



## Public Purpose Investments Report to Legislature

### MEMORANDUM

To: Select Committee on Capital Financing & Investments

From: The Honorable Curtis E. Meier Jr., State Treasurer

Date: October 29, 2021

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 FY21, the Permanent Wyoming Mineral Trust Fund (PWMTF) was valued at \$9,391,475,140 and had a total return of 23.1% for the fiscal year. Public purpose investments (PPIs) made from the PWMTF had a statutory allotment of \$839,328,358 while outstanding balances as of June 30, 2021 were \$84,601,092. The interest earned on the PPIs was \$2,001,513. Interest rates set below 23.1% therefore 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:*



**CURTIS E. MEIER, JR.**  
WYOMING STATE TREASURER

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DAWN A. WILLIAMS, DEPUTY STATE TREASURER

*Aeronautics Commission - Airport Loans (5%)*  
*Capital Infrastructure Loans (1.375%)*  
*Farm Loans (4-10%)*  
*Hot Springs State Park (6%)*  
*Industrial Development Bonds - Lost Creek (5.75%)*  
*Irrigation Loans (4.5%)*  
*Joint Powers Loans (5.28%)*  
*Student Housing Loans (2.5%)*  
*Water Development - Gillette Madison Pipeline Project (4%)*

*The Common School Permanent Land Fund (CSPLF) was valued at \$4.58 billion at the end of FY21 and had a total return of 16.1% for the fiscal year. Public purpose investments (PPIs) made from the CSPLF had a statutory allotment of \$67,793,401 while outstanding balances as of June 30, 2021 were \$18,359,738. The interest earned on the PPIs was \$0, resulting in an opportunity cost to the State. Investments from the CSPLF were:*

*Wyoming Real Estate – State Land Purchases (0%)*  
*Drainage District Bonds (4%)*

*(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 2021**  
**July 1, 2020 - June 30, 2021**  
**W.S. 9-4-715(n)**

**W.S. 9-4-715(n)(i)**  
**Loan Requests during FY21**

<b>Loan Program</b>	<b>SLIB Board Date</b>	<b>Requested Loan Amount</b>	<b>Approved Loan Amount</b>	<b>Interest Rate</b>
Capital Construction Loan Program	August 6, 2020	\$ 2,620,000	\$ 2,620,000	2.50%
Capital Construction Loan Program	August 6, 2020	\$ 1,400,000	\$ 1,400,000	1.00%
Beginning Agricultural Producer	October 1, 2020	\$ 630,000	\$ 630,000	1.16% 1st Ten Years then 8% for the following Twenty Years
Beginning Agricultural Producer	February 4, 2021	\$ 469,000	\$ 469,000	0.82% 1st Ten Years then 8% for the following Twenty Years
Capital Construction Loan Program	February 4, 2021	\$ 3,000,000	\$ 3,000,000	2.50%

**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 FY21**

\$54,230

**Office of State Lands & Investments**

**Status of Individual Loans**

**Fiscal Year 2021**

**July 1, 2020 - June 30, 2021**

Program	Loan ID	Interest Rate	6/30/2021		Status	Comment
			Principal Balance			
Aeronautics	AER1403	5.000%	\$	248,048.31	Current	
Aeronautics	AER1405	5.000%	\$	225,486.50	Current	
Aeronautics	AER1406	5.000%	\$	228,988.73	Current	
Aeronautics	AER1407	5.000%	\$	998,534.10	Current	
Aeronautics	AER1408	5.000%	\$	182,024.68	Current	
Aeronautics	AER1409	5.000%	\$	213,186.62	Current	
Beginning Agriculture Producer	B00001	8.000%	\$	254,302.71	Current	
Beginning Agriculture Producer	B00004	8.000%	\$	43,028.42	Current	
Beginning Agriculture Producer	B00049	8.000%	\$	230,945.13	Current	
Beginning Agriculture Producer	B00069	8.000%	\$	298,909.18	Current	
Beginning Agriculture Producer	B00072	8.000%	\$	219,996.12	Current	
Beginning Agriculture Producer	B00084	8.000%	\$	333,884.40	Current	
Beginning Agriculture Producer	B00095	1.740%	\$	143,200.14	Current	
Beginning Agriculture Producer	B00097	1.950%	\$	142,633.18	Current	
Beginning Agriculture Producer	B00100	2.460%	\$	549,687.69	Current	
Beginning Agriculture Producer	B00101	2.140%	\$	610,057.78	Current	
Beginning Agriculture Producer	B00102	2.140%	\$	238,531.71	Current	
Beginning Agriculture Producer	B00103	2.240%	\$	246,675.08	Current	
Beginning Agriculture Producer	B00104	1.950%	\$	577,393.61	Current	
Beginning Agriculture Producer	B00105	2.190%	\$	654,761.83	Current	
Beginning Agriculture Producer	B00110	2.600%	\$	321,501.92	Current	
Beginning Agriculture Producer	B00111	2.480%	\$	441,004.05	Current	
Beginning Agriculture Producer	B00112	2.630%	\$	219,340.38	Current	
Beginning Agriculture Producer	B00114	2.650%	\$	103,741.41	Current	
Beginning Agriculture Producer	B00117	2.570%	\$	598,093.96	Current	
Beginning Agriculture Producer	B00118	2.570%	\$	599,016.60	Current	
Beginning Agriculture Producer	B00120	2.300%	\$	416,773.84	Current	
Beginning Agriculture Producer	B00122	2.140%	\$	557,988.02	Current	
Beginning Agriculture Producer	B00124	2.140%	\$	309,743.25	Current	
Beginning Agriculture Producer	B00127	2.140%	\$	465,478.33	Current	
Beginning Agriculture Producer	B00129	2.100%	\$	255,835.85	Current	
Beginning Agriculture Producer	B00130	2.870%	\$	553,873.32	Current	
Beginning Agriculture Producer	B00131	2.040%	\$	539,251.65	Current	
Beginning Agriculture Producer	B00132	1.870%	\$	395,911.11	Current	
Beginning Agriculture Producer	B00133	1.920%	\$	231,291.45	Current	
Beginning Agriculture Producer	B00135	2.330%	\$	263,407.81	Current	
Beginning Agriculture Producer	B00136	2.350%	\$	236,234.00	Current	
Beginning Agriculture Producer	B00138	2.880%	\$	149,619.36	Current	
Beginning Agriculture Producer	B00139	2.900%	\$	569,360.23	Current	
Beginning Agriculture Producer	B00140	2.890%	\$	233,980.93	Current	
Beginning Agriculture Producer	B00141	2.910%	\$	569,846.92	Current	
Beginning Agriculture Producer	B00142	2.870%	\$	516,902.38	Current	
Beginning Agriculture Producer	B00143	2.790%	\$	346,642.21	Current	
Beginning Agriculture Producer	B00144	2.890%	\$	383,877.64	Current	
Beginning Agriculture Producer	B00145	2.630%	\$	488,325.31	Current	
Beginning Agriculture Producer	B00146	2.770%	\$	718,677.71	Current	
Beginning Agriculture Producer	B00147	2.560%	\$	140,618.07	Current	
Beginning Agriculture Producer	B00148	2.170%	\$	510,312.69	Current	
Beginning Agriculture Producer	B00149	1.680%	\$	181,630.42	Current	
Beginning Agriculture Producer	B00150	2.010%	\$	817,892.49	Current	
Beginning Agriculture Producer	B00151	1.750%	\$	683,761.27	Current	
Beginning Agriculture Producer	B00152	1.330%	\$	404,414.58	Current	
Beginning Agriculture Producer	B00153	1.160%	\$	586,049.95	Current	
Beginning Agriculture Producer	B00154	0.820%	\$	469,000.00	Current	
Farm Loan	F08022	8.000%	\$	43,120.89	Current	
Farm Loan	F08081	8.000%	\$	10,287.98	Current	
Farm Loan	F08411	8.000%	\$	24,656.19	Current	
Farm Loan	F08439	9.000%	\$	48,483.27	Current	
Farm Loan	F08710	8.000%	\$	444,168.97	Current	
Farm Loan	F08713	8.000%	\$	416,333.76	Current	
Farm Loan	F08722	8.000%	\$	514,753.22	Delinquent	Repayment Plan approved 6/4/2020 (5 year plan)
Hot Springs	S00006	6.000%	\$	228,197.06	Current	
Joint Powers Act	JPA09538	6.000%	\$	33,988.34	Current	
Joint Powers Act	JPA09550	6.000%	\$	191,179.08	Current	
Joint Powers Act	JPA09552	6.000%	\$	10,278.73	Current	
Joint Powers Act	JPA09563	5.310%	\$	35,173.10	Current	
Joint Powers Act	JPA11567	5.170%	\$	184,760.78	Current	
Joint Powers Act	JPA11572	4.940%	\$	122,511.54	Current	
Joint Powers Act	JPA11573	4.940%	\$	213,102.59	Current	
Joint Powers Act	JPA11574	4.940%	\$	310,906.41	Current	
Joint Powers Act	JPA11575	4.940%	\$	83,145.82	Current	
Joint Powers Act	JPA13576	4.890%	\$	83,332.63	Current	
Joint Powers Act	JPA13577	4.890%	\$	71,878.48	Current	

6/30/2021

Program	Loan ID	Interest Rate	Principal Balance	Status	Comment
Joint Powers Act	JPA13579	4.890%	\$ 17,531.52	Current	
Joint Powers Act	JPA13580	4.130%	\$ 140,644.84	Current	
Joint Powers Act	JPA13581	4.620%	\$ 66,897.36	Current	
Joint Powers Act	JPA15582	4.620%	\$ 382,519.30	Current	
Joint Powers Act	JPA15583	4.620%	\$ 314,739.63	Current	
Joint Powers Act	JPA15584	4.620%	\$ 705,552.64	Current	
Joint Powers Act	JPA17588	5.380%	\$ 2,289,905.28	Delinquent	Payment Received 7/1/2021
Joint Powers Act	JPA17589	5.380%	\$ 369,836.99	Current	
Small Water/Irrigation	I00746	4.000%	\$ 20,884.75	Current	
Small Water/Irrigation	I00818	5.000%	\$ 275,838.39	Current	
Student Dormitory	SDL19001	2.500%	\$ 29,979,878.28	Current	
Student Dormitory	SDL19002	2.500%	\$ 8,442,287.40	Current	
Capital Construction	CCL19001	1.375%	\$ 234,474.39	Current	
Capital Construction	CCL19002	1.750%	\$ 107,352.09	Current	

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**MEMORANDUM**

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**TO:** DAWN WILLIAMS

**FROM:** JOSH KEEFE, ECONOMIC DEVELOPMENT FINANCE MANAGER

**SUBJECT: PUBLIC PURPOSE INVESTMENTS (PPI) – LARGE PROJECT LOAN PROGRAM**

**DATE:** OCTOBER 20, 2021

**CC:** LYNDSAY ORR, WBC ACCOUNTING MANAGER  
AMY GRENFELL, CHIEF OPERATING OFFICER  
RON GULLBERG, STRATEGIC PARTNERSHIPS DIRECTOR

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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 (Innovive). All four projects were approved by the WBC Board of Directors. All four projects were 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. Innovive 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 was/is ongoing/underway and had an expected completion date of March 2021. A site visit was performed by the Treasurer's Office (Treasurer Curt Meier, Bill Pilger, and Matt Sackett) and WBC staff were in attendance (Josh Keefe and Brandi Harlow). Due to COVID-19 and other external factors in converting the existing site to produce activated carbon (Atlas' primary product), the timeline for completion of the project was adjusted. In addition, an interest-only period was extended, and current interest rate remained in place. Atlas has drawn approximately \$14.5 million so far and are producing a product being sold both domestically and internationally by Atlas Carbon.

The WBC receives many inquiries (10+ annually) regarding the program; however, many don't meet the minimum loan request threshold, do not have the required twenty-five percent (25%) down payment, or may not be a good fit for this program. The Atlas Carbon loan relationship will be

transitioning from the Treasurer's office to the WBC in the coming year with the re-writing and codification of W.S. 9-12-308. Going forward, all loans originated in this program will be closed and serviced by the WBC and any participating financial institutions (if applicable). The remaining balance of the initial allocation is approximately ten million (\$10,000,000) dollars.



## WYOMING WATER DEVELOPMENT OFFICE

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Mark Gordon  
Governor


### Commissioners

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Lee Craig	Sheridan Little
Clinton W. Glick	Larry Suchor
Ronald E. Kailey, Jr.	Bill Yankee

Brandon L. Gebhart, P.E.  
Director

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TO: Dawn Williams, State Treasurer's Office

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

DATE: October 25, 2021

SUBJECT: Current Public Purpose Investment Projects of the WWDO

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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 2021). In fiscal year 2021, the City of Gillette made a principal payment of \$40,000,000.00. The remaining principal balance as of June 30, 2021 is \$4,328,358.00. 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 (remaining principal of \$4,328,358.00) will not be charged until the benefits accrual date is set by the WWDO. The benefits accrual date is estimated to occur in 2023. The project has been delayed to further analyze 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.



**STATUTORILY DIRECTED INVESTMENTS**  
As of June 30, 2021

<u>Permanent Mineral Trust Fund</u>	See Notes Next Page	Interest Rate	Statutory Allotment	Outstanding Investments	Interest Paid
Aeronautics Commission - Airport Loans (OSLI) (Repealed by Laws 2019, Ch. 35, § 2)	A	5.00%	\$0	\$2,096,269	\$117,298
Capital Infrastructure Loans (OSLI)	B	1.375%	400,000,000	835,091	3,664
Farm Loans (OSLI)	C	4% - 10%	275,000,000	20,325,215	738,773
Hot Springs State Park (OSLI) (Repealed by Laws 2019, Ch. 35, § 2)	D	6%	0	228,197	13,176
Industrial Development Bonds (repealed July 1, 2016)					
IDB - Lost Creek	E	5.75%	0	12,441,188	715,368
Irrigation Loans (OSLI) (Repealed by Laws 2019, Ch. 35, § 2)	F	4.50%	0	296,723	15,936
Joint Powers Loans (OSLI)	G	5.28%	60,000,000	5,627,885	187,633
Student Housing Loans	H	2.50%	60,000,000	38,422,166	209,665
Water Development - Gillette Madison Pipeline Project	I	4.00%	44,328,358	4,328,358	0
			<b>\$839,328,358</b>	<b>\$84,601,092</b>	<b>\$2,001,513</b>
<b><u>Common School Permanent Land Fund</u></b>					
Drainage District Bonds	J	4.00%	0	24,000	0
Wyoming Real Estate-State Land Purchases	K	0.00%	67,793,401	18,335,738	0
			<b>\$67,793,401</b>	<b>\$18,359,738</b>	<b>\$0</b>
<b><u>Legislative Stabilization Reserve Account</u></b>					
Ad Valorem Tax Loans to Counties	L	0.00%	16,726,000	0	0
			<b>\$16,726,000</b>	<b>\$0</b>	<b>\$0</b>
<b><u>State Agency Pool (Pooled Investments)</u></b>					
Time Deposit Open Account Banking Program	M	1.93%	Set by Treasurer	59,650,000	535,083
COVID-19 Impact Assistance Program	N	0.25%	Set by Treasurer	0	19,477
				<b>\$59,650,000</b>	<b>\$554,560</b>
<b><u>Other Wyoming Investments from Permanent Mineral Trust Fund</u></b>					
Basin Electric Power Bond (Repealed by Laws 2019, Ch. 35, § 2)	O	4.69%	0	0	365,234
			<b>\$0</b>	<b>\$0</b>	<b>\$365,234</b>
<b><u>Appropriations</u></b>					
Large Project Fund	P	Set by SLIB	25,000,000	11,611,921	157,967
			<b>\$25,000,000</b>	<b>\$11,611,921</b>	<b>\$157,967</b>
<b>Total Statutorily Directed Investments</b>			<b>\$948,847,759</b>	<b>\$174,222,751</b>	<b>\$3,079,274</b>