

Headwaters Fund Board Meeting Minutes
February 7th, 2020 – 9:00 a.m.- 4:00 p.m.
Holiday Inn Express, Eureka

MEMBERS PRESENT: Elizabeth Cameron, Jenna Catsos, Carl Hansen, Dianna Rios, Bruce Rupp, Greg Seiler, Chuck Ellsworth

MEMBERS ABSENT: N/A

OTHERS PRESENT: Ryan Heitz, Kenny Spain, Catherine Carter, Gregg Foster, Darcy Miller, Jeffery Lindsey, Joe Davis, Merwin Clark, Ryan Scott, Jamie Matty, Heidi Benzonelli, Mark Weller, Logan White, Bill Evans, Steve Brown, Leona Sousa, Larissa Krause, Jennifer Brown, Larry Oetker, Stephen Kullmann, Jeff Hunerlach, Julie Fulkerson, Larry Henderson, Cassandra Hesseltine, Nate Adams, Aowyn Crailhardt, Olivia Obidah, Susan Ornelas, Mandy Mager, Adelene Jones, Marvin Samuels

Item #	Action	Pass/Fail
1	Approve 01-14-2020 meeting minutes with modification	Pass
2	Review and Approve RREDC Quarterly Report	Pass
3	Review and Approve AEDC Quarterly Report	Pass
4	Recommend to the BOS that Dianna Rios be reappointed to the HWFB	Pass
5	Review and vote on slate for Chair/Vice-Chair as presented by Nominating Committee	Pass
6	Review and vote on Playhouse Arcata Mini Grant	Pass
7	Hoopa Valley Tribe Competitive Grant Application Presentation	Pass
8	Westside Community Improvement Association Competitive Grant Application Presentation	Pass
9	Humboldt NeuroHealth Therapeutic Services Competitive Grant Application Presentation	Pass
10	Humboldt Bay Harbor, Recreation and Conservation District Competitive Grant Application Presentation	Pass
11	Redwood Region Entertainment and Education Liaisons Competitive Grant Application Presentation	Pass
12	City of Blue Lake Competitive Grant Application Presentation	Pass

1. Opening

Chair Carl Hansen called the meeting to order at 9:04 am. A quorum was present.

a. Approval of January 14th, 2020 Minutes

It was moved by Dianna Rios and seconded by Jenna Catsos to approve the January 14th, 2020 meeting minutes. The chair called for public comment – none received. The motion carried unanimously.

b. Reporting on Meetings Attended

Carl Hansen and Jenna Catsos attended the SBDC grand opening.

Gregg Seiler attended the Leadership 2020 training with the Eureka Chamber of Commerce and expressed his appreciation for the project.

1. Review and Approve RREDC Quarterly Report

Gregg Foster presented the RREDC quarterly report and thanked the Board of Supervisors for approving the Grant Terminal Survey. Gregg explained some losses on the report for January but said there are several funding opportunities in the future. Also, Gregg noted the large payoff of one loan and explained RREDC's goals as a loan agency. It was moved by Greg Seiler and seconded by Elizabeth Cameron to approve the RREDC quarterly report. The chair called for public comment – none received. Motion carried unanimously.

2. Review and Approve AEDC Quarterly Report

Jayne Lovig presented the AEDC quarterly report and announced that there were no delinquencies. She explained there were not many new loans in the first quarter, but there is an overall uptick in the business cashflow. Greg Seiler questioned the decrease in the period-end loan balance and Jayne explained it was due to loan payoffs. It was moved by Greg Seiler and seconded by Bruce Rupp to approve the AEDC quarterly report. The chair called for public comment – none received. Motion carried unanimously.

3. Recommend to the BOS that Dianna Rios be reappointed to the HWFB

It was moved by Gregg Seiler and seconded by Chuck Ellsworth to reappointed Dianna Rios to the HWFB. The chair called for public comment – none received. Motion carried unanimously.

4. Review and vote on slate for Chair/Vice-Chair as presented by Nominating Committee

The nominating committee met and nominated Bruce Rupp, for chair, and Elizabeth Cameron, for vice-chair, of the HWFB. It was moved by Chuck Ellsworth and seconded by Greg Seiler to approve the nominations. The chair called for public comment – none received. Motion carried unanimously.

5. Review and vote on Playhouse Arcata Mini Grant

Kenny Spain explained why the Playhouse Arcata proposal was not included in the competitive grant round. The board discussed potential allocations of grant funding and Greg Seiler asked that Playhouse Arcata provide more deliverables to help with a better general understanding of the project. It was moved by Jenna Catsos and seconded by Dianna Rios to ask for a more comprehensive proposal for review. The chair called for public comment – none received. Motion carried unanimously.

6. Hoopa Valley Tribe Competitive Grant Application Presentation and Q/A by the HWF Board

The board asked questions about the budget, the Hoopa Valley Mill's competitive advantage, and how this money will not only help the Hoopa Valley Tribe, but all of Humboldt County. Greg Seiler also asked why the chose to apply for a grant, instead of a loan.

The representatives of the Hoopa Valley Tribe explained where the money will be allocated, mainly infrastructure, and how the Hoopa Valley Mill will differentiate itself from other companies already producing timber in the area. They hope to expand their production beyond the Hoopa Valley and Humboldt County. The tribe does not want to take on any additional debt at this time, so they chose to apply for a grant, rather than a loan. They also expressed that they would be willing to take partial funding, if they were not granted their entire requested amount.

It was moved by Dianna Rios and seconded by Bruce Rupp to move the Hoopa Valley Tribe grant application forward to the next round. The chair called for public comment – none received. Motion carried unanimously.

7. Westside Community Improvement Association Competitive Grant Application Presentation and Q/A by the HWF Board

There was a short video presentation outlining the mission of the J-Café. The representatives explained that this program is an extension of the Jefferson Project and their goal is to expand community involvement and offer job skills to those in need of employment. The funding will be used mainly for building materials to build the café. The labor for the J-Café is paid through the Prison to Employment grant. Jenna Catsos asked about the timeline for the renovation of the café. The representatives explained that they are ready to start building in April or May of this year. They also stated that they would be willing to take partial funding, if they were not granted their entire requested amount.

It was moved by Greg Seiler and seconded by Bruce Rupp to move the Westside Community Improvement Association grant application forward to the next round. The chair called for public comment – none received. Motion carried unanimously.

8. Humboldt NeuroHealth Therapeutic Services Competitive Grant Application Presentation and Q/A by the HWF Board

The representatives for Humboldt NeuroHealth Therapeutic Services gave a short slideshow presentation showing the mission of Humboldt NeuroHealth.

The board had questions about Humboldt NeuroHealth's target population, the number of people they serve, how rapidly they are expanding, and the timeline for

growth if they are not offered the funding. The representatives explained that the target population is very broad. They serve youth, veterans, people of low income, and various other populations. They said they want to expand in order to meet the increasing need of their services in Humboldt County. They want more office space to support more clinicians and offer training. They said they would be willing to take partial funding, if they were not granted their entire requested amount.

It was moved by Dianna Rios and seconded by Bruce Rupp to move the Humboldt NeuroHealth Therapeutic Services grant application forward to the next round. The chair called for public comment – none received. Motion carried unanimously.

9. Humboldt Bay Harbor, Recreation and Conservation District Competitive Grant Application Presentation and Q/A by the HWF Board

There was a short slideshow presentation about the development and timeline of the project. The board had questions about the viability of the project and wanted clarification about what the grant money would be used for. The representatives explained that the goal of this project is to reestablish Humboldt Bay's economy, industry, and infrastructure. They are asking for \$65,000 a year, for three years, totaling \$195,000. They are also willing to take partial funding, if the full amount cannot be granted.

The board had additional questions about potential opposition to the project and the likelihood of this project being successful. The representative explained that they are in the RFP process and there is a large amount of outside interest in the project. He explained that the Navy protested two other areas but approved the Humboldt Bay. The Bureau of Ocean Energy Management will segregate Humboldt Bay and is looking to release it in 2021. The representative expressed the importance of maximizing economic benefits of this development for the community and the need to develop the port.

The chair asked for public comment – the first comment came from Larry, chairman of the Harbor Working Group, explaining that they are not necessarily in support of the overall project, but they support the utilization of the harbor for jobs. He also explained the troubles with community support and the permitting procedures surrounding these projects. The second comment came from Jeff, with the operating engineers, expressing support for the project. The last comment came from Stephen, president of the Harbor Commission Board, explaining that there is industry and community interest for projects like this.

It was moved by Bruce Rupp and seconded by Chuck Ellsworth to move the Humboldt Bay Harbor, Recreation and Conservation District grant application forward to the next round. The motion carried unanimously.

10. Redwood Region Entertainment and Education Liaisons Competitive Grant Application Presentation and Q/A by the HWF Board

The Humboldt-Del Norte Film Commission is asking for funding in order to put on the FAM Tour 2020. The last FAM Tour was six years ago, and Headwaters provided funding for that tour. The representative from the Film Commission explained the importance of marketing Humboldt County as a filming location and the economic benefits of having film crews being in the area. They are looking to bring location scouts to Humboldt County in September or October.

The board had questions about the salaries listed on the budget and the use of a charter plane. The representative explained that the salaries include the whole process, which is several months. She also explained that a charter plane is used because the costs of the plane are more predictable, and it could potentially be more cost effective. They are willing to take partial funding, if the full amount cannot be granted.

The chair asked for public comment – the first comment came from Julie, expressing appreciation for the project. The other comment came from Gregg, explaining the long-term benefits of the FAM Tour. It was moved by Chuck Ellsworth and seconded by Jenna Catsos to move the Redwood Region Entertainment and Education Liaisons grant application forward to the next round. The motion carried unanimously.

11. City of Blue Lake Competitive Grant Application Presentation and Q/A by the HWF Board

There was a short video showcasing the community interest in developing Blue Lake's town square. The board had questions about the timeline of the project and asked what community services could also potentially fund the project.

The representative explained that the project will get started as soon as possible and they are looking to begin some of the easier developments first. She also explained Blue Lake's history of community involvement and volunteering, so parts of the town square will be developed using volunteers.

The board had additional questions about when the sale of the property will officially close and the permitting process. The representative explained that they are in escrow and the permitting process should be quick, because there are no real problems with the property. They are willing to take partial funding, if the full amount cannot be granted.

The chair asked for public comment – there was a comment from a member of the Old Crows reiterating the continued involvement of Blue Lake's residents and the community support for the project.

It was moved by Dianna Rios and seconded by Bruce Rupp to move the City of Blue Lake Competitive grant application forward to the next round. The motion carried unanimously.

12. Staff and Board Updates

Ryan Heitz explained the scoring process and the due date for the scores. It was decided that the meeting to determine how the grant funds will be allocated would be moved to an earlier date. It was proposed that the meeting be moved from March 10th, 2020 to February 21st, 2020.

It was moved by Bruce Rupp and seconded by Jenna Catsos to move the meeting to February 21st, 2020 from 12:00 pm – 3:00 pm. The chair called for public comment – none received. Motion carried unanimously.

13. Adjourn

Chair Hansen adjourned the meeting at 3:45 p.m.

Next Meeting: February 21st, 2020 – 12:00-3:00 pm