

Headwaters Fund Board Meeting Minutes
May 28, 2019 – 1:00-3:00 p.m.
Prosperity Center, 520 E Street, Eureka

MEMBERS PRESENT: Elizabeth Cameron, Carl Hansen, Dianna Rios, Greg Seiler

MEMBERS ABSENT: Bruce Rupp, Chuck Ellsworth

OTHERS PRESENT: Hollie Hall (ICFA), Natalynne DeLapp (HCGA), Terra Carver (HCGA), Thomas Stratton (HCFA), Kenny Spain, Ryan Heitz

Item #	Action Summary	Pass/Fail
1	Approve April 23, 2019 minutes as written	Pass
2	Approve May 14, 2019 minutes with noted corrections	Pass
4	Approve RREDC and AEDC Contracts for 5 years	Pass
5	Cancel June 11 th HWF Meeting	Pass
6	Direct Staff to Validate Submission of ICFA documents and fiscal partnership	Pass
8	Approve Humboldt County Fair grant request for \$44,944	Pass
9	Approve North Coast Small business resource Center for grant request of \$29,040	Pass

1. Opening

- a. Chair Carl Hansen called the meeting to order at 1:12. A Quorum was present. Introductions were made around the room.
 Dianna Rios motions to approve the minutes for the April 23rd document. Carl Hansen seconded. Greg Seiler and Elizabeth Cameron abstained. Chair called for public comments - none received. Motion carried.
 Greg Seiler motions to approve the minutes for the May 14th meeting, Dianna Rios seconds. Chair called for public comments - none received.
 Board Member clarification that on pg. 8, Eureka Chamber intended to make a time limit for staying in the incubator.
 There was a correction to the board member of NCSBRC misstated as Elan Firpo, not the actual member, Elan Puno.
 Motion Carried unanimously.
- b. Chair called for public comments on non-agenda items.
 It was noted that the Board will discuss at a future workshop whether or not staff will include the complete application submission to the board given the large volume of information.
- c. Carl attended Nordic Aquafarms Presentation.
- d.

2. Revolving Loan Fund (RLF) Contract Extensions to Redwood Region Economic Development Commission (RREDC) and Arcata Economic Development Corporation (AEDC)

Q: Any substantial changes to the terms or to the legal language?

A: There have been no substantial language changes to the county contracts. The County Counsel approved the contracts and so long as the HWF Board approved the contracts they could be brought before the Board of Supervisors. If there was an organization interested in a contract, then they could bring it up during the board of Supervisors' Meeting.

Q: What was the RLF committee's recommendation on the contracts and the status of the RLFs request from the cannabis communities to participate in crop lines through Sothern Humboldt Credit Union and ReProp Financial.

A: RLF committee has been disbanded, decisions to be made by the full board. Funds can be made available from the CIF for purposes decided by the board.

Q: Do we need to look at making changes to the contract lending criteria?

A: The vendors would like to see renegotiation on the targeted portfolio percentages for higher or lower loan amounts (the loans above or at or below \$150,000) and interest rate splits. The returns have been consistent with industry standards and staff feels that the terms can be kept the same.

The board discussed the options for adjusting the current RLF program to allow for lending to the cannabis industry.

Dianna Rios motions to approve contracts with AEDC and RREDC for 5 years. Greg Seiler Seconds. Chair called for public comments - Clarity requested on flexibility of funds being made available for alternative lending. Staff clarified that the contracts did indeed allow for flexibility and that the vendors were amenable to working with HWF to help the industry. Chair Called for public comments - none received. Motion carries unanimously.

3. Rescheduling and/or cancellation of June 11, 2019 Board Meeting Report

Dianna Rios motions to cancel meeting on June 11th, 2019, Elizabeth Cameron seconds. Chair Called for public comments - none received. Motion carried unanimously.

4. Competitive Grant Application Update from International Cannabis Farmers Association (ICFA), Board to approve or deny funds for recommendation to Board of Supervisors.

ICFA has made an agreement with Americans for Safe Access Foundation. Greg Seiler motioned to direct Staff to validate the submission of ICFA pursuant to the grant recommendation. Elizabeth Cameron seconded. Chair called for public comment - Terra Carver inquired whether the data ownership clause would be publicly available. The application is public record so the intellectual property clause can be shared with the community. Motion carried unanimously.

5. Board to determine final amount for recommendation to Board of Supervisors for awards to North Coast Small Business Resource Center and Humboldt County Fair Association based on outcome of Item 4 above.

The chair entertained discussing agenda item 6 before item 5. A motion was made, seconded and then withdrawn.

Dianna Rios motions with Elizabeth Cameron seconding to recommend to the Board of Supervisors increasing the award for the Humboldt County Fair Association from \$44,750 to \$44,944. Chair called for public comments - none received. Motion carried unanimously.

Greg Seiler motioned with Dianna Rios seconding to recommend to the Board of Supervisors increasing the award in funding for the North Coast Small Business Resource Center from \$29,000 to \$29,040. Chair called for public comments - none received. Motion carried unanimously.

6. Board to determine final amount of HWF Contingency Funds recommended to be added to the \$130,000 original Fiscal Year 2018-2019 Competitive Grant Round as a request to the Board of Supervisors.

Greg Seiler motioned to allocate \$66,234 from the 2018-19 available contingency to add to the fiscal year 2018-19 competitive grant round awards. Staff explained there are sufficient funds in the 2018-19 County budget for the awards to be made but would require a supplemental budget request in the County's Fiscal Year 2019-20 budget. Elizabeth Cameron seconded. Chair called for public comments - none received. Motion carried unanimously.

7. Staff and Board updates

- Staff requested scheduling a workshop/retreat to update and clarify the guidelines for grant funds. Board agreed to August 12th.
- Screening for the Board Member interviews to begin shortly.
- Mini Grant Fund has been mostly spent with three more applications pending.
- Staff met with AEDC and Humboldt Area Foundation regarding Kneeland Fire Dept (KFD). KFD may request restructuring their loans.

8. Adjourn

Dianna Rios motioned to adjourn, Elizabeth Cameron seconds. Chair Hansen adjourned the meeting at 3:03p.m.

Next Meeting: July 9th, 2019 – Regular Meeting – 12:15-2:45p.m.