



**Headwaters Fund Board (HWFB) Meeting Minutes
March 14th 2023 – 1:30pm
825 5th St, Eureka, CA 95501
Conference Room B**

*Public Attendance also available through Zoom

Board in Attendance: Jenna Catsos (Chair), Tammy Brown, Brian Papstein, Walt Geist, Carl Hansen (Participating remotely), Michael Fields (Participating Remotely)

Staff in Attendance: Scott Adair, Ryan Heitz, Shenaz Duarte & Tanner Etherton

1. Opening
 - a. Approval of minutes from November 29, 2022 - (Attachment 1)
 - Minutes approved with board- suggested edits as moved by Board member Geist and seconded by Board member Papstein.
 - Motion passed unanimously.
 - b. Public comment on non-agenda items
 - No public comment.
 - c. Report out on meetings attended.
 - Tammy Brown, Walt Geist, and Michael Fields reported out.

2. HWFB to receive Redwood Region Economic Development Commission (RREDC) Quarterly Report for the second quarter of fiscal year 2022-23 from the RREDC Executive Director– (Attachment 2)
 - a. Discussion
 - RREDEC Director Gregg Foster reported out on quarterly report for the second quarter of fiscal year 2022-2023 and discussed current conditions with board members.
 - b. Public Comment
 - No public comment.

1. Action
 - Board member Papstein moved to approve the RREDC Quarterly Report. Motion was seconded by Board member Geist.
 - Motion passed unanimously.

3. HWFB to recommend to the Board of Supervisors (BOS) that Arcata Economic Development Corporation (AEDC) be authorized to include Headwaters Fund participation

in a loan to support the purchase of the Salyer Store under the “Extraordinary Project Criteria” – (Attachment 3)

- a. Discussion
 - AEDC presented loan proposal for Salyer Store and discussed with the board the implications of making this loan under extraordinary project criteria. Board members discussed the importance of the Salyer to the local community and economy and why it would be important to support this loan.
 - b. Public Comment
 - No public comment.
 - c. Action
 - Board member Papstein moved to recommended action to approve the Salyer Store loan under the Extraordinary Project criteria and authorize staff to execute participation agreement contingent on BOS approval. Motion was seconded by Board Member Brown.
 - Motion passed unanimously.
4. HWFB to nominate and elect officers for the period of 4/1/23 through 3/31/24.
- a. Discussion
 - Board members considered who to elect position of Chair and Vice Chair for the period of 4/1/2023 – 3/31/2024.
 - b. Public Comment
 - No public comment.
 - c. Action
 - Board member Brown moved to elect Michael Fields as Chair and Walt Geist as Vice Chair. Motion was seconded by Board Member Papstein.
 - Motion passed unanimously.
5. HWFB Staff to report out on County Counsel’s findings regarding administrative expenditure allowance.
- a. Discussion
 - Staff’s recommendation, based on County Counsel’s findings, is that the HWF cannot fund its own activities.
 - b. Public Comment
 - No public comment.
6. HWFB to discuss HWFB Ad Hoc Meeting on 3/1/23 in relation to work to improve program efficacy and revise program documents.
- a. Discussion
 - Ad Hoc Committee members, Hansen and Catsos. reported out on meeting from 3/1/2023. Board member Hansen expressed the need for collaboration with other departments involved with the HWF. Board Member Catsos expressed the need to address all issues regarding the

efficacy of the fund, and that these items will be discussed at future meetings.

- b. Public Comment
 - No public comment.

7. HWFB to direct staff to engage with the county's contracted consultant, Clifton Larson Allen LLP (CLA) to perform a reconciliation of HWF fund balance in order to bring accounting current.
 - a. Discussion
 - Board members discussed the need and implications of contracting with a consultant for reconciliation of HWF balance.
 - b. Public Comment
 - Public stated best practices for reconciliation, and the benefit of setting base year.
 - c. Action
 - Board member Geist motioned to authorize HWFB staff to engage in contracting with CLA, or suitable alternative, for reconciliation work for related the HWFB and direct staff to return with final agreement for ratification.
 - Motion was seconded by Board Member Papstein.
 - Motion passed unanimously.

8. HWFB to discuss interest apportionments and Fiscal Year 2023-24 Budget recommendation to the BOS.
 - a. Discussion
 - Board members discussed staff's recommendation of staff to limit the fiscal year budget to minimum operations around grant and loan programs.
 - b. Public Comment
 - No public comment.
 - c. Action
 - Board Member Papstein motioned to direct staff to complete budget, limiting expenses to mini grants and loan support as the finances are brought current.
 - Motion was seconded Board member Geist.
 - Motion passed unanimously.

9. HWFB to discuss adopting a Code of Conduct at the recommendation of the Clerk of the Board – (Attachment 4)
 - a. Discussion
 - Board members discussed the new Code of Conduct which the Clerk of the Board is recommending all Boards and Committees under the BOS adopt.
 - b. Public Comment
 - No Public comment
 - c. Action

- Board Member Papstein motioned to authorize the Chair and Vice Chair to draft a code of conduct for the HWFB to review and adopt at a future meeting.
- Motion was seconded by Board member Brown.
- Motion passed unanimously.

10. Staff and Board updates

a. Discussion

- Board acknowledged new staff.
- Board members expressed importance of getting the fund back to its original purpose of investing in the community, while also considering long-term durability.

b. Public Comment

- No public comment.

11. Meeting Adjourned.

Next Meeting: April 11, 2023