

**Headwaters Fund (HWF) Board Meeting Minutes**  
**February 8, 2022, 1:30 pm**  
**Held Remotely via Zoom Web Conferencing**

**COMMITTEE MEMBERS ATTENDANCE:**

- Bruce Rupp – Present
- Jenna Catsos, Vice Chair - Absent
- Carl Hansen – Present
- Elizabeth Cameron, Chair – Present
- Chuck Ellsworth – Present
- Michael Fields – Present

**STAFF:** Dianna Rios, Kimberly Hopmann, Scott Adair and Cathie Childs

**OTHERS IN ATTENDANCE:** No official members of the public. Gregg Foster from RREDC and Jayne Lovig from AEDC were also in attendance.

1. Opening:
  - a. Chair Cameron called the meeting to order at 1:33PM
  - b. Board Members Present: Chuck Ellsworth, Michael Fields, Carl Hansen, Elizabeth Cameron, Bruce Rupp
  - c. It was moved by Bruce Rupp and seconded by Carl Hansen to approve the January 18th, 2022 regular meeting minutes. Motion carried 5:0
  - d. No public present to comment
  - e. Elizabeth Cameron attended a meeting with Life Care Humboldt. She learned more about how they would like to help support the county with the eldest residents. Michael has worked with them and believes there is a presentation in the works for HWF in March.

**Business Items**

2. Redwood Region Economic Development Commission (RREDC) to present FY 2021-22 Quarter 2 (Q2) reports on the Headwaters Fund (HWF) Revolving Loan Fund (RLF) portfolio. (Attachment 2)
  - a. Discussion

Gregg Foster reporting states that there was an initial mistake noticed in the attachment provided and should reflect 18,792.06 as the total interest paid to date. They are continuing to recover from the JR Stevens loans. Their overall loan balance is decreasing which is the result of payoffs coupled with Covid impacts and the result of demands in drawing EDA granted funds received in 2020 down. It is expected that after drawing down the EDA funds in the next couple months, RREDC should be back in a position to use HWF dollars in their new loans. The portfolio is performing as best it can at this time. Bruce raised a question regarding the RCEA loan and whether there has been any movement on that front, which Greg responded that nothing is in the works at this time.
  - b. Public Comment

No public comment.
  - c. Action

It was moved by Bruce Rupp and seconded by Michael Fields to approve the FY21-22 Q2 report from RREDC. Motion carried 5:0

3. Arcata Economic Development Corporation (AEDC) to present Fiscal Year FY 2021-22 Q2 reports on the Headwaters Fund (HWF) Revolving Loan Fund (RLF) portfolio. (Attachment 3) Discussion

Jayne Lovig reports that all Paycheck Protection Program (PPP) loans are paid off in full. Portfolio is in excellent health. There are no delinquent or at risk loans and no one is having difficulty making payments. They are picking up a lot of inquiries to send to HWF to present. Carl Hansen raised a question about entrepreneurs working from home and if AEDC and RREDC had noticed anything related to COVID-19 causing a trend in that direction. Jayne (AEDC) mentioned that they have not seen any trends moving that direction, that they deal mostly with the service industry. Greg (RREDC) mentioned that they have helped a couple borrowers from other real estate firms purchase commercial real estate to use in transition to new online brokerage firms, however, they do not know if COVID-19 was a contributing factor.

- a. Public Comment

No public comment.

- b. Action

It was moved by Michael Fields and seconded by Chuck Ellsworth to approve the FY21-22 Q2 report from AEDC. Motion carried 5:0

4. HWF Board to consider reappointment recommendations for Carl Hansen and Bruce Rupp for their third term of 3 years for the HWF board.

- a. Discussion

The HWF Board discussed recommending that Bruce Rupp and Carl Hansen be reappointed to the HWF Board for their third and final terms of 3 years. Bruce Rupp, despite his stated respect and admiration of the work undertaken by the HWF Board, regretfully declined the recommendation to continue with the HWF Board for a third term. His plate is currently too full to give the HWF Board the attention it needs as his workload with local and statewide water districts has expanded. He will complete his current term and leave a vacant seat on the board. Carl Hansen was in favor of accepting a third term on the HWF Board.

- b. Public Comment

No Public to Comment

- c. Action

It was reluctantly moved by Michael Fields and seconded by Elizabeth Cameron to accept Bruce Rupp relinquishing his seat on the board at the end of his current term. Motion carried with three in favor, with Chuck Ellsworth against, and Bruce Rupp abstaining.

It was moved by Bruce Rupp and seconded by Michael Fields to approve the recommendation to the Board of Supervisors that Carl Hansen be reappointed for a third term and final term to the HWF Board. Motion Carried with four in favor and Carl Hansen abstaining.

5. HWF Board to confirm schedule for upcoming regular board meetings and the upcoming retreat.

- a. Discussion

Elizabeth Cameron confirmed the date the retreat will be held on is February 24 2022 from 8:30AM-4:15PM via Zoom Webinar. She also recommended that the HWF Board maintain the current schedule for upcoming meetings reserving the second Tuesday of each month at 1:30PM. Carl Hansen noted a scheduling change that occupies all of his mornings resulting in him expecting to attend the retreat however he will be joining late.

b. Public Comment

No public comment.

c. Action

It was moved by Bruce Rupp and seconded by Michael Fields to confirm the date, time and location of the retreat (February 24<sup>th</sup>, 8:30am) as well as the continuation of the current HWF Board meeting schedule (second Tuesday of each month at 1:30pm). Motion carried 5:0

6. Administrative Ad Hoc Committee Report Out

a. Discussion

Michael Fields, Bruce Rupp and Ryan Heitz met up and went through the revolving loan fund manual. It was agreed that there is a need to maintain and increase the corpus fund. Administrative costs still need to be addressed and budgeted for accordingly. There is some minor legal verbiage mentioned that could be adjusted to hopefully achieve some flexibility with the programs, what could be funded, as well as who would be expected to fund it. There is an area regarding housing lending and terminology surrounding “restoration” and “redevelopment” that could also benefit from an adjustment to make it more accommodating for people in the program. The overall goal to achieve expanded lending opportunities, manual changes and sorting out practices for increasing the corpus will be discussed further during designated time at the retreat. There was a comment from Carl Hansen pertaining to making the language as inclusive as possible and focus the conversation on priorities for funding.

b. Public Comment

No public comment

7. Finance Ad Hoc committee Report out

a. Discussion

Carl Hansen and Elizabeth Cameron have scheduled an official meeting for discussion of the financial reports and the annual cadence and what is needed for those so that it can be discussed further at the retreat.

b. Public Comment

No public comment.

Community Ad Hoc Committee Report out

c. Discussion

Chuck Ellsworth is preparing to meet up with the rotary club program scheduler Matthew Owen as continued community outreach.

d. Public Comment

No public comment.

8. HWF Board to determine the agenda items for the February retreat and the distribution of the tasks.

a. Discussion

Elizabeth Cameron led the discussion regarding the agenda schedule and a brief run through of the tasks and the time slots. They discussed their assignments and how each segment was going to be handled. There was also mention of making the retreat and each segment public, at this point Cathie Childs determined that she would have to look into what would be required and then follow up with Dianna Rios to create a plan for these segments of the retreat.

b. Public Comment

No public comment

c. Action

A motion was made by Bruce Rupp and seconded by Michael Fields to approve the agenda for the retreat. Motion carried 5:0

9. Staff Report Out

- Ryan Heitz was recently promoted to coordinator.
- County recently hired a new CFO Tabitha Miller, a former city manager from Fort Bragg.
- Ryan Heitz, Dianna Rios and Scott Adair plan to sit down with her and discuss a secured source of funding for administrative costs for HWF so that it does not affect the corpus.
- Michael Fields was curious if there were any new developments regarding potential new board members. Dianna Rios mentioned there are applications in the queue to be vetted and she and Ryan Heitz are working with the clerk's office to get a meeting set up with the Board of Supervisors to get them on the panel and get them scheduled.

**Adjourn – 2:38PM**