



Headwaters Fund Board Meeting Agenda  
April 15, 2019 – 1:00-4:00  
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 (1:00)
  - a. Approval of minutes from March 12, 2019 - (Attachment 1)
  - b. Public comment on non-agenda items
  - c. Report out on meetings attended
2. Reappointment of Chair Carl Hansen, Vice-Chair Bruce Rupp and Board Member Charles Ellsworth to additional 3-year terms. (1:20) (Attachment 2) Majority Vote Required
  - a. Discussion
  - b. Public Comment
  - c. Action
3. Discussion regarding reconsideration of Board action to accept the Humboldt Bay Harbor, Recreation and Conservation District final report for Pre-Permitting Grant Award from 2011 (1:40)
  - a. Discussion
  - b. Public Comment
  - c. Action
4. Review and Approve Restructuring Small Business Development Center FY 2017-18 Competitive Grant Budget (1:50) (Attachment 3)
  - a. Discussion
  - b. Public Comment
  - c. Action
5. Review and Approval of Draft-1<sup>st</sup> Quarter Report for Headwaters Funds for Fiscal Year 2018-19 (2:05) (Attachment 4)
  - a. Discussion
  - b. Public Comment
  - c. Action
6. Review and Approval of Fiscal Year 2019-20 Headwaters Fund Spending Plan (2:25) (Attachment 5)
  - a. Discussion
  - b. Public Comment
  - c. Action
7. Discussion and Direction to Staff regarding Policy Interpretation for Approving Mini-Grant Applications (2:45) (Attachments 6 and 7)
  - a. Discussion
  - b. Public Comment

8. Staff Presentation of Competitive Grant Applications List, Packets Distributed to Board (copies available to public at the meeting) and Confirmation of Special Meeting Dates for rating, selection and recommendation to Humboldt County Board of Supervisors for approval. Board to consider an application that was delayed past the deadline due to transmittal of documents. Board to consider non-profit status for applicant eligibility. (3:00) (Attachment 8)
  - a. Discussion
  - b. Public Comment
  - c. Action
  
9. Consider whether to have the Regularly Scheduled Meeting on May 14, 2019 (3:45)
  - a. Discussion
  - b. Public Comment
  - c. Action
  
10. Staff update to Board regarding ethics training (3:50)
  - a. Discussion
  - b. Public Comment
  
11. Staff and Board updates (3:55)
  - a. Discussion
  - b. Public Comment
  
12. Adjourn

Next Meeting: April 23, 2019

**AGENDA DETAIL**

|                      |
|----------------------|
| <b>AGENDA ITEM 2</b> |
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**DISCUSSION**

Headwaters Board to vote on reappointment of Board members Hansen, Rupp and Ellwsorgh separately. Recommendations will then be forwarded to the Humboldt County Board of Supervisors for review and approval.

Action: Majority vote of each reappointment necessary.

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| <b>AGENDA ITEM 3</b> |
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**DISCUSSION**

Board member(s) and public have requested that the Headwaters Fund Board reconsider its previous action to accept the Final Report and presentation from the Humboldt Bay Harbor, Recreation and Conservation District for the \$200,000 grant awarded to the District in 2011.

Action: Action to reconsider would require majority vote.

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| <b>AGENDA ITEM 4</b> |
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**DISCUSSION**

The North Coast Small Business Development Center is requesting to modify its Succession Planning Grant budget that was approved in 2018. The request would reallocate funds from Contractual Services to Salaries & Benefits (\$11,281) and to Consulting Services (\$11,000).

Action: Approval required

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| <b>AGENDA ITEM 5</b> |
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**DISCUSSION**

Staff to present (Draft) Quarterly Report, request Board to accept Report and adopt as final.

Action: Approve Report with/without revisions or return to staff for revisions.

**AGENDA ITEM 6**

**DISCUSSION**

Review proposed spending plan for Fiscal Year 2019-20.

Action: Approve as submitted or modify and approve.

**AGENDA ITEM 7**

**DISCUSSION**

Staff requesting clarification of approval criteria for mini-grant applications of \$1,500 or less.

Action: No action required.

**AGENDA ITEM 8**

**DISCUSSION**

Staff to present a list of applications for funding for the FY 2018-19 Competitive Grant Round. Board to review the list with staff. Board to consider application received, in part, after the deadline due to the applicant's problem with electronic filing.

Board to clarify on eligibility of applicants with IRS non-profit status other than 501(c)(3).

Board members will receive a binder with pertinent documents and a rating sheet for each application. Rating sheets to be completed by April 23, 2019 at which time the Board will conduct a Special Meeting to decide which applications will be considered for further review. Applicants may be selected for interviews with the Board should the Board so deem necessary.

Should the Board decide to change the dates previously selected (April 23, 2019 for rating and selection; April 23-May 7, 2019 for interviews/further review-consideration; May 7, 2019 for final selection of awardees and amounts of awards) then the Board will need to vote on the changes.

Action: Action required regarding a late application, IRS tax status requirements, and Board changes to above meeting dates.

**AGENDA ITEM 9**

**DISCUSSION**

Board to consider staff recommendation to cancel May 14, 2019 Regularly Scheduled Meeting due to the number of special meetings for grant approval process.

Action: Approve staff recommendation to cancel the meeting.

**AGENDA ITEM 10**

**DISCUSSION**

Staff will update the Board on options for ethics training, recognizing Boards previous direction to postpone training until after the summer of 2019. Staff to initiate discussion with the Board.

Action: No action required.

## Headwaters Roster 2018-19

| NAME  | APPOINTED      | REAPPOINTED              | EXPIRES                         |
|---|----------------|--------------------------|---------------------------------|
| <b>ELIZABETH CAMERON</b><br>724 Everding Street<br>Eureka, CA 95503<br>287-4464<br><a href="mailto:elizabeth@freerange.com">elizabeth@freerange.com</a>                           | May 5, 2018    |                          | May 2020<br><br>Term out 2026   |
| <b>CHARLES ELLSWORTH</b><br>1826 Second Street<br>Eureka, CA 95501<br>498-7433<br><a href="mailto:orahorace@sbcglobal.net">orahorace@sbcglobal.net</a>                            | May 26, 2015   | May 2016                 | May 2019<br><br>Term out 2022   |
| <b>CARL HANSEN – Chair</b><br>P.O. Box 1172<br>Ferndale, CA 95536<br>267-5877<br><a href="mailto:hansen@humboldt.edu">hansen@humboldt.edu</a>                                     | April 18, 2017 | April 2019               | April 2019<br><br>Term out 2025 |
| <b>BRUCE RUPP – Vice Chair</b><br>229 Boyle Drive<br>Eureka, CA 95503<br>445-9336<br><a href="mailto:brucer@suddenlink.net">brucer@suddenlink.net</a>                             | April 18, 2017 | April 2019               | April 2019<br><br>Term out 2025 |
| <b>DIANNA RIOS</b><br>610 Main Street<br>Fortuna, CA 95540<br>725-9261 w<br>599-4336 c<br><a href="mailto:fbid@fortunabusiness.com">fbid@fortunabusiness.com</a>                  | May 26, 2015   | March 2017               | May 2020<br><br>Term out 2023   |
| <b>GREGORY SEILER</b><br>Morgan Stanley Smith Barney<br>2421 Buhne Street<br>Eureka, CA 95501<br>845-9489<br><a href="mailto:greg@humboldtbarrel.com">greg@humboldtbarrel.com</a> | March 20, 2012 | March 2014<br>March 2017 | March 2020<br><br>Term out 2020 |

Contact for information:

Kenneth Spain  
 Executive Director, Headwaters Fund  
 520 E Street  
 Eureka, CA 95501  
 (707) 476-4809  
[kspain1@co.humboldt.ca.us](mailto:kspain1@co.humboldt.ca.us)

Original

BUDGET TEMPLATE

| SPF Proposal No.:                                       |  |                                    |   | 11/2/2017                               |                 |
|---|--|------------------------------------|---|---|-----------------|
| Project Title:  |  |                                    |   |   |                 |
| Coat Sharing?   |  | <input type="checkbox"/> No        | <input checked="" type="checkbox"/> Yes               |   |                 |
| Deviation from negotiated 48% IDC                       |  | <input type="checkbox"/> No        | <input checked="" type="checkbox"/> Yes               |   |                 |
| IDC Deviation Justification:                            |  | 20%, per SBDC agreement            |   |   |                 |
| Contract Terms  |  | <input type="checkbox"/> Fixed Fee | <input checked="" type="checkbox"/> Cost Reimbursable | <input type="checkbox"/> Not Applicable |                 |
| PI NAME:  |  | Kristin Johnson                    |   | DEPARTMENT:                             | SBDC            |
| FUNDING AGENCY:   |  | Headwaters Fund                    |   |   |                 |
| PROJECT DATES:  |  |                                    |   |   |                 |
| EXPENSE   | DESCRIPTION  | Account Number                     | Year 1 Requested                                      | Year 1 Match                            | Total Requested |
| <b>PERSONNEL - SALARIES</b>                             |  |                                    |   |   |                 |
| Salaries Benefited                                      |  | 601810                             |   |   | \$ -            |
| Salaries Benefited                                      |  | 601810                             |   |   | \$ -            |
| Salaries Non benefited                                  |  | 601840                             |   |   | \$ -            |
| Salaries Non benefited                                  |  | 601840                             |   |   | \$ -            |
| Salaries Non benefited                                  |  | 601840                             |   |   | \$ -            |
| Salaries Students AY                                    |  | 601830                             |   |   | \$ -            |
| Salaries Students AY                                    |  | 601830                             |   |   | \$ -            |
| Salaries Total  |  |                                    | \$ -  | \$ -                                    | \$ -            |
| <b>FRINGE &amp; BENEFITS</b>                            |  |                                    |   |   |                 |
| <b>FRINGE</b>   |  |                                    |   |   |                 |
|   | OASDI 6.20%  | 603001                             | \$ -  | \$ -                                    | \$ -            |
|   | WORKERS COMPENSATION 1.97%                                 | 603007                             | \$ -  | \$ -                                    | \$ -            |
|   | UNEMPLOYMENT INSURANCE 4.40%                               | 603010                             | \$ -  | \$ -                                    | \$ -            |
|   | MEDICARE 1.45%   | 603012                             | \$ -  | \$ -                                    | \$ -            |
| <b>BENEFITS</b>   |  |                                    |   |   |                 |
|   | RETIREMENT 10.00%  | 603005                             | \$ -  | \$ -                                    | \$ -            |
|   | HEALTH Roberts: 1,497.29/mo, Foster: \$2,138.98/mo         | 603004                             | \$ -  | \$ -                                    | \$ -            |
|   | DENTAL 2.82%   | 603003                             | \$ -  | \$ -                                    | \$ -            |
|   | VISION 0.45%   | 603013                             | \$ -  | \$ -                                    | \$ -            |
|   | LIFE 0.10%   | 603011                             | \$ -  | \$ -                                    | \$ -            |
| Frings & Benefits Total                                 |  |                                    | \$ -  | \$ -                                    | \$ -            |
| <b>TRAVEL</b>   |  |                                    |   |   |                 |
| Travel in CA within NorCal region                       |  | 606001                             |   |   | \$ -            |
| Travel out of CA  |  | 606002                             |   |   | \$ -            |
| Travel in CA outside NorCal region                      |  | 606840                             |   |   | \$ -            |
| Travel Total  |  |                                    | \$ -  | \$ -                                    | \$ -            |
| <b>EQUIPMENT</b>  |  |                                    |   |   |                 |
| Equipment >=\$ 5,000.00                                 |  | 619001                             |   |   | \$ -            |
| Equipment Total   |  |                                    | \$ -  | \$ -                                    | \$ -            |
| <b>SUPPLIES</b>   |  |                                    |   |   |                 |
| Supplies  |  | 660003                             |   |   | \$ -            |
| Supplies Total  |  |                                    | \$ -  | \$ -                                    | \$ -            |
| <b>CONTRACTUAL</b>                                      |  |                                    |   |   |                 |
| Sub-contract (first 26K, Inhouse IDC)                   | Lead Business Advisor (program & client service oversight) | 613810                             | \$ 2,000  |   | \$ 2,000        |
| Sub-contract (no IDC)                                   |  | 613820                             |   |   | \$ -            |
| Other Supplies (Special Projects Pool)                  |  | 660646                             |   |   | \$ -            |
| Contractual Total                                       |  |                                    | \$ 2,000  | \$ -                                    | \$ 2,000        |
| <b>CONSULTANTS</b>                                      |  |                                    |   |   |                 |
| Contractual Services (Non Access to Capital Counseling) | Client Business Advising (specialist & generalist)         | 613001                             |   | \$ 25,500                               | \$ 25,500       |
| Counseling Services (Access to Capital Counseling)      |  | 660803                             |   |   | \$ -            |
| Special Consultant (Trainings)                          | Training & Best Practice Exchange                          | 660817                             | \$ 22,440   |   | \$ 22,440       |
| Consultants Total                                       |  |                                    | \$ 22,440   | \$ 25,500                               | \$ 47,940       |
| <b>OTHER EXPENSES</b>                                   |  |                                    |   |   |                 |
| Other Expenses  | Marketing, Advertising, Printing                           | 660080                             | \$ 492  |   | \$ 492          |
| Hospitality (Food, Room Rental)                         |  | 660806                             |   |   | \$ -            |
| Space Rental  |  | 660041                             |   |   | \$ -            |
|   | for more options, unhide below                             |                                    |   |   | \$ -            |
| Other Expenses Total                                    |  |                                    | \$ 492  | \$ -                                    | \$ 492          |
| TOTAL DIRECT COSTS                                      |  |                                    | \$ 24,932   | \$ 25,500                               | \$ 50,432       |
| INDIRECT COSTS  | 20%  | 662994                             | \$ 4,986  | \$ 5,100                                | \$ 10,086       |
| TOTAL COSTS   |  |                                    | \$ 29,918   | \$ 30,600                               | \$ 60,518       |
| MTDC  |  |                                    | \$ 24,932   | \$ 25,500                               | \$ 50,432       |

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\*Modified Total Direct Costs (MTDC) consists of all salaries and wages, fringe benefits, materials, supplies, services, travel and subgrants and subcontracts up to the first \$25,000 of each subgrant or subcontract (regardless of the period covered by the subgrant or subcontract). Modified total direct costs shall exclude equipment (hardware which exceeds the unit cost of \$5000) capital expenditures, charges for patient care, tuition remission, rental costs of off-site facilities, participant support costs, scholarships, and fellowships as well as the portion of each subgrant and subcontract in

BUDGET TEMPLATE

Requested Modification  
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| SPF Proposal No.:                           |   |                | Budget mod 4/5/2019                                   |  |   |
|---|---|----------------|---|--|---|
| Project Title:                              |   |                |   |  |   |
| Cost Sharing?                               | <input type="checkbox"/> No   |                | <input checked="" type="checkbox"/> Yes               |  |   |
| Deviation from negotiated 45% IDC           | <input type="checkbox"/> No   |                | <input checked="" type="checkbox"/> Yes               |  |   |
| IDC Deviation Justification:                | No indirect allowed, per contract with County of Humboldt / Headwaters Fund   |                |   |  |   |
| Contract Terms                              | <input type="checkbox"/> Fixed Fee  |                | <input checked="" type="checkbox"/> Cost Reimbursable |  | <input type="checkbox"/> Not Applicable |
| COMMENTS:                                   |   |                |   |  |   |
| PI NAME:                                    | Kristin Johnson   |                | DEPARTMENT:   | SBDC                                   |   |
| FUNDING AGENCY:                             | Headwaters Fund   |                |   |  |   |
| PROJECT DATES:                              |   |                |   |  |   |
| EXPENSE                                     | DESCRIPTION   | Account Number | HWF Direct Requested                                  | SBDC Funds (SBA, Cash & In-Kind Match) | Total Requested                         |
| <b>PERSONNEL - SALARIES</b>                 |   |                |   |  |   |
| Salaries Benefited                          | Leila Roberts: Curriculum development, program oversight, client engagement & service management: Staff (\$38.70/hr x 15 hrs/mo x 12 mos) | 601810         |   | \$ 6,966                               | \$ 6,966                                |
| Salaries Benefited                          | Leila Roberts: Curriculum development, program oversight, client engagement & service management: Staff (\$38.70/hr x 15 hrs/mo x 12 mos) | 601810         |   | \$ 1,440                               | \$ 1,440                                |
| Salaries Non benefited                      |   | 601840         |   |  | \$ -                                    |
| Salaries Non benefited                      |   | 601840         |   |  | \$ -                                    |
| Salaries Non benefited                      |   | 601840         |   |  | \$ -                                    |
| Salaries Students AY                        |   | 601830         |   |  | \$ -                                    |
| Salaries Students AY                        |   | 601830         |   |  | \$ -                                    |
| <b>Salaries Total</b>                       |   |                | \$ -  | \$ 8,406                               | \$ 8,406                                |
| <b>FRINGE &amp; BENEFITS</b>                |   |                |   |  |   |
| <b>FRINGE</b>                               |   |                |   |  |   |
| OASDI                                       | 6.20%   | 603001         | \$ -  | \$ 521                                 | \$ 521                                  |
| WORKERS COMPENSATION                        | 1.97%   | 603007         | \$ -  | \$ 166                                 | \$ 166                                  |
| UNEMPLOYMENT INSURANCE                      | 4.40%   | 603010         | \$ -  | \$ 370                                 | \$ 370                                  |
| MEDICARE                                    | 1.45%   | 603012         | \$ -  | \$ 122                                 | \$ 122                                  |
| <b>BENEFITS</b>                             |   |                |   |  |   |
| RETIREMENT                                  | 10.00%  | 603005         | \$ -  | \$ 841                                 | \$ 841                                  |
| HEALTH                                      | Roberts: 2,349.18/mo  | 603004         | \$ -  | \$ 1,472                               | \$ 1,472                                |
| DENTAL                                      | 2.82%   | 603003         | \$ -  | \$ 237                                 | \$ 237                                  |
| VISION                                      | 0.45%   | 603013         | \$ -  | \$ 38                                  | \$ 38                                   |
| LIFE  | 0.10%   | 603011         | \$ -  | \$ 8                                   | \$ 8                                    |
| <b>Fringe &amp; Benefits Total</b>          |   |                | \$ -  | \$ 3,775                               | \$ 3,775                                |
| <b>TRAVEL</b>                               |   |                |   |  |   |
| Travel in CA within NorCal region           |   | 606001         |   |  | \$ -                                    |
| Travel out of CA                            |   | 606002         |   |  | \$ -                                    |
| Travel in CA outside NorCal region          |   | 606840         |   | \$ 505                                 | \$ 505                                  |
| <b>Travel Total</b>                         |   |                | \$ -  | \$ 505                                 | \$ 505                                  |
| <b>EQUIPMENT</b>                            |   |                |   |  |   |
| Equipment >\$ 5,000.00                      |   | 619001         |   |  | \$ -                                    |
| <b>Equipment Total</b>                      |   |                | \$ -  | \$ -                                   | \$ -                                    |
| <b>SUPPLIES</b>                             |   |                |   |  |   |
| Supplies                                    |   | 660003         |   |  | \$ -                                    |
| <b>Supplies Total</b>                       |   |                | \$ -  | \$ -                                   | \$ -                                    |
| <b>CONTRACTUAL</b>                          |   |                |   |  |   |
| Special Projects Pool (Non client research) |   | 660846         |   |  | \$ -                                    |
| <b>Contractual Total</b>                    |   |                | \$ -  | \$ -                                   | \$ -                                    |
| <b>CONSULTANTS</b>                          |   |                |   |  |   |
| Contractual Services                        | Program strategy, logistics & client support. Also: professional videography for key workshops  | 613001         | \$ 1,000  | \$ -                                   | \$ 1,000                                |
| Counseling Services                         | One-to-one business consulting  | 660803         | \$ 8,000  | \$ 11,000                              | \$ 19,000                               |
| Special Consultant (Trainings)              | Curriculum development, Training Delivery & Best Practice Peer Exchange (Facilitation)  | 660817         | \$ 13,000   |  | \$ 13,000                               |
| <b>Consultants Total</b>                    |   |                | \$ 22,000   | \$ 11,000                              | \$ 33,000                               |
| <b>OTHER EXPENSES</b>                       |   |                |   |  |   |
| Other Expenses                              | Marketing, Advertising, Printing  | 660090         | \$ 500  | \$ 946                                 | \$ 1,446                                |
| Hospitality (Food)                          | Coffee/tea/sandwiches for long workshops  | 660090         | \$ 432  |  | \$ 432                                  |
| Space Rental                                | When larger spaces are needed   | 660090         | \$ 1,500  |  | \$ 1,500                                |
| Misc  | Match: CA Ctr for Cooperative Development Conference fee  | 660090         | \$ 500  | \$ 300                                 | \$ 800                                  |
|   | for more options, unhide below  |                |   |  | \$ -                                    |
| <b>Other Expenses Total</b>                 |   |                | \$ 2,932  | \$ 1,246                               | \$ 4,178                                |
| <b>TOTAL DIRECT COSTS</b>                   |   |                | \$ 24,932   | \$ 24,932                              | \$ 49,864                               |
| <b>INDIRECT COSTS</b>                       | 20%   | 662994         | \$ -  | \$ -                                   | \$ -                                    |
| <b>TOTAL COSTS</b>                          |   |                | \$ 24,932   | \$ 24,932                              | \$ 49,864                               |
| MTDC  |   |                | \$ 23,432   | \$ 24,932                              | \$ 48,364                               |

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\*Modified Total Direct Costs (MTDC) consists of all salaries and wages, fringe benefits, materials, supplies, services, travel and subgrants and subcontracts up to the first \$25,000 of each subgrant or subcontract (regardless of the period covered by the subgrant or subcontract). Modified total direct costs shall exclude equipment (hardware which exceeds the unit cost of \$5000) capital expenditures, charges for patient care, tuition remission, rental costs of off-site facilities, participant support costs, scholarships, and fellowships as well as the portion of each subgrant and subcontract in excess

\$ 24,932 \$ 0  
\$ -

**Headwaters Fund 2018-19 1st Quarter Report**  
**page 1**

Quarter ending: 09/30/2018

|                                 | Budget       | Actual to Date |
|---------------------------------|--------------|----------------|
| <b>FY 17-18 Interest Earned</b> | \$ 542,357   |                |
| <b>FY 18-19 Interest Earned</b> |              | \$ 122,235     |
| FY 18-19 Operating Budget       | \$ (102,198) | \$ (34,609)    |
| FY 17-18 Loan Loss Repayment    | \$ 73,393    | \$ -           |
| FY 17-18 LLR transfer           | \$ -         | \$ -           |
| FY 18-19 Mini-Grant Budget      | \$ (20,000)  | \$ -           |
| FY 17-18 Grant Budget           | \$ 74,257    | \$ -           |
| FY 18-19 Initiative (DoD)       | \$ (150,000) | \$ -           |
| <b>FY 17-18 Expenses</b>        | \$ (124,548) | \$ (34,609)    |
| <b>Unallocated Funds *</b>      | \$ 417,809   | \$ 87,626      |

**2018-2019 Projected**

|                              |   |
|------------------------------|---|
| <b>Interest Earned 17/18</b> | \$ 542,357                                |
| Loan Loss                    | \$ (73,393)                               |
| Operating Budget             | \$ (102,198) Includes \$15K for CEDS      |
| Mini-Grants                  | \$ (20,000) DoD, 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>           | \$ -                                      |

| FY 2018-19 OPERATING BUDGET                         |                               |                   |                     |                         |                   |
|---|-------------------------------|-------------------|---------------------|-------------------------|-------------------|
| Fund Number   | Description                   | Budget            | Actual              | % Fiscal Year Completed | % Funds Expended  |
| 1120-286  | Operating Budget              | \$ 102,198        | \$34,609            | 25%                     | 34%               |
| FY 2018-19 LOAN LOSS RESERVE REPAYMENT OBLIGATION** |                               |                   |                     |                         |                   |
| Fund Number   | Description                   | Budget            | Awarded/<br>Accrued | % Fiscal Year Completed | % Funds Obligated |
| 3844  | Loan Loss Reserve Repayment** | \$ (73,393)       | \$ -                | 25%                     | 0%                |
| FY 2018-19 AWARD BUDGET                             |                               |                   |                     |                         |                   |
| Fund Number   | Description                   | Budget            | Awarded/<br>Accrued | % Fiscal Year Completed | % Funds Obligated |
| 3846  | Community Investment Fund***  | \$ 123,750        | \$ -                | 25%                     | 0%                |
| 3848  | Mini Grant Fund               | \$ 20,000         | \$ -                | 25%                     | 0%                |
| 3848  | Grant Fund***                 | \$ 130,000        | \$ -                | 25%                     | 0%                |
| 3849  | Initiative Fund               | \$ 150,000        | \$ 150,000          | 25%                     | 100%              |
| <b>TOTAL Award Budget</b>                           |                               | <b>\$ 423,750</b> | <b>\$ 150,000</b>   |                         | <b>35%</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 budget 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

**DRAFT**

**Headwaters Fund 2018-19 1st Quarter Report**

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Quarter ending: 09/30/2018

| 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>\$ 18,369</b>  | <b>25%</b>              | <b>35%</b>     |
|                             | Average Balance                         |                     | \$ 4,427,663      |                         |                |
|                             | Yield                                   |                     | 0.41%             |                         |                |
| <b>3843 &amp; 3846</b>      | <b>Lending Interest (RLF &amp; CIF)</b> | <b>354,323</b>      | <b>\$ 78,413</b>  | <b>25%</b>              | <b>22%</b>     |
|                             | Average Receivables Balance             |                     | \$ 5,880,705      |                         |                |
|                             | Yield                                   |                     | 1.33%             |                         |                |
| <b>3852</b>                 | <b>Long Term Endowment</b>              | <b>136,212</b>      | <b>\$ 25,453</b>  | <b>25%</b>              | <b>19%</b>     |
|                             | Average Receivables Balance             |                     | \$ 7,000,000      |                         |                |
|                             | Yield                                   |                     | 0.36%             |                         |                |
| <b>TOTAL INTEREST</b>       |   | <b>\$ 542,357</b>   | <b>\$ 122,235</b> | <b>25%</b>              | <b>23%</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>25%</b>              | <b>100%</b>       |

| FY 2018-19 LOANS IN DEFAULT |             |             |                  |                         |                   |
|-----------------------------|-------------|-------------|------------------|-------------------------|-------------------|
| Fund Number                 | Description | Unresolved  | Resolved         | % Fiscal Year Completed | % Funds Obligated |
|                             | AEDC        |             | 73,393           |                         |                   |
|                             | RREDC       | \$ -        | \$ -             |                         |                   |
|                             | CIF         | \$ -        | \$ -             |                         |                   |
| <b>Loans in Default</b>     |             | <b>\$ -</b> | <b>\$ 73,393</b> | <b>25%</b>              | <b>0%</b>         |

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



Headwaters Fund 2018-19 1st Quarter Report

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Quarter ending: 09/30/2018

| FY 2017-18 CASH FLOW STATEMENT |                     |                        |                           |                     |                  |                  |                  |                     |           |                   |
|--------------------------------|---------------------|------------------------|---------------------------|---------------------|------------------|------------------|------------------|---------------------|-----------|-------------------|
| Fund Account Numbers:          | 3843                | 3844                   | 3846                      | 3847                | 3848             | 3848             | 3849             | 3852                |           |                   |
|                                | Revolving Loan Fund | Loan Loss Reserve Fund | Community Investment Fund | Liquidity Fund      | Grant Fund       | Mini Grant Fund  | Initiative Fund  | Endowment Fund      |           | TOTAL             |
| <b>6/30/2017</b>               |                     |                        |                           |                     |                  |                  |                  |                     |           |                   |
| Beginning Balance:             | \$ 1,667,482        | \$ 560,000             | \$ 1,799,395              | \$ 34,736           | \$ 70,577        | \$ 15,500        | \$ 79,939        | \$ 7,137,799        | \$        | 11,365,429        |
| <i>Transfers</i>               | (8,487)             | (2,288)                | (5,867)                   | 5,867               | 0                |                  | 8,487            |                     |           |                   |
|                                | 0                   |                        |                           | 803                 |                  |                  | 2,288            |                     |           |                   |
|                                | (73,393)            | 73,393                 | 0                         |                     | (20,000)         | 20,000           |                  |                     |           | 0                 |
|                                | 73,393              | (73,393)               |                           |                     | (803)            |                  |                  |                     |           |                   |
| Loan Principal Paid            |                     |                        |                           |                     |                  |                  |                  |                     |           |                   |
| AEDC                           | \$ 17,636           |                        |                           |                     |                  |                  |                  |                     | \$        | 17,636            |
| RREDC                          | \$ 18,797           |                        |                           |                     |                  |                  |                  |                     | \$        | 18,797            |
| CIF                            |                     |                        | \$ 145,423                |                     |                  |                  |                  |                     | \$        | 145,423           |
| Loan Interest Paid             |                     |                        |                           |                     |                  |                  |                  |                     |           | \$ 181,855        |
| AEDC                           | \$ 34,830           |                        |                           |                     |                  |                  |                  |                     | \$        | 34,830            |
| RREDC                          | \$ 39,006           |                        |                           |                     |                  |                  |                  |                     | \$        | 39,006            |
| CIF                            |                     |                        | \$ 4,578                  |                     |                  |                  |                  |                     | \$        | 4,578             |
| Account Interest               | \$ 8,487            | \$ 2,288               | \$ 5,867                  | \$ 168              | \$ 803           | \$ -             | \$ 327           | \$ 429              | \$        | 18,369            |
| Endowment Int (CDs)            |                     |                        |                           |                     |                  |                  |                  | \$ 25,453           | \$        | 25,453            |
| RLF & Initiative               |                     |                        |                           |                     |                  |                  |                  |                     | \$        | -                 |
| Liquidity & CIF                |                     |                        |                           |                     |                  |                  |                  |                     | \$        | -                 |
| Disbursements                  |                     |                        |                           | \$ (449)            |                  |                  |                  |                     |           |                   |
| Adjustments:                   |                     |                        |                           |                     |                  |                  |                  |                     |           |                   |
| Charge Offs                    | \$ (73,393)         |                        |                           |                     |                  |                  |                  |                     |           |                   |
| RLF: AEDC                      | \$ (125,000)        |                        |                           |                     |                  |                  |                  |                     | \$        | (125,000)         |
| RLF: RREDC                     | \$ (75,000)         |                        |                           |                     |                  |                  |                  |                     | \$        | (75,000)          |
| CIF & Initiative:              |                     |                        |                           |                     | \$ -             |                  |                  |                     | \$        | -                 |
| Grants                         |                     |                        | \$ -                      |                     |                  | \$ (4,500)       |                  |                     | \$        | (4,500)           |
| Operating                      | \$ (25,956)         |                        | \$ -                      | \$ (8,652)          | \$ -             |                  |                  |                     | \$        | (34,609)          |
| AEDC Fees                      | \$ (2,298)          |                        |                           |                     |                  |                  |                  |                     |           |                   |
| <b>Ending Balance:</b>         | <b>\$ 1,476,103</b> | <b>\$ 560,000</b>      | <b>\$ 1,949,395.35</b>    | <b>\$ 32,472.85</b> | <b>\$ 50,577</b> | <b>\$ 31,000</b> | <b>\$ 91,041</b> | <b>\$ 7,163,681</b> | <b>\$</b> | <b>11,430,411</b> |

|                        |            |
|------------------------|------------|
| Total Principal Repaid | \$ 181,855 |
| Total Interest Earned  | \$ 122,235 |

# DRAFT

## Headwaters Fund 2018-19 1st Quarter Report

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Quarter ending: 09/30/2018

| FY 2017-18 AR/AP SHEET |                        |                              |                                 |                  |                    |                    |                    |                     |                      |
|------------------------|------------------------|------------------------------|---------------------------------|------------------|--------------------|--------------------|--------------------|---------------------|----------------------|
|                        | 3843                   | 3844                         | 3846                            | 3847             | 3848               | 3848               | 3849               | 3852                |                      |
|                        | Revolving<br>Loan Fund | Loan Loss<br>Reserve<br>Fund | Community<br>Investment<br>Fund | Liquidity Fund   | Grant Fund         | Mini Grant<br>Fund | Initiative<br>Fund | Endowment<br>Fund   | TOTAL                |
| <b>ASSETS</b>          |                        |                              |                                 |                  |                    |                    |                    |                     |                      |
| Cash                   | \$ 1,549,496           | \$ 560,000                   | \$ 1,949,395                    | \$ 32,473        | \$ 50,577          | \$ 31,000          | \$ 91,041          | \$ 7,163,681        | \$ 11,427,663        |
| Receivables            |                        |                              |                                 |                  |                    |                    |                    |                     |                      |
| AEDC                   | \$ 2,902,808           |                              |                                 |                  |                    |                    |                    |                     | \$ 2,902,808         |
| RREDC                  | \$ 2,708,779           |                              |                                 |                  |                    |                    |                    |                     | \$ 2,708,779         |
| CIF                    |                        |                              | \$ 269,118                      |                  |                    |                    |                    |                     | \$ 269,118           |
|                        |                        |                              |                                 |                  |                    |                    |                    |                     | \$ -                 |
| <b>LIABILITIES</b>     |                        |                              |                                 |                  |                    |                    |                    |                     |                      |
| Grants                 |                        |                              | \$ (123,750)                    |                  | \$ (74,557)        | \$ (11,155)        | \$ (150,000)       |                     | \$ (359,462)         |
| Operating              |                        |                              |                                 |                  | \$ -               |                    |                    |                     | \$ -                 |
| <b>TOTAL</b>           | <b>\$ 7,161,083</b>    | <b>\$ 560,000</b>            | <b>\$ 2,094,764</b>             | <b>\$ 32,473</b> | <b>\$ (23,980)</b> | <b>\$ 19,845</b>   | <b>\$ (58,959)</b> | <b>\$ 7,163,681</b> | <b>\$ 16,948,907</b> |

PROPOSED SPENDING PLAN FOR HEADWATERS FUND FOR FISCAL YEAR 2019-2020

**REVENUE**

|  |                   |   |
|--|-------------------|---|
| Projected revenue based on first quarter of FY 2018-19 | \$ 103,866        | Interest Earnings 7/1/2018 thru 9/30/2018   |
| x4   | \$ 4              | Four Quarters per year  |
|  | <b>\$ 415,464</b> | Estimated   |
| County Pooled Investments                              | \$ 18,369         | Interest earned on funds on hand in all funds-does not include Endowment Interest |
| x1.1   | 10%               | Add 10% for higher returns on county pooled funds, now up to %1.48                |
|  | \$ 20,206         |   |
| x4   | \$ 4              | Four Quarters per year  |
|  | <b>\$ 80,824</b>  | Estimated   |
| Combined Totals  | \$ 415,464        |   |
|  | \$ 80,824         |   |
| <b>Total Estimated Reveue for FY 2019-20</b>           | <b>\$ 496,288</b> | Estimated   |

**EXPENDITURES**

|  |                   |   |
|--|-------------------|---|
| <b>Estimated interest to be earned in FY 2019-20</b> | <b>\$ 496,288</b> |   |
| Provsion for Loan Loss                               | \$ -              | None identified at this time  |
| Operating Budget                                     | \$ 139,383        | Adds Division Director (10%), Staff Training & allowance for Prof Svcs/Extra Help |
| Mini-Grants  | \$ 20,000         | Mini-grants   |
| Competitive Grants                                   | \$ 130,000        | Proposed additional funding for FY 18-19 grant round awards, or new for FY 19-20  |
| Decade of Difference                                 | \$ 150,000        | Year 10 of 10 year commitment   |
| Sub-total  | <b>\$ 439,383</b> |   |
| Contingency  | \$ 56,905         |   |
| <b>Unallocated</b>                                   | <b>\$ -</b>       |   |

April 15, 2019

Staff Recommendation for Processing and Reviewing Headwaters Fund Mini-Grant applications

- Staff receive applications, confirm receipt with applicant
- Staff reviews application, summarizes, and archives under the year received
  - Organization
  - Contact Information
  - Grant Purpose/Event Details
  - Amount Requested (flag any above \$1500)
  - Industrial Cluster/Segment
  - Time and date received
- Staff Evaluate applications within 2 weeks of receipt
  - Did Org receive grant in the past? How recent?
  - Does the project serve to further Economic Development in the opinion of staff?
  - Is the project likely to bring in funding/resources from outside of the county?
  - Is the program sustainable/self-funding in the future?
  - Events limited to once every 3-5 years depending upon staff evaluation of Economic Development impact
- Staff Recommendation
  - Based upon acceptance criteria flag as either staff recommend/not recommended
  - Executive Director contacts applicant with determination
- Follow up
  - Contact applicant with either award letter or letter of denial
  - Begin contracting process for awarded projects

| Organization                | Contact Person     | Contact Phone | Contact Email  | Amount Requested | Purpose   | Location | Date Received | Time   | Last Mini Grant |
|-----------------------------|--------------------|---------------|--|------------------|---|----------|---------------|--------|-----------------|
| English Express             | Mary Ann Hytken    | 707-443-5021  | <a href="mailto:maryannhytken@gmail.com">maryannhytken@gmail.com</a> | 8000             | To help met fund raising shortfall of 8,000 dollars to help fund continuing efforts of adult English language learning  | Eureka   | 2/4/2019      | 3:27pm |                 |
| Redwod Coast Music Festaval | Carol Lorentzen    | 707-445-3378  | <a href="mailto:admin@redwoodjazz.org">admin@redwoodjazz.org</a>     | 1500             | Funding to support shuttle transportation for music festivals   | Eureka   | 3/12/2019     |        |                 |
| Blue Ox historic Village    | Viviana hollenbeck | 707-444-3437  | <a href="mailto:blueoxvillage@gmail.com">blueoxvillage@gmail.com</a> | 1500             | Provide scholarships to ten students who would otherwise be unable to attend(in Headwaters name) carious classes include lather turning, lapidary arts, blacksmithing, bookbinding, and stained glass work. | Eureka   | 3/28/2019     |        |                 |
| Locally Delicious           | Edie Jessip        | 707-407-0047  | <a href="mailto:ediejessup@gmail.com">ediejessup@gmail.com</a>       | unspecified      | Food bank working with local farmers to supply them with forward cotracts/grants during the planting season in return for food later in the year  | Humboldt | 3/28/209      |        |                 |

|    | A   | B                 | C                  | D  | E                | F                  | G   | H            |
|----|---|-------------------|--------------------|--|------------------|--------------------|---|--------------|
|    | Organization  | Contact Person    | Contact Phone      | Contact Email  | Amount Requested | Total Project Cost | Purpose   | Location     |
| 1  | <b>Dream Quest</b>  | Trish oakes       | (530) 629-3564     | <a href="mailto:trish.oakes@dqwc.org">trish.oakes@dqwc.org</a>                             | \$ 15,000        | \$ 32,900          | Planning and feasibility study for Community Center, broadening services from youth to all ages.  | Willow Creek |
| 2  | <b>Eureka Street Art Festival</b>                               | Jennifer Catsos   | (206) 669-6474     | <a href="mailto:eurekastreetartfestival@gmail.com">eurekastreetartfestival@gmail.com</a>   | \$ 15,000        | \$ 65,580          | Help fund festival and add additional murals.   | Eureka       |
| 3  | <b>MaxMix</b>   | Claire McAdams    | 707.832.3181       | <a href="mailto:Claire.mcadams@sbcglobal.net">Claire.mcadams@sbcglobal.net</a>             | \$ 19,500        | \$ 39,000          | Pay for 50% of wages for one heavy equipment operator and 2 mill assistant to aid in MaxMix's efforts to process stumps, log butts, and slash. Aiding in fire risk reduction and profitability through redwood slab sales. All trainees to be draws from local veteren pool (through the Arcata LEgion Post 274). |              |
| 4  | <b>Humboldt Senior Resources Center, Inc.</b>                   | Janet Ruprecht    | 443-97 47 ext 1231 | <a href="mailto:jruprecht@humsenior.org">jruprecht@humsenior.org</a>                       | \$ 30,000        | \$ 133,562         | To help fund staff expansion before operational funding is received.  | Fortuna      |
| 5  | <b>North Coast SBRC</b>   | Natalynne DeLapp  | 707-599-6670       | <a href="mailto:natalynne@hcgga.com">natalynne@hcgga.com</a>                               | \$ 60,255        | \$ 101,955         | Build a program offring SBDC like services to the alternative agricultr field.  | Humboldt     |
| 6  | <b>Redwoods Rural Health Center, Inc.</b>                       | Terri Klestson    | 707-923-2783       | <a href="mailto:terrik@hrrc.org">terrik@hrrc.org</a>                                       | \$ 65,000        | \$ 1,904,990       | Helping fund expansion of RRHC to expand services to potentially 2000 additional patients.  | Redway       |
| 7  | <b>Humboldt Bay Harbor Recreation and Conservation District</b> | George Williamson | 707-825-8260       | <a href="mailto:districtplanner@humboldtba.org">districtplanner@humboldtba.org</a>         | \$ 65,000        | \$ 250,000         | Redwood Marine Terminal I (RMT I)- Multi-Purpose Berth Redevelopment to accommodate the Redwood Coast Offshore Wind Project.  | Samoa Penn.  |
| 8  | <b>International Cannabis Farmers Association (ICFA)</b>        | Hollie Hall       | 707-402-4870       | <a href="mailto:hollie@icfa.com">hollie@icfa.com</a>                                       | \$ 30,080        | \$ 60,160          | Research project to collect enviromental and geographic data to infor the development of Cannabis Appelations of Origin.  | Humboldt     |
| 9  | <b>Humboldt County Fair Association</b>                         | Richard T. Conway | 707-786-9511       | <a href="mailto:humcofairaccounts@frontier.net.net">humcofairaccounts@frontier.net.net</a> | \$ 54,123        | \$ 108,246         | To assits in funding the updateing of facilities to meet ADA compliance providing inclusive access and modernizing phones, PA and Wi-Fi to help facilitate support/business services.   | Ferndale     |
| 10 | <b>Redwood Coast Energy Authority</b>                           | Lori Biondini     | 707-269-1700 x316  | <a href="mailto:lbiondini@redwoodenergy.org">lbiondini@redwoodenergy.org</a>               | \$ 26,000        | \$ 55,851          | Host a CivicSpark fellow fro the 2019-2020 service year to work on planning for offshore wind energy development.   | Eureka       |
| 11 |   |                   |                    |  |                  |                    |   |              |

FY 2018-19 Headwaters Fund  
Competitive Grant Program

|    | I                               | J                   | K                     | L            | M                    | N             | O               | P  | Q             | R              | S          | T             | U       |
|----|---------------------------------|---------------------|-----------------------|--------------|----------------------|---------------|-----------------|--|---------------|----------------|------------|---------------|---------|
|    | Type of Project                 | Total Project Match | Total % Project Match | Cash Match   | % Project Cash Match | Match In Kind | % Match In Kind | Target Cluster/Industry  | # FTE Created | # FTE Retained | Total FTEs | Date Received | Time    |
| 1  | Planning                        | \$ 17,900           | 54.4%                 | \$ 6,400     | 19.5%                | \$ 11,500     | 35.0%           | Management and Innovation Services; Tourism; Arts and Culture, Alternative Agriculture.                              | 1             | 0              | 1          | 3/26/2019     | 1:41pm  |
| 2  | Implementation                  | \$ 50,580           | 77.1%                 | \$ 39,750    | 60.6%                | \$ 5,950      | 9.1%            | Tourism; Arts and Culture.   | 3             | 0              | 3          | 3/15/2019     | 1:19pm  |
| 3  | Implementation                  | \$ 19,500           | 50.0%                 | \$ 19,500    | 50.0%                | \$ -          | 0.0%            | Niche Manufacturing; Forest Products.  | 1.67          | N/a            | 1.67       | 3/20/2019     | 1:12pm  |
| 4  | Implementation                  | \$ 103,562          | 77.5%                 | \$ 90,822    | 68.0%                | \$ -          | ?               | Diversified Healthcare.  | 20            | n/a            | 20         | 3/28/2019     | 3:03pm  |
| 5  | Planning - Technical Assistance | \$ 41,700           | 40.9%                 | \$ 38,000    | 37.3%                | \$ 3,700      | 3.6%            | Specialty Food/Bev/Flowers, Niche Manufacturing, Alternative Agriculture.  | 22            | 200            | 222        | 3/28/2019     | 3:13pm  |
| 6  | Implementation                  | \$ 1,839,990        | 96.6%                 | \$ 1,839,990 | 96.6%                | \$ -          | 0.0%            | Diversified health Care.   | 9.4           |                | 9.4        |               |         |
| 7  | Plannning                       | \$ 185,000          | 74.0%                 | \$ 30,000    | 12.0%                | \$ 155,000    | 62.0%           | Building & Sytems Construction; management and Innovation; Niche manufacturing.                                      | 40            |                | 40         | 3/29/2019     | 8:41am  |
| 8  | Implementation                  | \$ 30,080           | 50.0%                 | \$ 30,080    | 50.0%                | \$ -          | 0.0%            | Building and Systems Construction; Management and Innovation; Niche Manufacturing; Tourism; Alternative Agriculture. | 0             | 0              | 0          | 3/30/2019     | 12:01am |
| 9  | Implementation                  | \$ 54,123           | 50.0%                 | \$ 54,123    | 50%                  | \$ -          | 0.0%            | Tourism; Arts and Culture.   | 1             | 1              | 2          | 3/29/2019     | 7:40pm  |
| 10 | Planning                        | \$ 29,851           | 53.4%                 | \$ 14,659    | 26%                  | \$ 15,192     | 27.2%           | Building and Systems Construction.   | 0             | 1              | 1          | 3/29/2019     | 6:59pm  |
| 11 |                                 |                     |                       |              |                      |               |                 |  |               |                |            |               |         |