



**Headwaters Fund Board Meeting Agenda**  
**January 14, 2020 – 1:30-4:00**  
**Prosperity Center, 520 E Street, Eureka**

*The Headwaters Fund invests in projects through grants and loans with the goal of helping the citizens of Humboldt County achieve increased economic opportunity, prosperity, and quality of life.*

1. Opening (1:30)
  - a. Approval of minutes from December 10, 2019 - (1:30) - (Attachment 1)
  - b. Public comment on non-agenda items
  - c. Report out on meetings attended
  
2. Establish nominating committee to develop a slate of candidates to serve as Chair and Vice-Chair for the next program year (1:45)
  - a. Discussion
  - b. Public Comment
  - c. Action
  
3. Review and Approve FY 2018-19 Year-End Report (1:55) – (Attachment 2)
  - a. Discussion
  - b. Public Comment
  - c. Action
  
4. Select Board members for Mini-Grant Approval Committee - (2:20)
  - a. Discussion
  - b. Public Comment
  - c. Action
  
5. Board to discuss and confirm competitive grant selection process timeline – (2:35)
  - a. Discussion
  - b. Public Comment
  - c. Action
  
6. Discuss Annual Report for Headwaters Fund - (2:30)
  - a. Discussion
  - b. Public Comment
  
7. Staff and Board updates - (2:45)
  - a. Discussion
  - b. Public Comment
  
8. Adjourn

Next Meeting: February 11, 2020

## AGENDA DETAIL

### AGENDA ITEM 2

#### DISCUSSION

Bylaws call for the Chair and a Past-Chair to serve as a nominating committee to develop a slate of candidates to serve as Chair and Vice-Chair for the new year, April 1, 2020 to March 31, 2021. Chair and Past-Chair to present the slate at the February 11, 2020 HWF Board meeting.

Action: Approve or Deny Request

### AGENDA ITEM 3

#### DISCUSSION

Staff will present the Headwaters Fund Fiscal Year 2018-19 year-end report for discussion and request approval. Board to address a potential overallocation of funds as part of the discussion.

Action: Approve or Deny Request

### AGENDA ITEM 4

#### DISCUSSION

Board Chair to request volunteer Board members to serve on the Mini-Grant Approval Committee. Discussion to address availability of those willing to serve. Board to vote for two members.

Action: Approve or Deny

### AGENDA ITEM 5

#### DISCUSSION

Staff will confirm, with the Board, the processing timeline for competitive grant round to include confirming meeting dates.

Action: Approve or Deny

### AGENDA ITEM 6

#### DISCUSSION

Staff request direction from Board members on which projects they would like to highlight in the Annual Report to the Board of Supervisors.

### AGENDA ITEM 7

#### DISCUSSION

Staff update on Grant Round- Letters of Interest received to date.

Update on Board of Supervisors Agenda Items for CIF and final Competitive Grant for FY 2018-19 Grant Round review and approval.

# Headwaters Fund 2018-19 4th Quarter Report

## Page 1

Quarter ending: 6/30/2019

**Budget-CIF &  
RLF Not  
Included    Actual to Date    Balance Remaining**

	<b>Based on FY 17-18 Interest Earned</b>	<b>\$ 542,357</b>		
	<b>FY 17-18 Carryforward</b>	<b>\$ 88,631</b>		
	<b>Current Year plus Carryforward</b>	<b>630,989</b>		
	FY 18-19 Operating Budget	\$ 102,198	\$ (103,990)	-1,792
	FY 17-18 Loan Loss Repayment	\$ 73,393	\$ (73,393)	0
Grant Fund	Prior Period Mini-Grant (CF)	\$ 14,074	\$ (8,419)	5,655
Grant Fund	FY 18-19 Mini-Grant Budget	\$ 20,000	\$ (16,419)	3,581
Grant Fund	Prior Period Grant (CF)	\$ 74,557	\$ (49,495)	25,062
Grant Fund	FY 18-19 Grant Budget	\$ 130,000	\$ -	130,000
Grant Fund	FY 18-19 Initiative (DoD)	\$ 150,000	\$ (150,000)	0
	FY 18-19 Contingency	\$ 66,766	\$ (38,984)	27,782
	Prior Period Contingency (CF)	\$ -	\$ -	0
	<b>FY 18-19 Expenses</b>	<b>\$ 630,988</b>	<b>\$ (440,700)</b>	<b>190,288</b>
	<b>Budget minus Expenditures</b>	<b>\$ 0</b>		

### 2018-2019 Projected

<b>Interest Earned 17/18</b>	<b>\$ 542,357</b>
Loan Loss	\$ (73,393)
Operating Budget	\$ (102,198) Included \$15K for CEDS
Mini-Grants	\$ (20,000) Mini-grants
Competitive Grants	\$ (130,000) 18-19 grant round
Decade of Difference	\$ (150,000) Year 9 of 10 year commitment
Contingency	\$ (66,766)
<b>Unallocated</b>	<b>\$ -</b>

### Interest Earnings for FY 2018-19 to date (See Page 2):

**\$ 528,424**

FY 2018-19 OPERATING BUDGET					
Fund Number	Description	Budget	Actual	% Fiscal Year Completed	% Funds Expended
1120-286	Operating Budget	\$ 102,198	\$103,990	100%	102%
FY 2018-19 LOAN LOSS RESERVE REPAYMENT OBLIGATION**					
Fund Number	Description	Budget	Awarded/ Accrued	% Fiscal Year Completed	% Funds Obligated
3844	Loan Loss Reserve Repayment**	\$ 73,393	\$ 73,393	100%	100%
FY 2018-19 AWARD BUDGET					
Fund Number	Description	Budget	Awarded/ Accrued	% Fiscal Year Completed	% Funds Obligated
3846	Community Investment Fund***	\$ 123,750	\$ 123,750	100%	100%
3848	Mini Grant Fund	\$ 20,000	\$ 19,000	100%	95%
3848	Grant Fund****	\$ 130,000	\$ 168,984	100%	130%
3849	Initiative Fund	\$ 150,000	\$ 150,000	100%	100%
<b>TOTAL Award Budget</b>		<b>\$ 423,750</b>	<b>\$ 461,734</b>		<b>109%</b>

When the budget is developed, Interest Earned includes three types of interest earnings: 1.) \* Interest earned on accounts at the County Treasurer's Office (apportionment) on all eight Funds; 2.) \*\* Interest earned on Endowment Fund 3852 (CD's); and, 3.) \*\*\* Interest earned on loan repayments from AEDC, RREDC & CIF.

\* The amount in Type 1 includes the last quarter of the previous fiscal year and the first three quarters of the current fiscal year. This allows building a spending plan after April 1st and prior to July 1st each year.

\*\* Type 2 includes the interest earned in the current fiscal year from July 1 to June 30.

\*\*\* Type 3 includes the interest earned in the current fiscal year from July 1 to June 30.

\* Must be greater than "0"

\*\* From Previous Fiscal Year Loan Loss Experience

\*\*\* Balance of MRG

\*\*\*\* Does not include Traditional Farmers Foundation

# Headwaters Fund 2018-19 4th Quarter Report

## Page 2

Quarter ending: 6/30/2019

FY 2018-19 PROJECTED BUDGET					
Fund Number	Description	Forecasted Earnings	Actual	% Fiscal Year Completed	% Funds Earned
<b>3847 &amp; 3849</b>	<b>County Pool Interest</b>	<b>51,822</b>	<b>\$ 73,159</b>	<b>100%</b>	<b>141%</b>
	Average Balance		\$ 4,531,621		
	Yield		1.61%		
<b>3843 &amp; 3846</b>	<b>Lending Interest (RLF &amp; CIF)</b>	<b>354,323</b>	<b>\$ 310,299</b>	<b>100%</b>	<b>88%</b>
	Average Receivables Balance		\$ 5,959,838		
	Yield		5.21%		
<b>3852</b>	<b>Long Term Endowment</b>	<b>136,212</b>	<b>\$ 144,965</b>	<b>100%</b>	<b>106%</b>
	Average Receivables Balance		\$ 7,000,000		
	Yield		2.07%		
	<b>TOTAL INTEREST</b>	<b>\$ 542,357</b>	<b>\$ 528,424</b>	<b>100%</b>	<b>97%</b>

FY 2017-18 LOAN LOSSES**** / 2018-19 LOAN LOSS RESERVE REPAYMENT OBLIGATION					
Fund Number	Description	Budget	Actual	% Fiscal Year Completed	% Funds Obligated
<b>3844</b>	<b>Loan Losses****</b>	<b>\$ 73,393</b>	<b>\$ 73,393</b>	<b>100%</b>	<b>100%</b>

FY 2018-19 LOANS IN DEFAULT					
Fund Number	Description	Unresolved	Resolved	% Fiscal Year Completed	% Funds Obligated
	AEDC	\$ -	\$ -		
	RREDC	\$ -	\$ -		
	CIF	\$ -	\$ -		
	<b>Loans in Default</b>	<b>\$ -</b>	<b>\$ -</b>	<b>100%</b>	<b>0%</b>

\*\*\*\* Carries forward to Next Fiscal Year Loan Loss Reserve Repayment Budget/Spending

Headwaters Fund 2018-19 4th Quarter Report

Page 3

Quarter ending: 6/30/2019

FY 2018-19 CASH FLOW STATEMENT												
Fund Account Numbers:		1120-286	3843	3844	3846	3847	3848		3849	3852	TOTAL	
Operating		Revolving Loan Fund	Loan Loss Reserve Fund	Community Investment Fund	Liquidity Fund	Grant Fund	Mini Grant Fund	Initiative Fund	Endowment Fund			
6/30/2017							Combined 81,577					
Beginning Balance:		\$ -	\$ 1,667,482	\$ 560,000	\$ 1,799,395	\$ 34,736	\$ 70,577	\$ 11,000	\$ 79,939	\$ 7,137,799	\$ 11,360,929	
Transfers Fund to Fund			(28,325)	(9,158)	(29,422)	29,422	(24,500)	24,500	28,325		(9,158)	
			-			1,362	(1,362)		9,158		9,158	
				73,393			285,470	361,823				720,686
			73,393	(73,393)		(73,793)				(69,694)		(143,486)
			(262,549)			262,549					(285,470)	
						39,042				(39,042)		
						69,694						
						6,163						
						(361,823)						
						(38,984)		38,984				
Loan Principal Paid												
AEDC			\$ 286,959								\$ 286,959	
RREDC			\$ 157,884								\$ 157,884	
CIF		Cost Alloc Cr	\$ 18,488		\$ 914,541						\$ 933,029	
Loan Interest Paid											\$ 1,377,872	
AEDC			\$ 147,055								\$ 147,055	
RREDC			\$ 149,540								\$ 149,540	
CIF					\$ 13,705						\$ 13,705	
Account Interest			\$ 28,325	\$ 9,158	\$ 29,422	\$ 628	\$ 1,362	\$ -	\$ 1,559	\$ 2,706	\$ 73,159	
Endowment Int (CDs)										\$ 144,965	\$ 144,965	
RLF & Initiative											\$ -	
Liquidity & CIF											\$ -	
Disbursements		Adjustments:	\$ 60,338			\$ (449)					\$ 59,889	
Charge Offs											\$ -	
RLF: AEDC			\$ (742,519)								\$ (742,519)	
RLF: RREDC			\$ (98,975)								\$ (98,975)	
Initiative/DoD							(150,000.00)				\$ (150,000)	
CIF & Initiative:					\$ (623,750)						\$ (623,750)	
Grants					\$ -	\$ (49,495)	\$ (16,419)				\$ (65,914)	
Operating			\$ (77,992)		\$ -	\$ (25,997)	\$ -				\$ (103,990)	
AEDC Fees			\$ (16,107)								\$ (16,107)	
Ending Balance		\$ -	\$ 1,362,996.66	\$ 560,000	\$ 2,103,890.89	\$ 228,018.28	\$ 247,389	\$ 19,081	\$ 10,245	\$ 7,000,000	\$ 11,531,621	
							Grants-Comp + Mini combined-->		266,469.39			

Total Principal Repaid

\$ 1,377,872

Total Interest Earned

\$ 528,424

# Headwaters Fund 2018-19 4th Quarter Report

## Page 4

Quarter ending: 6/30/2019

FY 2018-19 AR/AP SHEET										
	3843	3844	3846	3847	3848	3848	3849	3852	TOTAL	
Operating	Revolving Loan Fund	Loan Loss Reserve Fund	Community Investment Fund	Liquidity Fund	Grant Fund	Mini Grant Fund	Initiative Fund	Endowment Fund		
<b>ASSETS</b>										
Cash	\$ 1,362,997	\$ 560,000	\$ 2,103,891	\$ 228,018	\$ 247,389	\$ 19,081	\$ 10,245	\$ 7,000,000	\$ 11,531,621	
Receivables										
AEDC	\$ 3,251,007								\$ 3,251,007	
RREDC	\$ 2,708,830								\$ 2,708,830	
CIF			\$ -						\$ -	
<b>LIABILITIES</b>										
Grants			\$ -		\$ (194,046)	\$ (16,655)	\$ -		\$ (210,701)	
Loan Obligations			\$ -						\$ -	
AEDC									\$ -	
RREDC									\$ -	
CIF									\$ -	
Operating	\$ 1,344			\$ 448	\$ -				\$ 1,792	
<b>TOTAL</b>	\$ -	\$ 7,324,178	\$ 560,000	\$ 2,103,891	\$ 228,466	\$ 53,343	\$ 2,426	\$ 10,245	\$ 7,000,000	\$ 17,282,549