

**OREGON WINE BOARD  
MEETING MINUTES  
DECEMBER 13, 2006**

**Attendees:** Kevin Chambers (Chair), Earl Jones (Chair Emeritus), Steve Girard (Vice Chair), David Adelsheim, Casey McClellan (Treasurer), Kara Olmo, Harry Peterson-Nedry, Scott Shull, John Weisinger.

**Guest:** Lee Mankin

**Staff:** Ted Farthing (Executive Director), Tara Anderson, Stephany Boettner, Sara Gourley, Katie Stoll.

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**Call to Order**

Chambers called the meeting to order at 1:20pm.

**Minutes**

Jones moved, Girard seconded to approved the minutes of the October 3, 2006 Oregon Wine Board meeting as written. Shull and McClellan abstained. Motion passed.

**August Board Meeting Decisions**

Per advice from the Oregon Legislative Council, the motions and decisions made at the August 2006 Board meeting held in Walla Walla Washington are null and void. Even though the Walla Walla AVA includes substantial acreage in Oregon, all state Board meetings must be held within state borders. Accordingly, the following two motions were reconsidered

Weisinger moved, Shull seconded to approve the minutes of the July 11, 2006 OWB meeting as written. Motion passed unanimously.

McClellan moved, Jones seconded to allocate up to \$52,400 from the FY 06-07 Research and Education budget for the Wieden + Kennedy marketing research as proposed, integrating the sustainability and NW wine questions. Motion passed unanimously.

**Procedural Rules**

Also per Legislative Council advice, the OWB Board entertained a motion to adopt rulemaking. Reference Oregon Wine Board Division 1 Procedural Rules

Girard moved, Shull seconded to adopt the rule OAR Chapter 619-001 Division 1 Procedural Rules. Chambers abstained. Motion passed.

**Research Priorities**

Viticulture

- Determining the influence of viticultural practices, in particular canopy management techniques, within the parameters of the climates and soils of Oregon on:
  - A. Vine balance, performance, fruit composition and wine quality.
  - B. Soil and plant water status as it effects vine balance, performance, fruit composition and wine quality.
  - C. Vine nutrition as it affects vine balance, performance, fruit composition and wine quality with the goals of identifying better methods for precise monitoring and adjusting plant nutritional status.
  - D. Concurrently, or as a separate project, develop objective standards for vine performance and fruit and wine quality which lead to metrics for measuring progress.
- Evaluate thoroughly the so called Short Shoot Syndrome (SSS) that has recently been noted in some Oregon vineyards, particularly in the Willamette Valley, determining its cause(s), prevalence and incidence as well as devise methods for rapid, accurate diagnosis, control and eradication.
- Improve current sustainable and organic practices for prevention and management of powdery mildew and botrytis.
- Improve current sustainable and organic practices for integrated management and control of weeds and grasses in Oregon vineyards.
- Develop or improve current methods and practices for crop yield estimation.
- Develop or improve existing methods for rapid field detection, identification and management of other vine diseases and abiotic stress conditions.
- Given the potential effects of climate change on the current wine growing regions of Oregon, evaluate variety, clone and rootstock selection(s) for potential future site-specific requirements for optimal wine quality and yields.

### Enology

- Effect of viticultural practices and fermentation conditions with different wine grape varieties on:
  - A. Extraction, timing, and retention of individual tannin compounds and their influence on wine texture and mouthfeel.
  - B. Must and wine pH, acid balance and their effect on cellar and bottle stability.
  - C. Extraction, timing and retention of anthocyanins and their effects on wine color stability.
  - D. Extraction, timing and retention of aroma and flavor precursors or other constituents that enhance wine quality and influence wine style.
  - E. Concurrently, or as a separate project, develop objective methods to measure wine texture, mouthfeel, quality and wine style that could provide metrics for measuring the effect of research variables.
- To optimize wine quality in this time of global warming by investigating methods to reduce generation of, or mitigate, alcohol levels in wines from high sugar musts, including selection and utilization of unique yeast(s), mechanical extraction, aqueous dilution, organoleptic balancing and other strategies.
- Define wine oxygen utilization parameters during fermentation and cellaring that are associated with achievement of different wine styles and qualities.
- Improve filtration technologies for juice and wine to eliminate unwanted compounds consistent with maximizing wine quality.

- Devise better fermentation management techniques to minimize sulfide aromas and microbial taints such as brettanomyces, volatile acidity and aldehydic/oxidized character.

Adelsheim moved, Peterson-Nedry seconded to adopt the viticulture and enology research priorities for the 2007-2008 research funding cycle. Olmo abstained. Motion passed.

On Friday, December 15, 2006 the OWB research priorities and RFP will be posted on the Unified Grant Management for Viticulture and Enology website (<http://uvegrants.ucdavis.edu/>). Deadline to submit proposals is January 31, 2007.

### **Education**

The Board agreed to create a task force comprised of grape growers and leaders from general agriculture, forestry, turf and garden/nursery to:

- (a) Access the extent of vineyard damage caused by 2,4 D and other chemicals.
- (b) Develop a statewide educational program to mitigate loss and damage to our exquisitely sensitive vitis vinifera grape vine from the appropriated or inappropriate use of these chemicals such that vineyard damage results.

The Board will invite Pat Dudley, Lonnie Wright, Kevin Coleman, Eric Lemelson, Jack Kemp, and Chris Banek to be members of the task force.

The Board agreed on the following education topics to present to the industry:

#### Viticulture

1. In cooperation with extension or other parties develop or improve programs or services that would improve the availability and utilization of rapid field detection tests, methods of identification and programs for management of vine diseases and abiotic stress conditions.
2. Describe and communicate the role of weather factors in development of diseases that reduce fruit quality or quantity and develop practices and programs to prevent or mitigate such losses.
3. Identify the principal bird and animal species that predate Oregon vineyards and develop methods to combat the predators and communicate these measures through education and outreach to all producers.

#### Enology

4. Describe and communicate the dynamics of oak extraction experienced during fermentation and cellaring that have been shown to optimize contact time for a desired wine style and quality.
5. Describe the fermentation, cellar and bottling practices that contribute to undesired microbial growth and off odors in wine and communicate the best practices to the Oregon producer through education and outreach.
6. Describe and communicate wine packaging practices, with a focus on the relative integrity of various closures for different style wines under diverse conditions and communicate the latest advances to the Oregon producer through education and outreach.

7. Summarize the effects of wine, particularly Oregon wines and their constituents' compounds on human health and societal perceptions of their health and communicate the facts to Oregon producers and consumers through education and outreach.

## **OVID**

The board discussed the possibility of integrating OVID into OWB operations.

Adelsheim moved, Jones seconded the Board to authorize Farthing to investigate and report on the necessary steps, start-up cost, and future functioning cost to bring OVID into the OWB. Motion passed unanimously.

## **Investment Guidelines**

Operational Cash Management Investment priorities: 1) safety, 2) liquidity and 3) yield. The liquid assets required to meet operational requirements shall be allocated between checking, savings, money market deposit accounts and CDs, to remain within FDIC insured limits for each account type.

Longer Term Cash Management Investment priorities: 1) safety, 2) yield and 3) liquidity. US Treasury Bills and potentially longer term CDs currently fit well.

Reserve Fund Reserve approximately 30% of the average tonnage tax paid in the 3 prior fiscal years as protection against devastating crop losses. For FY 2007-2008, this would require approximately \$200K.

Reporting Staff will summarize performance vs. budget at least four times per fiscal year, also recommending budget revisions as required. The Treasurer and staff will reevaluate investment vehicles twice each fiscal year and make a recommendation to the Board of Directors for consideration.

Adelsheim moved, Shull seconded to adopt these investment guidelines. Motion passed unanimously.

## **Approval of Revised 2006-2007 Budget and Draft 2007-2008 Budget**

Reference OWB Budget Summary spreadsheet below

Shull moved, Weisinger seconded to accept 2006-2007 LE1 as presented on the spreadsheet and directionally accept 2007-2008 Budget 1. Olmo abstained, Adelsheim not present. Motion passed.

## **Quality Forum Plan and Budget**

Girard received Board consensus to draft a plan for a wine quality forum. Girard will present the plan and budget at the January 9, 2007 Board meeting.

Chambers recessed the Oregon Wine Board meeting at 3:03pm.

Chambers adjourned the Oregon Wine Board meeting at 3:04pm

**OWB Budget Summary**

'05-'06	
Act	Act % Tot
\$	
<b>Beg Balance</b>	120,010

'06 - '07					
Bud	Bud % Tot	Bud w/ Prg Rev	Bud w/ Prg Rev	LE1	LE1 % Tot
\$				\$	
284,449			284,449	284,449	

'07 - '08			
Bud 1*	Bud 1* % Tot	Bud 2**	Bud 2** % Tot
\$		\$	
221,369		221,369	

<b>REVENUE</b>								
Grape Assess. (\$25/ton)	643,802	60%	671,000	61%	671,000	671,000	855,000	52%
Wine Tax (2c/gal)	228,268	21%	228,000	21%	228,000	228,000	235,000	14%
Program Revenue	0	0%	0	0%	131,600	131,600	126,600	8%
VAPG Revenue	0	0%	0	0%	0	0	234,170	14%
Other Income	5,365	0%	3,000	0%	3,000	3,000	6,000	0%
MAP Grant Revenue	200,000	19%	193,000	18%	193,000	193,000	193,000	12%
<b>Total Revenue</b>	<b>1,077,435</b>	<b>100%</b>	<b>1,095,000</b>	<b>100%</b>	<b>1,226,600</b>	<b>1,649,770</b>	<b>100%</b>	

1,015,000	55%	1,015,000	63%
240,000	13%	240,000	15%
135,000	7%	135,000	8%
256,500	14%	31,500	2%
7,000	0%	7,000	0%
193,000	10%	193,000	12%
<b>1,846,500</b>	<b>100%</b>	<b>1,621,500</b>	<b>100%</b>

<b>EXPENSES</b>								
<b>Research &amp; Education</b>								
Mktg Research & Stats	10,500	1%	15,000	1%	15,000	15,000	67,500	4%
Eno & Vit Research	139,189	15%	180,000	16%	180,000	180,000	135,000	8%
Urgent Solutions	3,000	0%	5,000	0%	5,000	5,000	20,000	1%
OVID	0	0%	0	0%	0	0	0	0%
Education	-15,484	-2%	15,000	1%	130,000	130,000	130,000	8%
<b>Total Res &amp; Ed</b>	<b>137,205</b>	<b>15%</b>	<b>215,000</b>	<b>20%</b>	<b>330,000</b>	<b>330,000</b>	<b>352,500</b>	<b>21%</b>
<b>Marketing</b>								
Media Relations & Matls	63,427	7%	65,000	6%	65,000	65,000	151,000	9%
Export / NWWC	225,953	24%	218,000	20%	32,000	225,000	234,000	14%
Tourism	25,603	3%	40,000	4%	49,600	49,600	120,000	7%
Website	32,290	3%	30,000	3%	30,000	30,000	179,350	10%
Retail Marketing	10,972	1%	10,000	1%	10,000	10,000	7,500	0%
Misc. / Road Show?	0	0%	4,000	0%	4,000	4,000	0	0%
<b>Total Marketing</b>	<b>358,245</b>	<b>39%</b>	<b>367,000</b>	<b>34%</b>	<b>190,600</b>	<b>383,600</b>	<b>691,850</b>	<b>40%</b>
<b>Sustainable Agriculture</b>								
Total Sustainable Ag	8,750	1%	10,000	1%	10,000	10,000	10,000	1%
<b>General &amp; Administrative</b>								
Meetings & Comm	12,529	1%	14,000	1%	14,000	14,000	20,000	1%
Employee Comp	282,284	30%	379,000	35%	379,000	379,000	474,000	28%
Equip & Maint	31,358	3%	9,000	1%	9,000	9,000	30,000	2%
Office Rent	16,621	2%	19,500	2%	19,500	19,500	19,500	1%
Staff Travel	18,088	2%	25,000	2%	25,000	25,000	35,000	2%
Misc Admin	64,061	7%	56,500	5%	56,500	56,500	80,000	5%
<b>Total G&amp;A</b>	<b>424,941</b>	<b>46%</b>	<b>503,000</b>	<b>46%</b>	<b>503,000</b>	<b>503,000</b>	<b>658,500</b>	<b>38%</b>
<b>Total Expenses</b>	<b>929,141</b>	<b>100%</b>	<b>1,095,000</b>	<b>100%</b>	<b>1,033,600</b>	<b>1,226,600</b>	<b>1,712,850</b>	<b>100%</b>

35,000	2%	35,000	2%
200,000	11%	200,000	13%
25,000	1%	25,000	2%
0	0%	0	0%
140,000	8%	140,000	9%
400,000	22%	400,000	25%
80,000	4%	70,000	4%
234,000	13%	234,000	15%
85,000	5%	70,000	4%
70,000	4%	40,000	3%
0	0%	0	0%
166,000	9%	0	0%
635,000	35%	414,000	26%
15,000	1%	15,000	1%
20,000	1%	20,000	1%
580,000	32%	580,000	37%
20,000	1%	20,000	1%
23,000	1%	23,000	1%
40,000	2%	40,000	3%
75,000	4%	75,000	5%
<b>758,000</b>	<b>42%</b>	<b>758,000</b>	<b>48%</b>
<b>1,808,000</b>	<b>100%</b>	<b>1,587,000</b>	<b>100%</b>

