



## Headwaters Fund Board (HWFB) Meeting Agenda February 11, 2025 – 2:00pm 507 F Street, Eureka CA

*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.*

Members Present: Elizabeth Cameron, Michael Fields, Walt Giest, Carl Hansen, Rusty Hicks

Staff: Ryan Heitz

### Agenda

1. Opening
  - a. Public comment on non-agenda items.
    - No public comment on non-agenda items
  - b. Board member recusals, conflicts, report on meetings attended, engagements, or activities which relate to (or inform) Headwaters activity.
    - Chair Cameron reported on her attendance to an even with the Great Eureka Chamber of Commerce
2. Approval of Minutes for December 10, 2024 (Attachment 1).
  - a. Discussion
    - No Discussion
  - b. Public Comment
    - Public comment period provided non received.
  - c. Action - Motion by Shields to approve the Minutes for December 10, 2024. Seconded by Geist. Motion carried unanimously.
3. HWFB Ad Hoc report out on updates to the charter.
  - a. Discussion
    - Staff provided brief updates. Ad Hoc Committee met on December 10, 2024, and February 6, 2025. Major issues raised: (1) HWF mission/vision, (2) return on investment, and (3) ongoing administrative

costs. Chair Cameron recommended the Ad Hoc Committee provide a proposed timeline for future actions at the next HWFB Meeting.

- b. Public Comment –
    - Public comment period provided non received.
  - c. Action
    - No Action Taken
4. HWFB to receive presentations from North Edge providing Semi Annual Reports from 7/1 to 12/31 and discuss pipeline for new loans and issues with existing loans (Attachment 2).
- a. Discussion
    - Report provided by Michael Machado of North Edge. While monitoring the current economic climate, generally positive on current lending portfolio. No current need to revisit lending caps. Geist requested timely updates on potential future economic instability impacting HWF.
  - b. Public Comment
    - Public comment period provided non received.
  - c. Action
    - Motion by Carl Hansen, second by Michael Fields to approve the North Edge Semi-Annual Report for 7/1-12/31. Motion carried unanimously.
5. HWFB to receive presentation from North Edge on Singing Trees Loan and to recommend that the BOS direct the Auditor Controller to write the loan off as uncollectable (Attachment 3).
- a. Discussion
    - Report provided by Michael Machado of North Edge on likely need for recommendation to BOS to write off portion of loan to Singing Trees. HWFB inquired as to the potential for recovery and encouraged the preparation of the history, context, and accounting practices associated with the loan.
  - b. Public Comment
    - Public comment period provided non received.
  - c. Action
    - Motion by Walter Geist second by Carl Hansen to (1) delay formal action on Singing Trees loan until next HWFB Meeting and (2) the preparation of a comprehensive summary of the history, accounting practices and recovery of HWF loan programs. Motion carried unanimously.
6. HWFB to receive presentations from Redwood Region Economic Development Commission (RREDC) providing Semi Annual Reports from 7/1 to 12/31 and discuss pipeline for new loans and issues with existing loans (Attachment 4).
- a. Discussion

- Report provided by Gregg Foster of RREDC. While monitoring the current economic climate, generally positive on current lending portfolio. Two loans in current default but expected to be collected. No current ties to federal funding. No current need to revisit lending caps.
  - b. Public Comment
    - Public comment period provided non received.
  - c. Action
    - Motion by Michael Fields, second by Rusty Hicks to approve the North Edge Semi-Annual Report for 7/1-12/31. Motion carried unanimously.
7. HWFB to receive presentation from Humboldt County Economic Development mini grant request to support a Foreign Direct Investment event the division is hosting (Attachment 5).
- a. Discussion
    - Staff presents specifics of Power CA event (May 5-8, 2025), partnership with U.S. Department of Commerce, and potential impact to Humboldt and North Coast. Grant to cover majority of venue and audio/visual costs.
  - b. Public Comment
    - Public comment period provided non received.
  - c. Action
    - Motion by Walter Geist, second by Elizabeth Cameron to approve mini grant of \$5,000 for Power CA 2025. Motion carried unanimously.
8. HWFB to determine framework for hearing presentations from grant applicants and determine special meeting date, time, location for presentations.
- a. Discussion
    - Discussion related to various aspects of application process.
  - b. Public Comment
    - Comments from the public regarding the challenges of application submission and learning of the availability of HWF application process via CERT.
  - c. Action #1
    - Motion by Elizabeth Cameron, second by Michael Fields for a HWFB Special Meeting on March 11, 2025, at 2pm-5pm for applicant presentations. Motion carried unanimously.
  - d. Action #2
    - Motion by Michael Fields, second by Carl Hansen to approve the following:
      1. By February 25, 2025, all HWFB Members will provide both rubric assessment and applicant-specific questions to HWFB Staff.
      2. Elizabeth Cameron, Walter Grey and Staff will review Members rubric assessment and applicant-specific questions and will take

steps necessary to prepare the March 11, 2025 HWFB Special Meeting agenda - with no more than 10 applicant presentations. Motion carried unanimously.

9. HWFB to perform initial review of competitive grant round applications and determine which applications to set up a presentation date and time for March special meeting (Attachment 6).
  - a. Discussion –
    - Per Agenda Item #8, this discussion was delayed until the March 11, 2025, HWFB Special Meeting agenda.
  - b. Public Comment
    - Public comment period provided non received.
  - c. Action
    - No additional action taken.
  
10. Discussion of future agenda items.
  - a. Discussion –
    - Future meetings to include the following: (1) HWF loan write off practices, (2) HWF spending plans, (3) replacement of Carl Hansen on WIOA Board and (4) Ad Hoc Report.
  - b. Public Comment
    - Public comment period provided non received.