

**Headwaters Fund Board Meeting Minutes
February 19, 2018 – 12:15-2:45 p.m.
Prosperity Center, 520 E Street, Eureka**

MEMBERS PRESENT: Elizabeth Cameron, Chuck Ellsworth, Carl Hansen, Bruce Rupp, Greg Seiler

MEMBERS ABSENT: Dianna Rios, Buzz Webb

OTHERS PRESENT: Scott Adair, Kent Sawatzky, Virginia Fisher, Jayne Lovig, Alanna Powell, Kenny Spain, Debbie Damiano

Item #	Action	Pass/Fail
1	Approve January 8, 2019 minutes as written	Pass
2	Appoint C. Hansen Chair for April 1, 2019 - March 31, 2020 term	Pass
2	Appoint B. Rupp Vice- Chair for April 1, 2019 - March 31, 2020 term	Pass
3	Accept RREDC Loan Report	Pass
4	Accept AEDC Loan Report	Pass
5	Approve \$5,000 mini-grant to Humboldt Made	Pass

1. Opening

Chair Chuck Ellsworth called the meeting to order at 12:15p.m. A quorum was present. Introductions were made around the room.

It was moved by Carl Hansen and seconded by Bruce Rupp to approve the January 8, 2019 minutes as written. Chair called for public comment – none received. Motion carried unanimously.

Chair called for public comment on non-agenda items. The following comments were made:

- Kent Sawatzky provided a handout to members (Attachment 1) and offered his opinion of the mariculture pre-permitting project. He is requesting the Board consider adding this topic on a future agenda.

Chair requests staff put this project on the April agenda for review and analysis of objectives.

Members reported out on meetings attended as follows:

- Several members attended the Decade of Difference conference where HCOE presented an overview of their achievements to date and held a discussion how the program may be sustained beyond the ten-year period.

- Several members attended the Prosperity Network Forum hosted by Humboldt County Economic Development.

2. Nominating Committee Slate of Candidates for Board Chair and Vice-Chair

The nomination committee was comprised of Chuck Ellsworth and Dianna Rios. They are recommending that Carl Hansen be appointed Chair and Bruce Rupp be appointed Vice-Chair for the April 1, 2019 through March 31, 2020 term.

It was moved by Greg Seiler and seconded by Elizabeth Cameron to appoint Carl Hansen as Chair for the April 1, 2019 through March 31, 2020 time period. Chair called for public comment – none received. Motion carried with Carl Hansen abstaining.

It was moved by Greg Seiler and seconded by Elizabeth Cameron to appoint Bruce Rupp as Vice-Chair for the April 1, 2019 through March 31, 2020 time period. Chair called for public comment – none received. Motion carried unanimously.

3. Redwood Region Economic Development Commission (RREDC) Loan Portfolio Report

Virginia Fisher was present and reported the following:

- One loan is being restructured; they will be receiving similar payments to what is currently being received.
- One loan has a building being sold and it is in escrow.
- One loan is being refinanced; the borrower had attempted to shift to a traditional bank loan but was unable to secure one.
- All other loans are performing well.

It was moved by Bruce Rupp and seconded by Carl Hansen to accept the loan report. Chair called for public comment – none received. Motion carried unanimously.

4. Arcata Economic Development Corporation (AEDC) Loan Portfolio Report

Jayne Lovig was present and reported the following:

- One of their larger loans paid off last week.
- Two other loans should be drawing down funds soon.
- The loan that is consistently delinquent is still status quo.
- They will have the capacity to take on more loans now that the large loan paid off.

It was requested by the board that the formulas in their report be reviewed to see if loan losses are included on the HWF Loan Portfolio section. Jayne will review the forms.

It was also suggested one or two board members work with staff to review the reports. After discussion, it was decided Bruce Rupp, Carl Hansen, and Elizabeth Cameron

would work with staff and lenders to hold a training for all members. Staff will come up with options for the board and bring those to the next meeting.

It was moved by Bruce Rupp and seconded by Carl Hansen to accept the loan report. Chair called for public comment – none received. Motion carried unanimously.

5. Humboldt Made Mini-Grant Application

Alanna Powell was present to discuss her request for \$5,000. They will be attending the Natural Products Expo West in Anaheim March 5-9, 2019. They have the largest space to date at this show, and in addition to the 14 smaller booths, Humboldt Made will also have a gift booth with 7 major participants and handing out Humboldt Made catalogs (see Attachment 2).

A question was raised about sustainability and why this request should be funded more than once. Alanna explained they had to have their plan in and secure their space a year prior to the event, and since then three businesses have pulled out. Had the businesses not pulled out, Humboldt Made would have been able to fully fund the trip.

It was moved by Bruce Rupp and seconded by Elizabeth Cameron to grant \$5,000 to Humboldt Made. Chair called for public comment – none received. Motion carried unanimously.

6. Board Discussion and Direction to Staff Regarding Ethics Training

Kenny Spain had added this item to the agenda but was unable to attend the meeting. Staff will provide a list of trainings required for board members at the February meeting. It was mentioned that Brown Act training would be helpful.

7. Staff and Board Updates

Scott Adair reported he is working on budgeting for and hiring new staff. He is requesting the board advise him on their staff needs, including function, duties, and roles. It was the consensus of the board to extend a regularly scheduled meeting to include a working session to develop staffing needs. This should preferably occur after the grants have been awarded for the current grant round. In the meantime, the board is requesting staff put a schedule together for the current grant round, staffing, visioning, and spending plan and get it out to members soon so dates can be pinned down.

8. Adjourn

Chair Ellsworth adjourned the meeting at 2:24p.m.

Next Meeting: March 12, 2019