



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 28, 2022

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 A-D 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 FY22, the Permanent Wyoming Mineral Trust Fund (PWMTF) was valued at \$8,834,499,093 and had a total return of (4.7)% 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, 2022 were \$87,918,233. The interest earned on the PPIs was \$1,979,582. Interest rates set below (4.7)% result in an opportunity cost to the State and rates above this level result in additional income. All investments had a higher return than the PWMTF.



CURTIS E. MEIER, JR.
WYOMING STATE TREASURER

DAWN A. WILLIAMS, DEPUTY STATE TREASURER

The Common School Permanent Land Fund (CSPLF) was valued at \$4,372,482,910 at the end of FY22 and had a total return of (3.9)% 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, 2022 were \$22,352,385. The interest earned on the PPIs was \$0. Investments from the CSPLF were:

*Wyoming Real Estate – State Land Purchases
Lovell Drainage District Bonds (4%) – currently in default*

(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.

ATTACHMENT A

Office of State Lands & Investments
Public Purpose Investment Loan Information
Fiscal Year 2022
July 1, 2021 - June 30, 2022
W.S. 9-4-715(n)

W.S. 9-4-715(n)(i)
Loan Requests during FY22

| Loan Program | SLIB Board Date | Requested Loan Amount | Approved Loan Amount | Interest Rate | |
|-----------------------------------|------------------------|------------------------------|-----------------------------|----------------------|--|
| Beginning Agricultural Producer | August 5, 2021 | \$ 1,000,000 | \$ 1,000,000 | 1.18% | 1st Ten Years then 8% for the following Twenty Years |
| Beginning Agricultural Producer | August 5, 2021 | \$ 376,225 | \$ 376,225 | 1.22% | 1st Ten Years then 8% for the following Twenty Years |
| Capital Construction Loan Program | August 5, 2021 | \$ 1,900,711 | \$ 1,900,711 | 2.50% | |
| Capital Construction Loan Program | August 5, 2021 | \$ 4,060,000 | \$ 4,060,000 | 2.50% | |
| Beginning Agricultural Producer | April 7, 2022 | \$ 700,000 | \$ 700,000 | 1.72% | 1st Ten Years then 8% for the following Twenty Years |
| Beginning Agricultural Producer | June 2, 2022 | \$ 756,000 | \$ 756,000 | +/-1.55% | 1st Ten Years then 8% for the following Twenty Years |
| Capital Construction Loan Program | June 2, 2022 | \$ 500,000 | \$ 500,000 | 1.00% | |
| Capital Construction Loan Program | June 2, 2022 | \$ 719,871 | \$ 719,871 | 1.00% | |

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 FY22

\$109,203

Office of State Lands & Investments
Status of Individual Loans
Fiscal Year 2022
July 1, 2021 - June 30, 2022

| Program | Loan ID | Interest Rate | 6/30/2022 | | Status | Comment |
|--------------------------------|----------|---------------|-------------------|------------|--|---------|
| | | | Principal Balance | | | |
| Aeronautics | AER1403 | 5.000% | \$ 230,325.78 | | Current | |
| Aeronautics | AER1405 | 5.000% | \$ 207,564.92 | | Current | |
| Aeronautics | AER1406 | 5.000% | \$ 201,499.54 | | Current | |
| Aeronautics | AER1407 | 5.000% | \$ 892,926.63 | | Current | |
| Aeronautics | AER1408 | 5.000% | \$ 148,989.94 | | Current | |
| Aeronautics | AER1409 | 5.000% | \$ 186,844.64 | | Current | |
| Beginning Agriculture Producer | B00001 | 8.000% | \$ 240,774.15 | | Current | |
| Beginning Agriculture Producer | B00004 | 8.000% | \$ 40,679.29 | | Current | |
| Beginning Agriculture Producer | B00049 | 8.000% | \$ 224,778.42 | | Current | |
| Beginning Agriculture Producer | B00100 | 2.460% | \$ 549,687.69 | Delinquent | AG Office has begun foreclosure procedures | |
| Beginning Agriculture Producer | B00103 | 2.240% | \$ 238,359.56 | | Current | |
| Beginning Agriculture Producer | B00104 | 1.950% | \$ 557,140.37 | | Current | |
| Beginning Agriculture Producer | B00112 | 2.630% | \$ 205,459.14 | | Current | |
| Beginning Agriculture Producer | B00114 | 2.650% | \$ 78,738.71 | | Current | |
| Beginning Agriculture Producer | B00122 | 2.140% | \$ 540,452.84 | | Current | |
| Beginning Agriculture Producer | B00129 | 2.100% | \$ 247,882.41 | | Current | |
| Beginning Agriculture Producer | B00130 | 2.870% | \$ 537,409.52 | | Current | |
| Beginning Agriculture Producer | B00131 | 2.040% | \$ 521,769.59 | | Current | |
| Beginning Agriculture Producer | B00132 | 1.870% | \$ 383,394.80 | | Current | |
| Beginning Agriculture Producer | B00133 | 1.920% | \$ 223,958.58 | | Current | |
| Beginning Agriculture Producer | B00135 | 2.330% | \$ 255,900.56 | | Current | |
| Beginning Agriculture Producer | B00136 | 2.350% | \$ 229,072.19 | | Current | |
| Beginning Agriculture Producer | B00139 | 2.900% | \$ 555,112.38 | | Current | |
| Beginning Agriculture Producer | B00140 | 2.890% | \$ 228,383.81 | | Current | |
| Beginning Agriculture Producer | B00141 | 2.910% | \$ 555,597.81 | | Current | |
| Beginning Agriculture Producer | B00142 | 2.870% | \$ 503,988.70 | | Current | |
| Beginning Agriculture Producer | B00143 | 2.790% | \$ 337,705.93 | | Current | |
| Beginning Agriculture Producer | B00144 | 2.890% | \$ 375,381.34 | | Current | |
| Beginning Agriculture Producer | B00145 | 2.630% | \$ 475,387.99 | | Current | |
| Beginning Agriculture Producer | B00146 | 2.770% | \$ 718,677.71 | Delinquent | AG Office has begun foreclosure procedures | |
| Beginning Agriculture Producer | B00147 | 2.560% | \$ 136,529.43 | | Current | |
| Beginning Agriculture Producer | B00148 | 2.170% | \$ 497,047.92 | | Current | |
| Beginning Agriculture Producer | B00149 | 1.680% | \$ 177,186.44 | | Current | |
| Beginning Agriculture Producer | B00150 | 2.010% | \$ 795,918.84 | | Current | |
| Beginning Agriculture Producer | B00151 | 1.750% | \$ 664,700.34 | | Current | |
| Beginning Agriculture Producer | B00152 | 1.330% | \$ 392,472.86 | | Current | |
| Beginning Agriculture Producer | B00153 | 1.160% | \$ 567,861.31 | | Current | |
| Beginning Agriculture Producer | B00154 | 0.820% | \$ 451,760.55 | | Current | |
| Beginning Agriculture Producer | B00155 | 1.180% | \$ 1,000,000.00 | | Current | |
| Beginning Agriculture Producer | B00156 | 1.220% | \$ 376,225.00 | | Current | |
| Beginning Agriculture Producer | B00157 | 1.720% | \$ 700,000.00 | | Current | |
| Farm Loan | F08022 | 8.000% | \$ 22,893.76 | | Current | |
| Farm Loan | F08081 | 8.000% | \$ 8,009.29 | | Current | |
| Farm Loan | F08411 | 8.000% | \$ 21,856.00 | | Current | |
| Farm Loan | F08710 | 8.000% | \$ 431,486.03 | | Current | |
| Farm Loan | F08713 | 8.000% | \$ 405,143.54 | | Current | |
| Hot Springs | S00006 | 6.000% | \$ 224,320.90 | | Current | |
| Joint Powers Act | JPA09538 | 6.000% | \$ 16,785.58 | | Current | |
| Joint Powers Act | JPA09550 | 6.000% | \$ 162,777.53 | | Current | |
| Joint Powers Act | JPA09552 | 6.000% | \$ 407.58 | | Current | |
| Joint Powers Act | JPA09563 | 5.310% | \$ 22,591.61 | | Current | |
| Joint Powers Act | JPA11567 | 5.170% | \$ 168,392.74 | | Current | |
| Joint Powers Act | JPA11572 | 4.940% | \$ 116,597.77 | | Current | |
| Joint Powers Act | JPA11573 | 4.940% | \$ 207,399.14 | | Current | |
| Joint Powers Act | JPA11574 | 4.940% | \$ 301,869.17 | | Current | |
| Joint Powers Act | JPA11575 | 4.940% | \$ 82,457.98 | | Current | |
| Joint Powers Act | JPA13576 | 4.890% | \$ 80,240.94 | | Current | |
| Joint Powers Act | JPA13577 | 4.890% | \$ 68,998.43 | | Current | |
| Joint Powers Act | JPA13579 | 4.890% | \$ 12,519.68 | | Current | |
| Joint Powers Act | JPA13580 | 4.130% | \$ 131,287.60 | | Current | |
| Joint Powers Act | JPA13581 | 4.620% | \$ 65,564.05 | | Current | |
| Joint Powers Act | JPA15584 | 4.620% | \$ 667,971.44 | | Current | |
| Joint Powers Act | JPA17588 | 5.380% | \$ 2,257,875.54 | Delinquent | Paid in full 7/8/2022 | |
| Joint Powers Act | JPA17589 | 5.380% | \$ 362,628.33 | | Current | |
| Small Water/Irrigation | I00746 | 4.000% | \$ 14,156.74 | | Current | |
| Small Water/Irrigation | I00818 | 5.000% | \$ 254,663.41 | | Current | |
| Student Dormitory | SDL19001 | 2.500% | \$ 31,050,179.87 | | Current | |
| Student Dormitory | SDL19002 | 2.500% | \$ 8,155,609.47 | | Current | |
| Capital Construction | CCL19001 | 1.375% | \$ 219,979.24 | | Current | |
| Capital Construction | CCL19002 | 1.750% | \$ 100,389.10 | | Current | |
| Capital Construction | CCL19003 | 2.125% | \$ 4,403,774.86 | | Current | |
| Capital Construction | CCL19004 | 1.38% | \$ 1,500,000.00 | | Current | |
| Capital Construction | CCL19005 | 2.50% | \$ 1,289,023.99 | | Current | |
| Capital Construction | CCL19006 | 1.00% | \$ 849,762.01 | | Current | |
| Capital Construction | CCL19007 | 2.50% | \$ 128,555.52 | | Current | |
| Capital Construction | CCL19008 | 2.50% | \$ 1,939,045.47 | | Current | |
| | | | \$ 72,198,761.94 | | | |

ATTACHMENT B



BUSINESS COUNCIL

214 W. 15th Street

Cheyenne, WY 82002

Tel: (307) 777-2800

www.wyomingbusiness.org

To: Dawn Williams, Deputy Treasurer
State Treasurer's Office

From: Bert Adam, Investments Director
Wyoming Business Council

Subject: Public Purpose Investments (PPI) – Large Project Loan Program Annual Report

Date: October 21, 2022

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 State 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 of this project has an expected completion date of March 2023. This was adjusted from March of 2021 due to COVID and other external factors in converting the existing site to produce activated carbon, which is Atlas' primary product. Atlas has drawn almost all of the \$15 million so far and are producing a product being sold both domestically and internationally by Atlas Carbon.

The WBC receives many inquiries regarding the program; however, many don't meet the minimum loan request threshold, do not have the required twenty-five percent (25%) down payment, nor are a good fit for this program. Going forward, all loans originated in this program will be closed and serviced by the WBC and any participating financial institutions (if applicable).

ATTACHMENT C

Mark Gordon
Governor

Commissioners

| | |
|-----------------------|-----------------|
| Liisa Anselmi-Dalton | Mark Kot |
| Robert R. Choma | John H. Lawson |
| Lee Craig | Sheridan Little |
| Clinton W. Glick | Larry Suchor |
| Ronald E. Kailey, Jr. | |




WYOMING WATER DEVELOPMENT OFFICE

6920 Yellowtail Road
Cheyenne, WY 82002

Phone: (307) 777-7626
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Jason Mead, P.E.
Interim Director

TO: Dawn Williams, State Treasurer's Office

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

DATE: October 24, 2022

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 2022). 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, 2022 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 2024. 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.

ATTACHMENT D

STATE OF WYOMING TREASURER'S OFFICE Public Purpose Investments Loan Information As of June 30, 2022 W.S. 9-4-715 (n)

| | Loan Balance as of June 30, 2021 | Amount Loaned In FY22 | Principal Payments | Interest Payments | Loan Balance as of June 30, 2022 | Current Loan Status |
|---|--|--------------------------|----------------------|--------------------|--|---|
| Permanent Mineral Trust Fund (PMTF) | | | | | | |
| Airport Loans | \$2,096,269 | \$0 | \$228,117 | \$104,907 | \$1,868,151 | Administered by OSLI |
| Capital Infrastructure Loans | 835,091 | 9,616,898 | 21,458 | 6,685 | 10,430,530 | Administered by OSLI |
| Farm Loans | 20,325,215 | 2,076,225 | 6,926,651 | 623,330 | 15,474,790 | Administered by OSLI |
| Special Loans - Hot Springs State Park | 228,197 | 0 | 3,876 | 14,104 | 224,321 | Administered by OSLI |
| Industrial Development Bonds (repealed July 1, 2016) | 12,441,188 | 0 | 0 | 715,368 | 12,441,188 | Current |
| Irrigation Loans | 296,723 | 0 | 27,903 | 14,709 | 268,820 | Administered by OSLI |
| Joint Powers Authority Loans (JPA) | 5,627,885 | 0 | 901,520 | 298,673 | 4,726,365 | Administered by OSLI |
| Student Housing Loans | 38,422,166 | 20,122 | 286,678 | 201,805 | 38,155,609 | Administered by OSLI |
| Water Development - Gillette Madison Pipeline | 4,328,458 | 0 | 0 | 0 | 4,328,458 | Current |
| Total PMTF | \$84,601,192 | \$11,713,244 | \$8,396,203 | \$1,979,582 | \$87,918,233 | |
| Common School Permanent Land Fund (CS) | | | | | | |
| Lovell Drainage District | \$24,000 | \$0 | \$0 | \$0 | \$24,000 | Delinquent 1974 - Last Payment 2009 |
| Total CS | \$24,000 | \$0 | \$0 | \$0 | \$24,000 | |
| Legislative Stabilization Reserve Account (LSRA) | | | | | | |
| School Foundation Interfund Borrowing | \$0 | \$315,000,000 | \$160,000,000 | \$434,956 | \$155,000,000 | Delinquent 2022 - Last Payment 06/28/2022 |
| Veterans' Skilled Nursing | 3,000,000 | 0 | 0 | 0 | 3,000,000 | Current |
| Total LSRA | \$3,000,000 | \$315,000,000 | \$160,000,000 | \$434,956 | \$158,000,000 | |
| State Agency Pool (SAP) | | | | | | |
| TDOA | \$59,650,000 | \$59,300,000 | \$59,650,000 | \$134,430 | \$59,300,000 | Current |
| Total SAP | \$59,650,000 | \$59,300,000 | \$59,650,000 | \$134,430 | \$59,300,000 | |
| Sub-Total PPIs | \$144,275,192 | \$71,013,244 | \$68,046,203 | \$2,114,012 | \$147,242,233 | |
| Large Project Funding - Tracked in WOLFS | \$11,611,921 | \$2,957,559 | \$0 | \$302,255 | \$14,569,480 | Current |
| Total PPIs | \$155,887,113 | \$73,970,804 | \$68,046,203 | \$2,416,267 | \$161,811,713 | |