

**OREGON WINEGROWERS ASSOCIATION  
MEETING MINUTES  
FEBRUARY 19, 2008  
PORTLAND, OREGON**

**Attendees:** Steve Girard (Secretary), David Adelsheim, Pat Dudley, Earl Jones, Sam Tannahill, via phone: Kara Olmo (Vice President), Casey McClellan (Treasurer), Lee Mankin

**Staff:** Ted Farthing (Executive Director), Katie Stoll, via phone: Jess Lyon, Gary Conkling

**Guests:** Anita Azarenko, OSU

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**Call to Order**

Olmo called the meeting to order at 1:45pm.

**Minutes Approval**

Adelsheim moved, Jones seconded to approve the minutes of the January 15, 2008 OWA Board meeting as amended. Motion passed, McClellan abstained.
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**Legislative Agenda**

Reference document "Proposed OWA Policy Positions for 2008-2009". Lyon requested assistance with specifics of the direction the OWA regarding spray drift. Adelsheim pledged the help of the Legislative Committee.

Lyon will ask for more information from Farthing on proposed regulations regarding children in tasting rooms.

Lyon and Conkling also reported continuing to follow the state inheritance tax issue and the ODOT signage issue.

Lyon gave a report on the 9th Circuit's decision in the Costco case, which considered a number of Washington administrative rules governing alcohol distribution and retailing in light of federal antitrust law.

**Membership**

Dues income is up over this point last year, though the number of members is down. Time will still tell how renewals go. Tannahill noted that the immigration issue struck a chord with the industry at the Oregon Wine Industry Symposium and that it could be a good issue for the OWA to hang its hat on.

**LNG Pipeline**

Lyon is unable to advise on this matter due to a conflict of interest with DWT. Farthing is working with Governor's Office, ODA, and other interested parties. Rudy Marchesi may be the industry person to lead the group opposed to the pipeline. Discussion on the real energy footprint and whether this initiative will lead towards a more renewable future. Board determined that more study needs to be done before the industry takes a stance one way or another. For the time being the OWA will support the Governor's letter.

## **Auction Planning**

OWA funds currently come from dues, proprietary shipper, Symposium silent auction, and Symposium profit share.

Discussion of an auction event in a less-frequented city bringing Oregon winemakers, lots, and experiences to high-end consumers.

Adelsheim suggested the model like the Premier Napa Valley auction. Invitees would be all trade (distributors, restaurateurs, retailers). Typical lot size is 5 cases. Websites such as winebid.com, winecommune.com, other wine auction sites could be a model. Board noted that it would require a full-time person to run.

First step would be a feasibility study – how much lead time, how much wine, volunteers, staffing, interest level of target audience, etc.

Adelsheim will come back from Napa with ideas, high-ticket items, guest list, etc. Such an event could be held at the Allison. Founding wineries could pitch in starting funds.

Olmo adjourned the meeting at 3:53pm.

# Proposed OWA Policy Positions for 2008-2009

## Immigration & Workforce

OWA will align itself with the Oregon Essential Workers Immigration Coalition, a business-led group that will advocate for comprehensive immigration reform recognizing the reliance of many U.S. industries on foreign workers. OREWIC also will oppose unreasonable state legislation that seeks to put the burden of immigration enforcement on businesses or restrict access to foreign workers.

## Land Use

OWA will monitor the deliberations of the Big Look task force, assuming it is refunded during the February supplemental legislative session, as expected. The task force was created by the 2005 legislature to examine Oregon's land use system and recommend changes that address persistent criticisms. Task force recommendations were originally expected in the 2009 session. However, the interruption in task force deliberations could delay that.

OWA also will monitor implementation of a new statute that gives the Portland metropolitan area new tools to expand urban areas and provide greater protection for rural farmland. The Oregon Land Conservation and Development Commission has approved rules to permit establishment of urban and rural reserves. Metro, in collaboration with the three metropolitan counties, is expected to begin work on identifying potential urban reserves. Individual counties will be responsible for designating rural reserves.

Finally, OWA will monitor anticipated legal challenges connected with voter-approved Measure 49.

The OWA Legislative Committee will review draft legislation that imposes seasonal restrictions on the use of 2-4-D and other phenoxy herbicides nearby vineyards. The committee also will consider potential bill drafts dealing with winery resort siting, special events permitted outright under an Oregon winery license and creation of an Oregon vineyard trust. Other issues include siting stand-alone tasting rooms in EFU zones and vineyard homestead siting.

Knowledgeable industry leaders will meet to agree on a set of principles for groundwater regulation that address statewide vineyard concerns.

### **Bottle Bill**

OWA will monitor deliberations of a task force charged with looking at further expansion of beverage containers subject to Oregon's Bottle Bill redemption law or viable alternatives. OWA will continue to oppose including wine bottles in any future Bottle Bill expansion, but will actively participate in discussions on approaches that increase beverage container recycling.

### **Taxation**

OWA will monitor deliberations of a large task force named to look at reforms in Oregon's state and local tax systems. Alcohol taxation is not expected to play a significant role in these discussions, which could lead to yet another recommendation to introduce a sales tax in Oregon.

OWA will align with the rest of the state's beer and wine lobby to oppose an increase in the state's wine privilege tax. OWA also will oppose any change in the current structure of the privilege tax, including the small winery tax exclusion.

OWA has begun discussions with the Oregon Liquor Control Commission on steps the agency has taken to collect taxes from some wineries based on new or at least different interpretations of current policy. This dialogue with OLCC could result in legislation. The OLCC has signaled an interest in wine tax legislation on this subject for the 2009 session.

### **Regulatory**

OWA achieved its objectives regarding direct shipment and self-distribution in the 2007 session, but now may face boomerang issues arising out of rules issued by OLCC to enforce those bills. One such issue is the question of whether self-distributed wine can be sent to retailer central warehouses and distributed to individual stores. Another is an OLCC rule modification addressing next-day shipping. OWA has begun conversations with the OLCC on these and other issues, which could lead to non-legislative resolutions.

OWA has asked OLCC to consider rulemaking to loosen the restriction against wineries listing restaurants that host winemakers dinners on their Web sites. The practice is now considered a financial assistance violation.

The OLCC has tentatively indicated an interest in bills for the 2009 session that recreate a winery salesperson license and restore a previous standard to convict someone who supplies alcohol to a minor. Both bills faced broad industry opposition in 2007, and are likely to face similar opposition in 2009.

### **Research**

The OWA Legislative Committee will consider efforts to continue funding for the Oregon Wine Institute and ask for state funding for research of value to the wine industry.