



HUMBOLDT COUNTY

## Headwaters Fund

### Headwaters Fund Board (HWFB) Meeting Agenda

July 21st, 2025 2:00PM

825 E Street, Eureka CA, 95501

#### Conference Room A

A. **CALL MEETING TO ORDER**

B. **ROLL CALL**

C. **MODIFICATIONS TO THE AGENDA**

D. **PUBLIC COMMENT ON NON-AGENDA ITEMS**

Allows for public comment on non-agenda topics, time limit set by the Chair

E. **CONSENT CALENDAR**

F. **ITEMS SET FOR TIME CERTAIN**

G. **ACTION/DISCUSSION ITEMS**

G.1. **Headwaters Fund Board To Consider Recommending To The Board Of Supervisors Amendments To The Lender Agreements To Increase Available Funding**

Documents:

[Headwaters Fund Staff Report RE Lender Increase.pdf](#)

[HWF Fund Balance Report.pdf](#)

[Investment Fund Non Liquid Investments.pdf](#)

H. **ITEMS PULLED FROM CONSENT**

I. **ADJOURNMENT**

# Headwaters Fund Staff Report

## Subject:

Recommendation to the Board of Supervisors by the Headwaters Fund Board (HWFB), to authorize the Amendment of the North Edge Revolving Loan Fund (RLF) Agreement.

## Recommendation(s):

That the Headwaters Fund Board:

1. Authorize Staff to bring forward an amendment to the Board of Supervisors increasing the compensation of the North Edge Revolving Loan Fund Lender Agreement to \$6,000,000;

## Strategic Plan:

This action supports the following areas of the Board of Supervisors Strategic plan:

Area(s) of focus: Core Services/Other

Strategic Plan Category: 9999 - Core Services/Other

This action supports the following areas of the County of Humboldt Comprehensive Economic Development Strategy:

Area(s) of Focus:

- #1 Industry Elevation and Diversification
  - 1.2 Catalyze Growth for Humboldt County's Emerging Industries;
  - 1.3 Foster an effective and valuable small business ecosystem.

## Discussion:

On June 4, 2024 the Board of Supervisors approved a recommendation from the HWFB to amend the RREDC and North Edge Lender Agreements to increase the funding available from \$3.5 million each, to \$4 Million for RREDC and \$5 Million for North Edge. These modifications were requested based upon increased demand for further Headwaters Funding for Revolving Loan Participation Agreements. At the time of the request, \$7 million was allocated to the Headwaters Fund Revolving Loan Fund (3843) program, with just over \$5 Million in secured loan in the portfolio.

At this time, potential and approved loans are approaching \$8 million of the \$9 Million allocated, with further demand expected. North Edge has expressed a need for more funding in the short term to meet applicant needs for conventional lending. It should be noted that RREDC has less immediate need for conventional lending capacity, but due to a request for a larger than previous expected gap loan for the Southern Humboldt

Community Healthcare District the Headwater's Fund Board should anticipate a future request to increase RREDC's Revolving Loan Fund Lender Agreement.

Staff are proposing increases to North Edge's Lender Agreement to meet immediate needs.

## Source of Funding:

3843000-Revolving Loan Fund

3844000-Revovling Loan Fund Loan Loss Reserve Fund

3852- Headwaters Investment Fund

## Staffing Impact:

No changes in staffing assignments or allocations at this time.

## Staffing Impact Narrative:

Additional lending capacity is expected to have an immaterial impact on staff time commitments as the primary work is conducted by RREDC and North Edge.

## Other Agency Involvement:

Redwood Region Economic Development Commission

Arcata Economic Development Corporation, dba North Edge Business Financing

## Alternatives to Staff Recommendations:

Board discretion. A denial of this request will impact North Edge's immediate need for lending funds.

**County of Humboldt**  
**Fund Summary**  
**Spec Rev - Headwaters**  
**As of June 30, 2025**

<u>Cash</u>	<u>Adv. Receivable</u>	<u>Intr. Receivable</u>	<u>Fixed Assets</u>	<u>Prepaid Exp.</u>	<u>Adv. Payable</u>	<u>Checks Payable</u>	<u>Deferred Rev.</u>		<u>Total Revenue</u>	<u>Other Sources</u>
<u>Impress Cash</u>	<u>Accts Receivable</u>	<u>Inventories</u>	<u>Accum. Depr.</u>	<u>Other Assets</u>	<u>Accts Payable</u>	<u>Accrued Payroll</u>	<u>Other Liabilities</u>	<u>Fund Balance</u>	<u>Total Expend</u>	<u>Other Uses</u>
<b>3843 Headwaters Revolving Loan Fund</b>										
3,826,758.46									151,494.91	
	326,913.53			5,043,054.97				9,196,726.96	105,742.16	
<b>3844 Hdwtrs Loan Loss Reserve</b>										
1,097,173.98									20,645.80	
								1,097,173.98		
<b>3846 Hdwtrs Comm Investment Fund</b>										
451,736.77									25,493.25	
	700,000.00			(14,717.02)				1,137,019.75	211,454.00	
<b>3847 Hdwtrs Liquidity Fund</b>										
537,555.81									164,540.23	
	(22,440.82)							515,114.99		
<b>3852 Headwaters Investment Fund</b>										
255,460.90									255,160.90	
				7,000,000.00				7,255,460.90		
<b>Spec Rev - Headwaters</b>										
6,168,685.92									617,335.09	
	1,004,472.71			12,028,337.95				19,201,496.58	317,196.16	

**County of Humboldt**  
**Fund Summary**  
**Spec Rev - Headwaters**  
**As of June 30, 2025**

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<u>Impress Cash</u>	<u>Accts Receivable</u>	<u>Inventories</u>	<u>Accum. Depr.</u>	<u>Other Assets</u>	<u>Accts Payable</u>	<u>Accrued Payroll</u>	<u>Other Liabilities</u>	<u>Fund Balance</u>	<u>Total Expend</u>	<u>Other Uses</u>



**Headwaters Investment Fund**  
**Investments by Broker**  
**Broker: Wedbush Morgan Securities**  
**Grouped by Fund - Sorted by Fund**  
**July 17, 2025**

Humboldt County  
 825 Fifth Street  
 Eureka, CA 95501  
 (707) 476-2450

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
<b>Fund: Headwaters Investment Fund</b>											
<b>Certificates of Deposit</b>											
15118RSJ7	11175	Celtic Bank FDIC 57056	09/30/2019	248,000.00	248,000.00	248,000.00	2.000	1.972	2.000	09/29/2028	1,169
<b>Subtotal and Average</b>				<b>248,000.00</b>	<b>248,000.00</b>	<b>248,000.00</b>		<b>1.973</b>	<b>2.000</b>		<b>1,169</b>
<b>Federal Agency Coupon Securities</b>											
3133EGWX9	11174	Federal Farm Credit Bank	09/30/2019	500,000.00	500,000.00	491,152.59	1.820	1.795	1.819	04/06/2026	262
3133EKSU1	11207	Federal Farm Credit Bank	01/22/2020	1,001,754.76	1,000,000.00	993,964.01	2.080	1.686	1.710	10/01/2025	75
<b>Subtotal and Average</b>				<b>1,501,754.76</b>	<b>1,500,000.00</b>	<b>1,485,116.60</b>		<b>1.723</b>	<b>1.747</b>		<b>137</b>
<b>Treasury Coupon Securities</b>											
91282CBQ3	11255	U.S. Treasury	03/15/2021	1,764,425.99	1,770,000.00	1,727,564.94	0.500	0.810	0.822	02/28/2026	225
91282CCF6	11328	U.S. Treasury	04/22/2022	1,067,082.18	1,090,000.00	1,057,928.03	0.750	2.960	3.001	05/31/2026	317
<b>Subtotal and Average</b>				<b>2,831,508.17</b>	<b>2,860,000.00</b>	<b>2,785,492.97</b>		<b>1.621</b>	<b>1.644</b>		<b>259</b>
<b>Total Investments and Average</b>				<b>4,581,262.93</b>	<b>4,608,000.00</b>	<b>4,518,609.57</b>		<b>1.673</b>	<b>1.697</b>		<b>268</b>