

OREGON WINE BOARD
MEETING MINUTES [DRAFT]
FEBRUARY 2, 2011
HAYDEN'S LAKEFRONT GRILL
PORTLAND, OR

Attendees: Sam Tannahill (President), David Adelsheim (Vice President), Kara Olmo (Secretary), Tim Kennedy (Treasurer), Leigh Bartholomew, David Beck, Terry Brandborg, Michael Donovan, Bill Sweat

Staff: Jeanette Morgan (Executive Director), Nicole Arrington, Katie Bray, Annie Cocchia, Stephany Boettner, Colu Henry, Karen Walsh.

Guests: Gary Conkling, Dan Jarman, CFM; Jess Lyon, DWT; Chris Serra, LIVE Executive Director; Pat Dudley, Bethel Heights Vineyard and OCSW Steering Committee Member; Tony Soter, Soter Vineyards, OCSW Steering Committee Members; Jason Tosch, Anne Amie Vineyards, OCSW Steering Committee Member and LIVE Board Chair; Andy McVay, Wine by Joe; and Michelle Martin, LIVE Climate Initiative

Call to Order

Tannahill called the OWB meeting to order at 10:37am.

Minutes Approval

Tannahill moved. Adelsheim seconded the approval of the Board minutes from the December 7, 2010 meeting. Beck recommended approval with two corrections. Sweat abstained. Motion passed.

Budget Review (*Attachment A*)

Walsh provided an overview of the OWB Profit and Loss Budget vs. Actual. Highlights include:

- The Grape Assessment appears to be on budget and should enable the OWB to come in at the amount budgeted, \$955,000.
- Symposium revenue not known at this time and depends on ticket sales and some amount of guess work.
- OCSW fees are exceeding expectations due to conservative revenue projections.
- Sustainable Ag is over budget due to Harvest T-shirt expenses. Some of these expenses were offset by increased revenue.
- The Meeting and Communication line item is overspent due to additional unanticipated meetings and teleconferences.
- Employee compensation is overspent due to the departure of three staff and their subsequent PTO payouts; with the staff reductions, the budget should be below forecast.
- At the Executive Director's request, the six bank accounts have been consolidated into two bank accounts.

Tannahill/Kennedy requested that Walsh include a line item for reserves. Tannahill also requested inclusion of beginning and ending balances. Due to Sweat's interest and financial expertise, Tannahill recommended Sweat meet with Morgan to review the OWB budget and provide recommendations, if any.

OCSW (*Attachment B*)

Cocchia stated that the OCSW Steering Committee recently met to discuss several issues, including changes in LIVE's certification standards. Following the Steering Committee meeting, the OCSW Committee requested time on the OWB agenda to discuss:

- (1) An immediate change to the OCSW certification requirement to prohibit certification for wines that have used Dimethyldicarbonate.
- (2) Request for funding to review certification gaps for all programs under OCSW, including funds to hire a consultant to provide the in-depth gap analysis.
- (3) Request for OWB to partner with LIVE and propose the OWRI review and provide a thorough analysis of commonly used chemicals (wine additives and cleansers) and their potential impact on workers, consumer health and safety and the environment in their manufacture, use and disposal.
- (4) The Steering Committee's role vis-à-vis the OWB Board and its authority to provide OCSW recommendations to the OWB Board.

OCSW Certification (1)

Dudley reiterated the OCSW Committee recommendation to immediately change the OCSW certification requirement for wines that use Dimethyldicarbonate. Dudley stated the recommendation is being proposed to address future reporters' request for information regarding the chemical and its usage by the wine industry. Dudley further stated the OCSW request was a direct result of a reporter who had called Buckenmeyer and Dudley regarding the chemical. However, their lack of background knowledge of Dimethyldicarbonate may have caused the reporter to write a negative article.

Discussion ensued including LIVE's certification requirements that do not ban Dimethyldicarbonate. Dudley requested the board's approval to prohibit certification of wines that have used or are using Dimethyldicarbonate. Serra requested OCSW assess chemicals before prohibiting them. McVay stated that chemical usage under LIVE is required to have include a Risk Assessment Plans as well as the appropriate OSHA documents/protocols to minimize use, protect worker safety, and provide an education program for its workers regarding usage.

Cocchia presented a revised OCSW certification form which included a new check box prohibiting the use of Dimethyldicarbonate. In addition, Cocchia mentioned she had spoken briefly with Department of Justice (DOJ) and they believe the box could be on the form.

Morgan asked if the DOJ or legal counsel had reviewed the new form to ensure legality of including the chemical name Velcorin®. Dudley and Cocchia said no and agreed to remove the Velcorin® name and have legal counsel or DOJ review the new form.

Tannahill asked if the question raised was really about how the OCSW operates and provides recommendations to the OWB and not the actual use of the chemical. Beck agreed.

Due to the length of the discussion, Adelsheim requested a vote. Adelsheim felt comfortable approving a one-time technical standard (though he does not believe this to be the business of the OCSW) and that the standard sunset at a specific time. He also requested LIVE pay attention to the results of the research with regards to this chemical. He stated that this would be a temporary measure as LIVE has no reason to prohibit the chemical.

Beck moved that the OWB accept the OCSW's Steering Committee recommendation. Those voting in favor: Beck, Sweat, Tannahill, Brandborg and Kennedy. Those voting against include: Olmo, Adelsheim, Donovan and Bartholomew.

- Tannahill recommended the OCSW provide an update to the OWB regarding the prohibition of Dimethyldicarbonate and its impact on OCSW members at a future OWB board meeting.

- Cocchia and Dudley agreed to have legal counsel review the new standard and form.

Gap Analysis (2)

Cocchia/Dudley reviewed the OCSW request for gap analysis funding to identify shared and distinct components of standards and processes, examine the degree each certification addresses, key elements of sustainability and identify performance metric; provide comprehensive tables to compare and cross evaluate procedural characteristics, and create a list of sustainable winery certification programs for benchmarking purposes.

Olmo moved to allocate up to \$6000 from the OWB budget to fund the gap analysis. In addition, Cocchia/OCSW tech committee will determine which consultant proposal will be chosen to accomplish the gap analysis. Donovan seconded. Motion passed unanimously.

LIVE Collaboration Request (3)

Serra proposed a joint request from LIVE and the OWB to OWRI regarding a thorough analysis of commonly used winery chemicals. The goal of the research would be to provide data on which chemicals should be: allowed out right; allowed with restricted use; and/or not allowed in the LIVE winery program.

Adelsheim moved that the OWB partner with LIVE regarding the OWRI proposal. Beck seconded. Motion passed unanimously.

Tannahill adjourned the meeting at 12:30pm for lunch procurement.

Tannahill resumed the meeting and working lunch at 12:40pm

LIVE (Low Input Viticulture and Enology) Request for Funds: (Attachment C)

Serra provided background on the LIVE program and its relationship to the OWB. In the past decade, LIVE has successfully partnered with the OWB in developing its certification programs for vineyards and wineries.

Serra proposed a three-year joint funding request for a $\frac{3}{4}$ Time Program Manager at \$45,000 per year. Serra stated raises will be paid for by LIVE at the discretion of the LIVE Board of Directors. If approved, LIVE would pay for the first six months of salary given OWB's fiscal year, allowing for the OWB to budget the request for the next three fiscal years for the remainder of the salary.

Adelsheim agreed with the funding request given the importance of LIVE to the OWB and thus would be comfortable supporting the request for funds.

Tannahill agrees with the importance but would like more information regarding the financial request and LIVE finances.

Donovan reminded the Board that the request is for three years and there may be difficulty in honoring the request in future years.

Beck recalled a former Board discussion regarding an earlier LIVE funding proposal request. Arrington reviewed past OWB minutes and determined the Board discussed a LIVE proposal at its October 2008 meeting. Specifically, the Board "Board discussed the future of the OWB funding of LIVE activities. Board recommended having a discussion with them

regarding their 5-and 10-year funding outlook. Add to the retreat agenda.” Since LIVE funding had not been discussed in October, staff will place it on the April Board agenda.

Online Regional Program Update *(Attachment D)*

Boettner provided an update regarding the OWB Online Regional Brochure Program. Designer audit and “Best Practices” guide distributed to all regional organizations. Boettner facilitated two conference calls for regional organizations to ask questions of the designer. New landing pages and back-end fulfillment ready to go live and the goal of the launch is targeted for February 15th assuming majority participation. Boettner stated there is not yet 100% participation.

Retreat /Open Discussion

Tannahill requested general feedback regarding the retreat and/or the Board Meeting.

Adelsheim believes the retreat was extremely productive and assisted in the facilitation of a strategic plan as well as Board and Staff roles and responsibilities. Tannahill, Beck and Sweat agreed.

Olmo requested Board materials be emailed to the Board at least one week prior to the board meeting and also would like to see a draft of the OWB strategic plan. Tannahill mentioned the OWB strategic plan had previously been in place at the beginning of the year and briefly reviewed at the OWIS. However, due to the delay in hiring an Executive Director, the development of the OWB strategic plan is delayed. Once a draft is reviewed and approved, the staff should then present the draft strategic plan to the Marketing Committee and other relevant Committees as appropriate.

Executive Session

Tannahill recessed the OWB meeting at 2:00pm to call an Executive Session under ORS.192.660 (2) (a) to discuss OWB/OWA/TOWER 2011 Slate of Officers.

Tannahill reopened the OWB session at 2:35pm.

Tannahill mentioned he has two conflicts with tentatively scheduled Board Meetings. He requested Board Members review the calendar and provide any additional conflicts to Arrington for calendar completion.

2011 Slate of Officers

Beck recommended Tannahill as Chair, Donovan as Vice Chair, Bartholomew as Treasurer and Adelsheim as Chair Emeritus. Tannahill called for nominations from the floor, hearing none, the slate was adopted by acclamation.

Adelsheim moved to adopt a limit of two consecutive three-year terms for Board service. Initial service of one or two years (i.e., filling in a vacant seat) does not count towards the two, three-year terms. Beck seconded. Motion passed.

Tannahill proposed a Board succession/rotation plan for the current and future OWB Slate of Officers. Thus the Treasurer would become the Vice Chair the Vice Chair would become the Chair, and the Chair would become the Chair Emeritus. Brandborg moved to adopt the officer rotation as proposed. Sweat seconded. Motion passed.

Tannahill adjourned OWB at 2:58pm.

February 2, 2011 Board of Director's Meeting Action Items

- Tannahill recommended the OCSW provide an update to the OWB regarding the prohibition of Dimethyldicarbonate and its impact on OCSW members.
- Cocchia and Dudley agreed to have legal counsel review the new form.
- Arrington and Morgan will add to the next board agenda to discuss the future of the OWB funding of LIVE activities.
- Arrington will have board materials emailed at least one week prior to the next board meeting.
- Morgan will have a draft of the OWB strategic plan available at the next board meeting.
- All Board Members review the calendar and provide any additional conflicts to Arrington for calendar completion. Arrington will then email the calendar out.