

OREGON WINEGROWERS ASSOCIATION

MEETING MINUTES

JUNE 23, 2009

HOLIDAY INN EXPRESS, ROSEBURG

Attendees: Kara Olmo (President), Harry Peterson-Nedry (Secretary), David Adelsheim, Terry Brandborg, Lee Mankin, Pat Dudley, Earl Jones, Sam Tannahill

On the phone: Gary Conkling, Conkling, Fiskum & McCormick; Jesse Lyon, Davis Wright Tremaine

Staff: Ted Farthing (Executive Director), Stephany Boettner, Lavonda Driskell, Hannelore Buckenmeyer, Annie Cocchia

Call to Order

Olmo called the OWA meeting to order at 9:02 am.

Minutes Approval

Adelsheim moved, Peterson-Nedry seconded that the Board approve the minutes from the March 31, 2009 OWA Board Meeting with the deletion of the Nominating Committee Discussion. Tannahill abstained. Motion passed unanimously.

Action Items

Farthing reviewed action item checklist.

Farthing provided update on the groundwater coalition. Olmo suggested scheduling a regulatory advocacy meeting to address the issue. Peterson-Nedry added that select industry members interested in groundwater should be invited to the table.

Farthing also provided an update on membership status. Tannahill asked OWA Staff to create a solicitation letter for members who have not yet renewed in 2009 and deliver to Tannahill and Adelsehim for review. Letter will be distributed, with customized invoice, by OWA staff and will carry Board Director signatures. Adelsheim suggested adding the privilege tax victory to the messaging.

Adelsheim also suggested the possible termination of the advocate member program and communicating this to current OWA advocate members.

Privilege Tax Update

Lyon reported on the recent privilege tax victory. An April DOJ response affirmed OWA's position clarifying privilege tax reporting, payments and exemptions. Since April, the OLCC has been reviewing the draft DOJ opinion. At the June 18th OLCC Commission meeting, in response to OWA requests, Commissioner Lang suggested and the Commissioners voted unanimously to temporarily suspend current privilege tax collection practices until future procedural remedy is worked out.

Adelsheim recommended Lyon propose to OLCC the creation of a small industry task force to work with the Commission to develop appropriate rules and process moving forward. Adelsheim asked OWA staff to work with OLCC staff to draft an FAQ document for the industry.

Advocacy Agenda Update

See attached Advocacy Agenda for detailed updates by issue area.

Abandoned Vineyards: Conkling reported on HB 2904, a bill that emerged later in this legislative session permitting farmer to retain special farm assessment even if not in EFU land zone and land in mitigation with oversight by OSU extension service. OWA joined Oregon Farm Bureau and Oregon Nurseries to support passage. Bill is now in the final step in Senate and may be general in enough to help with abandoned vineyard issues (focus on maintenance, control powdery mildew, etc.) or spray drift incidents. Jones raised the concern that this language has to the potential to work against abandoned vineyard problem and suggested the need to investigate this potential and the possibility of this being retroactive.

Jones also reported that an initial letter sent by ODA to the dangerously neglectful neighboring vineyard was not successful. Lyon recommended connecting with Coba again to communicate that no regulatory action has moved forward and to encourage ODA to initiate oversight and enforcement. Adelsheim suggested that Jones and Farthing follow up with Coba regarding need for enforcement, citing any additional industry case studies and to discuss ODA role in defining and enforcing control area. OWA Staff asked to invite Coba and Dan Hilburn to future meeting to discuss abandoned vineyard issue, and specifically, the definition of a control area.

Conkling provided additional updates on farm stands, skilled workforce, the Big Look task force bill passage (HB 2229). Bottle bill never came to vote on the House floor. Status of Institute funding is still to be discussed, as budget cuts are still in process. Conkling reported that the next step is OSU extension service determining budget allocations. Finally, the Surety bond bill (HB 3128), extending surety bond waiver to qualifying OLCC warehouses and grower sales privilege licensees, passed and now is set for the Governor's signature.

Members Only Resources

Buckenmeyer presented new design and navigation for the industry website to better organize content. The OWA website will be organized by issue area, including FAQ information, and some areas will require member login. The OWA section of the GrapevineOnline newsletter will be updated to a link to the password protected content on the OWA website.

Adelsheim suggested delineating OWA and OWB content with two columns color coded and with headers communicating activities "funded by taxes" and "funded by dues."

Budget Revisions & Financial Period Shift

Farthing presented FY 08-09 LE1 OWA Budget and Recommended FY 09-10 Budget.

Dudley moved, Jones seconded that the Board approve the proposed FY 09-10 OWA Budget with the following revisions: reduce the Miscellaneous expenditures to \$10,000; projected Symposium revenue to \$29,000; sets legal and lobbying fees at \$66,000 each; and adds \$30,000 to the payroll to add an outreach and recruitment function that explores new ways to increase revenue. Motion passes unanimously.

(Voted upon budget is attached).

Olmo recessed the OWA Meeting at 12:23 pm.

Olmo adjourned the OWA Meeting at 5:40 pm.