

Headwaters Fund Board Meeting  
June 16, 2009  
12:30 - 3:00 PM  
Prosperity Center - Conference Room  
520 E Street, Eureka

Minutes

**Members Present:** Patrick Cleary, Kathy Moxon, Jon Sapper, Alex Stillman and Zach Zwerdling

**Members Absent:** Mark Burtchett and Dan Opalach

**Others Present:** David Elsebush, Penny Elsebush, Barbara Kennedy, Richard Paselk, David Spreen, Joe Mark, Kindra Waluck, Dawn Elsbree and Sandy Alcaraz

1. **Opening** - Meeting came to order at 1:03
  - a. **Approval of May 19, 2009 minutes** - Motion made by Alex Stillman to approve draft minutes, second by Zachary Zwerdling; so carried.
  - b. **Public Comment on non-agenda items** - David Elsebush would like for the public to be able to comment after each agenda item has been presented. He read a letter that he submitted to the press; he doesn't feel Headwaters funds are being spent appropriately. In addition he is not in agreement with the slate of grants that recently went through the Board of Supervisors for approval. David is asking the County to rescind the approval of funds being loaned to the airport.
  
2. **St. Joseph Hospital Funding Request:** Joe Mark requests that Headwaters funds be used for providing telemedicine services in the new Northeast Tower. In this way specialists that we don't have here in Humboldt County could be accessed for their expertise. Providing this service could run from a few hundred thousand dollars to one and a half million dollars. *Can this be done from the Open Door clinic which is very close by? This seems like a duplicate service; why is there not more communication between these entities?* Sometimes it's a matter of a logistical problem; Open Door not having diagnostic equipment at the clinic. We have a significant number of people leaving the county for medical assistance each month. Basically, telemedicine would help maintain the local service base. *Is broadband necessary for telemedicine?* Yes; currently St. Joe's is using microwave back up. In the long term, redundant broadband will be necessary. More patients that choosing to use medical services outside the county puts St. Joe's service at risk and that ultimately puts jobs at risk. Currently the median age of physicians is retirement age; the hospital is looking at 48 doctors needing to be recruited in the next 7 years. Telemedicine would help recruit and retain doctors. *Do you have a*

*budget for the telemedicine program?* Not yet; however, it's the most unique new service being offered. The hospital hopes to have 12.5 million dollars toward the total construction project by the end of the summer. **Discussion:** *Any follow up needed?* This didn't seem to connect economically. *Would statistics make a difference?* Need to know how many patients going elsewhere; it would be nice to see actual numbers. Keeping the hospital and local services going is trying to hold onto infrastructure; keeping the area viable. *Is this a viable project or not; what kind of information do we need? Will the hospital be able to do this without our financial help?* They're doing very well getting there on their own. Would like to get this proposal fine tuned; perhaps get an outlined budget. Physician loss is a basic problem. David Elsebuch feels there is little justification for this project. He doesn't feel this is a fit; no potential for saving jobs. Also, he doesn't feel that the hospital fits under the description of infrastructure and therefore shouldn't be considered for a grant.

**3. Humboldt State University BSN Program Funding Request:**

Presentation by Dr. Richard Paselk, Department of Nursing Chair, Humboldt State University and Kindra Waluck, Phase I Coordinator, BSN Ramp Program, Humboldt State University. The grant fund request was for \$64,194 for an on-line nursing program at HSU. This proposal was reviewed by the Headwaters Fund Board as part of the 2009 Grant Fund Review process. The proposal was not recommended for funding by the Headwaters Fund Board. At the Board of Supervisors meeting on May 26, 2009, Supervisor Duffy requested that the Headwaters Fund Board reconsider funding this proposal. Patrick Cleary recused himself from this discussion. Alex Stillman chaired the meeting during this segment. Overall HSU is looking at a program to help students that have graduated from College of the Redwoods to continue on and get a BSN degree. HSU would like to create a path with CR; the student would decide at the beginning of their program at CR - does the student want to stop at the end of their associate degree or move on to a higher degree? An assessment was conducted for interest in moving towards a bachelor's program; 80% of the nursing students seemed to favor it. There has been a state wide calling to increase the number of students going through both CR and HSU. Seventy percent of the nursing graduates have been unable to find positions. There is a great need to bring up the training levels. Both HSU and CR are having difficulty hiring qualified nursing faculty. This program would create one educator position at HSU. *How many BSN's are needed?* Unknown. *Would like to see an investment from both hospitals.* This hasn't happened as the hospitals do not require a BSN degree, but County Public Health does. *How many students do you anticipate?* Fifteen students the first year and then an increase of 5% annually. HSU would need 24 students per year to support the program after that. HSU is in a time of transition; they have reworked their curriculum. One of the problems here locally

is the number of students that can train at the hospitals at one time; there are not enough clinical sites. *What is the value of developing your own distance-learning module rather than being connected to another institution?* Other programs do not seem to be filling these needs. Nurses who were going to retire are now continuing to work. Hospitals are cutting back as well as state government cut backs. Sometime down the line there should be a rebound. HSU is turning away students at this point in time. It would be a real benefit for RN's to continue on and get their BSN. The 3 years plan is going to cost approximately \$414,000. CR will be allowing HSU to use their resources; the new simulation center. Their distance education center will also be shared and will help with the in kind match. HSU is short the \$64,000 requested from Headwaters. *What will happen if there is no support from Headwaters?* They will have to look elsewhere for funding. Motion made by Jon Sapper to have the grant request funded. Request made to table this discussion until the next meeting. Zach Zwerdling raises the concern of a precedent being set by overturning a prior decision. Kathy Moxon stated that when a previous grant fund decision was reassesses at the request of the Board of Supervisors and the decision changed, new information had come to the table. There is no new information here. No second on the motion; does not carry. David Elsebuch is generally opposed to subsidizing HSU; he feels that other grants will come through for them. He can't see this saving or creating jobs.

4. **Transportation Grant Update:** Patrick returned to preside over the remainder of the meeting. Short presentation given by Jacqueline Debets the Project Manager for the 2003 National Highway Network access for Humboldt County grant. The purpose of this grant is to support efforts to upgrade Highways 299 and 101 to National Highway Network standards. Funds were designated to be used to pay for legislative advocacy for construction funding for Highway 299 and the preparation of a study entitled "Highway 101 STAA Access Feasibility Study." The study is completed. There are more opportunities coming up; we're talking to CalTrans to see where the project is at this time. The final EIR will be coming in September or October. Currently there is a request to discuss this project on a local talk show sometime in July. CalTrans doesn't know if they want to do that right now; they haven't finished replying to the questions from the EIR yet. The original grant proposal was for advocacy for businesses. The Board is exercising oversight; questions have been raised. Some members of the public see an information gap; they believe safety issues have not been addressed or issues concerning traffic congestion. Members of the public attending this meeting would like to have a town hall forum in the near future so the community can have a question and answer period concerning their issues around Richardson's Grove. At the end of the discussion it was concluded that the remaining funds will be spent on the project in accordance with the contract.

5. **Loan Committee Structure:** The Board has set up a loan committee to deal with exceptions to the standard loan policy that come through AEDC or RREDC. The committee has met on an as needed basis. Patrick Cleary, Kathy Moxon and Alex Stillman have been the loan committee. There are requests from the public for access to information concerning loans we've made. *Is it possible we would see any loan requests outside the loan parameters of AEDC or RREDC?* We don't have any requests at the present time but expect them soon. Next month we will have a presentation from a local business requesting a large sum of money; they feel certain information should not become public. RREDC's loan committee meetings are public. Anything discussed or distributed in a public meeting becomes public information. *Are we interested in entertaining a loan that would obviously not follow the lines of our manual? Does the loan committee have that authority or does it go to the full Board? Can we send out a memo on this; document how the loan committee operates as well as its functions?* Up until now this committee has been ad hoc. Changing of the manual needs to come back before this Board. Dawn will write something up for the July meeting.
6. **Closing - Meeting adjourned at 3:32.**
- a. **Staff Updates**  
Recommended changes for Headwaters Manual - staff overview, to be discussed and voted upon at the July meeting.  
Revenue projections for 2009-2010
  - b. **Confirmation of future meetings:** July 21 and August 18, 2009