

OREGON WINEGROWERS ASSOCIATION
MEETING MINUTES
MARCH 25, 2008
EUGENE, OREGON

Attendees: Harry Peterson-Nedry (President) Kara Olmo via conference phone (Vice President), Steve Girard via conference phone (Secretary), David Adelsheim, Earl Jones, Lee Mankin, Sam Tannahill.

Staff: Ted Farthing (Executive Director), Sara Gourley, Gary Conkling of Conkling, Fiskum & McCormick

Guests: Gavin Joll, White Rose Wines

Call to Order

Peterson-Nedry called the OWA meeting to order at 10:00 am.

Peterson-Nedry recognized Farthing's accomplishments over the past year and presented a token of appreciation on behalf of the Board.

Minutes Approval

Jones moved Mankin seconded to approve the minutes as amended of the February 19, 2008 OWA Board meeting. Motion passed unanimously.
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OWA Auction Update

Adelsheim reported on the Premier Napa Auction. Premier Napa is a successful for many reasons:

- The event is by invitation only and attendees are members of the trade – retailers and distributors.
- Hosted at an excellent venue that accommodates 1,000 + people with different areas for tasting wine that will be auctioned, eating, and a separate room for the auction.

Adelsheim would like to be careful the OWA does not mimic Premier Napa, but use their concept as a starting point to generate ideas for an auction/fundraiser that is uniquely Oregon.

Financials

Farthing presented the attached Profit & Loss statement and Balance Sheet. The financial situation of the OWA is more promising, but still a long way from being self-sustaining. At the May 2008 Board Meeting, there will be a discussion about the possibility of increasing OWA legal counsel and legislative retainers.

Legislative Update

Conkling presented on the following items:

OLCC, self-distribution & direct shipping

OWA legal counsel submitted comments to the OLCC regarding statutes related to direct shipping and self-distribution which were passed by the Oregon legislature in 2007. A copy of this letter is attached.

Big Look Task Force

In the future OWA membership will need to respond to land use options presented by the Big Look Task Force. Conkling will keep the Board and staff updated.

Bottle Bill Task Force

There is discussion of expanding the bottle bill to include wine bottles and other beverage containers. Currently wine bottles are collected through curbside recycling. The wine industry wants to be environmentally conscious yet keep a system that works with minimal logistical problems. Conkling will report back to the Board on the number of wine bottles that are captured from curbside and keep the Board abreast with developments.

Climate Change Task Force

This task force has a significant undertaking. The focus is on inventorying and reducing green house gases in multiple industries and will invariably extend to transportation. Nothing to lobby on at the moment, however important to stay informed and engaged. This could be something that confronts wine industry tourism.

Tax restructuring group has formed with the idea to promote some kind of sales tax. Conkling has not seen the specifics and will keep the Board updated.

LNG Pipeline

In response to the proposed LNG pipeline Conkling suggested the following arguments:

- Are the terminals needed?
- What would be the source of LNG?
- Would the source be sustainable or foreign?
- Would the LNG pipelines and terminals benefit Oregon?

Given the opportunity to diversify the supply of natural gas it makes more sense to look at domestic supply. There are proposals to bring natural gas from the Rocky Mountain Basin, explore this option before approving LNG pipelines and terminals. Domestic supply would have less of an environmental impact. It makes little sense to build LNG facilities that have uncertain supply from perhaps volatile places in the world. If the LNG facilities were approved and implemented they would disrupt many small family farms. Furthermore, there is a connection with carbon neutrality; how would the LNG pipeline affect the carbon neutral challenge put forward by Oregon Governor Kulongoski.

The Board authorized Farthing to attend an LNG meeting with Oregon State Treasurer Randall Edwards on April 9, 2008 using the messaging Conkling suggested.

Peterson-Nedry adjourned the OWA meeting at 12:09pm.

Oregon Winegrowers' Association
PROFIT AND LOSS BUDGET VS. ACTUAL
July 1, 2007 to February 29, 2008

	Jul 07 - Feb 08	Budget YTD	Budget
Ordinary Income/Expense			
Income			
4010 - Membership Dues	156,688	131,000	148,000
4020 - Oregon Viticulture Publication	986		
5000 - Auction Income	415		
Total Income	<u>158,089</u>	<u>131,000</u>	<u>148,000</u>
Expense			
6100 - General Administrative	5,197	6,500	9,000
6200 - Meetings/Entertainment/Travel	1,427	3,025	5,000
6300 - Rent	4,400	4,600	7,000
6500 - Payroll Expenses	37,655	36,000	54,000
6600 - Legal Fees	29,589	24,000	38,000
6700 - Lobbying	18,692	26,664	40,000
6900 - Miscellaneous	1,250		
Total Expense	<u>98,210</u>	<u>100,789</u>	<u>153,000</u>
Net Ordinary Income	<u>59,879</u>	<u>30,211</u>	<u>-5,000</u>
Net Income	<u><u>59,879</u></u>	<u><u>-30,211</u></u>	<u><u>-5,000</u></u>

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PROFIT AND LOSS BUDGET VS. ACTUAL
July 1, 2007 to February 29, 2008

Ordinary Income/Expense

Income

4010 - Membership Dues

4020 - Oregon Viticulture Publication

5000 - Auction Income

Total Income

Expense

6100 - General Administrative

6200 - Meetings/Entertainment/Travel

6300 - Rent

6500 - Payroll Expenses

6600 - Legal Fees

6700 - Lobbying

6900 - Miscellaneous

Total Expense

Net Ordinary Income

Net Income

10:37 AM

03/20/08

Accrual Basis

Oregon Winegrowers' Association
Balance Sheet
As of February 29, 2008

	<u>Feb 29, 08</u>
ASSETS	
Current Assets	
Checking/Savings	
0300 · Umpqua Checking	110,535
Total Checking/Savings	110,535
Accounts Receivable	
1200 · Accounts Receivable	300
Total Accounts Receivable	300
Other Current Assets	
1499 · Undeposited Funds	851
Total Other Current Assets	851
Total Current Assets	111,687
Fixed Assets	
2200 · Equipment & Furnishings	4,625
2250 · Accumulated Depreciation	-3,974
Total Fixed Assets	651
TOTAL ASSETS	<u>112,337</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2001 · Accounts Payable	5,583
Total Accounts Payable	5,583
Total Current Liabilities	5,583
Long Term Liabilities	
2500 · Legal Defense Fund	80
Total Long Term Liabilities	80
Total Liabilities	5,663
Equity	
3000 · Retained Earnings	46,796
Net Income	59,878
Total Equity	106,675
TOTAL LIABILITIES & EQUITY	<u>112,337</u>