



MEMORANDUM

To: Select Committee on Capital Financing & Investments

From: Curtis E. Meier Jr., State Treasurer

Date: October 30, 2020

Re: Public Purpose Investments and Loans

Pursuant to Wyoming Statute 9-4-715(n), by November 1 of each calendar year the State Treasurer, in consultation with the State Loan and Investment Board, the Wyoming Water Development Office, the Wyoming Business Council and the Office of State Lands and Investments, shall provide a report to the Select Committee on Capital Financing & Investments on all state funds invested for the specific public purpose authorized or directed by the Legislature. The report shall include:

i) A list of all investment or loan requests made in the previous year, the amount loaned or invested and the status of all investments and loans, including those which are delinquent as to the payment of any installment of principal or interest due;

Response: See attachments from the Office of State Lands and Investments, Wyoming Business Council, Water Development Office and State Treasurer's Office.

ii) Recommendations for future legislation, including recommendations for adjustments to the amount allocated by this subsection and recommendations for adjustments to the amounts allocated under applicable state law for individual investments authorized or directed by the Legislature for a specific purpose;

Response: No recommendations at this time.

iii) The cost of the investment to the people of Wyoming in terms of (a) forgone earnings that could have been obtained if the funds had been invested by the State Treasurer with the permanent funds of the state and (b) administrative and other costs associated with each investment.

Response: (a) For FY20, the Permanent Wyoming Mineral Trust Fund (PWMTF) was valued at \$7,990,956,831 and had a total return of 2.1% for the fiscal year. Public purpose investments (PPIs) had a statutory allotment of \$952,022,152 while outstanding balances as of June 30, 2020 were \$291,596,969. The interest earned on the PPIs was \$6,613,040. This resulted in an approximate average rate of 2.3% for FY20. Since PPIs are made from the PWMTF, interest rates set below 2.1% resulted in an opportunity cost to the State and rates above this level result in additional income. Investments that had a lower return than the PWMTF were:

Capital Infrastructure Loans (1.375%)

Wyoming Real Estate Land Purchases (0%)

Time Deposit Open Account (1.93%)



CURTIS E. MEIER, JR.
WYOMING STATE TREASURER

DAWN A. WILLIAMS, DEPUTY STATE TREASURER

(b) Administrative costs associated with PPIs are difficult to estimate. Costs fluctuate depending on the number of successful new loans versus maintenance of existing ones.

Office of State Lands & Investments
Public Purpose Investment Loan Information
Fiscal Year 2020
July 1, 2019 - June 30, 2020
W.S. 9-4-715(n)

W.S. 9-4-715(n)(i)
Loan Requests during FY20

Loan Program	SLIB Board Date	Requested Loan Amount	Approved Loan Amount	Interest Rate
Beginning Agricultural Producer	August 8, 2019	\$ 150,017	\$ 150,017	2.56%
Beginning Agricultural Producer	August 8, 2019	\$ 738,500	\$ 738,500	2.17%
Joint Powers Act	December 5, 2019	\$ 4,700,000	\$ 4,700,000	3.00%
Beginning Agricultural Producer	February 6, 2020	\$ 186,850	\$ 186,850	1.68%
Beginning Agricultural Producer	February 6, 2020	\$ 840,000	\$ 840,000	2.01%
Beginning Agricultural Producer	February 6, 2020	\$ 742,000	\$ 742,000	1.75%
Capital Construction Loan Program	February 6, 2020	\$ 114,617	\$ 114,617	1.75%
Capital Construction Loan Program	February 6, 2020	\$ 90,000	\$ 90,000	1.375%
Beginning Agricultural Producer	June 4, 2020	\$ 490,000	\$ 490,000	+/- 1.75%
Capital Construction Loan Program	June 4, 2020	\$ 1,500,000	\$ 1,500,000	1.375%
Capital Construction Loan Program	June 4, 2020	\$ 20,000,000	\$ 20,000,000	2.125%

W.S. 9-4-715(n)(ii)
Recommendations for future legislation

OSLI administers these PPI Programs under the statutory requirements set out by the legislature and does not have an opinion on how the limits set forth in W.S. §11-34-117 could be adjusted to reflect current program usage patterns or to promote better or more efficient administration.

W.S. 9-4-715(n)(iii)(B)
OSLI's Administrative & Other Costs for FY20

\$60,178

Office of State Lands & Investments

Status of Individual Loans

Fiscal Year 2020

July 1, 2019 - June 30, 2020

Program	Loan ID	Interest Rate	6/30/2020		Status	Comment
			Principal Balance			
Aeronautics	AER1403	5.000%	\$	264,239.56	Current	
Aeronautics	AER1405	5.000%	\$	242,263.62	Current	
Aeronautics	AER1406	5.000%	\$	255,396.44	Current	
Aeronautics	AER1407	5.000%	\$	1,099,269.20	Current	
Aeronautics	AER1408	5.000%	\$	213,050.25	Current	
Aeronautics	AER1409	5.000%	\$	237,775.74	Current	
Beginning Agriculture Producer	B00001	8.000%	\$	266,807.71	Current	
Beginning Agriculture Producer	B00002	8.000%	\$	51,921.99	Current	
Beginning Agriculture Producer	B00004	8.000%	\$	45,207.27	Current	
Beginning Agriculture Producer	B00007	8.000%	\$	8,829.53	Current	
Beginning Agriculture Producer	B00049	8.000%	\$	236,655.05	Current	
Beginning Agriculture Producer	B00061	8.000%	\$	607,546.16	Current	
Beginning Agriculture Producer	B00069	8.000%	\$	315,888.05	Current	
Beginning Agriculture Producer	B00072	3.220%	\$	227,764.88	Current	
Beginning Agriculture Producer	B00084	1.930%	\$	347,153.54	Current	
Beginning Agriculture Producer	B00087	1.850%	\$	406,577.52	Current	
Beginning Agriculture Producer	B00088	1.810%	\$	426,958.64	Current	
Beginning Agriculture Producer	B00095	1.740%	\$	154,375.52	Current	
Beginning Agriculture Producer	B00097	1.950%	\$	147,514.92	Current	
Beginning Agriculture Producer	B00100	2.460%	\$	567,382.18	Current	
Beginning Agriculture Producer	B00101	2.140%	\$	630,429.03	Current	
Beginning Agriculture Producer	B00102	2.140%	\$	246,504.97	Current	
Beginning Agriculture Producer	B00103	2.240%	\$	254,808.41	Current	
Beginning Agriculture Producer	B00104	1.950%	\$	597,165.42	Current	
Beginning Agriculture Producer	B00105	2.190%	\$	676,564.35	Current	
Beginning Agriculture Producer	B00110	2.600%	\$	357,825.89	Current	
Beginning Agriculture Producer	B00111	2.480%	\$	455,172.31	Current	
Beginning Agriculture Producer	B00112	2.630%	\$	233,288.93	Current	
Beginning Agriculture Producer	B00114	2.650%	\$	135,207.49	Current	
Beginning Agriculture Producer	B00116	2.570%	\$	261,700.54	Current	
Beginning Agriculture Producer	B00117	2.570%	\$	615,994.19	Current	
Beginning Agriculture Producer	B00118	2.570%	\$	616,905.47	Current	
Beginning Agriculture Producer	B00120	2.300%	\$	429,682.37	Current	
Beginning Agriculture Producer	B00122	2.140%	\$	584,580.84	Current	
Beginning Agriculture Producer	B00123	2.140%	\$	432,877.19	Current	
Beginning Agriculture Producer	B00124	2.140%	\$	319,060.37	Current	
Beginning Agriculture Producer	B00127	2.140%	\$	480,169.61	Current	
Beginning Agriculture Producer	B00129	2.100%	\$	263,682.63	Current	
Beginning Agriculture Producer	B00130	2.870%	\$	568,359.23	Current	
Beginning Agriculture Producer	B00131	2.040%	\$	555,680.31	Current	
Beginning Agriculture Producer	B00132	1.870%	\$	407,882.09	Current	
Beginning Agriculture Producer	B00133	1.920%	\$	238,261.17	Current	
Beginning Agriculture Producer	B00134	2.070%	\$	597,426.96	Current	
Beginning Agriculture Producer	B00135	2.330%	\$	270,432.85	Current	
Beginning Agriculture Producer	B00136	2.350%	\$	242,554.17	Current	
Beginning Agriculture Producer	B00138	2.880%	\$	153,133.21	Current	
Beginning Agriculture Producer	B00139	2.900%	\$	583,185.15	Current	
Beginning Agriculture Producer	B00140	2.890%	\$	239,498.51	Current	
Beginning Agriculture Producer	B00141	2.910%	\$	583,654.31	Current	
Beginning Agriculture Producer	B00142	2.870%	\$	529,104.85	Current	
Beginning Agriculture Producer	B00143	2.790%	\$	354,876.78	Current	
Beginning Agriculture Producer	B00144	2.890%	\$	395,196.85	Current	
Beginning Agriculture Producer	B00145	2.630%	\$	501,054.70	Current	
Beginning Agriculture Producer	B00146	2.770%	\$	735,000.00	Current	
Beginning Agriculture Producer	B00147	2.560%	\$	144,201.99	Current	
Beginning Agriculture Producer	B00148	2.170%	\$	520,946.50	Current	
Beginning Agriculture Producer	B00149	1.680%	\$	186,850.00	Current	
Beginning Agriculture Producer	B00150	2.010%	\$	840,000.00	Current	
Beginning Agriculture Producer	B00151	1.750%	\$	707,000.00	Current	
Farm Loan	F07657	8.000%	\$	1,971.49	Current	
Farm Loan	F08022	8.000%	\$	62,038.14	Current	
Farm Loan	F08081	8.000%	\$	12,402.06	Current	
Farm Loan	F08129	8.000%	\$	5,881.53	Current	
Farm Loan	F08201	8.000%	\$	40,914.97	Current	
Farm Loan	F08359	8.000%	\$	73,023.30	Current	
Farm Loan	F08411	8.000%	\$	27,265.64	Current	
Farm Loan	F08439	9.000%	\$	53,308.65	Current	
Farm Loan	F08486	8.000%	\$	66,297.25	Current	
Farm Loan	F08619	8.000%	\$	19,658.21	Current	
Farm Loan	F08663	8.000%	\$	62,494.59	Current	
Farm Loan	F08710	8.000%	\$	457,494.56	Current	
Farm Loan	F08713	8.000%	\$	426,531.48	Current	
Farm Loan	F08722	8.000%	\$	524,799.56	Delinquent	Repayment Plan approved 6/4/2020 (5 year plan)

Program	Loan ID	Interest Rate	6/30/2020		Status	Comment
			Principal	Balance		
Hot Springs	S00006	6.000%	\$	233,001.89	Current	
Joint Powers Act	JPA17587	5.380%	\$	48,302.09	Current	
Joint Powers Act	JPA17588	5.380%	\$	2,289,905.28	Current	
Joint Powers Act	JPA17589	5.380%	\$	376,422.66	Current	
Joint Powers Act	JPA09453	7.250%	\$	36,972.56	Current	
Joint Powers Act	JPA09489	7.250%	\$	18,259.13	Current	
Joint Powers Act	JPA09538	6.000%	\$	50,112.75	Current	
Joint Powers Act	JPA09550	6.000%	\$	216,522.73	Current	
Joint Powers Act	JPA09552	6.000%	\$	82,996.94	Current	
Joint Powers Act	JPA09563	5.310%	\$	47,133.22	Current	
Joint Powers Act	JPA11567	5.170%	\$	200,407.27	Current	
Joint Powers Act	JPA11572	4.940%	\$	128,719.74	Current	
Joint Powers Act	JPA11573	4.940%	\$	218,058.83	Current	
Joint Powers Act	JPA11574	4.940%	\$	319,275.48	Current	
Joint Powers Act	JPA11575	4.940%	\$	85,037.40	Current	
Joint Powers Act	JPA13576	4.890%	\$	85,828.22	Current	
Joint Powers Act	JPA13577	4.890%	\$	74,366.28	Current	
Joint Powers Act	JPA13579	4.890%	\$	22,260.77	Current	
Joint Powers Act	JPA13580	4.130%	\$	149,648.20	Current	
Joint Powers Act	JPA13581	4.620%	\$	68,513.86	Current	
Joint Powers Act	JPA15582	4.620%	\$	396,621.37	Current	
Joint Powers Act	JPA15583	4.620%	\$	325,328.71	Current	
Joint Powers Act	JPA15584	4.620%	\$	740,501.47	Current	
Small Water/Irrigation	I00746	4.000%	\$	27,365.65	Current	
Small Water/Irrigation	I00818	5.000%	\$	295,966.43	Current	
Student Dormitory	SDL19001	2.500%	\$	22,226,733.34	Current	
Student Dormitory	SDL19002	2.500%	\$	8,721,105.75	Current	
Capital Construction	CCL19001	1.375%	\$	161,689.02	Current	

To: Dawn Williams, State Treasurer's Office
From: Josh Keefe, WBC Economic Development Finance Manager and Lyndsay Orr, WBC Accounting Manager
Date: October 27, 2020
Subject: Public Purpose Investments

Regarding the report referenced in W.S. 9-4-715(n), the Wyoming Business Council (WBC) assists the State Treasurer's Office with the Large Project Economic Development Fund. This fund was originated in 2014 with an initial allocation of \$25,000,000. There was little to no interest until FY 2016. Since then, there have been four applications received from Standard Alcohol Company of America, Inc. (SACA), Atlas Carbon, LLC (Atlas Carbon), Cody Laboratories, Inc (Cody Labs) and WYTEC, LLC. All four projects were approved by the WBC Board of Directors. All four projects were then presented and approved by the State Loan and Investment Board (SLIB). The SACA application was formally denied on March 6, 2017. Cody Labs was formally denied on November 28, 2018. WYTEC, LLC formally withdrew its application for funding on January 16, 2020. Large Project Economic Development Fund projects during the past fiscal year include:

- **Atlas Carbon, LLC** (Gillette, WY) – The SLIB approved a loan to Atlas Carbon for \$15M on October 6, 2016. The company began working with the Treasurer's office to finalize the rate and terms of the loan. The loan was closed, becoming the State's first utilizing the Large Project Economic Development Fund, on May 30, 2018. This loan is being used to purchase and install a production line for turning Powder River Basin coal into activated carbon. The construction/implementation of this project is ongoing/underway with an expected completion date of March 2021. Atlas has drawn approximately \$5.2 million so far, nearly completing phase one upgrades and making expenditures for site work, engineering, system control and electrical, processing, and equipment. This value-added product is being sold internationally by Atlas Carbon.

The WBC receives many inquiries (10+ annually) regarding the program; however, many don't meet the minimum loan request threshold or may not be a good fit for this program. The unencumbered funds in the Large Project Economic Development Fund were frozen at \$13 million on June 30, 2019 pursuant to 2016 Wyoming Session Laws Chapter 41, Section 5.



WYOMING WATER DEVELOPMENT OFFICE

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Brandon L. Gebhart, P.E.
Director

TO: Dawn Williams, State Treasurer's Office

FROM: David Ray, Wyoming Water Development Office (WWDO) DR

DATE: October 23, 2020

SUBJECT: Current Public Purpose Investment Projects of the WWDO

In regards to the report referenced in W.S. 9-4-715(n), the Wyoming Water Development Office administers one active public purpose investment (PPI) project, the Gillette Madison Pipeline Project. The state of Wyoming legislature appropriated loan dollars to the City of Gillette from the permanent mineral trust fund (PMTF) through the Wyoming Water Development Commission. The total PMTF loan is for \$44,328,358.00 and has been fully transferred to the Gillette Madison pipeline account. The last transfer from the State Treasurer's Office (STO) occurred in June of 2015. Thus, no loan requests were made from the STO in the previous fiscal year (FY 2020). These PMTF loan dollars were for thirty-three percent (33%) of the actual development costs of the project. The remaining sixty-seven percent (67%) of the actual development costs were appropriated from several sources as grant dollars.

The WWDO has disbursed all \$44,328,358.00 in PMTF loan dollars to the City of Gillette. The City of Gillette is now responsible for the remaining thirty-three percent (33%) of the actual project development costs. Interest on the PMTF loan dollars will not be charged until the benefits accrual date is set by the WWDO. The benefits accrual date is estimated to occur in 2022. The project has been delayed due to water quality and well interference concerns. The term of the loan is five (5) years at an annual interest rate of four percent (4%).

In response to W.S.9-4-715(n)(ii) and W.S.9-4-715(n)(iii), the WWDO has no recommendations for future legislation. The STO may calculate the forgone earnings for the above-mentioned PPI project as the STO invests the PMTF dollars. Lastly, for the WWDO, there are no additional administrative or other costs associated with each investment. Please contact me if you have any additional questions.

STATE OF WYOMING TREASURER'S OFFICE
Public Purpose Investments Loan Information
As of June 30, 2020
W.S. 9-4-715 (n)

PPI - LDI	Balance Forward as of June 30, 2019	Amount Loaned In FY20	Principal Payments	Interest Payments	Loan Balance as of June 30, 2020	Current Loan Status
Permanent Mineral Trust Fund (PMTF)						
Airport Loans	\$2,524,237	\$0	\$212,242	\$120,782	\$2,311,995	Administered by OSLI
Basin Electric	17,994,000	0	2,419,000	815,896	15,575,000	Current
Capital Infrastructure Loans	180,000	0	18,311	1,078	161,689	Administered by OSLI
Farm Loans	22,747,603	3,660,467	3,817,486	817,261	22,590,584	Administered by OSLI
Special Loans - Hot Springs State Park	237,402	0	4,400	13,581	233,002	Administered by OSLI
Industrial Development Bonds (repealed July 1, 2016)	13,727,458	0	1,286,269	733,858	12,441,188	Current
Irrigation Loans	351,689	0	28,357	17,278	323,332	Administered by OSLI
Joint Powers Authority Loans (JPA)	6,606,407	0	625,212	336,994	5,981,195	Administered by OSLI
Student Dormitory Loans	10,807,829	20,418,904	278,894	209,589	30,947,839	Administered by OSLI
Water Development - Gillette Madison Pipeline	44,328,358	0	0	0	44,328,358	Payments will not start until Water Commission deems project beneficial
Total PMTF	\$119,504,982	\$24,079,371	\$8,690,171	\$3,066,317	\$134,894,182	
Common School Permanent Land Fund (CS)						
Drainage District	24,000	0	0	0	24,000	Delinquent 1974 - Last Payment 2009
Wyoming Real Estate - Land	18,335,738	0	0	0	18,335,738	N/A
Total CS	\$18,359,738	\$0	\$0	\$0	\$18,359,738	
Legislative Stabilization Reserve Account (LSRA)						
School Foundation Interfund Borrowing	0	151,000,000	0	2,576,588	0	Paid in full June 27, 2019
Veteran's Skilled Nursing	0	1,500,000	0	0	1,500,000	Current
Total LSRA	\$0	\$152,500,000	\$0	\$2,576,588	\$1,500,000	
State Agency Pool (SAP)						
TDOA	192,850,000	17,600,000	92,700,000	3,337,643	117,750,000	Current
COVID-19 Impact Assistance TDOA	0	14,700,000	0	0	14,700,000	Current
Total SAP	\$192,850,000	\$32,300,000	\$92,700,000	\$3,337,643	\$132,450,000	
Sub-Total PPI's	\$330,714,719	\$56,379,371	\$101,390,171	\$6,403,960	\$285,703,920	
Large Project Funding - Tracked in WOLFS	908,549	4,984,500	0	209,079	5,893,049	Current
Total PPIs	\$331,623,268	\$61,363,872	\$101,390,171	\$6,613,039	\$291,596,969	