

**Headwaters Fund Board Meeting Minutes  
September 10, 2019 – 12:15 p.m.-2:45 p.m.  
Prosperity Center, 520 E Street, Eureka**

**MEMBERS PRESENT:** Elizabeth Cameron, Carl Hansen (via conference call), Jenna Catsos, Chuck Ellsworth, Dianna Rios, Greg Seiler

**MEMBERS ABSENT:** Bruce Rupp

**OTHERS PRESENT:** Gregg Foster, Scott Adair, Kenny Spain, Ryan Heitz, Debbie Damiano

Item #	Action	Pass/Fail
1a	Approve 08-12-19 meeting minutes	Pass
1b	Approve 08-13-19 meeting minutes	Pass
2	Approve meeting schedule	Fail
2	Approve meeting schedule	Pass
3	Approve updated CIF and Grant manuals	Pass
4	Approve scoring rubric for competitive grants	Pass
5	Accept RREDC quarterly report	Pass

**1. Opening**

As Chair Carl Hansen was participating via conference call, he requested that Chuck Ellsworth act in the capacity as chair. The meeting was called to order at 12:16 p.m. A quorum was present. Introductions were made around the room.

a. Approval of August 12, 2019 Special Meeting Minutes  
It was moved by Carl Hansen and seconded by Elizabeth Cameron to approve the August 12, 2019 minutes as written. Chair called for public comment – none received. Motion carried, with Jenna Catsos abstaining.

b. Approval of August 13, 2019 Regular Meeting Minutes  
It was moved by Carl Hansen and seconded by Greg Seiler to approve the August 13, 2019 minutes as written. Chair called for public comment – none received. Motion carried with Jennifer Catsos and Dianna Rios abstaining.

Elizabeth Cameron requested in the future the identify of borrower’s in the quarterly Revolving Loan Fund reports be withheld for purposes of discretion. She further requested staff check the reports to make sure the percentage of loan loss is reflecting recovery.

c. Public Comment on Non-Agenda Items  
There were no public comments.

d. **Report on Meetings Attended**

Elizabeth Cameron reported she and Jenna Catsos have met to begin discussing what information should be provided to the board when a grant closes.

Chuck Ellsworth reported he has attended chamber and harbor working group meetings.

**2. Review and Approve FY 19/20 Meeting Schedule**

It was moved by Greg Seiler to approve the schedule as presented. No second, motion failed.

It was suggested the meeting time be changed to either an earlier or later time so it doesn't fall in the middle of the day. It was moved by Elizabeth Cameron and seconded by Dianna Rios to change the meeting time to 1:30-4:00 p.m.; no changes were made to the proposed meeting dates. Chair called for public comment – none received. Motion carried unanimously.

**3. Review and Approve Updated CIF and Grant Manuals**

Staff provided the revised manuals for review. Elizabeth Cameron stated the language doesn't match exactly between the two manuals. Staff explained some of the changes were recommended by counsel after the board had made their edits.

It was moved by Greg Seiler and seconded by Elizabeth Cameron to adopt the proposed changes to the Headwaters Fund Grant Manual in Sections 5b, 6, 7a, and 7b. The proposed changes to the Grant Manual in Sections 6 and 7a will be duplicated in Sections 10 and 11a of the Community Investment Fund Manual. Chair called for public comment – none received. Motion carried unanimously.

**4. Review and Approve Scoring Rubric for Competitive Grants**

Staff provided the revised document for review. Elizabeth Cameron commented that the descriptions haven't been changed. Staff explained only the scoring rubric portion of the document has been modified and requested members send their comments regarding suggested changes to the descriptions be emailed to staff. It was moved by Greg Seiler and seconded by Carl Hansen to approve the changes to the scoring rubric as presented. Chair called for public comment – none received. Motion carried unanimously.

**5. RREDC Quarterly Loan Portfolio Report**

Gregg Foster was present from RREDC. He stated RREDC is currently undergoing their annual audit for FY 18/19 but no changes to what is being presented today are anticipated. He further reported escrow fell through on one of their loans, but there is already another buyer lined up. He also reported their loan committee approved a short-term loan today, with the Headwaters share being \$250,000. It's expected that loan will be paid back in 4-6 months. There is another \$400,000 loan application that is still in the approval process. It was moved by Elizabeth Cameron and seconded by

Chuck Ellsworth to accept the quarterly report as presented. Chair called for public comment – none received. Motion passed unanimously.

#### **6. RREDC Update on MRG Results for Los Angeles and Denver Routes**

Gregg Foster provided a handout for the Board's review (Attachment A). He stated they received a \$30,000 credit for the first month of the Denver MRG, and the numbers for July and August are even better. The repairs occurring at SFO are helping due to traveler's being diverted to both Denver and LAX. It was requested by Greg Seiler that RREDC put together a report on the MRG which covers the entire time period.

#### **7. Competitive Grant Application Details**

Staff reported the Grant and CIF Manuals will go to the Board of Supervisor's on October 8, 2019. The next grant round can open after those documents have been approved.

After discussion, the following timeline was developed for the next grant round:

October 8, 2019 – Grant and CIF Manuals to Board of Supervisor's for approval

November 1, 2019 – Open grant round

January 15, 2020 – Grant applications due

The date for rating and selection will be determined at the next meeting.

Elizabeth Cameron and Jenna Catsos volunteered to serve as an ad-hoc committee to develop materials for a media push announcing when the grant round will open. Chuck Ellsworth requested he be provided "five words and a picture" to share with his contacts. It was suggested a media push should also be developed to provide information about the Minimum Revenue Guarantee and Decade of Difference grants.

Greg Seiler, Dianna Rios, and Carl Hansen volunteered to work on revising the Explanation of Rating Criteria as follows:

Greg Seiler – Economic Impact section

Dianna Rios – Impact on Environment and Quality of Life section

Carl Hansen – Project Design and Readiness and Fiscal section

They will provide their revisions to staff prior to the next meeting so they can be added to the agenda for review/approval.

It was requested staff work on developing a timeline to detail what a twice a year grant cycle would look like.

## **8. Discuss Blouses/Shirts with HWF Branding**

Staff added this item to the agenda to gauge member's interest. It was the consensus of the members there is no interest in pursuing this.

## **9. Staff and Board Updates**

Staff reported the following:

- The Southern Humboldt Community Healthcare District is holding an event in celebration of their new Sprowel Creek Campus on September 19, 2019 from 5:30-7:30.
- Mini-grant guidelines are being develop by staff.
- The Auditor anticipated the year-end close out will be completed by the end of September.
- Staff is working on another reformat of the financial report that will be primarily focused on the spending plan.

## **10. Adjourn**

Chuck Ellsworth adjourned the meeting at 2:55 p.m.

Next Meeting: October 8, 2019 – 1:30-4:00 p.m.