



L O D I W I N E
W I N E G R A P E
C O M M I S S I O N

Lodi Winegrape Commission
Meeting Minutes – FINAL
February 16, 2023

The Lodi Winegrape Commission met on Thursday, February 16, 2023.

1. The meeting was called to order by Chairman Aaron Shinn at 2:02PM.
2. Roll was called

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

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

3. On a motion by Olagaray/Stokes the minutes of the November 2, 2022 meeting were approved (Exhibit A). On a motion by Olagaray/Stokes the minutes of the January 18, 2023 meeting were approved (Exhibit B).
4. Public Comment on Items Appearing on the Agenda – None
5. **Financial Report** – Finance Committee Chair Tom Murphy reviewed the 2021-22 Fiscal & Compliance Audit and presentation by Croce, Sanguinetti & VanderVeen. The draft audits had previously been sent to board members. There were no findings. Motion to accept the recommendation of the Finance Committee to approve the 2021-22 Fiscal & Compliance audits. Abba/Murphy – Carried.

On January 10, 2023 the Executive and Finance committees held a joint meeting and discussed different options for managing the Commission’s cash throughout the year. Cash-on-hand typically peaks around February and reaches its low point around October. Until recently, with near zero interest rates, the best strategy was to leave funds in checking

accounts to offset monthly fees. Motion to authorize the Finance Committee to maximize investment options with Commission cash within the parameters of the law for Commission dollars. Eells/Stokes – Carried.

6. **Chairman's Report** – Chairman Shinn reported on his recent activities including the annual meeting held at Hutchins Street Square on January 18, 2023. He and others felt the event was well attended and well executed and attendees enjoyed themselves. He also discussed the recent Lodi Wine & Chocolate weekend and the signature event being developed to replace ZinFest.
7. **Executive Director's Report** - ED Spencer updated the board on recent Commission activities (Exhibit C) including the recent publication of the preliminary Grape Crush report. Based on the report, Commission revenue is expected to be above budget. While tonnage was down, pricing rose by \$22/ton. Additionally, Spencer detailed plans for the new signature event titled the "Lodi Wine Experience". The event will be an extension of the Commission existing branding and will be anchored by the two key elements – the Vintner's Grille on Friday night and Grand Tasting (Festival) on Saturday.
8. **Committee Reports:**

Executive Committee – The committee met with the Finance Committee on January 10, 2023. They discussed ongoing operations and reviewed investment options.

Grower Marketing Committee – The committee is scheduled to meet in early March. Staff continue to work on the video series featuring different families/growers/vintners that tell their individual stories. The series, titled "A Rising Tide" details how these different individuals come together to create a sense of place around Lodi. Final edits are being worked through now, and a new section is being developed on the lodiwine.com website to house the videos. We are also contracting advertising support to drive interest in the video series. Will be partnering with Punch, Wine Spectator, Vine Pair and Wine Enthusiast this spring to drive traffic to the series and build awareness of Lodi.

Winery Marketing Committee – The 26th annual Lodi Wine & Chocolate weekend saw over 2500 guests from 20 states and Canada and grossed nearly \$200,000 in ticket sales. Early feedback from guests and wineries is very positive. The committee is also planning for the Palm Dessert Wine & Food Festival at the end of March where 12 wineries will be attending. Additionally, the 6-part WISE Academy direct-to-consumer sales workshops continue for the next 3 months. On Tuesday, we held the third class in the series on best wine club management practices.

Lodi Rules – The LODI RULES committee unveiled the 4th edition of the LODI RULES standards at the annual meeting on January 17. Additionally, Stephanie has been working diligently with committee members on the new PEAS 2.0 that is based on the IPMI Institutes' Pesticide Risk Tool (PRT). The new PEAS 2.0 will be the most sophisticated tool available to winegrowers to assess risk when applying any pesticides. Additionally, Stephanie and Phil Abba met with staff from the British Consulate on Monday. They were interested in our

sustainability program. Stuart and Stephanie also met in early February with Wine Institute International and Sustainability team to discuss potential trade barriers around social (employee) related issues. Currently, California wine is not getting credit for regulatory requirements that California growers and vintners are required by law to meet, specifically around employee matters, potentially jeopardizing some international markets.

Research, Education, Communication – In addition to the January breakfast meeting, Grape Day, and the upcoming Weed Field Day, Stephanie has been working with Bob Lauchland to develop a simple ROI spreadsheet for Lodi growers to help understand costs in vineyard development and operations when negotiating contracts with wineries. Lodi's "Grape Canine Virus & Pest Detection" grant application with DPR was ranked 2nd out of 17 proposals at the recent public hearings. We hope to find out by April whether we will receive the grant.

9. Other Organization Reports:

CWEF – no report

LDGGA – Amy Blagg updated the Commission board on policy matters that concern Lodi winegrowers. Additionally, LDGGA is hosting its 70th annual meeting on February 23rd and hosting a Business & Economics Workshop on April 2, 2023.

SJCFB – Andrew Genasci is the new Executive Director for SJ County Farm Bureau.

Lodi Grape Festival – no report

CAWG – the annual CAWG state advocacy day is March 14.

10. **Public Comment** – No comment

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

12. The next meeting was scheduled for April 5, 2023, at 2:00PM.

13. The meeting adjourned at 3:45 PM.

Respectfully submitted,

Stuart Spencer
On behalf of Curt Gillespie
Secretary



LODI WINE
WINEGRAPE
COMMISSION

**Lodi Winegrape Commission
Meeting Minutes – FINAL
November 2, 2022**

The Lodi Winegrape Commission met on Wednesday, November 2, 2022.

1. The meeting was called to order by Chairman Aaron Shinn at 2:04PM.
2. Roll was called

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

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

3. On a motion by Olagaray/Stokes the minutes of the July 26, 2022, meeting were approved (Exhibit A).
4. Public Comment on Items Appearing on the Agenda – None
5. **Financial Report** – Tom Murphy reviewed the budget summary through fiscal year end of June 2022 (Exhibit B). He also informed the board that Croce, Sanguinetti & Vander Veen have completed the Commission’s fiscal and compliance audits for fiscal year 2021-22. Pauline Sanguinetti will be attending the Finance Committee meeting on November 15, 2022 to present the audits to the committee.
6. **Chairman’s Report** – Chairman Shinn reported on his recent activities and initiated a discussion regarding board member experiences with the 2022 harvest. He reported that Research, Education & Communication Chair Larry Whitted would like Norm Peters to serve

on the committee. Motion to approve Norm Peters serving on the Research, Education & Communication committee. Olagarary/Stokes – Carried.

7. **Consideration of Agreements between LWC and CWF** – Executive Director Spencer shared that the “Agreement for Management Services Between the Lodi Winegrape Commission and the California Wine Education Foundation”. This agreement codifies the use of Commission staff to operate the Lodi Wine Visitor Center and spells out that those direct expenses will be billed back to the Foundation. Motion to approve the Management Services Agreement. Murphy/Maley – Carried.
8. **Executive Director’s Report** - ED Spencer updated the board on recent Commission activities (Exhibit C). He also introduced Will Kerner, the Commission’s new Viticulture Research Specialist who started September 12. He will be working closely with Stephanie on expanding on farm grower-led research projects and supporting the Commission’s education and outreach activities. Additionally, Spencer reported that UC had finally hired a Viticulture Farm Advisor, Justin Tanner, who will be starting January 3. Spencer also noted that they were planning a Commission annual meeting for January 18 at Hutchins Street Square.
9. **Committee Reports:**

Executive Committee – The committee met on October 18 to catch up on Commission activities. The committee will meet again on December 18, 2022.

Grower Marketing Committee – The committee is scheduled to meet on Tuesday, November 8 to review ongoing marketing activities. Jenny Heitman updated the board on recent activities including additional filming for the video series, the influencer immersion trip in September, fall advertising campaign with Vine Pair, and other related initiatives.

Winery Marketing Committee – Staff updated the board on the recent Lodi wine event at the California Auto Museum and plans to attend the San Diego Wine & Food Festival in November. Additionally, planning is well underway for Lodi Wine & Chocolate Weekend scheduled for February 3-5, 2023, and the goal is to have tickets on sale by late November. The committee continues to work with CIVITAS on the Winery Business Improvement District feasibility study.

Lodi Rules – Committee chair Phil Abba updated the board on recent activities including work on the PEAS 2.0 (the new pesticide risk tool) and the 4th edition of the Lodi Rules standards that are currently being finalized for accreditation by Protected Harvest. The committee is scheduled to meet on November 10 to discuss the auditing process this past season.

Research, Education, Communication – Stephanie Bolton updated the board on recent activities including several outreach events held during harvest. The committee is scheduled to meet on December 21 and has a half-day Rootstock Workshop scheduled for December 1 in partnership with Gallo. The workshop will review the 30 year history of the Liberty Field Trial and feature multiple speakers throughout the morning, and will include a hosted

networking lunch. The workshop lays the foundation for the Rootstock Focus Group to build on-farm research trials moving forward.

10. Other Organization Reports:

CWEF – no report

SJCFCB – no report

LDGGA – Amy Blagg updated the Commission board on policy matters that concern Lodi winegrowers. Additionally, LDGGA is hosting a water forum on Thursday and will an Employment Law Update on December 16.

Lodi Grape Festival – no report

CAWG – no report

11. **Public Comment** – No comment

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

13. The next meeting was scheduled for November 2, 2022, at 2:00PM.

14. The meeting adjourned at 3:45 PM.

Respectfully submitted,

Stuart Spencer
On behalf of Curt Gillespie
Secretary



L O D I W I N E
W I N E G R A P E
C O M M I S S I O N

Lodi Winegrape Commission
Meeting Minutes – FINAL
January 18, 2023

The Lodi Winegrape Commission met on Wednesday, January 18, 2023.

1. The meeting was called to order by Chairman Aaron Shinn at 4:30PM.
2. Roll was called

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

Staff present Stuart Spencer, Katie Crippen, Paul Marsh, Kim Cassetta, Gabby Goode, Jenny Heitman, Will Kerner and Stephanie Bolton. A quorum was established.

3. Public Comment on Items Appearing on the Agenda – None
4. **Annual Meeting Presentation** – Chairman Aaron Shinn welcomed the community to the Lodi Winegrape Commission’s annual meeting. He then introduced Executive Director Stuart Spencer. Spencer and Dr. Bolton gave a presentation reviewing programmatic highlights of 2022 and new efforts underway in 2023.
5. **Public Comment** – No comment
6. The meeting adjourned at 5:15 PM.

Respectfully submitted,

Stuart Spencer
 On behalf of Curt Gillespie

Secretary



Executive Director Report 2-16-23

BOARD UPDATE

Staff Update – Jenny Heitman, our Marketing Manager, is moving to Idaho in March. Jenny is going to continue working virtually for the Commission as the majority of her work is done online and over the phone. We will likely be bringing her out for specific events and activities that require her presence in Lodi.

Dr. Stephanie Bolton has been awarded a Nuffield scholarship to participate in their International Agricultural Leadership program. She is the second Californian to be accepted into the program. She will be travelling to Canada, New Zealand, Indonesia, Japan and Australia from the end of March through the month of April as part of the program. All expenses are paid by the program. Her project as part of the program will focus on fostering international collaboration around viticulture research.

Winery Business Improvement District – The feasibility study continues to move forward. CIVITAS has collected a list of designated "wineries" from Sacramento and San Joaquin County. Commission staff reviewed the list and identified over 30 wineries that were missing. They are now waiting for the third-party sales tax management agency to return the updated list with sales tax data. Once received, they will lay out several scenarios for the winery community to consider.

Crush Report/LWC Budget – The preliminary grape crush report was released on February 10, 2023. This report determines likely Commission assessment revenue. Based upon the report, assessment revenue is projected to be \$37,000 more than originally budgeted. Projected revenue is expected to be \$1,881,009.36. While tonnage was down slightly relative to 2021, average pricing increased by \$22/ton. Chardonnay and Pinot Gris saw lightest crop in 10 years, and Cabernet Sauvignon was robust, but slightly down from 2021. Zinfandel was up 11,000 tons and was the second leading grape variety by volume and value.

Cash Management – Until recently, interest rates were near zero, and it made more sense to keep excess Commission money in our general checking account to offset fees. Our fees generally run between \$150-\$200/month and the minimum balance to offset the fees ranges from \$450,000-\$550,000. Better money market and CD rates are available through other brokerages of financial institutions than are currently being offered by the Commission's bank. See attached memo detailing options for moving forward.

Signature Event – Plans are well underway for the new signature wine event that is replacing ZinFest and is scheduled for May 19-20, 2023. The event will be called the "Lodi Wine Experience" and will include many of the key elements that were popular with Zin Fest including the Friday night Vintner's Grille and Saturday Grand Tasting. The event branding/art is an extension of the existing Lodi Wine brand and will include illustrations and similar artwork that is being used for all Commission marketing activities. Additionally, we have contracted with an outside event management company to assist with putting the event together. We have also applied for a \$50,000 grant from SJ County to support tourism development. Funds would be used for event promotion. We should know by the end of February.

LWC HIGHLIGHTS (PAST MONTHS)

January 3 – Hosted the monthly CD11 1PM Networking Breakfast meeting. This month's speaker was Tia Russell with Duarte Nursery who spoke about clean plant material and what gaps still exist.

January 17 – Hosted the LODI RULES Annual Meeting at the Lodi Grape Festival. Reviewed past year's accomplishments and introduced the 4th edition of the LODI RULES standards and the new PEAS 2.0. The program continues to grow with new growers and wineries expressing interest in the program.

January 18 – Lodi Winegrape Commission Annual Meeting at Hutchins Street Square was well attended by the local winegrowing community. We received many positive comments on the work we are all doing on behalf of Lodi.

January 24-26 – The Commission hosted a booth at the Unified Wine & Grape Symposium. Attendance returned to pre-pandemic levels with many guests from across the country visiting the booth.

January 26-27 – The California Wine Export Program brought 25 wine educators from across the globe for a week-long immersion trip into California wine. We had them for two days in Lodi where they participated in several guided tastings, vineyard walks, and a Lodi exclusive dinner at Oak Farm Vineyards. The group was part of the Capstone educational program introduced last year to create an international educational platform to learn about CA wine.

January 26-28 – The Commission is sponsored the annual ZAP Zinfandel Experience in San Francisco and hosted a table featuring Lodi Zins from member and non-member wineries. Board member Todd Maley joined the staff at the booth.

February 3-5 – Hosted the 26th annual Lodi Wine & Chocolate Weekend. There were three separate ticketed events throughout the weekend appealing to different customer interests. Friday night dinners at wineries, Saturday passport-style event, and Sunday "Winemaker's Toast" at Wine & Roses. Saturday is main the revenue-generating component for the Commission and tickets sales were over 2,300, up 150 from the previous year.

February 7 – Stephanie helped put together the educational programming for the 71st annual Lodi Grape Day held at Hutchins Street Square, and Stuart arranged for the luncheon speaker. Historically, this event was a partnership between the Lodi Chamber and UC Extension, but in the absence of a viticulture advisor, Stephanie has arranged for much of the programming in recent years.

LWC HIGHLIGHTS (PAST MONTHS)

February 23 – The Lodi Winegrape Commission, E. & J. Gallo, and Trinchero Family Estates are co-hosting a field day focusing on how to identify our main local noxious weeds, weed physiology - noting the critical life stages for weed management, and weed management technologies aimed at reducing herbicide use, lowering cost, and/or increasing effectiveness and efficiency. We'll have a general discussion on weed management followed by time in the vineyard where seasoned viticulturists lead small groups in weed identification. There will also

be an equipment demonstration (including AgriTech's WeedIt precision sprayer) and a professional horticultural display of preserved weeds created by Dawson Lewis of Starr & Storm Crop Solutions.

March 15-16 – Lodi is hosting two media and trade lunch and dinners in Antwerp and Brussels Belgium in partnership with California Wine Export program. These will be small exclusively Lodi events with several vintners attending.

March 19-21 – The Lodi Winegrape Commission is hosting a regional table in the California Wine Pavilion at ProWein in Dusseldorf, Germany. ProWein is the largest and most widely attended wine trade show in the world. Lodi and sustainability will also be featured in the educational barn that is being created.

March 25-26 – The Lodi Winegrape Commission and 12 Lodi wineries are participating in the Palm Dessert Wine Festival. The event features two grand tastings on Saturday and Sunday. Additionally, the Commission will be hosting two seminars during the festival.

April 17 – At some point during the week of April 17, the Winegrape Commission will be hosting a group of European wine media interested in sustainability.

April 24-25 – We will be hosting two directors of the International Master of Wine program for two days in Lodi. We are pitching them on utilizing Lodi as part of their MW training program. The Master of Wine is the most rigorous and difficult wine certification program to attain, and only 498 candidates have passed the exam since it began in 1953.

May 9-11 – The Lodi will be participating in two California wine tastings in Montreal and Toronto, Canada. These two trade shows will have a regional focus on Lodi.

May 19-20 – The new ZinFest- Lodi Wine Experience.

May 23-25 – Lodi will be hosting a regional pavilion at VinExpo Singapore. Several wineries will be pouring from within the Lodi pavilion, and we will have a Lodi seminar at the event.

June 7 – Lodi will be hosting the California State Fair Wine Competition judges for a dinner in Lodi.

COMMITTEE UPDATES

Grower Marketing – The committee is scheduled to meet in early March. Staff continue to work on the video series featuring different families/growers/vintners that tell their individual stories. The series, titled "A Rising Tide" details how these different individuals come together to create a sense of place around Lodi. Final edits are being worked through now, and a new section is being developed on the lodiwine.com website to house the videos. We are also contracting advertising support to drive interest in the video series. Will be partnering with Punch, Wine Spectator, Vine Pair and Wine Enthusiast this spring to drive traffic to the series and build awareness of Lodi.

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WISE Academy direct-to-consumer sales workshops continue for the next 3 months. On Tuesday, we held the third class in the series on best wine club management practices.

Research, Education & Communication Committee – In addition to the January breakfast meeting, Grape Day, and the upcoming Weed Field Day, Stephanie has been working with Bob Lauchland to develop a simple ROI spreadsheet for Lodi growers to help understand costs in vineyard development and operations when negotiating contracts with wineries. Lodi's "Grape Canine Virus & Pest Detection" grant application with DPR was ranked 2nd out of 17 proposals at the recent public hearings. We hope to find out by April whether we will receive the grant.

Lodi Rules Committee –The LODI RULES committee unveiled the 4th edition of the LODI RULES standards at the annual meeting on January 17. Additionally, Stephanie has been working diligently with committee members on the new PEAS 2.0 that is based on the IPMI Institutes' Pesticide Risk Tool (PRT). The new PEAS 2.0 will be the most sophisticated tool available to winegrowers to assess risk when applying any pesticides. Additionally, Stephanie and Phil Abba met with staff from the British Consulate on Monday. They were interested in our sustainability program. Stuart and Stephanie also met in early February with Wine Institute International and Sustainability team to discuss potential trade barriers around social (employee) related issues. Currently, California wine is not getting credit for regulatory requirements that California growers and vintners are required by law to meet, specifically around employee matters, potentially jeopardizing some international markets.

COMMITTEE MEETINGS

February 22 – Finance Committee (Noon)

March 6 – Winery Marketing Meeting (9:00AM)

March 7 – Grower Marketing Meeting (2:00PM)

April 11 – Research, Education & Communication Committee (Noon)

Finance Committee,

I've been exploring different options for getting a better rate on Commission cash. Below is an email from Mirek at CDFA, and confirmation from Pauline Sanguinetti at Croce, Sanguinetti & VanderVeen that the Commission could invest in a money market or CD at a brokerage firm. Currently all Commission funds are with F&M Bank. The Lodi Winegrape Commission currently has 4 accounts with the bank:

- General Checking - \$1,709,036.09
- Money Market - \$15,510.73
- Special Projects - \$61,557.74
- Reserve - \$414,351.61
- **Total - \$2,200,456.17**

When interest rates were near zero, it made more sense to keep the money in our general checking account to offset fees. Our fees generally run between \$150-\$200/month and the minimum balance to offset the fees ranges from \$450,000-\$550,000. I haven't gotten a clear answer as to how the minimum balance is determined.

F&M Bank – Options

Daniel Meza with F&M gave me the following options. This is from late January and rates might be slightly higher.

- Money Market – 1.5%
- 6-month CD: 2.00%
- 9-month CD: 2.50%
- 12-month CD: 2.75%

Charles Schwab – Options

All Commission full and part-time employees have retirement accounts set up at Charles Schwab that is directly funded by the Commission. Currently, the Commission does not have an account in our name, and Kim has run into difficulty over the years in setting up new employees and funds depositing correctly. It would be beneficial for her for the Commission to have an account and would streamline that process. Below are current rates available at Schwab:

- Money Market – 4.46%
- 6 – 12-month CD: 4.75 -4.90%%

Also attached is a spreadsheet detailing “Cash On Hand” by month over the past 7 years. October and November are usually the lowest point for the years.

Please let me know if you have any questions or thoughts, but we should discuss at next week's board meeting.

Thanks,
Stuart