



LODI WINE
WINEGRAPE
COMMISSION

**Lodi Winegrape Commission
Meeting Minutes - Final
July 22, 2021**

The Lodi Winegrape Commission met on Thursday, July 22, 2021.

1. The meeting was called to order by Chairman Kendra Altnow at 2:05PM.
2. Roll was called

| <u>Commissioner</u> | <u>Present</u> | <u>Alternate Commissioner</u> | <u>Present</u> |
|---------------------|----------------|-------------------------------|----------------|
| Phil Abba | X | Dirk Heuvel | EX |
| Jason Eells | X | Joe Laranaga | X |
| Bruce Fry | X | Joan Kautz | EX |
| Curt Gillespie | X | Jacylyn Stokes | X |
| Matt Lauchland | X | Todd Maley | EX |
| Tom Murphy | X | Colton Machado | EX |
| Diego Olagaray | X | Mitch Spaletta | |
| Aaron Shinn | X | Garret Schaefer | EX |
| Brandon Sywassink | EX | Scott Armolea | EX |

Also, in attendance was Amy Blagg and Mirek Wilczek (CDFA Marketing Branch). Staff present Stuart Spencer, Stephanie Bolton and Jenny Heitman. A quorum was established.

3. On a motion by Olagaray the minutes of the June 23, 2021 meeting were approved (Exhibit A).
4. Public Comment on Items Appearing on the Agenda – None
5. **Financial Report** – Stuart Spencer informed the board that yesterday’s Finance Committee needed to be cancelled due to an unforeseen scheduling conflict for LWC Treasurer Brandon Sywassink. The meeting will be rescheduled in a couple weeks when year-end financial statements are ready.
6. **Report of the Nominating Committee** – Bruce Fry and Jaclyn Stokes comprised the nominating committee and reported that they had talked to all Commissioners and have the following recommendations: Chairman, Aaron Shinn; Vice Chairman, Diego Olagaray; Treasurer Brandon Sywassink; Secretary, Curt Gillespie. The bylaws limit board members to serve on one committee, except the officers may serve on an additional committee besides the Executive Committee. After some discussion, Mirek Wilczek with CDFa administered the

election for the Chairperson. Motion to accept the recommendation of the nominating committee, close the discussion and vote for Aaron Shinn as Chairperson. Olagaray/Eells – Carried. The election was then turned over to the Chair Aaron Shinn. Motion to accept the recommendation of the nominating committee for Diego Olagaray to serve as Vice Chair, Brandon Sywassink to serve as Treasurer, and Curt Gillespie to serve as Secretary. Eells/Fry – Carried.

7. **Chairman's Report** – Chair Shinn thanked Altnow for her years of service to the Commission. He also noted that he would be working on committee assignments for new board members and potentially and committee chair positions.
8. **Consideration of Agreements between LWC and CWF** - Spencer shared the draft agreement for Promotional Services for 2021-22 (Exhibit B). Spencer explained that the agreement formalizes the relationship between LWC and CWF concerning the Lodi Wine & Visitor Center. Motion to accept the agreement as presented. Fry/Olagaray – Carried.
9. **Executive Director's Report** - ED Spencer presented and discussed his Executive Director Report (Exhibit C). He highlighted the search for a new Vit Research Specialist, updated Visitor Center hours and operation, annual audit, winery strategic planning, outreach to Stockton leadership regarding the ag industry and addressed several committee activities.
10. **Committee Reports:**

Executive Committee – The committee has not met.

Grower Marketing Committee – The committee met on Monday, July 19. They reviewed the spring promotional campaign and discussed the coming year. They are interested at extending the people and place storytelling campaign into video. The committee also discussed 30th anniversary celebration post-harvest in mid to late November. Staff has a public relations planning meeting scheduled with Calhoun and Company next Wednesday, July 28. During this planning session we will develop our PR framework and plan for the coming year.

Lodi Rules – Aaron Shinn and Stephanie Bolton updated the board on the recent Lodi Rules committee activities. The program has expanded significantly this year to 66,000 acres due in part to Bogle Vineyards requiring growers to participate. The committee and staff continue to work on a making the Pesticide Risk Tool (PRT) at useable and useful tool for LODI RULES growers.

Research, Education, Communication – Stephanie Bolton reported that the committee met on Tuesday and would hold their first in-person breakfast meeting on August 3. They also have a breakfast meeting scheduled for September 7. Stephanie has been appointed to the Fresno State Viticulture Advisory Board. Staff has reached out to the Valley Air Board for input and potential alternative to vineyard burning and is also working on setting of some

smoke affected benchmarking for Lodi vineyards this season. Bolton also informed them that she continues

Winery Marketing Committee – Spencer informed the board that in addition to the strategic planning process the winery committee has contracted with Community Benchmark to benchmark visitation and DTC sales for Lodi wineries. An estimated 28 wineries have initially signed up to participate in the service which will hopefully provide valuable data for individual wineries and the region.

11. Other Organization Reports:

CWEF – No report

SJCFB – no report

LDGGA – The Lodi District Grape Growers Association is hosted a water forum on June 30 and a harvest safety seminar for July 15. They are currently holding a blood drive with the Red Cross in memory of Kris Gutierrez. Amy Blagg also updated the group on a few other regulatory issues.

Lodi Grape Festival – no report

CAWG – no report

12. **Public Comment** – No comment

13. **Agenda Items for Future Meetings** – None

14. The next meeting was scheduled for October 20, 2021 at 2:00PM.

15. The meeting adjourned at 3:10 PM.

Respectfully submitted,

Stuart Spencer
On behalf of Curt Gillespie
Secretary



LODI WINE
WINEGRAPE
COMMISSION

**Lodi Winegrape Commission
Meeting Minutes - Final
June 23, 2021**

The Lodi Winegrape Commission met on Wednesday, June 23, 2021.

1. The meeting was called to order by Chairman Kendra Altnow at 2:33PM.
2. Roll was called

| <u>Commissioner</u> | <u>Present</u> | <u>Alternate Commissioner</u> | <u>Present</u> |
|---------------------|----------------|-----------------------------------|----------------|
| Phil Abba | X | Dirk Heuvel | X |
| Kendra Altnow | X | Mitch Spaletta | |
| Bruce Fry | EX | Joan Kautz | X |
| Curt Gillespie | X | Jacylyn Stokes | X |
| Matt Lauchland | X | Todd Maley | X |
| Tom Murphy | EX | Colton Machado | EX |
| Diego Olagaray | X | Garret Schaefer | X |
| Aaron Shinn | EX | Jason Eells | EX |
| Brandon Sywassink | X | Scott Armolea | X |

Also, in attendance was Amy Blagg, Larry Whitted and Mirek Wilczek (CDFA Marketing Branch). Staff present Stuart Spencer. A quorum was established.

3. On a motion by Sywassink/Olagaray the minutes of the May 12, 2021 meeting were approved (Exhibit A).
4. Public Comment on Items Appearing on the Agenda – None
5. **Financial Report** – Brandon Sywassink reported that the Finance Committee met on June 9, 2021 and reviewed the April financial statements, and budget through April 2021 and had no concerns. The committee also discussed the appointment of Croce, Sanguinetti & Vander Veen to conduct the Commission’s fiscal and compliance audits for fiscal year 2020-21. Motion to appoint Croce, Sanguinetti & Vander Veen to conduct the Commission’s fiscal and compliance audits for FY 2020-21. Sywassink/Olagaray – Carried.
6. **Chairman’s Report** –
 - Chair Altnow asked Stuart Spencer to present the board election results. Elected as Commissioners were Aaron Shinn, Matt Lauchland, Diego Olagaray, and Jason Eells.

Elected as alternates were Garrett Schafer, Todd Maley, Mitch Spaletta, and Joe Laranaga.

- Chair Altnow appointed Bruce Fry and Jacqueline Stokes to serve as the nominating committee. They will present recommendations at the July meeting for board officers.
- Assessment Collections Policy & Procedures – Altnow and ED Spencer updated the board on the need for an Assessment Collections Policy & Procedures. Currently, there isn't a policy in place and Spencer believes the Commission should have one, and it could be helpful in defining collection procedures, exemptions, and custom crush activities that impact assessment revenue. The board reviewed the draft policy recommended by the Executive Committee. (Exhibit B) Motion to accept and adopt the recommended Assessment Collections Policy & Procedures. Olagaray/Sywassink – Carried.

7. **Consideration of FY 2021-22 Budget** - ED Spencer presented the proposed FY 2021-22 Budget (Exhibit B). The Executive Committee and committee chairs met on June 3, 2021, to assemble the budget. Each committee submitted a budget request, and the group developed an income projection (Exhibit C). ED Spencer led the board through each committee's budget and discussed what was being proposed for the coming year. Motion to accept the recommended budget with projected income of \$2,280,672.62 and projected expenses of \$2,302,281.62 for a fiscal year budget deficit of \$21,609.00. (Exhibit D) Kautz/Abba – Motion Carried (8 ayes/1 nay).
8. **Assessment Rate** – The Executive Committee is also recommending that the assessment rate stay the same for 2021-22 FY at .45%. Motion to set the assessment rate at .45% for the fiscal year 2021-22. Sywassink/Kautz – Carried.
9. **Executive Director's Report** - ED Spencer presented and discussed his Executive Director Report (Exhibit E). He also passed out a handout on the Spotted Lanternfly, a potential invasive pest that could pose significant challenges for Lodi. Growers need to make sure our county ag commissioner is vigilant in preventing this pest from getting established.

10. **Committee Reports:**

Executive Committee – The committee met on June 17, 2021. Chair Altnow updated the board on the Executive Director review process. She thanked everyone that participated in the more extensive performance evaluation survey coordinated by Commission legal counsel. In addition to conducting the performance evaluation, the Executive Committee discussed the importance of benchmarking the ED compensation to similar sized trade associations based on budget and number of employees. Altnow explained that the Executive Committee felt this was critical to retaining staff and attracting new talent down the road. A 13% raise was unanimously approved by the Executive Committee.

Grower Marketing Committee – Committee Chair Joan Kautz updated the board on the Grower Marketing committee activities. The Commission is in the middle of our spring advertising campaign built on the concept of "The People & The Place" that make Lodi

special. The program features professional photography of our growers alongside personal stories, the campaign will seek to create real and lasting connections with our target audiences. The committee is interested in extending the campaign into video telling the personal stories of Lodi growers.

Lodi Rules – Spencer updated the board on the recent Lodi Rules committee activities. The committee and staff has spent extensive time working on the Pesticide Risk Tool (PRT).

Research, Education, Communication – Committee Chair Larry Whitted reported that the committee would meet on May 18 to develop their budget request. On May 13 they hosted the final UC Lodi Water Management Workshop.. On May 20, 2-3PM - Trinchero Family Estates demo two intelligent sprayers (Smart Guided® Systems). On June 1 they held the CD 11 Lodi IPM Network Breakfast Meeting with guest Roger Baldwin, PhD, Wildlife Specialist, Department of Wildlife, UC Davis. On July 9 in cooperation with Round Valley Ranches hosting a Monarch tractor demo.

Winery Marketing Committee – Spencer informed the board that we have initiated a strategic planning process for the winery community. They have contracted with Stacie Jacob of Solterra Strategies to lead the process. Solterra conducted the Commission strategic planning process in 2018 and is a great resource for this more narrowly focused effort. The process will hopefully define community-wide winery goals and build consensus from within the winery community.

11. Other Organization Reports:

CWEF – No report

SJCFCB – no report

LDGGA – The Lodi District Grape Growers Association is hosting a water forum on June 30 and has scheduled the harvest safety seminar for July 15.

Lodi Grape Festival – Sywassink reported that they need grape growers to participate in the grape judging contest by donating grapes.

CAWG – no report

12. **Public Comment** – ED Spencer thanked outgoing Chair Altnow on her eight years of service to the Lodi Winegrape Commission serving as Chair the past two years.

13. **Agenda Items for Future Meetings** – Election of officers.

14. The next meeting was scheduled for July 22, 2021 at 2:00PM.

15. The meeting adjourned at 4:54 PM.

Respectfully submitted,

Stuart Spencer
On behalf of Curt Gillespie
Secretary

**AGREEMENT FOR PROMOTIONAL SERVICES
BETWEEN THE LODI WINEGRAPE COMMISSION
AND THE CALIFORNIA WINE EDUCATION FOUNDATION**

This Agreement for Promotional Services (hereinafter referred to as "Agreement") is effective on the first day of July 1, 2021, by and between the Lodi Winegrape Commission, an entity of state government established pursuant to the California Food and Agricultural Code Section 74801, et seq. (hereinafter referred to as "Commission"), and the California Wine Education Foundation (hereinafter referred to as "Foundation").

RECITALS

WHEREAS, Commission is statutorily empowered to promote growth and expansion of the winegrape industry through market development, promotion, education and research; and

WHEREAS, Foundation is engaged in promotional, educational and research activities relative to the Lodi and greater California wine and winegrape industry, including operation of a Visitor's Center; and

WHEREAS, Commission believes that the Visitor's Center enhances and promotes the Lodi winegrape industry in accordance with Commission's enabling legislation;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree to the following:

1. Funds. Commission shall pay to Foundation an annual fee of \$75,000, to be paid on a monthly basis. This annual fee will be approved by the Commission Board as part of the Marketing-Promotion budget of the Commission.

2. Responsibilities of Foundation. Foundation shall use these funds exclusively for the promotion of the winegrape industry and the education of the public about the winegrape industry by and through the activities of the Visitor's Center.

Foundation shall provide Commission an accounting of all revenue and expenditures of Commission funds. Foundation shall also make its records available for audit by Commission during the term of this Agreement and for up to three years after the date of final payment by Commission.

3. Separation of Organizations. Commission and Foundation acknowledge and agree that they are separate legal organizations, each with their own statutory duties to treat the confidential and proprietary information of each respective

organization as such. Commission and Foundation further acknowledge and agree that there is a duty on the part of each organization not to commingle funds between the two organizations. To this end, Commission agrees that it shall take all reasonable and necessary steps to keep both organizations separate so that the proprietary and confidential information from both organizations are kept separate and treated as such. Commission further agrees that it will take all reasonable and necessary steps to ensure that commingling of Commission and Foundation revenues does not occur, such as, but not limited to, establishing separate bank accounts in the name of each organization and keeping separate financial records for each organization.

4. Term. This Agreement shall commence on July 1, 2021, and terminate on June 30, 2022, unless terminated earlier by either party, pursuant to the provisions of paragraph 5 below.

5. Termination.

(a) This Agreement may be terminated under any of the following conditions:

(i) Secretary of Food and Agriculture. In the event that the Secretary of Food and Agriculture (Secretary) provides Commission notice to cease or correct any activity or function that is determined by the Secretary not to be in the public interest or that is in violation of Division 22, Chapter 18 of the California Food and Agricultural Code, and if Commission determines it can no longer perform any of its responsibilities pursuant to this Agreement after ceasing or correcting the activity or function, Commission may immediately terminate this Agreement and cease all Management Services.

(ii) Termination of Commission. In the event Commission ceases to operate, Commission shall conclude the Management Services as of the date of such cessation and thereupon terminate this Agreement.

(iii) Termination. This Agreement may be terminated without cause by giving 30 days advance written notice to the other party. This Agreement shall terminate on the 30th day after written notice of the termination is received. In the event Foundation terminates this Agreement pursuant to this section, it is agreed that Foundation is liable for all commitments made prior to cancellation or modification and shall reimburse Commission for all reasonable amounts due or owing in accordance with this Agreement.

(iv) Adoption of new agreement. This agreement supersedes all previous agreements and may be terminated upon the mutual agreement and adoption of any subsequent agreement(s) between the Commission and Foundation related to Management Services.

(v) Default. Except as provided in Sections 5(a)(i)-(iii), in the event that either party defaults in performance of any term or condition of this Agreement, the defaulting party must cure the default by a satisfactory performance within thirty (30) days after service of notice on the defaulting party. If the defaulting party fails to cure the default within the specified time, the non-defaulting party may terminate this Agreement without further notice.

(b) Commission Funds. Any Commission funds remaining after termination of this Agreement as provided in Sections 5(a)(i)-(iii) shall be returned to Commission within thirty (30) days following the notice provided by the Secretary in Section 5(a)(i), on the date Commission is required to conclude its obligations in Section 5(a)(ii), or on the date of the notice as provided in Section 5(a)(iii). Any outstanding Foundation funds due and payable to Commission for Management Services shall not be waived by termination of this Agreement.

(c) Liability. Upon the termination of this Agreement as provided in Sections 5(a)(i), (ii) or (iii), Commission shall not be held liable for any breach of this Agreement.

6. Indemnification. Foundation agrees to indemnify and hold Commission, its officers, directors, agents and employees harmless and render Commission, its officers, directors, agents and employees an immediate defense, including retention of legal counsel of Commission's choice, against any and all liabilities, losses, costs, damages, attorney's fees and any other expenses which Commission, its officers, directors, agents and employees may sustain or incur as a result of or in any way connected with Foundation's performance under this Agreement arising directly or indirectly from any acts, errors or omissions of Foundation during the term of this Agreement. Indemnification includes, but is not limited to, indemnity for sums paid or liabilities incurred in settlement of, expenses paid or incurred in connection with, claims, suits or judgments against Commission, its officers, directors, agents and employees, and expenses paid or incurred in enforcing the terms of this Agreement, or in procuring or attempting to procure, release from liability resulting from or in any way connected with Foundation's performance under this Agreement arising directly or indirectly from any acts, errors or omissions of Foundation during the term of this Agreement.

7. Insurance Coverage. Foundation shall maintain, at its sole expense, the appropriate insurance coverage for the purpose of defending and indemnifying Commission and its officers, directors, employees, contractors and representatives from liability which may arise from the acts or omissions of Foundation. Commission shall be named as an additional insured on each such insurance policy and Foundation shall provide Commission with proof, in a manner satisfactory to Commission, that the obligations of this paragraph have been met.

8. No Partnership/Liability. The parties hereto acknowledge and agree that the relationship between Commission and Foundation is one of principal and independent contractor and no other. Nothing contained in this Agreement shall create or be construed as creating a partnership, joint venture, employment relationship or any other relationship except as set forth between the parties. The parties specifically acknowledge and agree that Commission is not a partner with Foundation, whether general or limited, and no activities of Commission or Foundation or statements made by Commission or Foundation shall be interpreted by any of the parties hereto as establishing any type of relationship other than that of principal and independent contractor.

9. Notices. All notices and other communications hereunder shall be deemed to have been given when delivered personally, at the time confirmed for delivery if by facsimile, or if mailed, at the time deposited in the United States mail or with an express mail service, postage prepaid and addressed as follows:

Lodi Winegrape Commission
2545 West Turner Road Lodi,
California 95242

California Wine Education Foundation
2545 West Turner Road
Lodi, California 95242

The parties hereto may change their address as set forth in this paragraph by providing the other party with written notice thereof.

10. Amendments. No change, amendment or modification of this Agreement shall be valid unless in writing and signed by the parties hereto.

11. Assignment. This Agreement may not be assigned or transferred by either party to any third party without the prior written consent of the other party.

12. Attorney's Fees and Venue. If an action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs in addition to any other reasonable relief to which it may be entitled. With respect to any suit, action or proceeding arising out of or related to this Agreement, or the documentation related hereto, the parties hereby submit to the jurisdiction and venue of the appropriate court in the County of San Joaquin, State of California for any proceeding arising hereunder.

13. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way.

14. Binding on Successors. This Agreement shall be binding on and inure to the benefit of the respective heirs, personal representatives, successors and assigns of the parties hereto.

15. Governing Law. This Agreement shall be construed and governed pursuant to the laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the day and in the year set forth above.

LODI WINEGRAPE COMMISSION

CALIFORNIA WINE EDUCATION
FOUNDATION

By: _____
_____, Chairman

By: _____
_____, Chairman

lodi222



LODI WINE

WINEGRAPE
COMMISSION

Executive Director Report 7-22-21

BOARD UPDATE

Staffing Update – Our search for a Viticulture Research Specialist is evolving. Two candidates we liked took other jobs. We are reassessing the job description and making some minor changes and reposting the position.

Visitor Center Operation –The Visitor Center is gradually expanding hours of operation as the business returns and staffing allows. We just hired another part time person and will be returning to being open 7 days/week. Under the leadership of new Visitor Center Manager Paul Marsh we are seeing renewed life and sales. Wine club membership is growing again, and he is energizing staff to provide excellent customer service.

Winery Strategic Plan – We are in the beginning stages of our winery strategic planning process with Solterra Strategies. A survey has been sent out to the entire winery community seeking their input, a task force is being assembled, and strategic planning retreat has been scheduled for Aug 18-19, 2021.

Tourism Recovery Grant – The Lodi Winegrape Commission and Visit Lodi applied for a \$96,000 tourism recovery grant offered by SJ County to help revitalize tourism following the pandemic. We will hopefully hear soon on the grant and intend to utilize the funds to augment our existing story telling campaign.

Education Grant – The Commission along with Delta College, Lodi Unified, and San Joaquin A+ were recently awarded a \$200,000 Genentech Foundation grant to design a new, innovative high school program that prepares students for a variety of professional careers within the winegrowing and hospitality industries. As part of this endeavor, we have a meeting scheduled for September 2 with the Stockton City Manager and Economic Development Director to share thoughts on how Stockton can support the current and emerging needs and opportunities of the agriculture sector in San Joaquin County.

Annual Audit – The annual fiscal and compliance audit is scheduled for the week of Aug 16, 2021. Croce, Sanguinetti & Vander Veen will be on site for the entire week. They will also reach out to the Commission Chair and Treasurer to see if there are any concerns or areas that they want looked at. Any board member concerns can be directed to those individuals.

Committee Assignments – All Commissioners and Alternates must serve on a committee. The LWC Chair appoints the Committee Chairs who then fill their respective committees. In the coming weeks new committee appointments will be made. If you are interested in serving on a different committee, please let us know.

LWC ACTIVITIES UPDATE

Grower Marketing – The committee met on Monday, July 19. They reviewed the spring promotional campaign and discussed the coming year. They are interested at extending the people and place storytelling campaign into video. The committee also discussed 30th anniversary celebration post-harvest in mid to late November. Staff has a public relations planning meeting scheduled with Calhoun and Company next Wednesday, July 28. During this planning session we will develop our PR framework and plan for the coming year.

Research, Education & Communications Committee – On Monday July 19, the Rootstock Focus Group met with recently retired UC Davis professor Andy Walker to discuss opportunities and rootstock needs for the next generation of Lodi vineyards. The focus group is interested in fostering on-farm rootstock trials in the coming years. Dr. Walker's input and willingness to help will be critical to our success. The committee also met on Tuesday, July 20, and will be hosting the first in-person outreach event on August 3. The breakfast meeting will feature Tapan Pathak, PhD, UC Cooperative Extension Specialist, UC Merced discussing the New Normal of Pest & Disease Management.

LODI RULES – The committee is scheduled to meet next Monday, July 26. Staff and committee members have spent a great deal of time recently on development of the PRT (Pesticide Risk Tool). We have been working closely with Protected Harvest and the IPM Institute to develop an effective and usable tool for Lodi growers to measure pesticide risk for the program. Stephanie is also finalizing the Spanish version of the LODI RULES standard, companion information and introduction. Our program will be the first to offer a Spanish version.

Winery Marketing – The committee met on Tuesday, July 13 and reviewed June's Celebrate Rose weekend event. In addition to the strategic planning process the committee contracted with Community Benchmark to provide sales and visitation benchmarking data for the Lodi region. At this point, 28 wineries have signed up for the service, and the information will be valuable moving forward as we assess the effectiveness on winery marketing programs, tourism development, and created educational programming.

COMMITTEE MEETINGS

July 26 – LODI RULES Committee (Noon)

August 24 – Research, Education & Communication Committee (Noon)