional Director, Billings, MT
Attention: GP-1100 (Gary Campbell)

WY-1000 (Lyle D. Myler), WY-1005 (Brock Merrill w/ hard copy)

Indexing the Platte River Recovery Implementation Program

Index Calculation¹

	October 2010		October 2011		Index Factor to Apply on 10/1/11
Land Index (Nebraska Land Index)	329	÷	364	=	1.11
Water Index (General Property Index)	317	÷	326	=	1.03
Other Cost Index (Federal Salary Index)	334	÷	334	=	1.00

Index Application

	A Program Budget as of 10/1/2010	B Expenditures Through 9/30/2011	C Budget Remaining As of 10/1/10 (A minus B)	D Index Applied on 10/1/2011 (C times Index)	E Total Budget Change (D minus C)	F New Program Ceiling (E plus A)
Land (Index 1.11)	\$24,651,468.14	\$13,937,803.18	\$10,713,664.96	\$11,892,168.11	\$1,178,503.15	\$25,829,971.29
Water (Index 1.03)	\$89,973,584.01	\$1,847,690.11	\$88,125,893.90	\$90,769,670.72	\$2,643,776.82	\$92,617,360.83
Other (Index 1.00)	\$78,067,778.62	\$18,942,348.15	\$59,125,430.47	\$59,125,430.47	\$0.00	\$78,067,778.62
Total	\$192,692,830.77	\$34,727,841.44	\$157,964,989.33	\$161,787,269.30	\$3,822,279.97	\$196,515,110.74

State & Federal Shares - Original Total Program Cash Budget of \$187,140,000 - the new ceiling is \$196,515,110.74

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	\$196,515,110.74	X	0.1282	= \$25,193,237.20
Wyoming	\$196,515,110.74	X	0.0321	= \$6,308,135.05
Federal	\$196,515,110.74	X	0.8397	= \$165,013,738.49

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

$$\begin{array}{l} \text{State Contributions} \\ \text{Total Program} \end{array} \frac{\$160,190,000.00}{\$317,330,000.00} = 0.5048 = \begin{array}{l} \text{States Cost Share} \\ \text{Ratio} \end{array}$$

$$\begin{array}{l} \text{Federal Contributions} \\ \text{Total Program} \end{array} \frac{\$157,140,000.00}{\$317,330,000.00} = 0.4952 = \begin{array}{l} \text{Federal Cost Share} \\ \text{Ratio} \end{array}$$

$$\begin{array}{l} \text{New Federal Program Ceiling (Cash)} \\ \text{Original Federal Program Ceiling (Cash)} \end{array} \frac{\$165,013,738.49}{\$157,140,000.00} = 1.050 = \begin{array}{l} \text{Index Factor for State} \\ \text{Cash \& Equivalents} \end{array}$$

	Cash & Equivalents		Index Factor		New Value State Cash & Equivalents
Original Value State Cash & Equivalents	\$ 160,190,000.00	X	1.050	=	\$168,199,500.00

New Value State Cash & Equivalents	\$168,199,500.00
New Federal Ceiling	\$165,013,738.49
New Total Program	<u>\$333,213,238.49</u>

$$\begin{array}{l} \text{New Federal Ceiling} \\ \text{New Total Program} \end{array} \frac{\$165,013,738.49}{\$333,213,238.49} = 0.4952 = \begin{array}{l} \text{Federal Cost Share} \\ \text{Ratio} \end{array}$$

$$\begin{array}{l} \text{New Value State Cash \& Equivalents} \\ \text{New Total Program} \end{array} \frac{\$168,199,500.00}{\$333,213,238.49} = 0.5048 = \begin{array}{l} \text{State Cost Share} \\ \text{Ratio} \end{array}$$

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