

**OREGON WINEGROWERS ASSOCIATION**  
**MEETING MINUTES**  
**MAY 6, 2008**  
**PORTLAND, OREGON**

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

**Staff:** Ted Farthing (Executive Director), Sara Gourley, Jesse Lyon and Kelly Luzania of Davis Wright Tremaine, Gary Conkling of Conkling, Fiskum & McCormick

**Guests:** Dean Underwood, Olsen Family Vineyards

---

**Call to Order**

Olmo called the OWA meeting to order at 9:04 am.

**Minutes Approval**

Girard moved Adelsheim seconded to approve the minutes of the March 25, 2008 OWA Board meeting. Motion passed unanimously.

**OWA and PAC Budgets**

Farthing presented the Board with the following OWA budget proposal for the current fiscal year and FY '08-'09:

FY '06-'07 Actual	FY '07-'08 Projection	FY '08-'09 Budget
----------------------	--------------------------	----------------------

<i>Revenue</i>			
Dues	137	176	190
Symposium	5	24	27
Auction	0	8	10
Shipper	0	0	5
Other	2	2	3
<i>Total</i>	<i>144</i>	<i>210</i>	<i>235</i>

<i>Expenses</i>			
Lobbyist	39	40	70
General Counsel	36	40	60
Staff	54	52	60
G&A	6	7	8
Rent	7	7	9
Travel & Meetings	2	3	8
<i>Total</i>	<i>144</i>	<i>149</i>	<i>215</i>

2007: 1,070 hours (\$149K), writing off >\$9K/mo  
DWT wrote off \$65K last year (>\$5K/mo)

Revenue has increased and expenses have remained constant, therefore Farthing recommends increasing general counsel and lobbyist retainers. It was noted that the whole purpose of the OWA is to provide members with general counsel and lobbying. Given the upcoming 2009 legislative session the OWA will demand more time from both general counsel and lobbyist.

Adelsheim moved Jones seconded that the OWA executive director use his best judgment to disburse funds in excess of the budgeted amount to the lobbyist and general counsel in fiscal year 2007-2008 and leave an appropriate amount of money in the reserve fund. Discussion: at the June meeting Farthing will present the Board with a new OWA budget. Motion passed unanimously.

Prior to the November election OWA will raise funds for the PAC.

### **Legislative Update**

Lyon updated the Board on the following items:

#### Proposed OLCC Direct Shipping Rules

The industry did a great job submitting comments to the OLCC regarding statutes related to direct shipping and self-distribution which were passed by the Oregon legislature in 2007. OLCC staff will either withdraw or rewrite the rules and they could be brought up at a commissioners' meeting.

#### Spray Drift

Lyon and staff will work to educate vineyard neighbors about the risks of spray drift with a three pronged approach:

- Reach out to the Oregon Department of Agriculture and suggest a rule change
- Develop and information piece for members to share with their neighbors
- Inform local media in all grape growing regions with the intention of having local press inform the general public of the effects of spray drift on wine grapes.

#### OLCC Small Producer Tax Clarification

Lyon and staff will work to draft an administrative rule change that will clarify a few words that prove to be confusing regarding the small winery producer tax. The industry will need education on this topic.

#### Conditional Use Permit

A Marion County constituent is encountering problems obtaining a conditional use permit in Marion County. The issue seems to be that Marion County does not have history with allowing conditional use permits. Lyon will keep the Board updated on this issue.

#### OLCC Two Year Licensing Renewal

The OLCC proposed a two year licensing renewal. Legal counsel will draft and submit comments on behalf of the OWA supporting the proposed rules.

Conkling presented on the following items:

#### Big Look Task Force

The next Big Look Task Force meeting is May 19, 2008; after this meeting the OWA will poll its members on the options presented by the Big Look Task Force. The Board will need to decide who they would like

to meet with to voice the grape and wine industry's position. 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 in many neighborhoods, wine bottles are collected through curbside recycling. Based on DEQ estimates for 2005, 52 tons of wine bottles were recycled; this number is low compared to the amount of wine that is consumed within Oregon. The wine industry wants to be environmentally conscious yet keep a system that works with minimal logistical problems. The Legislative Committee will discuss this item and report back to the Board.

#### **LNG Pipeline**

Farthing presented the attached OWA Position on LNG Terminals and Pipelines.

Adelsheim moved Tannahill seconded to approve the position statement essentially as written pending any additional edits that would be vetted with the board; edits need to be finalized within two weeks of May 6, 2008. Discussion: Dudley would like to keep the environmental piece in the statement since the Oregon wine industry is about being environmentally responsible. Conkling commented that LNG pipeline issue is more about economics than the environment. Motion passed. .unanimously.

Peterson-Nedry recessed the OWA meeting at 12:06pm for a 15 minute lunch break. Peterson-Nedry re-opened the OWA meeting at 12:23pm.

The nominating committee may need to be reminded that the Board represents the entire state, not individual regions.

Peterson-Nedry adjourned the meeting at 12:40pm.

## **OWA Position on LNG Terminals and Pipelines**

The Oregon Winegrowers Association joins other business, consumer and agricultural groups in questioning the benefit of a liquefied natural gas terminal in Oregon, especially in the environmentally sensitive Lower Columbia River Basin.

\* As best we understand, the sources of natural gas for the two LNG plants proposed in the Lower Columbia River have not been identified. They most likely would come from a foreign source, perhaps from the politically volatile Middle East and from nations such as Iran. We hardly think this adds security to our natural gas supply.

\* Other alternatives, such as proposed new pipelines connecting with the Rocky Mountain Basin, offer the same or greater diversity of supply, with far more security.

\* There has been no credible evidence presented to indicate an LNG terminal in Oregon will have a positive impact on natural gas prices for Oregon business and residential natural gas consumers. It seems more likely the real purpose of an LNG terminal in Oregon is to add to the supply of natural gas available to consumers in California, which has been unwilling to locate terminals on its coast.

\* LNG terminals in the Lower Columbia River area will require pipelines that traverse valuable farm and forest land, as well as 50 rivers and streams, creating the potential for environmental damage and disruption of resource-based businesses that outweighs the benefits so far presented.

\* Our environmental stewardship and clean and green reputation makes Oregon a very desirable place to visit or locate a business. Adding an LNG pipeline perceived to be environmentally harmful could harm our ability to attract tourists and create jobs.

\* Makes better sense for our resources to be channeled toward developing green energy alternatives.

For these reasons, we encourage the Federal Energy Regulatory Commission and the Oregon Land Board to reject proposals for an LNG terminal and supporting natural gas pipelines in Oregon.